Thus, before the Kennedy Round changes, the E.E.C. tariff was 60% higher than the United States tariff. After the Kennedy Round changes it will be at least double the United States tariff.

This *widening* of the gap between the already higher E.E.C. external tariff and the already lower United States tariff serves only to interfere with the healthy development of international trade in ingot. This is particularly so because E.E.C. has been, and still is, a net *importer* of ingot. The tariff disparity creates artificial inducements to otherwise uneconomic E.E.C. ingot capacity expansion and unfairly inhibits the operation or construction of more economical ingot capacity elsewhere in the world.

2. Sheet, Rod and Bar.—Turning to the other major United States aluminum imports, a 20% Kennedy Round tariff cut was also made on sheet, circles, plate, rod and bar. The United States tariff on these products was already low before the Kennedy Round negotiations began: 2½¢ per pound, or 5.5% to 8.0% of dutiable value. The 20% Kennedy Round cut, to 2¢ per pound, brings the tariff on these semi-fabricated products down to an equivalent of 4.4% to 6.4% of dutiable value.

The E.E.C. tariffs for the same products were also reduced 20%, but they were higher than United States levels before the Kennedy Round and they will remain higher afterwards. The E.E.C. tariff was cut from 15% to 12% of dutiable value. With these post-Kennedy Round E.E.C. tariffs from 1.9 to 2.7 times as high as the United States tariffs, once again the United States aluminum industry finds itself at a substantial tariff disadvantage. This is especially important competitively since E.E.C. countries are the principal sources of United States imports of semi-fabricated aluminum products.

3. Extrusions, Cable and Pipe, etc.—The tariffs on products which historically accounted for a minor portion of United States aluminum imports were cut the maximum 50% authorized by the Trade Expansion Act of 1962.

The aluminum products in this category include all foil products (other than those which are not over .00035" thick and not over 55¢ per pound) extrusions and tubes, hollow cast extrusion ingot, cable, wire and powder. Most of these imports have been reported separately only since September 1963. Full year data are therefore available only since 1964.

Imports are already up sharply for many of these classifications during the past three years:

[Millions of pounds]

	1964	1967
Angles, shapes and sections (extrusions)	0.12	4.14
Cable (A.C.S.R.)	0.26	3.06
Pipe and tube	0.81	2.94

The pronounced rise of these imports over such a short period of time, rather than their volume as a share of the United States market, warrants attention. In addition, some special conditions which affect these imports should be taken into account.

In the case of the Angles, Shapes and Sections classification, presumably extrusions for the most part, the 1967 imports came almost entirely from Canada—3.89 out of the 4.14 million pound total. Of these Canadian shipments, over 92% (dollar value) were duty-free, $1,762,477 out of the $1,906,064 total. These represented government defense purchases and were exempt from duty. The question here, for the time being, is the predominance of duty-free imports—rather than the impact of the Kennedy Round cut in duty from 19 to 9½%.

Cable imports are almost entirely from West Germany and Yugoslavia. In 1967 these two countries, on almost an equal share basis, supplied over 85% of the cable imports. Once again, with West Germany operating after July 1, 1968 under the E.E.C. Common External Tariff, the cable tariff there will be cut less than here as a result of the Kennedy Round: