

MAKE COUNTERPART FUNDS AVAILABLE
FOR AGRICULTURAL CONFERENCES

Y4
Ag 8/1
F 96/4

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
FOREIGN AGRICULTURAL OPERATIONS
OF THE
COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH CONGRESS
FIRST SESSION

ON

H.R. 4914 and H.R. 5380

MAY 7 AND 8, 1963

Serial M

Printed for the use of the Committee on Agriculture



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1963

20-409



AY
1/8 pA.
A/007

COMMITTEE ON AGRICULTURE

HAROLD D. COOLEY, North Carolina, *Chairman*
W. R. POAGE, Texas, *Vice Chairman*

GEORGE GRANT, Alabama
E. C. GATHINGS, Arkansas
JOHN L. McMILLAN, South Carolina
THOMAS G. ABERNETHY, Mississippi
WATKINS M. ABBITT, Virginia
PAUL C. JONES, Missouri
HARLAN HAGEN, California
LESTER R. JOHNSON, Wisconsin
D. R. (BILLY) MATTHEWS, Florida
FRANK A. STUBBLEFIELD, Kentucky
RALPH R. HARDING, Idaho
G. ELLIOTT HAGAN, Georgia
GRAHAM PURCELL, Texas
JAMES H. MORRISON, Louisiana
BENJAMIN S. ROSENTHAL, New York
ROBERT B. DUNCAN, Oregon
ALEC G. OLSON, Minnesota
ROBERT L. LEGGETT, California
SPARK M. MATSUNAGA, Hawaii

CHARLES B. HOEVEN, Iowa
PAUL B. DAGUE, Pennsylvania
PAGE BELCHER, Oklahoma
CLIFFORD G. MCINTIRE, Maine
CHARLES M. TEAGUE, California
ALBERT H. QUIE, Minnesota
DON L. SHORT, North Dakota
CATHERINE MAY, Washington
DELBERT L. LATTA, Ohio
RALPH HARVEY, Indiana
PAUL FINDLEY, Illinois
ROBERT DOLE, Kansas
RALPH F. BEERMANN, Nebraska
EDWARD HUTCHINSON, Michigan

RESIDENT COMMISSIONER

A. FERNÓS-ISERN, Puerto Rico

Mrs. CHRISTINE S. GALLAGHER, *Clerk*
HYDE H. MURRAY, *Assistant Clerk*
JOHN J. HEIMBURGER, *Counsel*
ROBERT C. BRUCE, *Assistant Counsel*
FRANCIS M. LEMAY, *Staff Consultant*

SUBCOMMITTEE ON FOREIGN AGRICULTURAL OPERATIONS

W. R. POAGE, Texas, *Chairman*

PAUL C. JONES, Missouri
D. R. (BILLY) MATTHEWS, Florida
RALPH R. HARDING, Idaho
FRANK A. STUBBLEFIELD, Kentucky
SPARK M. MATSUNAGA, Hawaii

PAUL B. DAGUE, Pennsylvania
PAGE BELCHER, Oklahoma
CLIFFORD G. MCINTIRE, Maine
RALPH HARVEY, Indiana

CONTENTS

H.R. 4914, a bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for the use of counterpart funds for international agricultural conferences-----	Page 1
H.R. 5380, a bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for the use of counterpart funds for international agricultural conferences-----	1
Statement of—	
Buffington, A. L., general manager, Diamond Walnut Growers, Inc.--	12
Codekas, Tellis, Date Packers Council of California, Inc-----	26
Dominek, Frank, managing director, California Fig Institute-----	22
Henderson, general manager, Lindsay Ripe Olive Co., and the California Olive Association-----	23
Kerr, Robert M., on behalf of the Cherry Growers & Industries Foundation and Oregon Filbert Commission-----	15
Martin, Hon. Patrick Minor, a Representative in Congress from the State of California-----	8
McFall, Hon. John J., a Representative in Congress from the State of California-----	7
Radin, George, Washington, D.C-----	29
Sisk, Hon. B. F., a Representative in Congress from the State of California-----	2
Tarlock, Anthony J., coordinator, U.S. Specialty Crops Conference--	9
Truitt, William, assistant director, legislative services, Farmers Union--	27
Communications submitted to the subcommittee:	
Freeman, Hon. Orville L., Secretary of Agriculture, U.S. Department of Agriculture, report of H.R. 4914, letter of May 6, 1963-----	2
Lynn, John C., legislative director, American Farm Bureau Federation, letter of May 6, 1963-----	31

CONTENTS

1	1. The first part of the book is devoted to a general introduction to the subject of the book, and to a discussion of the various methods of determining the age of the earth.
2	2. The second part of the book is devoted to a discussion of the various methods of determining the age of the earth.
3	3. The third part of the book is devoted to a discussion of the various methods of determining the age of the earth.
4	4. The fourth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
5	5. The fifth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
6	6. The sixth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
7	7. The seventh part of the book is devoted to a discussion of the various methods of determining the age of the earth.
8	8. The eighth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
9	9. The ninth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
10	10. The tenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
11	11. The eleventh part of the book is devoted to a discussion of the various methods of determining the age of the earth.
12	12. The twelfth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
13	13. The thirteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
14	14. The fourteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
15	15. The fifteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
16	16. The sixteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
17	17. The seventeenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
18	18. The eighteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
19	19. The nineteenth part of the book is devoted to a discussion of the various methods of determining the age of the earth.
20	20. The twentieth part of the book is devoted to a discussion of the various methods of determining the age of the earth.

MAKE COUNTERPART FUNDS AVAILABLE FOR AGRICULTURAL CONFERENCES

TUESDAY, MAY 7, 1963

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FOREIGN AGRICULTURAL OPERATION
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 1310, Longworth House Office Building, Washington, D.C., Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Matthews, Harding, Stubblefield, Matsunaga, Dague, Belcher, McIntire, and Harvey.

Also present: Representatives Hagen of California and Johnson of Wisconsin.

Martha Hannah, staff; Hyde H. Murray, assistant clerk; John J. Heimbarger, counsel; and Robert Bruce, assistant counsel.

Mr. POAGE (presiding). The subcommittee will please come to order.

We have for consideration as the first thing this morning two bills which I presume are identical, one by our colleague, Mr. Sisk, H.R. 4914, and one by our colleague, Mr. McFall, H.R. 5380.

We will be glad to hear from you now, Mr. Sisk, on H.R. 4914.

(H.R. 4914, H.R. 5380, together with the report of the Department dated May 6, 1963, on H.R. 4914, follow:)

[H.R. 4914, 88th Cong., 1st sess.]

A BILL To amend the Agricultural Trade Development and Assistance Act of 1954 to provide for the use of counterpart funds for international agricultural conferences

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting after subsection (s) the following new subsection:

"(t) To provide for such representation of agricultural industries as may be required by the Secretary of Agriculture during the course of domestic or foreign discussions on trade policies relating either to individual commodities or to groups of commodities."

[H.R. 5380, 88th Cong., 1st sess.]

A BILL To amend the Agricultural Trade Development and Assistance Act of 1954 to provide for the use of counterpart funds for international agricultural conferences

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104 of the Agricultural Trade

2 COUNTERPART FUNDS FOR AGRICULTURAL CONFERENCES

Development and Assistance Act of 1954 is amended by inserting after subsection (s) the following new subsection:

"(t) To provide for such representation of agricultural industries as may be required by the Secretary of Agriculture during the course of domestic or foreign discussions on trade policies relating either to individual commodities or to groups of commodities."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 6, 1963.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: This is in reply to your request of March 18, 1963, for a report on H.R. 4914, a bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for the use of counterpart funds for international agricultural conferences.

This bill provides for the use of foreign currencies acquired by sales of surplus agricultural commodities for representation of agricultural industries at domestic or foreign discussions on trade policies relating to individual commodities or to groups of commodities.

The Department favors the participation of representatives of the agriculture industries at such conferences. However, we believe that H.R. 4914 would not accomplish the desired purpose. The foreign currencies which are received from the sale of agricultural commodities under title I of the act are not located and could not be used in the countries where the trade agreement conferences are held. The use of foreign currencies to pay expenses in connection with attendance at domestic conferences would also not be feasible. Available currencies are, for the most part, not readily convertible to such other currencies outside the country.

H.R. 4914 provides for such representation of agricultural industries as may be required by the Secretary of Agriculture. The Trade Expansion Act of 1962 charges the special representative for trade negotiations with the responsibility for seeking information and advice for representatives of industry, agriculture, and labor. We believe that representation for agriculture at such conferences should be provided under the terms of the Trade Expansion Act of 1962 along with representation of other interested groups.

For these reasons the Department recommends that the bill not be passed.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. SISK. Thank you, Mr. Chairman.

Let me say to start with that I am most grateful to you, Mr. Chairman, and to your subcommittee, for making it possible for this particular hearing today to be set, in view of the fact that it does coincide with the visit of a substantial group of California growers, farmers, representatives of specialty groups, and on their behalf as well as my own, I want to express to the subcommittee my deep appreciation for your time in arranging this schedule, to enable these gentlemen to make a brief appearance before the subcommittee, and to express their opinions on the pending legislation.

Mr. Chairman, I will keep my remarks very brief. I do have a brief statement which I would like to put into the record, which I am not reading.

Mr. POAGE. Without objection it will be inserted in the record.

(The prepared statement of Hon. B. F. Sisk follows:)

STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, H.R. 4914 and companion bills now before you would provide a source of financing for agricultural industry participation in international trade and tariff conferences and negotiation.

This legislation would amend the Agricultural Trade Development and Assistance Act of 1954 to authorize the use of counterpart funds for international agricultural conferences. As you know, counterpart funds are foreign currencies owned by the United States through its military and economic activities in other countries and may not be converted into U.S. currency. The act referred to contains a listing of the purposes for which the funds may be used. This bill would add a single item to this list.

I strongly urge approval of this bill to implement in good faith promises made to agricultural groups during consideration of the Trade Expansion Act of 1962 that they would participate in any negotiations looking toward adjustment or lowering of tariffs. Active participation by persons completely familiar with agriculture is essential to avoid undue hardship on farmers arising from international trade agreements. This bill would provide a direct, nontax source of funds to meet expenses of agricultural representation.

This bill would authorize use of counterpart funds "to provide for such representation of agricultural industries as may be required by the Secretary of Agriculture during the course of domestic or foreign discussions on trade policies relating either to individual commodities or to groups of commodities." It would thus provide the Secretary with experience, knowledgeable consultants in commodity fields under discussion or negotiation. He would have the authority to give these farm groups a voice at the conference table where primary decisions vitally affecting them are to be made.

This measure is of particular importance to specialty crop groups with highly technical problems, but it also has great importance in the basic crop fields which are of broader and more far-reaching importance in our farm economy. I sincerely hope you will give this legislation your early and favorable consideration.

Mr. SISK. I would like at this time to briefly comment on the departmental report. This report is dated May 6, 1963. I had not understood that there would be a departmental report prior to this hearing, but apparently they did rush their actions down there, and as of yesterday they delivered to the committee a one-page report on this legislation, a copy of which was delivered to my office about 5 o'clock yesterday afternoon, too late, frankly, to check the thing out well, but as I briefly analyze the report, Mr. Chairman, it would indicate that basically the Department agrees with the objective which we seek to obtain under this legislation, that is, to make counterpart funds available for the use of agricultural groups, grower groups, in foreign conferences and in meetings with Common Market countries, et cetera. But they indicate that they do not believe this bill will accomplish the desired result; and therefore, for those and some other reasons, which they cite, indicate that they would recommend that the bill not be passed.

