

participating countries. The tariff concessions granted by other countries were mostly on leather fibreboard, which currently is the less competitive product.

The second serious defect, and related to the foregoing, is the continued disparity in U.S. and other tariff rates which will be effective at the end of the five year period. For example, the final agreement tariff rate on cellulose board in the European Economic Community will be 12% ad valorem; the U.S. tariff will be 3.5% ad valorem; for the United Kingdom the agreement rate is 18%, over five times the U.S. agreement rate.

The third serious defect is the continuation of the non-tariff charges maintained by most foreign countries. In competitive markets these burdens on our exports are impossible to overcome. In fact, in those cases where the formal tariffs were reduced as much as fifty percent, the continuation of the non-tariff charges precludes any benefit to be derived from the tariff reduction. The following tabulation is a summary of the tariff concessions on shoeboard made by foreign countries and the United States. The tabulation indicates the final trade agreement tariff rates, and in the case of foreign countries, the total charges on imports:

SHOEBOARD TARIFF RATE ADJUSTMENTS MADE BY SELECTED FOREIGN COUNTRIES
TRADE AGREEMENTS, 1967

Product and country	Base rate	Final trade agreement tariff rate percent ad valorem ¹	Total import charges ²
Paper board:			
EEC (6 countries).....	16.0	12.0	18-32.0
United Kingdom.....	20.0	18.0	18.0
Denmark.....	5.0	2.5	12.5
Sweden.....	5.0	2.5	13.6
Austria.....	18.0	14.0	27.0
Spain.....	28.0	(⁴)	45.0
Japan.....	15.0	7.5	7.5
Australia.....	(³)	5.0	(³)
Canada.....	20.0	5.0	(³)
Composition leather:			
EEC (6 countries).....	10.0	5.0	11-25.0
United Kingdom.....	10.0	5.0	5.0
Denmark.....	10.0	5.0	17.5
Sweden.....	7.0	6.0	17.1
Norway.....	20.0	16.0	29.6
Austria.....	20.0	10.0	21.8
Spain.....	17.5	(⁴)	25.5
Japan.....	15.0	7.5	7.5
Australia.....	22.5	(⁴)	22.5

¹ Generally, the rate effective on Jan. 1, 1972.

² Nontariff charges plus tariff charges, generally applied to value of shipment plus freight and insurance at port of entry.

³ No concession.

⁴ No reduction.

⁵ Plus sales tax.

UNITED STATES (PERCENT)

Product	Base rate	Final trade agreement tariff rate percent ad valorem	Total import charges
Paperboard (tariff item 251.49).....	6.75	3.50	3.50
Leatherboard (tariff item 791.57).....	7.50	3.75	3.75

We believe that the foregoing tabulation of tariff concessions, tariff rates, and non-tariff charges on U.S. exports of shoeboard to foreign areas, is ample justification for our position on future legislation with respect to foreign trade policy. We urge that no future trade agreements be made until the problems of disparities in tariff rates and the maintenance of non-tariff charges by foreign countries are solved. These two issues are, we think, capable of solution.

The deficit in our international balance of payments is a critical issue in the economic welfare of the nation. Imports have been rising at a rate in excess of