Tobacco is more vitally involved in that in the Common Market than any other obstacle to Common Market trade.

The need for continuing authority to negotiate is set out in bold relief in tobacco problems in the European Common Market. The market comprises two entirely different types and methods of tobacco operations. In France and Italy, tobacco is under monopoly control by the state all the way from seed to cigarette. These two countries produce 90 percent of all tobacco grown in the market. Benelux and West Germany have private industries. Methods and rates of taxation vary widely in all six. The goal set forth in the Treaty of Rome establishing the Common Market envisioned the abolition of the monopolies, the harmonization of taxes, and the institution of a common agricultural policy with respect to the growth of tobacco in the six.

The attainment of these goals obviously presents an enormously complicated set of problems. The last mentioned, production within the community, is of greatest concern to us. The Commission has proposed to the Council of Ministers that production is to be without limit or control; that this production is to be supported at prices that would exceed 100 percent parity, and as, if and when surpluses existed, imports from us or other third countries would be subject to licensing and/or complete suspension until the excess position had been rectified. If the committee desires, Mr. Chairman, I shall be more than pleased to go into the ramifications of this proposal at the conclusion of my statement. Suffice it for the moment to say that without negotiating authority to counter this proposal, the European Common Market which now takes in excess of $100 million annually of our unmanufactured tobacco could be lost as a market in toto over a period of years. That is not an exaggeration: it is a straightforward fact of our tobacco life. It is one on which we have fully informed our growers that they in turn may follow the proceedings of this hearing and subsequent action by the Congress.

In summary, then, Mr. Chairman, Flue-cured tobacco growers support the Trade Expansion Act of 1968. As ASP is repugnant to the United Kingdom, so it is an anathema to the farmer, for it holds his crops at a price disadvantage, while conferring a near monopoly on a handful of benzenoid manufacturers. Farmers not only want, but they must have, continued access to the Common Market and other countries. Farmers are historically horsetraders by the very nature of their occupation. They appreciate to the fullest the value and the necessity of having a hole card when making a bargain. An essential hole card for Ambassador Roth is the quid pro quo in the act of 1962, and they want it continued. They want above all exactly what the title of the act says—trade expansion.

One item which I would like to take 1 minute on, Mr. Chairman—I did not include it in my formal statement, but I would like the committee to know because it was mentioned by several other witnesses this morning—is the interest of tobacco in East-West trade. It is an untapped market for us. The Soviet bloc countries have some 300 million people. Experience has shown since the end of World War II that wherever American tobacco became available to the public, the public switched over to using our tobacco and that is the reason we are today able to sell 30 to 40 percent of our entire crop despite the fact that