

European road taxes, which they now are willing to change within the ASP package.

If they had been illegal under the GATT, by the terms of the Trade Expansion Act, we could not pay for them.

Mr. BYRNES. Why, then, don't we press to have these actions determined illegal? Press the question so that we don't have to make some concessions. We don't have to buy our way out of having them stop doing something that is illegal?

Ambassador ROTH. That is what we did in France several years ago, saying you either liberalize these, or we go to GATT. This is what we are now doing to the Japanese on automobile parts.

Take another area, the area of subsidies, which our countervailing duty law does not allow us to accept.

When the Italians subsidized exports last year of transmission towers, we countervailed and raised our duties.

One of the last offers we made in the Kennedy round was, ironically enough, on canned tomatoes and tomato paste. Shortly thereafter it became clear that the Italians had put into effect a regulation which they said did not permit them to subsidize their exports to this country but in fact allowed them to do so on a retroactive basis.

The Treasury Department, under our law, felt we had nothing to do except to countervail. We did, and the duties have been increased.

Mr. BYRNES. The law says you have to do it?

Ambassador ROTH. That is right.

Mr. BYRNES. You mean here is an area where you did carry out what the law says? The Treasury found it was a subsidy, so the Treasury imposed a countervailing duty?

Maybe the law had some effect, then. On one particular point. We have not imposed very many, though, have we?

Ambassador ROTH. We have not.

Mr. BYRNES. We have had plenty of cases, haven't we?

Do you have to find injury there, too?

Ambassador ROTH. No. Our countervailing duty law would be illegal under the GATT, except it was in being before we entered the GATT.

We have said, when our trading partners have complained about this, that we were perfectly willing to discuss the problem of injury, if we can discuss the whole subsidy problem. If we can get some general understanding on subsidies worldwide, that is applicable to everybody, we will talk about our countervailing duty law, as well.

Mr. SMITH. Would you like some figures on countervailing duty cases?

I would say first that of course we operate on the basis of complaints.

Mr. BYRNES. Right.

Mr. SMITH. From 1935 to date, we processed 191 cases, and have issued 30 countervailing duty orders.

Currently in effect there are 13 countervailing duty orders, affecting eight countries.

We have three decisions in the last year—four decisions in the last year. Prior to that, the last countervailing duty order was, I believe, in 1959. There have been four in the last year.