In fact, Mr. Chairman, the negotiators have done precisely the opposite of what they promised. From the outset the Common Market insisted that it was unwilling to make any concessions for the American Selling Price. So it was necessary to put together a deal in which there would be no extra consideration and yet at the same time it would have an appearance of a "separate" package.

This was done by negotiating what Mr. Turchan called a patently unreciprocal 50–20 percent deal on chemicals in the Kennedy round, and this permitted the Europeans to load, to ad to the "separate" package the other 30 percent which should have been in the Kennedy round.

This package is in no way separate. It is inextricably tied up with the chemical negotiations in the Kennedy round and not supported by any independent consideration for the benzenoid industry. It merely purports to return to us the 30 percent for which we have already paid in the Kennedy round.

Moreover a part of the actual Kennedy round concessions themselves, apart from the separate package, are tied into this separate package. The concessions of Austria, Finland, Norway, and Sweden partly are tied to the implementation of the separate package.

Thus, to use our negotiators' own words, they have adopted a "gun to the head" approach by presenting to the Congress what we believe is a fait accompli, and we are asked to choose between an unreciprocal 50–20 deal negotiated in the Kennedy round or the separate package, both of which are injurious and unreciprocal.

In order to justify the separate package, our negotiators have come up with a rationalization as to how this could be justified as a balanced deal. To do this they had to discard the linear reduction theory on which the Kennedy round was premised and had to develop a new theory to justify a 50 percent cut for a 20 percent cut.

Their rationalization, the balanced deal theory, is on the principle that because our chemical exports are three times as great as chemical imports, we actually come out ahead when we cut more than the Europeans do because you weigh the cuts by the volume of trade.

The logical extension of this obviously is that if they cut 50 percent, we ought to cut 150 percent, we ought to pay them 50 percent of our persent duty every time they send an import into this country. This is a unique theory and seems to have been invented solely for the EEC and U.K. and applied only to the "separate" package. It doesn't apply across the board in other areas where the trade balance is the other way around. It doesn't even apply to other countries who have a similar chemical trade balance.

Our negotiators balanced deal theory does not take into account the key issue of reciprocity which is what is the effect of the trade of the cuts on our trade in the future. The Government speaks of a fair and balanced deal, but it has presented no figures or meaningful study here to show what the future effect of this trade cut will be.

Now, as if the 50–20 percent were not enough, there is still another reason for European pleasure at the agreement that has been negotiated. The 20 percent cut accepted by the United States in fact means that in four of the Common Market countries duties paid by chemicals will actually be higher after the 20 percent cut than they were before the Kennedy round.