In some instances, the final product is made entirely or largely of plastic. For such products, the Society has established a system of monitoring imports on a continuing basis:

(a) To identify significant trends at an "early warning" stage;

(b) To provide a basis for informing SPI members on such trends; and

(c) To provide facts to support SPI recommendations to Government on trade matters.

The Society is now monitoring thirty classifications of plastic products. Imports of the products covered have increased over the past three years as follows:

Year	Total imports, 30 products	Percent increase
1965	$98,000,000	
1966	124,000,000	26
1967	170,000,000	13

Attached to this statement, as Appendix B, is a listing of the classifications of plastic products now being monitored by SPI, and copies of our control charts.

C. CONCLUSION

The foregoing considered, it is the Society's conclusion that, on balance, the duty reductions on plastics materials resulting from the recently-concluded "Kennedy Round" are likely to lead to greater increases in imports into the U.S. from other major producing countries than in exports from the U.S. to such countries. This leads to the recommendation, which we intend to develop further in this statement, that greater stress be placed on enabling the domestic industry to compete more effectively worldwide with special emphasis on third country markets. The Society further recommends that attention also be given to assisting those segments of the domestic industry which are especially import-sensitive by granting relief, where necessary, in the form of appropriate tariff adjustments.

II. THE SIGNIFICANCE OF TARIFF AND OTHER TRADE BARRIERS

One of the major shortcomings of previous tariff negotiations has been an inability to truly come to grips with all of the trade barriers which significantly limit or distort trade. This has proven harmful to the U.S. and has worked to the advantage of our principal trading partners, particularly the EEC.

Heretofore, the major area of trade concession has been in the form of reductions in tariff rates. Since tariffs constitute the major cost barrier to trade with the U.S., it is of immediate and tangible value to our trading partners when such duties are reduced here.

In theory, and as ordered by the provisions of the Trade Expansion Act of 1962, the reduction or removal of duties as barriers to trade is intended to be reciprocal. However, we have found the essential element of reciprocity lacking in many instances by the operation of other barriers to trade. For other countries, many of these barriers constitute impediments to trade of far greater magnitude than the direct duty itself. It is the Society's recommendation that all foreign barriers to trade be reviewed and identified on a continuing basis, that strong efforts be made to remove or offset such barriers where possible, and that they be fully taken into account in all future trade negotiations in which the U.S. participates. In this connection, we are encouraged by the Administration's proposals (page 5 of its Message transmitting the Trade Expansion Act of 1968)[6] to study and take appropriate action with respect to "non-tariff" barriers to trade and we are most hopeful that the full assistance of industry will be solicited in connection with these efforts.

The Kennedy Round Agreement is virtually limited to trade concession in the form of tariff reductions. We believe that this resulted in non-equivalent reductions tending to favor those countries, such as the EEC, which rely substantially on trade barriers other than tariffs *per se*. To illustrate, let me cite a study made in 1965 covering 14 representative chemical products that move in some

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[6] 90th Cong., 2d sess.—*Committee Print*; Committee on Ways and Means, U.S. House of Representatives; *Proposed "Trade Expansion Act of 1968;"* pp. 4 and 5.