either the import or the export side of aluminum foreign trade. The E.E.C. aluminum ingot tariff remained udiminished at 9%. The only change was the replacement of previous individual country year-to-year 5% tariff quotas with a "bound" E.E.C. quota of 130,000 metric tons at the same 5% rate: over-quota imports are subject to the higher 9% duty.

This very limited action by E.E.C. contrasts with a 20% Kennedy Round cut in the United States ingot tariff, from 1¼¢ to 1¢ per pound. The reduced tariff of 1¢ per pound, expressed on an ad valorem basis, will amount to about 4½% at today's ingot price. If the price of ingot rises between now and January 1972, when the Kennedy Round cuts become fully effective, the United States tariff will be less than 4½% ad valorem.

The Kennedy Round worsened the United States tariff position in aluminum ingot, as against the E.E.C.:

[In percent]

	Before Kennedy round changes	After Kennedy round changes
EEC ingot tariff	9.0	9.0
U.S. ingot tariff	5.6	4.5

Thus, before the Kennedy Round changes, the E.E.C. tariff was 1.6 times as high as the United States tariff. After the Kennedy Round changes it will be at least twice as high.

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.)	.26	3.06
Pipe and tube	.81	2.94