As I say, this came as somewhat of a surprise to me, because in conversations and discussions over a period of the last several months, I had been led to believe that they were very much in favor of what we sought to do here.

They do cite in the third paragraph of their report some statements which I frankly believe to be erroneous with reference to counterpart funds and their uses.

I am sure that it was an honest mistake, but I believe it to be a mistake, the way and the manner in which they indicate it, because having some knowledge, as most members of Congress do, of the use and the handling of counterpart funds, I believe that counterpart funds are available and would be available to use for this purpose, and in the countries where these meetings would be found to be desirable. And therefore it is my hope that the committee in its wisdom, if you feel so, Mr. Chairman, will make these counterpart funds available which, of course, we all know are tied up in those countries and cannot, of course, be brought back to this country—they are for our use—if it is in the wisdom of this committee your opinion that those could be made useful for the purpose, I would hope that the committee, of course, would proceed either to amend the present bill or to introduce new legislation.

I have no pride of authorship in the present bill, but we simply seek to make these funds available for the use of American agriculture at the conference table in Europe or anywhere else in international conferences that is in the best interest of American agriculture to use these funds.

That completes my statement, Mr. Chairman.

Mr. POAGE. Thank you very much, Mr. Sisk.

It seems to me that this report is an attempt to show why we cannot do something, rather than to find ways of doing something. It seems to me that we will have to find those ways. We get no help from the Department in this report.

Your bill is obviously an effort to try to save the U.S. Government some money, to use some of these counterpart funds for some of the expenses we are having to pay out.

Mr. SISK. That is right.

Mr. POAGE. All too often that has not been done. I am not criticizing anybody who is present or anybody in the past, but I happen to know of some conferences that have been held. I do not want to go back over several years, because we are not trying to name anybody, but I know, for instance, about the holding of the agricultural attachés conference in South America, in a country where we did not have counterpart funds, and we had to pay all the bills with dollars.

We have counterpart funds in Brazil, Peru, Bolivia, and have had for all of these years, but no, they paid dollars for the transportation.

Pan American Airlines does business with Brazil and they take Brazilian cruzeiros for any tickets purchased there. The same with any airline doing business with any country, they take the local currency, but too often we pay dollars.

Since we have learned a little bit more about what they were doing, we hope that they are not doing that sort of thing any more, but I take it that is exactly the kind of thing the bill is trying to prevent.

Mr. SISK. That is right, Mr. Chairman.

Mr. POAGE. And this committee wants to prevent some of that. We are going to have discussions with some of the officials about some of these matters immediately after we get through considering your bill here. And we may be able to go into some of these matters further.

We do appreciate your bringing this to our attention.

Mr. MCINTIRE. Could I ask you a question?

Mr. SISK. Yes.

Mr. McINTIRE. It is my understanding that your objective here is to have official recognition extended representatives from agriculture in these association trade conferences, rather than going through the process of representation through the Committee on Reciprocity. Your purpose here is to obtain representation on the actual official delegation.

Mr. SISK. If I could comment to my good friend and colleague from Maine, the essential objective sought to be obtained in this legislation is not to change the format or to change the official representation or even the unofficial representation of our country or of the administration in its contacts with the Common Market countries, but rather to make available counterpart funds for the use of growers, other agricultural groups that the Department might feel could be beneficial, either as observers or advisers in these foreign countries.

And for this, you make it possible for our people, representatives of agriculture, to sit down at international conferences.

I might, if I may be permitted—I do not want to take too much time from these other gentlemen who have come from California to testify this morning, but I cite that my initial interest in this subject came about because of a conference which we arranged some time ago, on behalf of the fig industry.

This was a completely informal conference which the Department thought was advisable and they more or less handled the arrangements.

It was set up in which the American fig growers, along with the Greek fig growers and those of Turkey and of Portugal and of, I believe, Spain met in an informal conference to discuss common problems of fig production in the world market, pricing, and other things.

Now we found that counterpart funds could not be used and this was quite a burden upon the Fig Institute. My district happens to produce all of the figs grown in the North American Continent, I think, commercially. And for a small industry this was a pretty heavy burden, because the other countries expected us to pick up the tab, and we did so. Frankly, counterpart funds were ruled not to be available because of the nature and type of the conference it was. We simply feel that these funds that are available in these various countries should be made useful to American agriculture wherever it is in the best interests of this country to meet in these fields or to go as advisers or observers to these various conferences which will be coming up in the Common Market.

I am sorry, I did not want to make a speech, but on the basis of your question primarily the objective is to make available counterpart funds, so that we do not have to spend American dollars to do what we believe is necessary in the best interests of agriculture in the foreign field.

Mr. McINTIRE. Thank you.

Mr. POAGE. Mr. Matthews?

Mr. MATTHEWS. I do not want to keep our colleague, Mr. Sisk, too long on the witness stand because he said there are many others who want to testify, but I do think that it is important to get this into the record, and I feel sure that my colleague will agree with me.

Is it not true, in your opinion, Mr. Sisk, that we ought to do everything in the world that we possibly can to promote the trade of our agricultural commodities?

Mr. SISK. The answer to that, certainly, is "Yes." And this, of course, is what we would hope to achieve by making it easier and simpler and less expensive for our people to go to meet with these people. And I agree with the gentleman that it is imperative for the well-being of American agriculture that we have open to us every possible resource and opportunity to negotiate, and to try to move our agricultural products into these countries and to bring about as much open, above board trade as possible.

Mr. MATTHEWS. Just one other thing that I think should go into the record. Mr. Sisk, is it not true that these California specialty crops, such as walnuts, cherries, almonds, prunes, raisins, figs, and other fruits do not receive some of the special benefits from the commodity programs that are provided to other segments of the agricultural economy?

In other words, are not these products more or less in a class by themselves?

Mr. SISK. Of course, the gentleman is entirely correct. I appreciate your statement. These products, generally, are not subsidized. They are products in which we are competing in a pretty much of a free and wide-open market. And we are competing, frankly, in many cases for a domestic market in which the imports are giving us some real problems. On the other hand, of course, we would like to export some of these commodities, such as dried fruits—and we have some problems there. All of these problems lead to a need to have better understanding with these countries. Although this bill would provide these funds for any kind of a conference, whether it be on cotton, wheat, rice, tobacco, as well as these specialty crops, in the world field, we do have a serious problem in the specialty crops, and I appreciate your pinpointing that situation.

Mr. MATTHEWS. Thank you very much, Mr. Sisk. I think that you have a pretty good bill, let me say.

Mr. SISK. Thank you.

Mr. POAGE. Mr. Hagen?

Mr. HAGEN of California. I would like to ask Mr. Sisk as to the adverse comments of the department. Do you have any comment on those?

Mr. SISK. If I might say to my colleague, I opened up with some comments on the adverse reports. I believe that I did that prior to the gentleman's arrival. That is in the record.

I am very much concerned, as I indicated to the committee and to the chairman about it. Very frankly, they indicate some agreement with your objectives and my objectives in the introduction of these bills. And yet they seem to say that this bill will not do the job. Well, as I indicated, of course, in the wisdom of this committee they feel that a new bill or some other type of approach or an amendment to this would do the job, why then I, of course, have no pride of authorship myself and would be glad to go along with it.

I question some statements made in the middle paragraph of the report, because I think that someone is not too well informed with reference to the use and the handling and the availability of counterpart funds, as I think the chairman indicated in his remarks when we opened upon the subject.

Mr. HAGEN of California. Thank you.

Mr. SISK. Thank you, Mr. Chairman. These gentlemen are from California. I have several from my own district. I know Mr. Hagen has several from his district. They are all good friends of ours and we are very grateful for the hearing this morning.

Mr. POAGE. Mr. McFall is here on the same subject. We will be glad to hear from you now.

STATEMENT OF HON. JOHN J. McFALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. McFALL. Mr. Chairman and members of the committee, I would like to file my statement with the committee and to tell you that I think that Mr. Sisk and the members of the committee have certainly adequately covered the subject. And I know that there will be other testimony which will even more completely cover the subject. I wish to tell you that I am very much in favor of the legislation and have introduced an identical bill.

Mr. POAGE. Your statement will be made a part of the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. JOHN J. McFALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, thank you for the opportunity to make this statement on H.R. 4914, introduced by my colleague from California, Mr. Sisk. I have introduced an identical bill, H.R. 5380.

The purpose of this proposal is to authorize the use of counterpart funds held by the U.S. Government in foreign countries to provide financing for agricultural representatives of this Nation participating in international agricultural conferences.

California is vitally concerned with developing and maintaining markets for its agricultural products abroad. Our State exports more farm products than any other State in the Union, with \$305.5 million worth of such exports going through California ports alone in fiscal 1962. The importance of obtaining a favorable atmosphere for farm products abroad is evident.

Imports of certain agricultural commodities also have an important bearing on the welfare of thousands of Americans due to the effect on domestic market conditions.

The legislation under consideration would facilitate the effective operation of the Trade Expansion Act of 1962 and permit agricultural interests to provide material assistance to our negotiators.

I believe it is essential that farmers and persons completely familiar with agriculture at the farm level have the opportunity to participate in any international agricultural discussions such as next year's round of trade negotiations in Geneva. These bills would provide a direct, nontax source of revenue to insure such participation.

Its use, of course, would be held in check by the provision that the Secretary of Agriculture will determine when and if such representation of agricultural interests will be required to supplement the work of our Government's negotiators.

Of particular concern to me is the status of the so-called California specialty crop groups such as walnuts, cherries, almonds, prunes, raisins, wines, figs, and other fruits—many of which are grown in my congressional district. These crops, perhaps more than any others, are affected by competition from similar products grown in other countries.

To cite one example, let me refer you to the situation involving cherries. In San Joaquin County of my district, the total value of harvested cherries in calendar 1962 was \$6,962,000. While only a fraction of the Nation's cherry crop is exported (principally in processed form), the domestic price of cherries has been consistently depressed by the presence in this country of large supplies

of cherries from Italy and other southern European regions. Despite present duties on incoming processed cherries, they have consistently undersold domestic cherries on the New York market by from 2 to 4 cents a pound. This has been caused primarily by lower labor costs abroad (60 percent below U.S. standards in the industry).

In the export field, we are all familiar with the difficulties which American poultry has faced in shipments to European Common Market countries since last summer. The American poultryman has been virtually shut out of that section of the world due to the complex system of duties, gate charges, and other fees which has been imposed.

The stake of the American farmer in future negotiations under the Trade Expansion Act of 1962 is tremendous. Hence, it seems only fitting that appropriate steps be taken to give the farmer every opportunity to let his voice be heard in trade negotiations.

The bills which are before you will assist the farmer to help himself and at the same time help our negotiators in presenting the full story at the bargaining table.

Mr. POAGE. What other Members do we have from Congress present?

Mr. Martin, we will be glad to hear from you now.

STATEMENT OF HON. PATRICK MINOR MARTIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. MARTIN. I have no prepared statement, but I would like to make a short statement here this morning.

