The lack of reciprocity in each of these three areas is manifest; combined it is nothing short of disastrous. We welcome the opportunity for this committee to weigh the serious adverse economic effect which this gross lack of reciprocity will have upon our industry, its workers, and the U.S. balance of payments.

FOREIGN REACTION

The lack of reciprocity in these negotiations is underlined by the reaction of our European trading partners to the chemical deal. In announcing the successful conclusion of the negotiations, M. Jean Rey, the Common Market's chief negotiator, commented:

> The U.S. finally gave way on chemicals—which we, of course, had to give a few concessions. But all in all we are clearly happy about the outcome in that particular sector.—Washington Post, May 16, 1967.

That same week, Business Week carried a comment giving the reaction of European industry to the deal:

> Germany, big chemical makers are rubbing their hands in anticipation. Says spokesman for Farbenfabriken Bayer, AG, "We feel like a little boy who has been promised an electric train for Christmas."—Business Week, May 20, 1967.

The U.S. chemical industry agrees with the European negotiators and their industry representatives that they came out way ahead in the chemical negotiations.

I noted with interest that the Government told this committee, in response to questions, that H.R. 17551 is not part of the administration's balance-of-payments program. It is significant that the Government presented to this committee no meaningful study of the balance-of-payments impact of the chemical deal negotiated in Geneva. Our industry has studied this matter carefully, for its affects us vitally and we are satisfied that because of the lack of reciprocity, our balance of payments will indeed suffer further serious setbacks.

My company and many of our member companies are international companies. We know that plants are being built abroad which will enable our foreign competitors to flood chemicals into the U.S. markets. And we know that Japan and Europe, with the advantages of low-cost production and rationalization, having already taken over a larger share of the world export trade and can and will take over increasing shares of the domestic market and of our own export business.

RECOMMENDED ACTIONS

We say to the committee as seriously as we can that the time has come for the United States to take action in this all-important trade field in its own interest. We welcome and support the views expressed by members of the committee during this hearing and by representatives of industry and labor that the time has come for the United States to take action promptly.

First, we urge the committee to act now by rejecting the separate package.

Second, we urge that the committee deal affirmatively with the border tax issue to eliminate the disadvantages to our trade.