while the Netherlands barrier to U.S.-produced styrene amounted to 1.2 cents per pound. (With regard to the difference in prenegotiation barriers, it may be noted that for 1965, the average wages in the Netherlands were $0.83 per hour compared to the U.S. figure of $2.61 per hour.) After the Kennedy round agreements, separate package, and border tax harmonization, the U.S. import barrier as offset by the Dutch export rebate, will have fallen from 4.2 cents to 4 cents per pound (90 percent lower) while the Netherlands barrier (tariff plus border tax) will have risen to 1.7 cents (41 percent higher).

Under these circumstances it is no surprise that the largest styrene plant in the world to serve the expanding markets here and abroad, is being built by an American company in the Netherlands.

It is clear that the Kennedy round agreements (the results of which would be compounded by elimination of ASP) will have a more serious negative effect on the competitive position of the U.S. benzenoid industry than our balance-of-payments position allows us to accept.

These balance-of-payments effects are of sufficient consequences to justify invoking article XIX of the GATT to obtain prompt renegotiation on chemicals.

With the permission of the chairman we would like to introduce into the record a copy of article XIX of the GATT.

The CHAIRMAN. Without objection it is so ordered.

(The information referred to follows:)

ARTICLE XIX

EMERGENCY ACTION ON IMPORTS OF PARTICULAR PRODUCTS

1. (a) If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

(b) If any product, which is the subject of a concession with respect to preference, is being imported into the territory of a contracting party in the circumstances set forth in sub-paragraph (a) of this paragraph, so as to cause or threaten serious injury to domestic producers of like or directly competitive products in the territory of a contracting party which receives or received such preference, the importing contracting party shall be free, if that other contracting party so requests, to suspend the relevant obligation in whole or in part or to withdraw or modify the concession in respect of the product, to the extent and for such time as may be necessary to prevent or remedy such injury.

2. Before any contracting party shall take action pursuant to the provisions of paragraph 1 of this Article, it shall give notice in writing to the CONTRACTING PARTIES as far in advance as may be practicable and shall afford the CONTRACTING PARTIES and those contracting parties having a substantial interest as exporters of the product concerned an opportunity to consult with it in respect of the proposed action. When such notice is given in relation to a concession with respect to a preference, the notice shall name the contracting party which has requested the action. In critical circumstances, where delay would cause damage which it would be difficult to repair, action under paragraph 1 of this Article may be taken provisionally without prior consultation, on the condition that consultation shall be effected immediately after taking such action.

3. (a) If agreement among the interested contracting parties with respect to the action is not reached, the contracting party which proposes to take or con-