I thank you for the opportunity, Mr. Chairman, to speak here on behalf of the bills now before the committee. And I join with my colleagues, Mr. Sisk and Mr. McFall, in urging your favorable consideration of it.

One of the problems since the Trade Expansion Act of 1962 has been the concern of many small producers in getting their particular problems taken into account before any trade agreement is reached or tariffs raised or lowered.

As the committee knows, the President is given very broad powers under the trade expansion act. And I think it is only proper that we try to get the producers of these products at the site of the negotiations in these discussions, whether they be domestic or foreign. I think it is proper that the use of counterpart funds be used for that purpose.

That is all I have to say, Mr. Chairman.

Mr. POAGE. Thank you very much.

We have with us several witnesses. We will be glad to hear from you. Frankly, the Chair had not realized that we were going to have anybody except the authors of these bills come in, but you are here and we will be glad to hear from you. I have a list of the witnesses, I believe, made up by the staff.

Mr. HAGEN of California. I think, if I may interrupt, that the witness, Mr. Tarlock will present the first of the statements, and the others will present simply one-page statements, I believe.

Mr. POAGE. All right. We will be glad to let him proceed.

Mr. HAGEN of California. They are all together.

Mr. POAGE. That will be fine if all of you are interested in making a statement, if you will come to the witness table together and let Mr. Anthony J. Tarlock make such statement as he cares to make and to introduce the witnesses that he cares to introduce.

**STATEMENT OF ANTHONY J. TARLOCK, COORDINATOR, U.S.
SPECIALTY CROPS CONFERENCE**

Mr. TARLOCK. Mr. Chairman and members of the committee, my name is Anthony J. Tarlock and I am speaking here this morning not because I am any different than my fellow farmers, but I just have been elected to make the opening statement.

I have with me Mr. Robert M. Kerr, representing the Cherry Growers Industry Foundation of the United States and also the Oregon Filbert Commission. And to my right is Mr. A. L. Buffington who is the general manager of the Diamond Walnut Growers, Inc. And next to me is Mr. Frank Domenik, general manager of the California Fig Institute, and then Mr. Richard W. Henderson, general manager of the Lindsay Ripe Olive Co. of Lindsay and Corning, Calif., and also representing the California Olive Association.

And next to him is Mr. Tellis Codekas, who is president of the California Date Council, an organization of California date producers.

Mr. Chairman, I have filed a statement with the committee of several pages. I am well aware that your committee and you gentlemen are very much more familiar with Public Law 480 and with the foreign trade of the United States than we are.

The statement has for your convenience briefed some of the background material on agricultural exports and imports and I would like briefly to read what we consider the relationship of this bill to Public Law 480 itself.

The basic purpose of H.R. 4914 is to provide the means by which the U.S. Secretary of Agriculture, and through him, other relevant officers or agencies of the U.S. Government may avail themselves of the counsel and practical knowledge of persons associated with U.S. agricultural industries during the course of discussions on trade policies relating to agricultural commodities. We feel that the enactment of this bill would and could benefit American agriculture and the economy generally in several ways:

First, in providing the means whereby the counsel and experience of agricultural industries could be made available to U.S. Government officials through the course of discussion or negotiations or international trade; the bill would facilitate such discussions or such negotiations and contribute substantially toward the fulfillment of the objectives of the Trade Expansion Act of 1962. Furthermore, the enactment of H.R. 4914 would be compatible with the provisions contained in section 241(b) (title II, chapter 5) of the Trade Expansion Act, which provides for the establishment of a special representative of trade negotiations.

One of our primary purposes in the organization of the specialty crops which began with the original discussions on the Trade Expansion Act is the attention being directed toward international commodity stabilization funds by various foreign nations, including some members of the European Economic Community as well as some of the developing countries of South America and Africa.

The President expressed a willingness during his recent conferences in Costa Rica to have the U.S. Government consider U.S. participation in deliberations concerning these proposals. H.R. 4914 could again make available valuable additional manpower resources with

respect to the highly technical questions which must be considered in formulation of such programs.

Finally, in conclusion, Mr. Chairman, it is apparent to us in California and in Oregon and in Washington and in New York and in Michigan that as the economic and political leader of the free world, the United States has much at stake in promoting and expanding an orderly world trade in agricultural products. U.S. intentions to seek reciprocal trade agreements with friendly foreign nations are clear. This is the policy and we recognize it and approve it. There remains the task of implementing these objectives. In making available the services of competent informed representatives of agriculture, H.R. 4914 would promote and further those objectives.

Thank you.

Mr. POAGE. Thank you very much, Mr. Tarlock. Your statement will be made a part of the record at this point.

(The prepared statement of Anthony J. Tarlock follows:)

STATEMENT OF ANTHONY J. TARLOCK, COORDINATOR, U.S. SPECIALTY CROPS CONFERENCE

Mr. Chairman and members of the committee, my name is Anthony J. Tarlock. I am an agricultural economist and the coordinator of the U.S. Specialty Crops Conference. The conference is an informal organization of representatives of the walnut, fig, date, olive, filbert, cherry, and wine industries of the United States.

I wish to thank the committee on behalf of the group for affording us the opportunity to appear before it and present our views in support of H.R. 4914 introduced by our distinguished Congressman, B. F. Sisk of California. I offer the following general statement, and other witnesses will present more specific testimony relating to the economics of their individual industries.

The United States is both a major exporter and importer of agricultural products. In fiscal 1962, exports totaled \$5.1 billion—about 15 percent of U.S. cash receipts from farm marketings in 1962 and about 18 percent of the world volume of agricultural exports. U.S. imports of agricultural products in fiscal 1962 approximated \$3.8 billion, of which roughly 50 percent or \$1.9 billion were products competitive with domestically produced farm products. The economic significance of this trade assumes even larger proportions for particular commodities and regions of the country. In the case of rice, feed grains, cotton, tobacco, and some specialty fruit and vegetable crops, export markets absorb 30 to 60 percent of U.S. production. Maintenance of uninhibited export markets is critical to the economic welfare of such industries. Less well recognized is the fact that imports of products, such as certain fresh vegetables, lamb, and specialty crops, such as dates, olives, figs, wine, cherries, and tree nuts, offer substantial or in some cases intense competition for domestic agricultural industries.

As critical as international trade is to the economic position of U.S. agriculture generally and some parts thereof in particular, the economic implications of such trade are not limited to that sector of the economy. Dollars earned from exports of agricultural products play an important part in the Nation's international balance of trade. In fiscal 1962, the \$3.5 billion earned from sale of farm products represented 17 percent of the total U.S. merchandise exports of that year. Total imports of agricultural products in the same year represented 24 percent of all U.S. merchandise imports, with imports of competitive products representing one-half of that volume or 12 percent of all merchandise imports. The importance of maintaining exports and a generally favorable balance of trade in agricultural products, at a time in which the United States has been experiencing a net deficit in our international balance of payments, is obvious.

Although direct farm income represents a relatively small part of the U.S. national income, the total contribution of agriculture, directly and indirectly, is very significant. It has been estimated that the agribusiness complex—the farm sector plus related farm supply and marketing industries—accounts for close to 40 percent of all U.S. consumer expenditures and employs approximately 37 percent of the total national labor force. Any prolonged net decline in the level

of economic activity in agriculture, whether by loss of export markets, increased competition of imported products, or whatever, is likely to be multiplied several times in the U.S. economy. With the present levels of unemployment and with prospects for a rapidly expanding supply of labor in the next decade, it is important that commercial international trade in agricultural products be maintained at high levels.

As a major exporter and importer of agricultural products, the United States assumes a large role in determining the conditions of world trade. U.S. agricultural imports provide a substantial market outlet for products upon which the developing countries of the world are dependent as a source of foreign exchange, and thus indirectly as a means for self-improvement of their economies. As a major exporter, the volume of and terms under which world trade occurs are influenced heavily by the United States. Of particular concern to the overall foreign policy objectives of the United States is the recent, rather persistent worsening of the terms of international trade for underdeveloped areas. Volume increases in exports of the underdeveloped countries have typically failed to offset declining prices, and export earnings of many producing countries have suffered. The current instability in commodity prices is more serious than market fluctuations in past eras when the world was a larger place, and economic development had not become a central element of our own foreign policy. Among the solutions to these problems now being explored is that of global commodity agreements, embracing both producing and consuming nations. These agreements, of which the recently negotiated coffee agreement is a prime example, seek to check disruptive price fluctuations and deterioration pending more basic reforms. In any event, the United States bears a heavy responsibility to attempt to create orderly and more stable conditions for world trade among the free nations of the world.

CURRENT SITUATION IN WORLD TRADE

The single most important recent development in world trade, as it relates to U.S. agriculture, has been the formulation and partial implementation of a common agricultural policy on the part of the European Economic Community. While many details of the Common Agricultural Policy are yet to be agreed upon and implemented by the Community, it is clear that the general policy of the bloc will be to encourage greater self-sufficiency in the production of products such as wheat, feed grains, poultry, rice, and certain fruits such as citrus, prunes, apples, pears, peaches, and grapes. To provide protection for community producers, a battery of devices including variable levies, fees, minimum prices, quality standards, and even quantity restrictions have been authorized to regulate imports from nonmember countries. Currently, the six Common Market countries take approximately one-third of all U.S. agricultural exports sold for dollars. Of those commodities which have been exported from the United States to Europe, about 40 percent by value would appear to be threatened with the possibility of serious reduction should certain policies of the Common Market be fully implemented. Vigorous efforts on the part of the U.S. Government will be called for if the Community is to be persuaded to adopt more liberal, outward-looking policies for the products specified above.

The negotiations under the Trade Expansion Act of 1962 will also be of immense importance to American agriculture. That legislation has provided the President with broad powers to negotiate trade agreements which would maintain and enlarge foreign markets for U.S. products. It is, in essence, a blueprint by which the United States will negotiate with the EEC for reciprocal reductions in tariffs or other types of trade barriers. Thus, the extent to which agriculture is able to maintain exports to the Common Market will depend heavily upon the manner and extent to which the Trade Expansion Act is implemented to secure equitable and mutual trade benefits.

RELATION OF H.R. 4914

The basic purpose of H.R. 4914 is to provide a means by which the U.S. Secretary of Agriculture and through him other relevant officers or agencies of the U.S. Government may avail themselves of the counsel and practical knowledge of persons associated with U.S. agricultural industries during the course of discussions on trade policies relating to agricultural commodities. The bill would amend section 104 of the Agricultural Trade Development and Assistance

Act of 1954, as amended, to provide for the use of counterpart funds for such purposes.

The enactment of H.R. 4914 could benefit American agriculture and the economy generally in several ways.

(1) In providing the means whereby the counsel and experience of agricultural industries could be made available to U.S. Government officials during the course of discussion or negotiations on international trade, the bill would facilitate such discussions or such negotiations and contribute substantially toward the fulfillment of the objectives of the Trade Expansion Act of 1962. Furthermore, the enactment of H.R. 4914 would be compatible with the provisions contained in section 241(B) (title II, ch. 5) of the Trade Expansion Act, which provides for the establishment of a special representative of trade negotiations. Section 241(B) requires, in part, that "the special representative for trade negotiations shall, in the performance of his functions under subsection (A), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, * * *."

(2) In making possible, upon the request of the Secretary of Agriculture, the attendance of U.S. agricultural officials at international commodity conferences, enactment of H.R. 4914 would facilitate the exchange of information and promote a better climate of understanding of international agricultural trade problems and possible solutions to such problems.

