

France is the largest source of these imports, 147,967 pounds in 1967 with a dutiable value of \$757,735 or \$5.12 per pound. French exporters will, therefore, realize a tariff saving of 43.5¢ per pound on their sales in the United States market as a result of the Kennedy Round cuts. The next largest exporter to the United States is West Germany, with 115,273 pounds in 1967, valued at \$301,838 or \$2.62 per pound. Italy is the third largest with 42,450 pounds, valued at \$126,949. The E.E.C. thus accounts for over 90% of the volume and over 95% of the dollar value of our etched capacitor foil imports.

The contrast between the effect of the United States tariff cut and that by France, the principal beneficiary of the United States cut, is startling and disturbing. France, as a member of the E.E.C. tariff bloc, will cut its capacitor foil tariff only 20%. The tariff rates thus show this difference:

[In percent]

	U.S.	France
Before Kennedy round.....	17.0	115
After Kennedy round.....	8.5	12

¹ EEC common external tariff, effective July 1, 1968.

The United States and France thus reverse tariff positions. The United States had the higher tariff rate before the Kennedy Round; it will have the lower rate as a result of the Kennedy Round.

The practical result of this difference in tariff action becomes clearer when put on a dollars and cents basis. As noted earlier, the United States Kennedy Round cut from 17% to 8½% means a 43.5¢ per pound tariff savings on French exports to the United States (from 87¢ to 43.5¢ per pound). United States foil exporters will "enjoy" theoretically ** a 15.4¢ per pound tariff saving as a result of the French tariff dropping from 15% to 12% (from 76.8¢ to 61.4¢ per pound).

The net result is a reversal of the United States and French tariff positions. Before the Kennedy Round the United States tariff was 10.2¢ higher than the French: 87.0¢ as against 76.8¢. After the Kennedy Round the United States tariff will be 17.9¢ lower: 43.5¢ as against 61.4¢.

D. Nontariff Barriers and Antidumping Measures

Along with many others, the aluminum industry has had to cope with nontariff barriers in its efforts to enter foreign markets. In addition to the twelve types of nontariff barriers listed in the Federal Register announcement of these hearings, consideration should also be given to antidumping standards and procedures.

The Aluminum Association favored an international treaty on dumping, when it appeared before this Committee in February 1964 during the pre-Kennedy Round hearings. Again in September 1966 the Association appeared before this Committee during the hearings on the antidumping code, reiterating and enlarging on its 1964 views. The Aluminum Association continues to recommend uniform international standards and procedures for dealing with dumping. They are an essential prerequisite to the development of meaningful rules of international competition.

During your Committee's 1966 hearings, the question of a modern and realistic definition of dumping was raised. It was suggested at that time that the definition of dumping be oriented to conditions in the affected markets "rather than tied to the arithmetic of home market and export prices". (Aluminum Association Statement, September 2, 1966, Page 9.) There is still need for this kind of definition.

The home market price of an exporter is not relevant to the question of dumping under today's complex market conditions. The prospects are that home market prices will become even less relevant to competitive prices in other markets in the future. More and more the home market price is an amalgam of many forces, especially the general price level of a country, its economic and monetary policies, and the emphasis being placed at home on wage or price restraints. Once again, the Aluminum Association recommends that a more realistic definition of dumping than the present one be developed.

**Theoretical, because substantial nontariff, as well as tariff barriers make United States foil exports to France insignificant. The \$5.12 per pound dutiable value of 1967 French exports to the United States is used to compute the above tariff saving.