increasing export of our dyestuffs, particularly since foreign tariffs are only a part of the barriers we must surmount to compete abroad.

SUMMARY AND RECOMMENDATIONS

In summary, we at Crompton and Knowles Corporation see as prospective results of the tariff negotiations, particularly if A.S.P. is abolished as proposed, a reduction in our ability to invest in research, service, and productive facilities in this country and a change in our enterprise from one making a growing contribution to our economy to one forced to retrench.

To prevent or minimize loss of American jobs, injury to essential profits of U.S. concerns, and serious adverse effects upon the U.S. balance of payments, we respectfully urge the Committee to:

(1) reject those portions of the proposed Administration bill which would implement the separate package and abolish A.S.P.;

(2) apply the maximum border tax and export rebate allowable under GATT rules to assist American manufacturers to compete here and abroad with foreign producers by offsetting at least to some extent the non-reciprocal aspects of the Kennedy Round;

(3) impose countervailing duties, as permitted under GATT, to offset to the greatest degree possible the cost advantage granted to certain of our foreign competitors by their governments through forgiveness of so-called indirect taxes;

(4) insure that in future trade negotiations the effect of differences in tax systems between ourselves and major trading partners is recognized and provided for to insure genuine reciprocity in access to world markets;

(5) insure that industry advisors are more effectively involved with U.S. trade negotiations in the future.

RESOLUTION 296

Whereas, the Council of the City of Reading realizes that the City of Reading is traditionally and vitally linked with the dyestuff and textile manufacturing industry; and

Whereas, the Council of the City of Reading realizes that the future vitality of textile producers is vitally linked with technological developments, funds for which have been taken from profits protected by favorable tariff and duty costs to foreign producers; and

Whereas, substantial cuts in import tariffs and duties to the foreign producer may result in transfer of domestic manufacturing operations to foreign countries with subsequent reduction in employment and real estate tax revenues, and further result in a $3,000,000.00 loss in national balance of payments if the existing American Selling Price System as a means of balancing competition between American and foreign dyestuff and textile manufacturers is abolished, now, therefore;

Be it resolved that the Council of the City of Reading heartily urges the Congress of the United States of America to support retention of the American selling price system and that copies of this resolution be sent to the Congressman representing Reading and Berks County and to both U.S. Senators from Pennsylvania.

Passed Council June 28, 1967.

(Original Signature) EUGENE L. SHIRK,
Mayor.

Attest:

(Original Signature) RUTH M. THOMPSON,
City Clerk.

THE HARSHAW CHEMICAL CO.,
Cleveland, Ohio, May 31, 1968.

Hon. WILBUR D. MILLS,
House Office Building,
Washington, D.C.

SIR: We urge you to resist any Administration recommendation for elimination of the American Selling Price system for valuing benzenoid chemical imports which may be made during Hearings before your Committee beginning June 4, 1968.