The supposition that the welfare of farmworkers would be enhanced by the proposed bill fails to recognize three important factors:

First, the demand for farm labor is elastic. In the period 1950–66 each 1-percent increase in real farm wages was accompanied by a 1.7-percent decline in farm labor employment.

It is commonly assumed that this decline in farm labor employment is due to mechanization. This is an over-simplification. What causes mechanization? Mechanization is very expensive. It requires heavy investment by farmers of "hard to come by" capital. Farmers make such investments only when this will result in lower costs. The trend in wage costs is the driving force.

Mr. THOMPSON. They are mechanizing, aren't they?

Mr. TRIGGS. Yes, because farm wages have been rising.

Mr. THOMPSON. And they will mechanize at any time when they can lower their overall costs.

Mr. TRIGGS. This is correct, and the crucial factor is wage costs. The crucial factor affecting the rate of mechanization and the number of people employed is wage costs.

Second, if we add to the expectation of higher wage rates resulting from enactment of the bill—and farmers would expect an all-out drive for higher wages, if we were to do that—the concern that farmers would have because of their vulnerability, as discussed above, we would create two major incentives for farmers to expedite the substitution of capital for labor.

Third, and very important, any significant increase in costs of producing fruits and vegetables in the United States will result in transferring production of high labor requirement crops to Mexico. The potential to do this in Mexico is fantastic.

Imports of fruits and vegetables from Mexico have increased seven times since 1955. Data relative to this situation is set forth below.

Value of U.S. imports of fruits and vegetables from Mexico

1955	$15,493,000
1960	45,306,000
1965	73,064,000
1966	107,454,000

Source: Foreign Agricultural Service Report, March 1967, USDA.

As you will note, it indicates that the value of U.S. imports of fruits and vegetables from Mexico has increased from $15 to $107 million in an 11-year period.

The nature of this trend will be indicated by the fact that the increase in the 1 year, 1966 over 1965, is larger than any previous 5-year increase.

In this connection you will be told, and perhaps have already been told—in fact an article to that effect has been put in the Congressional Record on two occasions—that this Mexican development is not very important because it is noncompetitive out-of-season produce.

The fact of the matter is that the largest item, about half the total is fresh tomatoes, which compete with Texas and Florida and hothouse tomatoes.

The increase is from 66 million pounds in 1955 to 359 million pounds in 1966. The second largest item is frozen strawberries. Imports of frozen strawberries from Mexico increased to 12 million pounds in