

EXHIBIT 1

Electronic products in which the United States is preeminent were granted little or no concessions by the European Economic Community.

The United States reduced its tariff on computers from 11.5 to 5.5 per cent, while no concessions were made by the Common Market which has a rate of 14 per cent. The U.S. cut its tariffs on all electronic and measuring equipment 50 per cent as did Japan. The Common Market made a general reduction of 50 per cent but omitted electronic test and measuring equipment.

The tariffs on transistor radios, on the other hand, were cut substantially by both Europe and Japan, while the U.S. rate was reduced only from 12.5 to 10.4 per cent. Yet this country imports such radios heavily, chiefly from Japan, and does little exporting.

U.S. tariffs on electron tubes were cut from 12.5 to 6 per cent; and, while corresponding reductions were made by Europe and Japan, the American rate remains less than half that of Japan and under the rates of the Common Market.

Perhaps more striking examples of imbalance in Geneva agreements on electronic products were tariffs on transistors and semiconductors which American industry developed and produces in the largest volume. While the U.S. rate was reduced from 12.5 to 6 per cent, no concessions were made by the Common Market. Japan limited its reduction to germanium transistors, cutting the rate from 15 to 7½ per cent.

These changes do not appear logical to our industry; they have seriously impeded our potential to export and increased the U.S. trend to import.

A number of American businessmen, including members of our Association, are concerned that not enough was done in the Kennedy Round to strike down artificial non-tariff barriers to trade. There are extant throughout the world uncalled for restraints on trade which shackle the flow of goods between nations. This is a prime area for consideration in the development of U.S. trade policy. Mutual removal of these barriers to trade will put trade on a fair basis and eliminate discriminatory, unfair advantages which these barriers create.