(3) Attention is being directed toward international commodity stabilization plans by various foreign nations, including some members of the European Economic Community, as well as some developing countries of South America and Africa. The President expressed willingness, during his recent conferences in Costa Rica, to have the U.S. Government consider U.S. participation in deliberations concerning these proposals. H.R. 4914 could again make available valuable additional manpower resources with respect to the highly technical questions which must be considered in formulation of such programs.

We believe that enactment of H.R. 4914 would be compatible with the basic objectives of the Agricultural Trade Development and Assistance Act of 1954, as amended. That act, frequently referred to as Public Law 480, has in part as its objectives " * * * to expand international trade among the United States and friendly nations, * * *" and " * * * to promote the economic stability of agriculture and the national welfare * * * ." Further, the provisions of H.R. 4914 are also compatible with the objectives of Public Law 480, with respect to the use of foreign currencies which accrue to the United States under that act. Among those objectives are "to expand international trade," "to encourage economic development," and "to foster in other ways the foreign policy of the United States."

It is apparent that as the economic and political leader of the free world, the United States has much at stake in promoting and expanding an orderly world trade in agricultural products. U.S. intentions to seek reciprocal trade agreements with friendly foreign nations are clear. There remains the task of implementing these objectives. In making available the services of competent, informed representatives of agriculture, H.R. 4914 would promote and further those objectives.

Mr. POAGE. Do some of your colleagues want to make statements?

Mr. TARLOCK. I should like to have Mr. Buffington give a brief oral statement at this time.

STATEMENT OF A. L. BUFFINGTON, GENERAL MANAGER, DIAMOND WALNUT GROWERS, INC.

Mr. BUFFINGTON. Mr. Chairman and members of the committee, my name is A. L. Buffington and I am general manager of the Diamond Walnut Growers, Inc., a cooperative marketing association of about 10,000 growers that processes and markets a major portion of the U.S. walnut crop.

I am here to represent an industry with a long record of successful self-management. I have filed a statement which outlines the scope of the industry and our position in detail.

Briefly, we have successfully operated under a marketing order for a great many years. We receive no direct subsidies. We sell our crops for cash. We are a stable and successful agricultural industry. Given an opportunity to represent ourselves we believe that we can maintain this condition.

H.R. 4914 presented by Congressman Sisk of California makes this possible by enabling us to appear at the request of the Secretary of Agriculture at conferences regarding tariff levels or other trade arrangements affecting our product. We respectfully urge your favorable consideration of this bill.

Thank you.

Mr. POAGE. Thank you very much. May I interrupt long enough to get unanimous consent that the statements of Mr. Buffington, Mr. Henderson, and the two statements by Mr. Kerr be included in the record? Are there other statements that you want included in the record, too?

Mr. TARLOCK. There is a brief statement by the fig industry by Mr. Frank Dominek.

Mr. POAGE. Without objection, that may be also included. Are there any others?

Mr. TARLOCK. Mr. Chairman, the date industry will file a brief statement, also.

Mr. POAGE. I have a statement here by the date industry with no name on it.

Mr. TARLOCK. That will be filed by Mr. Codekas.

Mr. POAGE. All right, that will be included, too, in the record. Thank you very much.

And now you may proceed.

Mr. TARLOCK. I should like Mr. Kerr to address the committee. (Prepared statement of A. L. Buffington follows:)

STATEMENT OF A. L. BUFFINGTON, GENERAL MANAGER, DIAMOND WALNUT GROWERS, INC.

Mr. Chairman and members of the committee, my name is A. L. Buffington. I am general manager of Diamond Walnut Growers, Inc., a cooperative marketing association of about 10,000 growers that processes and markets a major portion of the U.S. walnut crop.

The legislation which is before the subcommittee will amend section 104 (title I) of the Agricultural Trade Development and Assistance Act of 1954, as amended. The objectives and provisions of that section are briefly as follows:

"(1) * * * to expand international trade among the United States and friendly nations;

"(2) To facilitate the convertibility of currency;

"(3) To promote the economic stability of American agriculture and the national welfare;

"(4) To make maximum efficient use of surplus agricultural commodities * * *;

"(5) To stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of usual marketings * * * may be sold through private trade channels, and foreign currencies accepted in payment therefor."

With respect to the use of foreign currencies which accrue to the United States under the act, the objectives are:

"(1) To expand international trade,

"(2) To encourage economic development,

"(3) To purchase strategic material,

"(4) To pay U.S. obligations abroad,

"(5) To promote collective strength, and

"(6) To foster in other ways the foreign policy of the United States."

The walnut industry strongly supports and endorses the purpose and objective of Public Law 480, and seeks to broaden its scope in order to assist in the development of orderly agricultural trade policies pursuant to the Trade Expansion Act of 1962.

Following is a brief outline of the domestic industry and its relation to world trade:

The U.S. production of walnuts has averaged 72,000 tons a year during the past 5 years; this represented about 49 percent of the estimated world production, exclusive of Communist countries, in that same period of time. Available data indicate that during this period 27½ percent of the world walnut production has been within the six Common Market countries, and the balance was produced in countries of the Middle East and India. While the total production of walnuts in Communist China is not known, China exported a substantial volume of walnuts in world trade in recent years, including large quantities to the Western Hemisphere.

The U.S. walnut industry is almost exclusively dependent upon the domestic market for disposition of its available production. Exports have averaged less than 2,000 tons per year during the past 5 years.

During the same period, imports have averaged 5,800 tons yearly, and have been as high as 8,700 tons or 12 percent of the U.S. annual production. In 1955, over 15,000 tons were imported, resulting in sharply lower prices to U.S. farmers for several subsequent seasons.

POSITION OF U.S. WALNUT INDUSTRY IN WORLD TRADE

In analyzing the position of the U.S. walnut industry in world trade, several points are paramount.

(1) The U.S. industry has been almost solely dependent on the domestic market for its sales.

(2) While U.S. consumption has, historically, been satisfied in large part from domestic production, the potential volume of walnuts available for import into the United States is large.

(3) The general level of walnut prices in the United States has been higher than in the major exporting countries, such as Turkey and India, and, to a lesser extent, France.

(4) One of the major factors affecting the level of U.S. imports of walnuts is the price of U.S. walnuts relative to prices in other exporting nations. So long as the differences in prices between the United States and the major exporting countries are in part compensated by U.S. tariffs, the volume of imports has been reasonable and tolerable in most years.

(5) An unorderedly increase in imports would mean lower prices and incomes for the domestic walnut industry. On the basis of studies previously made, we would expect an increase in imports amounting to 1 percent of market supply to result in at least a 2-percent decline in domestic prices. Thus, increased imports in certain years would almost certainly have a proportionately greater price depressing effect on domestic prices and growers' incomes. Under these circumstances, the benefits accruing to exporting nations from increased U.S. imports would seem to be outweighed by the disproportionately heavy price and income burden which would be borne by the U.S. industry. Heavy imports under conditions of high world production and low prices would eventually result in U.S. prices being lowered to competitive world price levels—prices which the highly capitalized U.S. walnut industry could not possibly compete with. At present world prices, this would mean prices to U.S. growers of roughly 50 percent of the declared price objective specified by Congress in section 2(a) of the Agricultural Adjustment Act, as amended. (Parity price.)

(6) As indicated previously, the volume of walnuts in world trade from Communist China has been increasing in recent years. The prices of such walnuts have been very low and, of course, need bear no relation to prices in other exporting nations of the world. Increases in U.S. imports from other parts of the world would have the indirect effect of increasing the volume of Red Chinese walnuts in markets previously supplied by other countries of the world.

(7) As indicated, U.S. prices are generally the highest in the world, followed by those in the European Economic Community, particularly France. The possible extension of the EEC to include the other countries and the elimination of tariffs between the EEC and the United States on walnuts, in accordance with

section 212, chapter 2, of title II of the act, would in the short run tend to increase imports into both the United States and the EEC from other walnut-exporting countries. However, the announced agricultural policies of ECC provide for the use of equalization fees on the part of ECC to bring the price of imported goods up to their internal price levels. Under those circumstances, the United States could, without necessary trade agreements, end up with disproportionately high imports and severe reductions of farm income to domestic producers relative to the EEC.

(8) The walnut industry, along with other producers of tree and vine crops, is characterized by high, fixed capital investments, long-term production cycles, and large changes in the yearly volume. Under these conditions, it has been necessary, in order to survive in a rapidly changing economy, to develop long-range marketing programs designed to cushion the shock of abrupt price changes and meet the challenge of competing foods. It has met these problems through a variety of self-help programs such as grower cooperatives, marketing order programs, and intensive research in production, processing, and marketing.

Leaders in this industry were prominent in the development of the original marketing agreement and order legislation. A walnut marketing program under this legislation has been in continuous operation since 1933 and has been amended and modernized to meet changing conditions.

Currently, in cooperation with the Department of Agricultural Economics and the Giannini Foundation of the University of California, intensive economic analyses are being developed covering all aspects of the processing and marketing of walnuts, domestically and worldwide. As a basis for these studies, the industry has maintained and furnished to the university detailed processing and marketing data.

The experience gained over a period of over 60 years in meeting and solving complex marketing problems in cooperation with Government and university technicians, without direct subsidies, in our opinion can contribute to finding effective solutions to problems of international trade that will confront U.S. negotiators.

Public Law 480, which this bill seeks to amend, has provisions to promote the interests of agricultural industries exporting or expecting to export. On the other hand, it does not now contain provisions for representation in the foreign trade area of industries which conceivably might be disrupted by unorderly marketing of competitive products within the free world, and from Communist countries into the free world.

CONCLUSION

H.R. 4914 offers a means by which this experience can be utilized through the presence of industry representation at international trade negotiations, as requested by the Secretary of Agriculture.

STATEMENT OF ROBERT M. KERR, ON BEHALF OF THE CHERRY GROWERS & INDUSTRIES FOUNDATION AND OREGON FILBERT COMMISSION

Mr. KERR. My name is Robert M. Kerr and I am attorney at law with offices in Portland, Oreg. I appear here, in the first instance, on behalf of the Cherry Growers & Industries Foundation which is a national trade association of sweet cherry growers, processors, shippers, and handlers in the States of California, Washington, Idaho, Michigan, and New York and, also, Utah.

The sweet cherry industry is very much interested in this measure, although it might be supposed that in their instance, inasmuch as it is entirely a domestic market-based commodity, with no or merely negligible export markets or potential export markets, that it would see little attraction in possible international agreements or negotiations in this trade field. However, the industry feels very strongly that there is a definite possible opportunity for the achievement of a balanced trade and a fairer level of competition in the domestic markets

upon which this industry, essentially, relies between the heavy imports, the Spanish and the Italian brand cherries and the domestic supplies, to some measure of international cooperation and international agreement. And it believes that this measure may open the door to the accomplishment of that protection and stabilization of the sweet cherry industry in the United States which would be very, very seriously threatened by any further loss of tariff protection.

There is a definite possibility of substituting international compacts, international commodity agreements approach for the measure of tariff protection upon which they have relied and upon which the industry has been based since 1930.

Now with respect to the Oregon Filbert Commission, that is a State agency established under State law in the 1950's. It represents the growers of filberts, some 4,000 of them in the States of Oregon and Washington which are the sole suppliers of U.S. filberts.

