in bulk containers—wooden casks or barrels—of several hundred pounds capacity. Until recently, most green olives have been packaged in this country, usually in bottles.

In a typical recent year Americans consumed 157 million pounds of olives. Of these, some 79 million pounds or 51% were Spanish-style (green) olives; 70 million pounds or 43% were California-style (black) olives and the remaining 6% was comprised of Greek, dried, and other miscellaneous types.

The American olive industry has developed over the years in three distinct groups: bottlers, growers, and processors.

The bottlers consist of some 60 firms operating more than 70 plants where imported bulk olives are packaged for retail sale. Many of these are small family businesses, some with a record of several generations of service. Some are divisions of larger food companies or chain stores. For the most part they are located around the major population centers, principally: New York, Chicago, Cincinnati, Detroit, Houston, and Philadelphia. They employ thousands of production and related workers. They perform the important functions of washing the olives under high pressure water sprays, inspecting them to remove defective olives, packing them in salt brine lactic acid solutions into bottles that are vacuum capped and labeled. Their machinery varies from simple equipment in small plants to the complicated stainless steel labor-saving equipment that many have added in recent years.

There are approximately 2,500 olive growers in the United States, virtually all in California where they work some 32,000 acres devoted exclusively to olive production. For this purpose the land has great economic value as the consumption of California-style olives has doubled over the period of the last twenty years. In recent years the on-farm value of their crop has exceeded ten million dollars. They have some 2,000 permanent employees and their employment at harvest peak reaches approximately 10,000 workers.

Many of the growers are members of one of the three large cooperatives that process, pack and sell California olives. Those who do not belong to a cooperative sell their crop to the independent processing firms. There are nine processing firms now remaining from the 30 or so that existed in the late 1950's. The processors employ thousands of additional workers and have a multimillion dollar investment in the high speed pitters, slicers, fillers, washers, continuous cookers, vacuum packing machines and other modern equipment necessary to their businesses.

TARIFF TREATMENT OF OLIVES

The essential fact about the United States tariff on olives is that our tariff schedules do not differentiate between imports in bulk and imports in smaller containers. Thus, unlike the treatment of many other food products, our domestic olive packers and their employees receive no protection. The duty is the same whether olives are imported in 900 pound casks or 2 ounce bottles.

Nearly all imports on Spanish-style olives are dutiable under one or the other of two TSUS categories: Item 148.50, at 30 cents per gallon, or Item 148.44, at 20 cents per gallon. These are specific rather than ad valorem rates and they have remained unchanged since 1930. Their ad valorem equivalents based on the values of the market year 1965–66 are 15% and 17% respectively, as nearly as can be figured from known data. During that year 73% of olive imports came in at the effective rate of 15% ad valorem and 20% at the effective rate of 17% ad valorem.

If California-style olives were imported (they have not been to date in any significant quantities) they would be dutiable under TSUS 148.56 at 5 cents per pound, an effective rate of about 11% ad valorem.

EMERGENCE OF THE SPANISH THREAT

The last few years have seen the emergence of an olive bottling industry in Spain, monolithic instructure and aggressively supported and guided by the Spanish government. In April, 1966, Libby Espana, S.A., a wholly-owned subsidiary of a United States corporation, began operations with substantial shipments of olives in retail-size glass containers to this country. It has since been joined in this enterprise by other Spanish olive bottling concerns and by CADESA, a government-sponsored organization comprised of Spanish bulk olive exporters. Together they have achieved the dramatic penetration of the American bottled olive market shown on the graph on page 4998.