Mr. RUTLEDGE. Yes, sir.

Mr. HERLONG. Are there further questions? If not, we thank you very much, Mr. Rutledge, for your testimony and for your help to the committee.

Mr. RUTLEDGE. Thank you, sir. Thank you, gentlemen, very much.

Mr. HERLONG. The next witness is Mr. Daniel R. Gallagher. Mr. Gallagher, we welcome you to the committee and will you identify yourself for the record and proceed and also identify those with you.

STATEMENT OF DANIEL R. GALLAGHER, DIRECTOR, GREEN OLIVE TRADE ASSOCIATION; ACCOMPANIED BY G. K. PATTERSON, CALIFORNIA OLIVE GROWERS & CANNERS INDUSTRY COMMITTEE, AND JOHN E. NOLAN, JR., LEGISLATIVE COUNSEL

Mr. GALLAGHER. Thank you.

Mr. HERLONG. May I suggest that the House has gone into session now and we may be called away for a quorum call in a very short time. I just wanted to let you know that.

Mr. GALLAGHER. All right. Fine. Thank you, Mr. Chairman.

My name is Daniel R. Gallagher. I am director of the Green Olive Trade Association. The gentleman on my right is G. K. Patterson, representing the California Olive Growers & Canners Industry Committee, and Mr. John Nolan on my left who is our legislative counsel.

Our organizations represent virtually the entire California canning industry. The purpose for our being here before you this morning is to acquaint you with an inequity in the tariff that is, in our estimation, posing a threat to our industry.

Basically, the problem arises in that the tariff structure as it exists today does not differentiate between the duty applicable to bulk- or retail-size containers. If retail-size containers had been in effect at the time that the duty was applied, in all probability they would have taken on a different tariff duty than that which exists now.

Because of this disparity in the tariff structure the Spanish Government has recently taken advantage of this gap to develop the olive bottling industry organized, controlled, subsidized, and aimed directly at the U.S. market which is their principal export market.

Over the past few years the imports of bottled olives have increased by 100-fold to the point where they will, during the current fiscal year, account for approximately one-third of the total market.

Without appropriate legislation approved by this committee and promptly enacted, the American olive industry as it exists today cannot survive.

We wish to point out the composition of the industry, the tariff as it presently exists, the threat that this competition poses to our industry, and the proposed relief that we would like to realize.

The industry is presently comprised of two segments, the California-style or black, ripe olive industry, which is entirely domestic in nature, grown, processed, packed in the United States. The other basic style is the Spanish or green olive. Traditionally, most green olives imported and sold in the United States originate in Spain and are shipped to this country in bulk containers, wooden casks or barrels, with several hundred pounds' capacity.