

Mr. ROTH. Yes, sir. We do not have any authority, but we are continuing to negotiate.

Senator MILLER. I appreciate that. I understood from Secretary Freeman when he testified last Wednesday that there were negotiations being carried on on this particular problem. As I understand it from a speech by the Foreign Agricultural Service, one of the officials of the Foreign Agricultural Service, the Common Market has been charging import duties on our grain shipments to the Common Market, and they have been taking some of that money to subsidize—to pay a subsidy for exports of canned ham.

Last fall, 46 of us joined together in a telegram requesting countervailing duties. We have not seen any action on that yet. Secretary Freeman believed that this was in the process of negotiations. Are you familiar with this or any member of your staff here?

Mr. ROTH. No; I am very familiar with it.

Senator MILLER. Can you tell us where we are on this?

Mr. ROTH. Yes. It is still under investigation, but this comes after a period of very intensive negotiation in which I took part. I went to Geneva to talk to the Community about it. As a result the Dutch decreased the amount of the subsidy; they would say they have, in effect, eliminated it. It was a very considerable figure. I think it was around 23 percent. The Treasury, along with Agriculture and ourselves, is looking at the figures to see whether or not we are satisfied. But may I explore this just a little bit more with you?

This comes back to the question of countervailing duties.

Chairman PROXMIRE. Could I interrupt just for 1 minute?

I, unfortunately, have to leave, Ambassador Roth, and I apologize. I have asked Congressman Curtis to take over the chair as he will do. He is, as you know, the ranking minority member, but I want to thank you for a very, very fine presentation and for your particularly excellent responsiveness to our questions.

Mr. ROTH. Senator, thank you very much. And should the committee at any point, as our study goes on during the year, think it would be useful to you—as I think it would be to us—to have an interim report and to go into these problems in more detail, we would be delighted.

Chairman PROXMIRE. Fine, that is an excellent suggestion. Very good.

Representative CURTIS (presiding). Proceed.

Mr. ROTH. Senator, our countervailing duty law does not have an injury requirement as it is supposed to have under the GATT. Therefore, any time that a party claims that a subsidy is in existence—this goes to industry as well as to agriculture—the Treasury must make an investigation.

We try sometimes first to see if the problem can be worked out, because it is to the benefit of our domestic economic interest as well as to international relationships to do away with the subsidy, if at all possible.

In certain cases countries are not entirely cooperative, and therefore, there is nothing to do but to begin official investigations. Even when they are cooperative, it still may be necessary. You may have noticed just last week in the Federal Register that we are beginning investigations on tomatoes and tomato paste.