That organization is very much interested in this particular field of international negotiation. That was one of the purposes of the Oregon Legislature in establishing this State agency, looking toward the future. And it is very much interested in and strongly supports this measure.

The filbert industry, like the sweet cherry industry, has had some measure of export market. Its principal export market was Cuba which, of course, is now lost to it. At the present time, by reason of storm damage, its production is relatively low. And by reason of the short crops abroad and the increased marketing in Europe for the Turkish filberts, the European market is taking a large measure of the foreign production, but they foresee in the next few years when the replants are coming into bearing in this country, and when the foreign production reaches its potential they will, again, have a serious import problem which they think this measure may help them to solve.

Thank you very much.

(The prepared statement of Robert M. Kerr follows:)

STATEMENT OF MR. ROBERT KERR ON BEHALF OF THE OREGON FILBERT COMMISSION,
TIGARD, OREG.

Mr. Robert Kerr has been authorized by the Oregon Filbert Commission to represent the commission before the House Agricultural Committee with respect to the committee hearing on H.R. 4914. The Oregon Filbert Commission is a State agency sponsored by the Nut Growers Society of Oregon and Washington and established under Oregon State law effective July 1, 1951. The filbert commission was formed for the purpose of promoting filberts grown in Oregon and Washington, formulating research both horticultural and technological and representing the producers in any legislation effecting them. For practical purposes all commercial production of filberts in the United States is located in the Pacific Northwest States of Oregon and Washington. There are approximately 4,000 filbert growers in the two States.

For several years the Oregon Filbert Commission has endeavored to develop a working arrangement with Turkish producer groups or any agency of the Turkish Government for the purpose of a joint promotion of filbert kernels. Members of the Turkish Embassy and various government officials from Turkey who have visited Oregon have been in favor of such a program. There was considerable correspondence and some progress was made prior to the overthrow

of the Menderes regime. Since that time the commission has been unable to contact the proper individuals or agencies of the Turkish Government who would be in a position to enter into such a joint promotional venture. It is apparent that a joint program with Turkey may still be possible since the following is a quote from the Turkish Economic Review of June-July, 1962: "Very little effort is made to advertise and introduce our export commodities in foreign markets. It is assumed that if the customers are interested in our products they will buy them. Yet, in foreign trade it is up to the producer to look for the right customer and induce him to buy his goods. It is, therefore, necessary to set up an organization and make every effort to promote the sale of our products in foreign markets through advertisements, exhibitions, and fairs. Such efforts are especially indispensable for the exportation of new items and for those which are not easily marketable." Filberts are the third largest export crop produced in Turkey. Spain and Italy are also large producers of filberts but have not been mentioned since practically all U.S. imports of filbert kernels originate in Turkey with Italy and Spain being suppliers of inshell. (See table 1.) This information is being furnished to you to illustrate the willingness of the filbert industry to develop on the international level a program of mutual benefit to all filbert producers such as an international commodity agreement regulating the world trade of filberts.

The legislation before you, by making funds available, would permit representation by the domestic filbert industry at an international meeting which might otherwise be impossible due to our limited funds. Filbert production in Oregon and Washington (see table 2) has suffered a set back due to the number of trees blown over in the storm of October 12, 1962, but this is temporary and production will ultimately continue the upward trend of the past 10 years. Exports during the past 10 years (see table 3) have varied considerably and until recently have been sold in world competition at prices considerably below the domestic inshell price. Since 1958 world production (see table 4) and prices have remained relatively stable but a year or 2 years of heavy production, particularly in Turkey, could again result in the chaotic conditions which prevailed prior to this period. In a year when the supply of filbert imports is normal or short domestic prices are determined on the basis of the competitive position of filberts with the other domestic tree nuts but when an unlimited amount of filberts are imported at low prices there is a depressing effect not only on the domestic filbert price but to a lesser degree on the prices of the other domestic tree nuts. It is understandable that fluctuations in the production of a commodity should result in fluctuations in the price of the commodity but both foreign and domestic producers should welcome the opportunity to minimize the effects of over and under supply. For this reason the filbert growers of Oregon and Washington would support an international commodity agreement and urge your support of the legislation before you which would make it possible for filbert growers to be represented in the negotiations preceding such a trade agreement.

TABLE 1.—U.S. imports of filberts by country of origin

[In tons]

Year	Shelled					In shell, Italy
	Turkey	Italy	Spain	Other	Total	
1952-53.....	1,959	240	132	2	2,333	74
1953-54.....	1,157	535	836	30	2,558	222
1954-55.....	3,750	133	35	151	4,069	-----
1955-56.....	2,026	256	77	176	2,535	-----
1956-57.....	2,798	163	22	22	3,005	471
1957-58.....	1,972	58	-----	198	2,228	33
1958-59.....	3,130	362	14	65	3,571	69
1959-60.....	2,922	187	16	133	3,258	19
1960-61.....	2,009	230	109	66	2,414	22
1961-62.....	1,236	116	-----	8	1,360	23

TABLE 2.—*U.S. production of filberts*

[In tons]

Year	Oregon	Washington	Total
1952-53.....	11,000	790	11,790
1953-54.....	4,300	600	4,900
1954-55.....	8,000	620	8,620
1955-56.....	7,400	310	7,710
1956-57.....	2,900	140	3,040
1957-58.....	12,000	510	12,510
1958-59.....	7,200	340	7,540
1959-60.....	9,600	480	10,080
1960-61.....	8,400	550	8,950
1961-62.....	11,200	600	11,800

TABLE 3.—*U.S. inshell exports by area of destination*

[In tons]

Year	North America	South America	Asia	Australia	Europe	South Africa	Total
1952-53.....	477	5	-----	-----	-----	-----	482
1953-54.....	133	6	1	-----	-----	-----	140
1954-55.....	434	41	1	-----	365	-----	841
1955-56.....	377	47	2	-----	-----	-----	426
1956-57.....	169	6	-----	-----	-----	-----	175
1957-58.....	562	57	1	-----	102	-----	722
1958-59.....	591	39	1	-----	265	-----	896
1959-60.....	298	33	3	-----	-----	1	335
1960-61.....	218	40	2	2	5	-----	267
1961-62.....	282	26	2	3	35	-----	348

TABLE 4.—*World production of filberts*

[In tons]

Year	Turkey	Italy	Spain	United States	Total
1952-53.....	67,000	14,900	9,800	11,790	103,490
1953-54.....	51,000	38,000	21,800	4,900	115,700
1954-55.....	125,000	23,000	7,300	8,620	163,920
1955-56.....	57,000	50,000	12,000	7,710	126,710
1956-57.....	143,000	33,000	18,500	3,040	197,540
1957-58.....	81,000	38,000	24,000	12,510	155,510
1958-59.....	110,000	37,000	14,500	7,540	169,040
1959-60.....	100,000	47,000	17,000	10,080	174,080
1960-61.....	65,000	39,000	19,000	8,950	131,950
1961-62.....	84,000	55,000	12,000	11,800	162,800

STATEMENT OF ROBERT M. KERR, CHERRY GROWERS AND INDUSTRIES FOUNDATION

My name is Robert M. Kerr. I am a member of the Portland, Oreg., law firm of Tooze, Power, Kerr, Tooze & Morrell, 811 Equitable Building, Portland, Oreg.

I appear here in behalf of the Cherry Growers and Industries Foundation, of which I am general legal counsel. The foundation is a national trade association of more than 18,000 growers, processors, and shippers of sweet cherries grown in the States of California, Oregon, Washington, Michigan, New York, Idaho, and Utah.

The U.S. sweet cherry industry is vitally interested in any international negotiations which might affect or have a bearing upon international trade in sweet cherries or products thereof. This industry is of necessity dependent almost entirely upon its domestic U.S. market, where it competes with very substantial imports of foreign brined or glace cherries. It has no present or prospective foreign markets for the processed sweet cherries, and there is only negligible export movement of sweet cherries in fresh form, this being between contiguous areas of the United States and Canada.

The imported cherries consist chiefly of glace (candied) cherries from France, and brined (also known as sulfured) cherries from Italy. Spain also has

become an increasingly important supplier of cherries to the United States in the past few years.

Brined cherries are cherries which have been treated in a sulfurous acid solution as the raw stock for reprocessing into glace, maraschino or candied cherries widely used by the confectionery, ice cream, and bakery trades, sold as cocktail cherries, included in canned fruit salad or fruit cocktail pack, and bottled for household use.

The imported cherries compete to a significant extent with the sweet cherry varieties only. The large U.S. production of sour or "red tart" varieties is not directly affected. Eleven Pacific Coast and Great Lake States participate significantly in the U.S. sweet cherry production.

These two types of U.S. cherries, that is, the sweet varieties on the one hand and the sour or "red tart" varieties on the other hand, differ materially in their utilization, and in effect are marketed as two different commodities. The principal market of the sweet cherries is as brined cherries, as to which the imported brined or glace cherries are directly competitive. The sour cherries are marketed almost entirely in frozen or canned form, and the quantity brined normally is negligible.

The sour cherry industry nevertheless does have a vital interest in maintenance of the domestic markets for the sweet cherry varieties. The already difficult task of marketing the large and rapidly increasing sour cherry production (more than 90 percent of which is in the Great Lakes States) would be critically complicated if further loss of sweet cherry markets to imports resulted in replanting of substantial sweet cherry acreage to sour varieties.

U.S. sour cherries, in canned form have been exported during the past year in substantial quantities to Western Europe, principally West Germany. This extraordinary export movement is due to a combination of temporarily short supplies in Europe and a very large 1962 crop of sour cherries in the United States and consequent low growers' prices, which have enabled delivery of the canned cherries in Europe at unusually low prices. This unusual movement of U.S. sour cherries into Europe brought complaints from the normal European suppliers, who are charging that the American cherries have been "dumped" in Europe, and who have been pressing for imposition of equalization fees or other restrictions upon further imports of the American cherries.

Approximately 50 percent of the U.S. annual production of sweet cherries, of all varieties, is marketed in brined form. In some sweet cherry producing districts, such as in Michigan and New York, and the Willamette Valley in Oregon, from 65 percent to more than 90 percent of the sweet cherry production is brined.

Stored in barrels or large tanks, brined cherries maintain merchantable quantity and condition for many years. Brining thus makes possible the carrying over and the economic, orderly marketing of an otherwise highly perishable commodity. It provides a market for very large quantities of cherries which could not possibly be absorbed by the markets in fresh form or canned.

Brining has a further advantage in that it takes the cherries out of competition with other fruits in fresh or canned form. An additional advantage, particularly from the standpoint of growers, is the fact that cherries intended for brining are harvested at an earlier stage of maturity than those destined for other uses and are thus less vulnerable to adverse weather conditions prior to or at the time of harvest. The brining outlet thus has substantial advantages in addition to the large volume which it absorbs.

Import duty rates on brined cherries are those established under the Tariff Act of 1930, there having been no reduction since that time. The glace cherries, however, have suffered two reductions of duty rates under reciprocal trade agreements with France, the latest reduction being in 1948. The glace imports increased rapidly and substantially after the 1948 reduction of rates, from only 5,299 pounds during 1948 to more than 8 million pounds in 1960. The 1961 and 1962 imports of glace cherries exceeded the 5-year 1955-59 average by more than 20 percent.

