

We find it hard to understand the rationale which leads to a conclusion where duties on noncompetitive products are raised and those on competitive products are lowered.

Now, may I just say a word about the specifically named products. The Government submitted a table, table 10, which showed the tariff cuts, but it did not show the percentage of cut. We have taken table 10 and have taken the liberty of adding a new section to it, or a new line which calculates the amount of duty cut on named competitive products shown on this schedule, and I would like to submit a copy of that table for the record. It is at the back of the book.

(The table appears as Exhibit 5 at the end of Mr. Barnard's prepared statement.)

The CHAIRMAN. All of the appendices will be included with your statement.

Mr. BARNARD. Thank you, sir.

This table shows that of the 61 TSUS items covering specifically named competitive products, 42 have a total reduction in excess of 50 percent; 23 in excess of 60; nine in excess of 70; and three in excess of 80.

Now, there were three nonchemical concessions incorporated in the separate package, and I would like to say a word about those if I may.

The first related to automobiles. France, Belgium, and Italy agreed to "set in motion the necessary constitutional procedures in order to adjust the modalities" of their automobile taxes so as not to discriminate against U.S. automobiles.

There are two comments to be made on that. The United States has taken the position that this discrimination is illegal and under section 252 of the Trade Expansion Act we are not supposed to negotiate and pay for such illegal concessions.

Secondly, I am not sure what has been agreed to. They have agreed to set in motion the constitutional procedures. Perhaps that means dropping a bill in the hopper.

Third, and this is, this has just come to my attention, as of January 1 this year, I learned from an airgram of the State Department that, the French Government has increased its registration tax on high horsepower cars, making a higher rate on the higher horsepower cars than the lower, and the dividing line happens to be the largest car that is made in France, so that we have the highest tax on the larger cars most of which are the U.S. cars.

The subject of the airgram, dated January 17, 1968, is: "Protectionism: Automobile Registration Tax Revised to Detriment of U.S. Automobiles."

I would like to submit a copy of that for the committee's files, Mr. Chairman, with your permission.

The CHAIRMAN. Without objection, it may be included in the committee's files.

Mr. BARNARD. May I call your attention to the last paragraph in which the wire says:

The introduction of discrimination against larger vehicles in the registration tax is particularly surprising in view of the French promise at the Kennedy Round to eliminate such discrimination in the vignette in return for U.S. action on ASP.