EXHIBIT 2

Table V relates the total disparity between the lower U.S. and the higher landed costs in the member countries of the E.E.C.

Five random products representing different sectors of the electronics industry are presented. The point in time for the landed costs in the E.E.C. is July 1, 1968, the date the Common External Tariff goes into effect. The presented cost of imports into the U.S. has been effective as of January 1, 1968, the date the U.S. made the first of the Kennedy Round 5 stage - 5 year reductions. (See Table V, pages 24-25.) *

The differentials shown in Table V between the landed costs in the U.S. and the E.E.C. are, of course, substantial and significant.

There are a variety of reasons for these landed cost differentials which favor the E.E.C.

1. In the "Selective Electronic Products and Related Items" area, present individual country tariff rates and the future C.X.T. are and will continue for a five year period to be generally higher than those of the U.S.

2. The U.S. duty is levied against the cost of the product (F.O.B.); the E.E.C. against the product, insurance, freight (C.I.F.).

3. Each of the member countries of the E.E.C. applies its turnover taxes against the C.I.F. duty paid total.

4. With the exception of Germany and Luxembourg the incidence of the "turnover" taxes varies according to the nature of the product. The pattern followed is almost constant. The incidence of the "turnover" rises on consumer type and those products subject to rapid technological innovation and development. Turnover in the above statement was put in gratis to qualify Italy's approach for adhering to the mentioned pattern. Italy holds the turnover tax at 4.0% and then "adjusts" with a varied rate structure of an additional compensatory import tax and in the case of consumer products with additional taxes levied against the C.I.F., Duty, Turnover Tax and Compensatory Import Tax paid total!

5. Luxembourg, France and Italy impose further taxes or other charges. (Table IV).

* See Marketing Guide Sheets, pages 28 through 111 for detailed country by country tariff and taxes for individual products.