We have taken the figures from the Commerce clearinghouse which reports EEC tariff figures, the table appears on page 25 of our statement, and I would like to give a copy to the reporter.

(The table follows:)

Sectors	Current tariff rates in percent				Common external tariff		
	France	Italy	Benelux	Germany	Now	20 percent Cut[1]	Jan. 1, 1972
Chemicals	14.0	14.5	10.3	11.5	13.7	11.7	[2] 7.1
All industry	14.4	13.8	11.2	11.0	12.8	10.7	7.5

[1] The heading "20 percent cut" is misleading. The reduction from the common external tariff (13.7 to 11.7 percent) is only 14.6 percent reduction. The French and Italian reductions are 16.4 and 19.3 percent respectively, and, as stated above the German and Benelux tariffs actually rise by 1.7 and 13.6 respectively.
[2] The Jan. 1, 1972, rate for chemicals assumes implementation of the "separate package."

Source: CCH Common Market Reporter, vol. II, par. 9227 (April 1968); from data released by the EEC Commission.

Mr. BARNARD. It shows that on July 1 this year, next Monday, the average German chemical tariff after the 20-percent cut will rise from 11.5 percent to 11.7 percent. For the Benelux countries, the chemical duty will actually rise from 10.3 percent to 11.7 percent, an increase of 13.6 percent.

Thus, despite the 20-percent reduction in the common external tariff which will occur on July 1, the duty on U.S. chemicals entering Germany and the Benelux countries will be higher than it was before.

This is particularly significant when you consider that 70 percent of the U.S. chemical exports to the EEC go to these four countries and about one-half of our chemical exports to the EEC and the EFTA countries combined go to these four countries.

I think the question we put to the committee is: What kind of reciprocity is it when we reduce our tariffs 30 percent in return for an actual increase in the duty in our principal markets abroad.

This brings me to the separate package. As has been pointed out, the separate package provides for further reductions in excess of the 50-percent reductions made in the Kennedy round. These reductions result from the adoption of converted rates which were not equivalent and from the adoption of the ceiling rates which Mr. Gerstacker referred to in the chemical area; all this, as Mr. Gerstacker said, without meaningful trade opportunities being created for the American industry.

I would like to discuss the details of conversion with you because it is a matter that requires really very great study, but I will not do so. I will simply say that the conversion was done as a simple arithmetic operation. The Tariff Commission took the amount of duty on American selling price products on imports, calculated what rate of duty would generate the same amount of money, and said that this was the converted rate.

The Commission acknowledged that this was not equivalent protection. Indeed, the Commission said, and I quote:

> * * * no schedule of converted rates could be devised which would provide for future imports "protection" equivalent to that afforded by the ASP system.

Now the inequivalence of this conversion has to be considered in two areas; one on individually named products and the other in the baskets.

Just a word on the individually named products. There the conversion was done more accurately because they were individual products