

the American Selling Price (ASP) valuation system for U.S. imports of benzenoid chemicals, which set *ad valorem* tariffs on the basis of the U.S. price rather than on the exporter's price. This constituted a non-tariff barrier, action on which the Europeans made a precondition for opening negotiations on chemicals. Another example was the Urban Mass Transportation Act, which imposed Buy American requirements on contractors paid with funds made available under that law.

Other Transitional Features

Several other features of the Kennedy Round are worth noting. First, reflecting the attempt made during this round to reach beyond tariffs, Congress declined to adopt the non-tariff measures agreed in the round (in particular, the Anti-dumping Code, the Chemicals Agreement and changes to the ASP valuation system). The trade policy tail had started to wag the economic dog, and Congress would have none of this. It will be recalled in this regard that Congress had ceded trade policy to the safer custody of the Executive Branch following the disastrous Smoot-Hawley Tariff Act of 1930,²³ but felt very possessive about domestic economic policy.

Second, the intrusions into domestic policy spheres also complicated the process of reaching agreement, underscoring the fact that the "club model" was starting to fray. State Department archives describe the scene in Washington during the days leading up to the May 15 agreement to conclude the Kennedy Round, which was signed in Geneva on June 30, 1967, as follows:

²³ The effective transfer of trade negotiating responsibility to the Executive Branch is associated closely with the person of Cordell Hull, Secretary of State in the Roosevelt Administration under whose tutelage the Reciprocal Trade Agreements Act of 1934 was developed. This Act was the precursor to the grants of "fast track" authority to postwar Administrations to engage in the GATT rounds.