

ative for Trade Negotiations, in order to make certain construction suggestions for improving the administration of the American Selling Price method of valuation. A memorandum of this meeting, describing SOCMA's suggestions and the initial reactions of the attending government representatives, was sent to the interested parties on September 27, 1966. On September 29, 1966, Dr. Carl S. Oldach, President of SOCMA, embodied the recommended administrative changes in a three-part proposal which was sent directly to the Special Trade Representative. A copy of this proposal is enclosed for your information.

During our meeting, the government representatives expressed interest in some of SOCMA's suggestions. It was my understanding that you personally believed that some of our proposals were of merit and should be explored further. With respect to SOCMA's proposal to eliminate the alleged importers' complaint that Customs laboratories' delays were a trade barrier, you stated that your office would require additional information which would be obtained and communicated to us.

In conformity with its policy of cooperating to improve and simplify the administration of the American Selling Price system, SOCMA and its members will be glad to provide you with additional information your office may require with respect to SOCMA's proposals. Apart from the fact that American Selling Price is currently a subject of discussion at the GATT negotiations in Geneva, SOCMA believes that it is important to remedy any flaws which may exist in the administration of the American Selling Price system. Since your office is in a position to evaluate the validity of importers' complaints, we would appreciate having your considered evaluation of SOCMA's proposals as set forth in the memorandum of meeting dated September 27, 1966 and Dr. Oldach's letter dated September 29, 1966.

Through continued cooperation between industry and government, improvements in our laws and their administration can be made in the public interest. In order that the members of SOCMA can do their part, it would be of great value to have your guidance, particularly with respect to assessing the validity of importers' complaints and the feasibility of implementing SOCMA's proposals.

Please feel free to call upon me for any assistance or additional information you may require. Copies of this letter have been distributed to all those who attended the September 26 meeting, as well as interested staff members of the Office of the Special Representative for Trade Negotiations.

Sincerely yours,

ROBERT C. ZIMMER.

Enclosure.

MEMORANDUM FOR INDUSTRY AND GOVERNMENT REPRESENTATIVES

Re Conference between Bureau of Customs, STR and SOCMA Representatives, September 26, 1966.

On September 26th, the undersigned, Mr. Frank Regan and Dr. Crayton Black of the DuPont Company met with Mr. Robert A. Burt, Assistant General Counsel, Office of the Special Representative for Trade Negotiations and Messrs. Raymond Marra, Director of Appraisement, Bureau of Customs, James Coleman, Assistant Director of Appraisement, Bureau of Customs, and Edward Doyle, Assistant General Counsel for Rules and Regulations, Bureau of Customs.

The purpose of the meeting was to discuss certain changes in the administration of the American Selling Price method of valuation which had been suggested by SOCMA to meet the objections of importers to the American Selling Price valuation method.

It was made clear at the outset that at the meeting we would not discuss the merits of maintaining ASP as a valuation method, inasmuch as that question would be considered by the Herter Office after it received the report of the Tariff Commission. At the same time it was stated that suggestions would be made for discussion which went further than any previous suggestions made by SOCMA.

SOCMA pointed out that the administrative problems—"uncertainty, unfair practices and long delays"—were the apparent gravamen of importers' general objections to ASP. This statement appeared in a colloquy between Mr. Joseph Donohue, counsel for the importers, and Mr. William B. Kelly, Jr., of the Office of Commercial and Financial Policy, Bureau of International Commerce, before the Trade Information Committee on January 29, 1964, copies of which were distributed.