Imports of brined cherries (from Italy, with recent substantial participation by Spain) also have been increasing substantially. The trend of brined imports was downward during the period 1951-55, when imports were discouraged by difficulty in meeting U.S. food and drug standards because of heavy fruit fly larvae infestation. More effective insect control measures in the foreign areas of production resulted in a rising trend of brined imports beginning with the year 1956.

The ratio of imported brined and glace cherries to the U.S. production of brined cherries (on the basis of equivalent unpitted brined weights) during the period

1957 through 1962 has varied from 15 to 30 percent. The glace imports, of course, displace domestic brined cherries available for use for the domestic manufacture of glace cherries, and thus must be included (converted to an equivalent weight basis) in any valid comparison of imported volume with domestic brined production.

The sales prices of the imported cherries, both brined and glace, maintain a consistent differential of from 2 to 4 cents per pound under the domestic cherry prices, irrespective of the level, from year to year, of the domestic prices.

The United States produces a minor portion of the world's supply of cherries. Italy, France, and Spain, the principal exporters to the United States, have all substantially increased their production in recent years. Italy, with an average production of 139,252 tons during the 5 years 1951-55, increased its production to 223,200 tons in 1961, and 230,000 tons in 1962. The Spanish production increased by 30 percent during this same period, and with that increased production has entered the U.S. market to a significant extent. The U.S. markets are thus exposed to possible extremely heavy importations.

The 1962 U.S. pack of brined cherries was, by far, the largest in history, amounting to more than 400,000 barrels. This has resulted in a carryover of unsold U.S. brined cherries as at April 1, 1963, which is the largest for that date in many years. This creates an extremely serious problem for the industry, as the unsold carryover represents unrealized income for the growers which they require for their current production activity, as well as causing a substantial decrease of returns to the growers on those cherries which have been sold.

It is notable that the average return to sweet cherry growers for the 1962 crop, 13 $\frac{3}{4}$ cents per pound is 4.2 cents per pound less than the parity price.

The U.S. Department of Agriculture has forecast maintenance of sweet cherry production in the United States during the next few years at approximately its present level, but predicts an increase of output of brined sweet cherries. The canning market appears to be diminishing year by year for the sweet cherries, due to increasing volume and price competition of other canned fruits. This progressive loss of the market for canned cherries results in diversion to the brined market of increasing proportions of the U.S. sweet cherry production.

Nationwide advertising and promotional programs to stimulate the use and consumption of maraschino and glace cherries and canned sweet cherries have been financed for several years by the sweet cherry growers of Oregon, Washington, and Michigan. Participation in these programs includes the growers whose cherries are marketed in fresh form only, as well as those growers who sell chiefly to processors, for the fresh cherry shippers are keenly aware of the fact that the brined cherry market is the keystone of the market structure for all sweet cherries, irrespective of the form in which marketed. Failure to maintain the brined cherry market at substantially the present level would quickly place the fresh and canned markets on an unmanageable surplus supply basis, and inevitably disrupt the entire sweet cherry industry.

Research and development activities also are being conducted in an effort to obtain new or improved products utilizing brined cherries. Economies and increased efficiency in producing, handling, and processing the sweet cherries are being tested and adopted when found to be practicable. Nevertheless, the disparity between U.S. and foreign costs of production and handling (about 60 percent of which represents labor costs) continues to be so substantiated that the foreign suppliers can readily deliver high quality cherries in the U.S. markets, with the present import duties paid, at prices substantially below those which the domestic industry must obtain in order to continue in business.

Foreign cherries have not as yet been exported to the United States in maraschino form. This is a matter as to which the domestic industry is especially sensitive, because the maraschino utilization of brined cherries takes the major portion of the domestic brined cherry pack, and has absorbed some of the loss of the glace outlet to the glace imports. Technical difficulties in large quantity bulk containerizing of maraschino-type cherries for transportation to the United States have been one of the factors which have prevented entry by the foreign maraschino manufacturers into what no doubt appears to them to be a most inviting American market.

Development of fast water transportation has brought Chilean and Argentine fresh cherries into the United States during the winter season when, of course, fresh U.S. cherries are not available. Such rapid water transportation is also available to the European fresh cherries, the production and marketing season

of which is coincident with that of the U.S. cherries. This presents an additional hazard to the U.S. industry.

The U.S. sweet cherry industry is thus extremely sensitive to any possible reduction of present import duty rates on brined or glace cherries. The "adjustment assistance" procedures authorized by the Trade Expansion Act of 1962 offer no comfort to this industry, for application of such procedures to a perennial specialty orchard crop such as cherries imply would not be practicable. Cherry orchards cannot be diverted to other production without tragic and uneconomic sacrifice of long years of effort and heavy investment. In any event, diversion of present cherry acreage into other crops would not provide a satisfactory "adjustment," inasmuch as much of the cherry acreage is not suitable for successful production of other products or such other crops as could satisfactorily be produced in the climatic areas and on the soils involved already are in surplus production or face heavy imports competition. Diversion of any substantial part of the present cherry acreage to production of some other agricultural crop would ultimately throw that crop into a surplus position, if not already there, and upset that crop's normal market pattern.

Under these circumstances, the U.S. sweet cherry growers are most uneasy in the current climate or reduction or elimination of tariff protection and encouragement of imports. They have good reason to fear that in the complex negotiations involving a myriad of articles and the insistent pressures on the so-called basic crops for maintenance at any cost of traditional European markets, the peculiarly vulnerable position of the sweet cherry industry with relation to imports competition and lack of foreign markets may be overlooked or disregarded.

To illustrate the sensitivity of this cherry industry to international political developments and their reaction upon international trade, there is strong indication that Great Britain is planning, now that it is excluded from the Common Market, to retaliate against France by shifting to Italy its large purchases of glace cherries and other glace fruits. Any such loss of France's glace cherry market in Great Britain, which has long taken the lion's share of the French production, would quite likely result in diversion to the United States of French glace cherries heretofore sold to England.

There is sound reason to believe that an international commodity agreement among the United States, France, Italy, and possibly Spain, covering cherries either separately or in combination with other fruits, could be of mutual advantage to all parties, and provide a means of stabilizing international markets for cherries and their products, increasing returns to the growers and processors in all areas, and remove present causes of international tension and misunderstandings.

Th French glace manufacturers have long complained that they cannot make any long-range plan with respect to the U.S. market so long as the U.S. tariff rates are subject to adjustment under escape clause or similar procedures. The Italians misunderstand and strongly resent enforcement against their brined cherry exports to the United States of the same standards of pure food and drug regulations compliance as is required by our domestic manufacturers. The U.S. industry feels strongly that it is at the mercy of the huge supplies of foreign processed cherries available for export to the United States, and that the combination of this potential volume and the extreme disparity between foreign and U.S. costs carries the threat of disaster.

Tariff protection, at present or any levels, is of benefit to the U.S. cherry industry primarily as a deterrent to unlimited or grossly excessive imports. The American growers are not interested in how large the profits to the foreign supplier may be from his invasions of the American market, except insofar as those margins may be sufficient to attract to the United States more foreign cherries than this market will take without denying to the domestic producers their essential and fair share of that market. I dare say the U.S. industry would cheerfully forego all tariff protection if assured in some reliable way of a fair opportunity to supply, on a competitive basis, their reasonable share of this market.

H.R. 4914 is therefore of great interest to this specialty crop industry, as a possible means of assisting our Government, and the industry itself, to develop and implement procedures, at the international level, whereby this important segment of American agriculture and its allied processing industries may continue to exist and enjoy its reasonable share of our Nation's prosperity. We endorse and support this measure.

Mr. POAGE. Thank you very much, Mr. Kerr.

Mr. TARLOCK. May I now have Mr. Frank Dominek of the California Fig Institute address you?

Mr. POAGE. We will be glad to hear you.

STATEMENT OF FRANK DOMINEK, MANAGING DIRECTOR, CALIFORNIA FIG INSTITUTE, FRESNO, CALIF.

Mr. DOMINEK. Thank you. I appreciate making this brief statement to you. My name is Frank Dominek. I am the managing director of the California Fig Institute with offices in Fresno, Calif. The membership of the California Fig Institute includes all of the fig producers in California.

First of all, let me say that we heartily endorse and sincerely commend for your consideration and possible approval H.R. 4914 as introduced by Congressman Sisk.

We feel that this is a correct approach to some of the problems that face us in agriculture in the international scene, particularly a crop such as ours.

My statement makes certain other brief comments on this thing, but I would like to verbally mention one fact to you, and that is, Congressman Sisk, through his assistance and the assistance of the foreign agricultural service, that the fig industry did last May engage in a conference in Turkey between producers and others from Turkey, from Portugal, Spain, and Greece. I was one of those privileged to attend this conference.

Although during the course it was quite apparent that any number of problems existed in the reaching of agreements or discussions that may resolve some of the problems confronting the domestic and the foreign industries, it was brought home quite clearly to us that perhaps one approach in many instances that will keep us from entering into what are many times restrictive arrangements or antagonistic arrangements is that when you can sit down around a conference table and come up with arrangements that at least come to an average solution, that all parties can at least contribute to, that perhaps this is the correct approach.

And this bill of Congressman Sisk's certainly provides for the use of counterpart funds on the basis that we feel is a likely approach to the problem.

Thank you.

Mr. POAGE. Thank you very much, Mr. Dominek.

(The prepared statement of Mr. Dominek follows:)

STATEMENT OF FRANK DOMINEK ON BEHALF OF DRIED FIG INDUSTRY

We appreciate the opportunity of appearing before you to second and to strongly endorse the presentation which has been made here previously by those testifying in favor of H.R. 4914. It is our studied opinion that the passage of H.R. 4914 to amend the Agricultural Trade Development and Assistance Act of 1954 will be beneficial to the American fig industry as it will to all of agriculture.

We are not presenting in this appearance any testimony or data on the problems confronting the American fig industry because of the disorderly marketing situation which exists as the result of the import trade on dried figs and fig paste. We wish quite simply and solely to indicate to you that the passage of this amendment will make it possible for the administrators of our foreign trade program to call upon the services of those who are most intimately acquainted with and concerned with the problems of a given commodity. Trade arrangements and

agreements entered into between countries at parleys where full information is available provide more satisfactory solutions to our foreign trade problems and do much to minimize the antagonistic relationships between countries that may arise when concessions on either side are made.

As we understand it, the provisions of this amendment will make it possible to accomplish the following things:

1. Provide expert assistance and advice to our trade negotiators as set forth in the Trade Act of 1962.
2. Make it possible for both governmental and industry representations and discussions at formal or informal meetings concerned with foreign trade in agricultural commodities at meetings outside the scope of discussion normally associated with trade negotiations.
3. Make it possible for informal conferences with commodity groups of individual countries including the collection of necessary data in those countries.

The American fig industry, with some assistance from the Foreign Agricultural Service last year did in fact engage in a meeting in Izmir, Turkey, with producers and other interested factors of that country, and Spain, Portugal, and Greece. The magnitude of the problem confronting a group such as this attempting to reach some international accord on a particular commodity is appalling. This conference pointed up for us the necessity of having available experts in the commodity available at least for consultation in such matters on a repetitive basis over a period of time to resolve difficulties encountered.

No overall governmental negotiating team or group could possibly be expected to have at its fingertips adequate information about various crops during the course of conferences when the twist and turn of negotiations are subject to daily changes.

