

tices with those of Europe's, including taxes, wherever possible, but the two don't have to depend one upon the other.

I would give you, for example, this question. Has anybody been urging that we repeal the excise tax on automobiles? I live in New York City. If I wanted to buy a Volkswagen not only would I have to pay an excise tax of 7 percent but a State and city sales tax of another 5 percent, making a total of 12 percent. That is a pretty big border tax, and yet I think it is justified on the basis of our own history in imposing taxes.

We used to have many more excise taxes than on automobiles and a few other products. I never heard any complaints, but perhaps I wasn't around to hear them, that we were being unfair by having border taxes.

All I am saying is that when a problem comes up with the magnitude that the excise taxes of Western Europe have come up these days, let's deal with them on a basis of equity and firmness and let's rectify them. Let's not ourselves stop from doing what is equitable on our side by repealing ASP.

Mr. BYRNES. I am not going to belabor this point except to say that as we have envisioned most of these operations as being on a reciprocal basis. You have to have something to give in order to get something, and I worry about the idea of not doing some of that bargaining instead of insisting on talking about one of our alleged nontariff barriers all by itself.

Therefore, you have to talk sometimes about apples and oranges at the same time.

Mr. GRAUBARD. I am sure we agree then, Mr. Byrnes, that this should have been included in the Kennedy round legislation.

Mr. BYRNES. I don't think there is any question about it and I disagree with you when you say that this Congress didn't tell the administration that they should. In fact, section 252 tells them that they were supposed to target in on these nontariff barriers.

We didn't limit ourselves; we made a specific direction to the negotiators to pay attention to those factors. Yet so far as I am concerned, I don't see very great evidence coming out of the Kennedy round that great progress was made in this area.

Mr. GRAUBARD. Then I am sure we do agree at least that we hope that these nontariff barriers will be speedily reduced.

Mr. BYRNES. That is all, Mr. Chairman.

The CHAIRMAN. We thank you, gentlemen, again for coming to the committee.

Mr. GRAUBARD. Thank you, sir.

The CHAIRMAN. Our next witness is Mr. Marshall. Mr. Marshall, we would like you to identify yourself for our record and then we will recognize you.

STATEMENT OF JAMES J. MARSHALL, PRESIDENT, AMERICAN ANILINE PRODUCTS, INC., AND IN BEHALF OF AD HOC COMMITTEE OF U.S. DYESTUFF PRODUCERS; ACCOMPANIED BY EUGENE L. STEWART, COUNSEL

Mr. MARSHALL. Mr. Chairman and members of the committee, I am James J. Marshall. I appear here as president of the American Ani-