EXHIBIT 2

Starting at lower base rates than the 13.0% C.X.T. and running up to 50.0% in reductions, the U.S. liberalized rates are applicable to products which comprised $11.1 million of the $11.6 imported from the E.E.C. (See detailed U.S. Tariff Structure, Table I, pages 10a - 10b).

As with the finished products, the C.X.T. for Parts of Electronic Test and Measuring Instruments was set and held at 13.0%. The U.S. reductions equalled those of the finished products, since the same tariff rates apply to parts.

* * *

The product categories in which the E.E.C. granted less than 50.0% reductions equalled 34.5% of total U.S. electronic exports to the E.E.C. in 1967.

On January 1, 1972, the date when the final Kennedy Round rates are in effect, the U.S. tariff rates will be lower than the C.X.T. in 14 of the 16 listed categories; those in which the E.E.C. reduced less than 50.0%. (See Table II, pages 11a - 12b).

The total extent of the U.S. concessions in this area becomes more evident when placed in a ratio of reduction perspective.

In 11 of the 16 categories the U.S. started at lower rates than the E.E.C. and made reductions of 50.0%.

The sixteen categories under discussion have been "basketed" for facility of presentation. In fact, they include thousands of separate products. Viewed in the individual product context, disproportionate decreases in several product categories become extremely significant.

The pre Kennedy Round U.S. tariff rate on all Parts for Electronic Data Processing Machines was 11.0%. The 1972 rate will be 5.5%, a 50.0% reduction. The E.E.C. will decrease from 11.0% to 10.5% during the same period of time.

A comparable situation is applicable to any product in the Telecommunications Equipment categories. The U.S. reduced from 12.5% to 6.0%, while the C.X.T. cut went from 16.0% to 11.0%.

* * *

The E.E.C made 50.0% reductions on categories amounting to $84.9 million or 16.9% of total U.S. electronic exports to the E.E.C. in 1967. (See Table III, pages 13a - 14b)

As in the E.E.C. no reduction and less than 50% reduction groupings, there was no change in pattern. In 15 of the 19 categories, the U.S. also made 50% reductions, with one important qualification; the pre Kennedy Round base rates of these 15 categories were lower than those of the pre Kennedy Round C.X.T.