

The 50% reduction in duty agreed to by the United States in the Kennedy Round on plate and float glass and on other forms of flat glass other than sheet glass will speed up the deteriorating position of the U. S. industry in relation to foreign competition. These tariff reductions are very significant. When their effect in relation to all imports of flat glass is taken into account, the Kennedy Round duty reductions will result in a weighted average reduction in U. S. import duties of flat glass of 22%.

In combination, these Governmental actions will destroy completely the beneficial effects created for the industry through President Kennedy's escape clause action in 1962.

Despite the finding of three Tariff Commissioners in 1961 that the domestic industry producing rolled glass had been caused or threatened with serious injury by increasing imports, and in evident disregard of the fact that imports of cast or rolled glass in 1965 accounted for 32% of domestic consumption, the U. S. negotiators agreed to a reduction somewhat in excess of 50% on the duties of cast or rolled glass in the Kennedy Round.

Can these consequences for a basic U. S. industry be defended on the ground of necessity or equity? This is a fair question which demands a fair answer.

To attempt an answer requires attention to the relative position of the U. S. flat glass industry in the export markets of the world, as well as a close look at the beneficiaries of this extraordinary largesse of U. S. Governmental action.

III. THE POSITION OF THE UNITED STATES FLAT GLASS INDUSTRY IN THE WORLD EXPORT TRADE

The beginning point in this consideration is the balance of trade of the United States in the products of the flat glass industry. Because of the significant difference in unit values of foreign-produced and domestically produced flat glass, the best approximation of our Nation's trade balance in flat glass products is achieved through a presentation of the data in physical units. This is supplied in the following table.