The damage already done to bottlers of green olives in the United States and the threat facing ripe olive producers and canners is substantial in national terms as well as in terms of the individuals and businesses which are directly affected.

At stake are thousands of jobs of bottling employees, capital investments of millions of dollars in plants and equipment, at least 40 million dollars worth of investment in olive groves, and the sole or principal source of income of 2,500 California olive growers and additional thousands of harvest workers. In addition, some eight million dollars worth of annual business for American manufacturers of caps, bottles, cans, labels and other supplies is in jeopardy.

There is practically nothing the American olive industry can do to avoid these losses. It has already invested heavily in modern labor-saving equipment and plants. It cannot reduce U.S. wage rates to Spanish levels, nor can it obtain the governmental subsidies and rebates which are available to Spanish bottlers. It cannot use much of its machinery for other purposes, since most was specifically designed or adapted for olives. For the most part, the olive groves in California cannot be used for other purposes.

In recognition of these harsh facts, fifteen Members of the House of Representatives and Senators Dirksen and Kuchel have within the last year proposed legislation to create an additional tariff category for olives imported in sealed containers holding less than 9½ pounds.[4] The new tariff category would have a higher rate of duty (50% ad valorem) than the duties on bulk. The duties on olives imported in bulk would remain unchanged.

The proposed Bills prescribe a sensible tariff classification. Had there been a retail-size packing industry in Spain when our tariff structure was adopted, it is virtually certain that our laws would have reflected this distinction. We have readily accepted it for other food products and other nations have recognized it for olives as well.

The proposed 50% ad valorem duty is reasonable in the light of the government-assisted price warfare to which the American olive industry has been subjected. It can be demonstrated that this duty is appropriate on the basis of import prices made possible by the strong hand the Spanish government is playing in the international olive trade.

This legislation will not take away from Spanish exporters any market that they have traditionally enjoyed. Even without sale of bottled olives here they would continue to have a virtual monopoly (97%) of the United States market for green olives through sales in bulk. The Bills proposed would merely prevent them from taking advantage of an anomalous outdated tariff structure with aggressive government support in order to eliminate the American olive industry. Prompt enactment of the Bills is necessary to preserve that industry.

Mr. HERLONG. Without objection it will so appear. Do you other gentlemen care to testify?

Mr. NOLAN. No, not unless there are questions.

Mr. HERLONG. Are there any questions? Mr. Burke.

Mr. BURKE. In Spain do they subsidize the olive industry there?

Mr. GALLAGHER. Yes.

Mr. BURKE. The big problem, as I understand it from the mail I am receiving from the people back home, is that in recent years there has been a change in the method of shipping olives here to the United States.

Before they used to ship them in large barrels and now they are arriving here in small containers. They have more or less displaced a lot of the olive packaging industry here. Is that true?

Mr. GALLAGHER. That is correct.

Mr. BURKE. Is the same rate of tariff paid when they are shipped in by bulk as they are in small containers?

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[4] H.R. 11247, introduced by Congressman Tunney; H.R. 11286 introduced by Congressman Utt, and H.R. 11743, introduced by Congressmen Sisk, Betts, Burke, Johnson, Mathias, Teague, Tunney, Talcott, Moss, McFall, Gubser, Leggett, and Clausen.