As a matter of long-range policy, it would seem best to minimize as much as possible the adversarial relationships caused by domestic industries attempting to take advantage of such restrictive laws as may be available to them. It is felt that the enactment and effective utilization of this amendment will go a long way toward minimizing international tensions in the area of agricultural negotiations.

Mr. POAGE. Mr. Hagen.

Mr. HAGEN of California. This conference that was held in Turkey, would it not be true, for example, that we have counterpart funds in Turkey that they could have used?

Mr. POAGE. We have counterpart funds in Turkey.

Mr. HAGEN of California. And this is a pretty good answer to this first paragraph from the Department, that the funds were not available in the countries where the conferences are held?

Mr. POAGE. As I said, I believe before you came in this morning, it seems to me that the report of the Department was nothing more than an effort trying to find some way to say that we cannot do this, rather than any effort to try to find a way to say that you can do it.

Do you have anything further?

Mr. TARLOCK. We have two more witnesses.

Next is Mr. Richard Henderson.

Mr. POAGE. We will be glad to hear from you now.

STATEMENT OF RICHARD W. HENDERSON, GENERAL MANAGER, LINDSAY RIPE OLIVE CO., OF LINDSAY AND CORNING, CALIF., ALSO REPRESENTING THE CALIFORNIA OLIVE ASSOCIATION

Mr. HENDERSON. Mr. Chairman and members of the committee, my name is Richard W. Henderson and I am manager of the Lindsay Ripe Olive Co. of Lindsay and Corning, Calif., and here today I am representing the California Olive Association and the California Advisory Board.

The olive association is a trade group composed of canners and growers. The olive advisory board is the marketing program operating under the State marketing act in California and represents some 2,500 growers who all contribute to this organization.

I wish to thank the committee on behalf of the growers and the processors of California of olives for the privilege and the opportunity of appearing before it to express our views in behalf of H.R. 4914, introduced by Congressman Sisk.

The California olive industry wishes to express its full support of this legislation as a means by which the U.S. Secretary of Agriculture and other relevant offices or agencies of the U.S. Government may avail themselves of the counsel and practical knowledge of the members of our industry during the course of discussions on trade policies relating to olives. We wish also to indicate our willingness and desire to meet with olive producers of other countries in an attempt to arrive at an orderly marketing flow for olives and olive products in the channels of world trade.

Olives are a very versatile crop. For purposes of this brief, we will discuss the three major uses for olives most familiar to the U.S. market. These products are olive oil, Spanish-style green olives, and canned ripe olives.

Due to the free importation of Spanish-style green olives and olive oil into the United States for many years under a low tariff structure, the California industry today relies entirely on the canned ripe olive product for its support. The grower of olives in California can market his production profitably only to the canning outlet.

The California olive industry must, therefore, retain its historic domestic market for canned ripe olives if it is to survive as an industry.

The tariffs, applicable to the two most important Spanish-style green olive products, imported into this country, are 30 cents per gallon on pitted, stuffed olives, and 20 cents per gallon on unpitted olives. It should be emphasized that the tariffs apply to bulk shipments, usually transported in 50-gallon barrels.

There is no additional tariff classification for these products applicable to packaged goods. Herein lies the crux of the threat that faces the domestic olive industry today.

Thank you very much.

Mr. PoAGE. Thank you very much.

(The prepared statement of Richard W. Henderson follows:)

STATEMENT OF RICHARD W. HENDERSON, IMPORT COMMITTEE CHAIRMAN OF THE CALIFORNIA OLIVE ASSOCIATION

Mr. Chairman and members of the committee, my name is Richard W. Henderson. I am general manager of Lindsay Ripe Olive Co. of Lindsay and Corning, Calif., and am representing the California Olive Association here today.

I wish to thank the committee on behalf of the growers and processors of California olives for the privilege and opportunity of appearing before it to express our views in behalf of H.R. 4914, introduced by Congressman B. F. Sisk of California.

The California olive industry wishes to express its full support of H.R. 4914 as a means by which the U.S. Secretary of Agriculture and other relevant officers or agencies of the U.S. Government may avail themselves of the counsel and practical knowledge of members of our industry during the course of discussions on trade policies relating to olives. We wish, also, to indicate our willingness and

desire to meet with olive producers of other countries in an attempt to arrive at an orderly marketing flow for olives and olive products in the channels of world trade.

Olives are a very versatile crop. For purposes of this brief, we will discuss the three major uses for olives, most familiar to the U.S. market. These products are olive oil, Spanish-style green olives, and canned ripe olives. Due to the free importation of Spanish-style green olives and olive oil into the United States for many years under a low tariff structure, the California industry, today, relies entirely on the canned ripe olive product for its support. The grower of olives in California can market his production profitably only to the canning outlet. The California olive industry must, therefore, retain its historic domestic market for canned ripe olives if it is to survive as an industry.

The tariffs, applicable to the two most important Spanish-style green olive products, imported into this country, are 30 cents per gallon on pitted, suffed olives, and 20 cents per gallon on unpitted olives. It should be emphasized that these tariffs apply to bulk shipments, usually transported in 50-gallon barrels. There is no additional tariff classification for these products, applicable to packaged goods. Herein, lies the crux of the threat that faces the domestic olive industry today.

For the first time, significant moves are being made by Mediterranean olive-producing countries to establish an olive packaging industry in their countries. Portugal has already sold in the United States a high-quality line of packaged green olives at prices about 60 percent of those required to provide an adequate return for U.S. packagers of imported bulk olives. This development can well lead to a complete flooding of the U.S. market with Spanish-style green olives at prices drastically below those being asked for the product today. While Spanish-style green olives and California ripe olives are not the same product, they are definitely competitive with one another for the consumer dollar. Substantially reduced grocery store shelf prices for the imported product will critically affect the return of California producers for canned ripe olives. Numerous important factors in the olive industry in Spain are inquiring extensively into the packaging machinery field and are quietly indicating an intent to ship increasing tonnages of green olives into the United States under the changed marketing plans they now envision. It is apparent that the Spanish olive industry sees an opportunity to market increased tonnages in this country when the U.S. packaging costs, now being employed against its bulk exports to this country, can be substantially reduced by packaging with its cheaper labor supply.

The absence of any tariff classification to cover packaged olive imports, plus the apparent intent of the Spanish olive industry to gain a greater share of the U.S. market for olives, can lead the California olive industry to one further logical conclusion. The Mediterranean olive-producing countries can, in due course, commence the canning of the ripe olive product and can exploit fully the U.S. market for this product, which market has been developed slowly and expensively by California farmers of olives over a period of many years. There would be no reasonable basis for the California producer to conclude that he could compete with cheaper foreign labor on canned ripe olives any more successfully than he has on other olive products.

The California olive industry has reached the point, therefore, where it must seek (1) an ad valorem tariff on imports of packaged olive products, sufficient to allow the domestic packaging industry to be reasonably competitive on these products and (2) a means whereby the historic U.S. market of the California industry for canned ripe olives can be profitably retained. In the pursuance of this latter objective, the California olive industry strongly supports H.R. 4914 in the belief that the enactment of this legislation will provide the industry an opportunity to express its views and detail its problem in international commodity conferences, authorized by the Trade Expansion Act of 1962, which conferences might contribute greatly to the securing of equitable trade benefits to the major olive-producing areas of the world and to the orderly marketing of the world olive crop.

Mr. POAGE. Is there anything further?

Mr. TARLOCK. We have one further witness, Mr. Chairman, Mr. Tellis Codekas.

**STATEMENT OF TELLIS CODEKAS, DATE PACKERS COUNCIL OF
CALIFORNIA, INC., INDIO, CALIF.**

Mr. CODEKAS. Mr. Chairman and members, with your permission I will read a very brief statement and not file it with the subcommittee.

Mr. Chairman and members of the Foreign Agriculture Operations Subcommittee, my name is Tellis Codekas. I am a date producer at Indio, Calif., and appear on behalf of the California Date Packers, Inc., which represents approximately 90 percent of the date growers and handlers in the United States.

Approximately 50 percent of the dates consumed in the United States are imported into this country. Our industry exports to all parts of the world. Any fair trade agreement necessarily depends upon intimate knowledge of the industry involved. Each product has different problems in the area of trade, and in my judgment, our negotiators should have on-the-scene advice from agriculture.

Under H.R. 4914 the Secretary will be able to provide for this advice through the use of counterpart funds.

Thank you.

Mr. POAGE. Thank you very much.

Mr. TARLOCK. Mr. Chairman, that concludes our statements. There are a number of other gentlemen with us in this group who are here on various problems connected with these industries, and I would like the privilege to introduce them for the record, if I may.

Mr. POAGE. We will be very glad to have all of them stand as you give their names for the record.

Mr. TARLOCK. They are James Oberti of Madera, Billy Plightal of Indio, Paul Dobson of Exeter, Henry Gage of Washington, Robert Forkner of Fresno, and Joe Glick of Corning.

Mr. POAGE. Thank you very much. We are glad to have you here, gentlemen.

Is there anyone in opposition to this?

If there is nothing further, the committee will pass on this at the time and we will excuse our visitors and go into executive session.

(Whereupon, at 10:40 a.m., the subcommittee proceeded into executive session.)

MAKE COUNTERPART FUNDS AVAILABLE FOR AGRICULTURAL CONFERENCES

WEDNESDAY, MAY 8, 1963

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON FOREIGN AGRICULTURAL OPERATIONS
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room 1310, Longworth House Office Building, Washington, D.C., Hon. W. R. Poage (chairman of the subcommittee) presiding.

Present: Representatives Poage, Jones of Missouri, Matthews, Stubblefield, Matsunaga, Dague, Belcher, McIntire, and Harvey.

Also present: Representatives Hagen of California, Teague of California, and Short.

Christine S. Gallagher, clerk; Martha Hannah, staff; Hyde H. Murray, assistant clerk; John J. Heimbürger, counsel; and Robert Bruce, assistant counsel.

Mr. POAGE. The subcommittee will please come to order.

It is the Chair's understanding that we have two witnesses here today who want to be heard on the bills that we discussed yesterday. I had not known about this. I understand that they are Mr. Truitt from the National Farmers Union and Mr. George Radin.

Mr. Truitt, we will hear from you now.

STATEMENT OF NATIONAL FARMERS UNION, AS PRESENTED BY WILLIAM TRUITT, ASSISTANT DIRECTOR, LEGISLATIVE SERVICES

Mr. TRUITT. Mr. Chairman and members of this committee, the National Farmers Union is pleased indeed to have this opportunity to present its views on two identical measures, H.R. 5380 and H.R. 4914, which would amend the Agricultural Trade Development and Assistance Act of 1954. As proposed in these two resolutions, we favor its amendment.

Mr. Chairman, I could not help noticing the incongruity involved, whereby, such an important purpose of Public Law 480 should hang in the balance by such a small piece of paper. The purpose, of course, is to widen agricultural knowledge in underdeveloped nations and to help them help themselves. This is one of the basic tenets of Public Law 480.

