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PRESS RELEASE

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COMMON MARKET EXTENDS ASP AGREEMENT DEADLINE

WASHINGTON, D.C., December 16 -- The European Common Market yesterday agreed to re-extend, for a few months, the deadline of the agreement with the United States regarding tariff cuts on chemicals in exchange for the abolition of the American-selling-price (ASP) system of customs evaluation.

The Council of Ministers of the European Community authorized the Commission to negotiate a new extension of the accord in which the United States had agreed in 1967 to abolish ASP in return for tariff and non-tariff concessions offered by the Community and other European countries. Reaffirming the importance it attached to the accord, the Council said the Community would only accept an extension for a limited time, and only if the other signatories agree. The accord was concluded in Geneva as part of the Kennedy Round negotiations. It was to have come into effect by January 1, 1969. The deadline was extended twice, first until January 1, 1970 and then until January 1, 1971, because the U.S. Congress had not been able to pass legislation abolishing ASP.

ASP applies to an extensive range of organic chemical products and constitutes an obstacle to exports to the United States because of the prohibitive level of duties on certain products. The 1962 Trade Expansion Act contained no authority to abolish the system hence the U.S. Administration agreed to submit to Congress a proposal to do so. In addition to the chemicals provisions, the agreement also provided for concessions on certain non-tariff barriers, such as automobile road taxes. Signatories to the agreement, besides the European Economic Community and the United States, were: Belgium, France, Italy, Switzerland, and the United Kingdom.

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