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:

CABLE TARIFF

[In percent]

	Before Kennedy round	After Kennedy round
United States	15	7½
West Germany	19	12

The United States tariff disadvantage will thus be increased from a 4% gap to a 4½% gap. In the case of cable imports from Yugoslavia, there is the intricate problem of competing with state-owned industry. As these imports grow in volume the earlier question of groundrules for international competition becomes all the more relevant. Yugoslavia, for example, was the largest supplier of our rod, bar and wire imports as well as a close second in cable; it ranked third among the sources of all semi-fabricated aluminum products.

Canada supplied almost half of the 1967 pipe and tube imports (1.43 of the 2.94 million pound total). Over 90% ($985,241 of the $1,080,582 total) of these imports come in duty-free, presenting the same general question as was raised earlier in discussing Angles, Shapes and Sections imports. The next largest source of these imports was West Germany with 0.73 million pounds. Prior to Kennedy Round negotiations, the United States tariff and the E.E.C. Common External Tariff on pipe and tube were identical: 19%. As a result of the Kennedy Round, the United States tariff will be 9½% but the E.E.C. (including West Germany) tariff will be 12%, putting the United States at a tariff disadvantage.

4. Electrical Capacitor Foil.—Of particular concern in this group is the 50% cut in the United States tariff on light gauge foil for manufacture into paper condensers and high purity unetched, etched and formed foil for manufacture into electrolytic capacitors. While the import tonnage statistics on these technical foil imports are not impressive, they have risen sharply. Etched capacitor foil imports, for example, have almost doubled since 1964, totaling 329,000 pounds last year.

Tonnage statistics, however, are not the only criteria for measuring the significance of an import. For example, electrolytic capacitor foil is a highly strategic material and absolutely essential to various sophisticated technological and military applications. The 1967 imports had a total dutiable value of $1,238,210, an average of $3.77 per pound. Before the Kennedy Round, the United States duty of 17% amounted to $63.9¢ per pound. The 50% Kennedy Round cut (from 17 to 8½% of dutiable value) means a tariff saving to foreign competitors in United States markets of 31.9¢ per pound.

Here is how this change affects the United States market and foreign trade picture. Less than half a dozen United States foil mills make, or are capable of rolling or etching, high purity foil for the manufacture of electrolytic capacitors. The etched product, which accounts for the bulk of these imports, is made in this country largely by technically oriented firms of limited size. Import competition necessarily falls especially hard on companies of this size and type.