This amendment would permit the Secretary of Agriculture to use appropriate amounts of soft currency in foreign countries necessary to pay the cost of getting delegates to food and agricultural confer-

ences in this country. The 250,000 farm families we represent, along with Mr. James G. Patton our president, and president of the Freedom From Hunger Foundation, feel that this is a legitimate use of these counterpart funds. To clarify the need here, it would be good to point out that the Food and Agriculture Organization of the United Nations requested funds sufficient to get 150 delegates to the World Food Congress being held here in June. So far, the Freedom from Hunger Foundation, the civilian host for this event, has had to solicit private industry for the money for these delegates. The cost is in excess of \$300,000 and I learned yesterday that the foundation will fall short of that mark.

Forty-nine other countries have Freedom From Hunger Committees. In many of these countries funds are being raised to send delegates to the World Food Congress. It would seem that the United States can hardly do less than these less developed nations. In addition to this one conference, which has drawn so much attention, there are dozens of others held in this country every year. Each of these conferences contributes better understanding and diffuses agricultural knowledge and fulfills some of the original concepts of Public Law 480. It is, therefore, out of keeping with the law itself that these soft currencies should be so restricted in their use. We, therefore, strongly urge that this committee report this bill out of committee at its earliest convenience in hopes that it will become a meaningful part of Public Law 480.

Mr. Chairman and members of this committee, thank you.

Mr. POAGE. Thank you very much, Mr. Truitt. I want to ask a question about this matter and I hope that it will not be misunderstood. You made the point that a number of these underdeveloped countries are spending money to send delegates here to this conference. And, therefore, the United States ought to help—that we should not let these countries do more than we do. I find no fault with that reasoning, unless these underdeveloped countries are using our money. What about that? Could it be that that money comes from American foreign aid?

Mr. TRUITT. There is, certainly, some chance of that, Mr. Chairman. However, my understanding is, that in many of these foreign countries the Freedom From Hunger Committees are raising the money from private sources and not from Federal aid.

Mr. POAGE. That is what I am getting at, because we have found too many instances where these people are doing things and taking great credit for their actions and doing it with our money. I do not like being criticized or compared unfavorably with some country who is doing that when we cannot afford to do it, when he is using my money to do it.

Mr. TRUITT. The Chair makes a good point. And, of course, this amendment would alleviate that situation entirely by making funds available for which they could not criticize us.

Mr. POAGE. I know that. But I do think that we ought to bear in mind that some of this money that is being spent often times turns out to be American money.

Mr. TRUITT. The chairman is infinitely more informed on that than I am.

Mr. POAGE. Any questions?

Mr. McINTIRE. No comment.

Mr. POAGE. If there are no questions, we are very much obliged to you.

Mr. TRUITT. Thank you.

Mr. POAGE. We will now be glad to hear from you, Mr. Radin.

STATEMENT OF GEORGE RADIN, WASHINGTON, D.C.

Mr. RADIN. Mr. Chairman and members of the committee my name is George Radin, of 2600 Woodley Road NW., Washington.

I am deeply grateful for the opportunity to present to this subcommittee as briefly as I know how my experience of last fall and winter in Lebanon and in Iran, particularly with regard to the new amendment to title IV of Public Law 480, authorizing long-term credits for the use of private trade in international dealings to dispose of additional U.S. surplus agricultural commodities.

Responsible men in many walks of life in Lebanon and in Iran declared most emphatically in my presence that this new amendment to Public Law 480 is by far the best idea that has come from the United States in recent years in promoting trade and giving economic assistance to underdeveloped countries.

Opinions were echoed unreservedly in these countries that their masses wish to see the practical expression of the frequently pronounced phase in the United States about "helping people to help themselves." These opinions were voiced after the speakers learned from me that the fundamental idea behind the new amendment is to enable the poorer classes in developing countries to create for themselves self-amortizing small industries in their homes, such as livestock and poultry production. This one industry should go a long way to help wipe out malnutrition in the Middle East and in many other parts of the world if established and managed wisely. "We are not beggars. We don't want our children to become beggars. We want to pay for what we receive from America or other nations."

In order that you may have before you a more comprehensive evaluation of the above quotation, I will quote the following from one of the leaders in that area, well-known in this country, too, made almost 2 years ago.

In Iran, United States was loved and respected as no other country, and without having given a penny of aid. Now, after more than \$1 billion of loans and grants, America is neither loved nor respected: she is distrusted by most people, and hated by many (Abol Hassen Ebtehaj, at the International Industrial Conference, San Francisco, September 12-15, 1961).

When I asked Mr. Ebtehaj at the end of last December in Teheran if his above-quoted statement was still true 15 months after he made the declaration in San Francisco, he replied emphatically in the affirmative—but he saw a hopeful remedy in such programs as I am hopeful of developing in Iran and in Lebanon with the aid of the new amendment to title IV of Public Law 480: For helping people to help themselves by developing small livestock and poultry industries in their own homes as members of their local grassroots cooperatives, guided by a nonprofit national association for raising living standards, with headquarters in the capital cities of these countries.

In Iran I initiated this program with the Livestock Association of Iran, headed by a group of men who would be second to none anywhere for personal character and integrity, for judgment and self-sacrificing devotion to the welfare of their country. In the course of our travels for visiting farms and observation of living and working conditions in villages, and in numerous conferences in Teheran, these upright men emphasized above everything else two conditions for the proposed operations with the aid of title IV of Public Law 480 as being quite essential for the maximum success of the project: (1) For the operation to be entirely a private enterprise, void of dominant political influence; and (2) that adequate assurance of payment of the amount due for agricultural commodities sold from the United States should not require, if at all possible, the need of bank guarantees of a type which entail high cost factors.

I assured them that both conditions would find sympathetic understanding in the United States, especially when it was learned of the very high rate of interest and other charges in many of the developing countries.

After a long struggle with the problem in Iran, we were fortunate in finding a way out in the promise of the head of Bank Assnaf (translated Guild Bank), whose 50,000 capital shares of stock are owned by about 10,000 members of local trade guilds, none of whom may own more than 5 shares of the bank's capital stock. The bank is headed by an Iranian nationally honored gentleman who had served his country as finance minister and previously minister of customs and national monopolies, and who has the reputation in the minds of many individuals throughout the country of having stamped out corruption in those ministries in which others had amassed big personal fortunes.

This gentleman assured me that this Guild Bank is willing to undertake the required assurance of payment of the amount due for agricultural commodities generated in the abovesaid program without any charge for such service. Moreover, he told me that Bank Assnaf would be known as Bank Assnaf and Agricultural Cooperatives when the title IV operations pursuant to this program commences in Iran—adding that he regards this project to be of very great importance to his country.

I should also add that on the eve of my departure from Teheran last January, a mutual friend arranged for me to meet and confer with the former Prime Minister of Iran and onetime his country's Ambassador in Washington, Dr. Ali Amini—who asked me to call on him for every possible assistance in the carrying out of this program for the benefit of the people of Iran.

As to Lebanon, the launching of a similar program under the new amendment to title IV of Public Law 480 as an entirely private enterprise presents a much easier operation. Lebanon is a free currency country, a Switzerland in the Middle East. The group in Beirut, whose members do not seek personal gain, is ready and anxious to start and carry on the operation. The group is composed of leading citizens of that country, among whom is the head of a Beirut powerful commercial bank which will provide the needed assurance of payment for agricultural commodities sold pursuant to this program.

In conclusion, my experience is that the type of operations described above is not only feasible, but would accomplish important U.S. foreign policy and economic assistance objectives which cannot be achieved in government-to-government operations. While there is definitely need for the latter operations in such areas as public education, roads and other governmental phases of economic development, there is an equal and long-neglected need for programs which will bring to bear the contributions by private American free enterprise to the private segment of the economies of developing countries. To be truly effective, these contributions can best be made on the basis of a free enterprise type operation, rather than on the basis of donations which tend to defeat the underlying objective of assisting people to help themselves. My own firsthand observations and discussions convince me that not only do many world leaders support this view, but that the people whom we are endeavoring to help are in need of and seeking this type of assistance.

MR. POAGE. Thank you very much, Mr. Radin. Mr. McIntire.

MR. MCINTIRE. I would be interested to inquire of Mr. Radin, as to whether his views are expressed as an interested citizen or as one who is acting in some capacity for the United States.

MR. RADIN. No; this type of work started with me in 1919, working for the Hoover relief administration which started at that time and carried me into the Balkans and ended with organizing health cooperatives, which was a form of work, whose program was a comprehensive raising of the standards of living.

MR. MCINTIRE. Thank you very much.

MR. RADIN. And embodying the health of the people, agriculture, extension work, home economics, and so forth.

MR. MCINTIRE. Thank you very much.

MR. POAGE. Are there any further questions?

MR. JONES of Missouri. I am sorry that I came in late. I have read the first part of your statement.

What is your connection now? In what business are you engaged?

MR. RADIN. Since 1925 I have been practicing international law.

MR. JONES of Missouri. You are a lawyer?

MR. RADIN. Yes; and I go back and forth. But ever since I started this in 1919 it has always remained with me as a sideline and I have always tried to fit in my own work with raising the standards of living in one way or another in these countries.

MR. POAGE. Thank you very much. We appreciate your statement.

MR. RADIN. Thank you.

(The following communication was also submitted to the subcommittee:)

AMERICAN FARM BUREAU FEDERATION,
May 6, 1963.

Re H.R. 4914 and H.R. 5380, proposed amendments to Public Law 480, the Agricultural Trade Development and Assistance Act.

HON. W. R. POAGE,
Chairman, Foreign Agricultural Operations Subcommittee,
House Committee on Agriculture.
Washington, D.C.

DEAR CONGRESSMAN POAGE: The subject bills propose to amend section 104 of Public Law 480 by adding a new authorized use for funds generated through

sales for foreign currency of U.S. agricultural surpluses. The proposed new foreign currency use is as follows:

"(t) To provide for such representation of agricultural industries as may be required by the Secretary of Agriculture during the course of domestic or foreign discussions on trade policies relating either to individual commodities or to groups of commodities."

We believe that this amendment is unnecessary and undesirable.

It is our opinion section 104(a) already provides sufficient authorization to use foreign currencies for market development activities. This first subsection authorizes the use of funds "to help develop new markets for U.S. agricultural commodities on a mutually benefited basis." Foreign currency should be used for market development activities only where proper safeguards are established and worthwhile results can be obtained. We have recommended to the Department of Agriculture revisions of the regulations covering the use of market development funds. Our 1963 policies state:

"Foreign currency generated under Public Law 480 and allocated to market development should be administered carefully. Projects must be screened to make certain that they will make a positive contribution to expanding export markets for U.S. farm products. Programs should be restricted to established agricultural organizations which (1) have experience in market development techniques and practices, (2) are willing and able to supply their own funds on a matching basis, and (3) are capable of obtaining widespread participation, cooperation, and contribution from trade groups abroad.

"It is essential that all of these market development efforts be properly and effectively coordinated."

Present regulations of the Department of Agriculture offer some safeguards with respect to the expenditure of these foreign currencies. We believe that these safeguards should be strengthened. Adoption of the amendments contained in the subject bills could weaken rather than strengthen present procedures.

We respectfully request that this letter be included in the record of hearings on this matter.

Very truly yours,

Jack Lynn.
JOHN C. LYNN,
Legislative Director.

Mr. POAGE. Is there anyone else who wants to testify on H.R. 4914 or H.R. 5380? If there is not, the committee will go into executive session at this time.

(Whereupon, at 10:20 a.m., the subcommittee proceeded into executive session.)

