

[In percent]

TSUS		Converted ad valorem rate on competitive products based on Tariff Commission data	Tariff Com- mission converted rate	Unilateral tariff reduction
403.60	Intermediates.....	42	36	14
405.15	Pesticides.....	39	25	29
405.40	Plasticizers.....	53	36	32
406.50	Dyes.....	72	48	33
406.70	Pigments.....	77	43	44
408.60	Flavor and perfume materials.....	64	54	16

Mr. BARNARD. These are figures based on the Tariff Commission's own data. The industry data would show even greater reductions. Mr. Gerstacker commented on the impact of the ceiling rates, and I would now like to turn to that because it was the ceiling rates we ended up reducing the tariffs more than 50 percent.

Since I have just commented on the basket rates, I would like to continue on that. Surely the standard to judge what the cut was is what would be a reasonable converted rate on the competitive products.

When the special trade representative says that the baskets were cut less than 50 percent, he is using the inequivalent rate that is the average rate which already incorporates a unilateral tariff cut on American produced products.

Since the special representative prohibited by his instructions the Tariff Commission from taking into account the effect of the distinction between competitive and noncompetitive products, the Government, in arguing that this was less than 50 percent cut, is lifting itself by its own bootstraps and measuring the cut by the inequivalent rate rather than the proper rate which is the rate for competitive products.

If you use that rate, that is, the Tariff Commission's converted rate for competitive products, you will discover that the cuts in the basket are greater than 50 percent.

We have prepared a table that appears on page 38 of our statement showing that, using this standard, the rate baskets were cut from 57 to 69 percent and this is in this area that the special trade representative said was the key to the future.

(The table referred to follows:)

TSUS		[In percent]		
		Tariff Com- mission converted rate for competi- tive imports	STR table 10 final ad valorem equivalent	Total reduction
403.60	Intermediates.....	146	20	57
405.15	Pesticides.....	145	15	67
405.40	Plasticizers.....	161	20	66
406.50	Dyes.....	72	30	59
406.70	Pigments.....	77	30	61
408.60	Flavor and perfume materials.....	165	20	69

¹ Tariff Commission's converted ad valorem rate for competitive products adjusted for the specific duty in order to reflect the ad valorem equivalent.