

sation to the United States has ever been negotiated. The plain facts are that the United States has an overwhelming credit balance in these matters.

Under the circumstances it would appear there is no need for further tariff cutting authority unless in this bill there is some intent to slash duties on those items which were reserved by the Kennedy round or were import-sensitive and therefore left out.

At this point I would like to deviate from the reading of the testimony, Mr. Chairman, and speak to two or three of the points that we cover in this testimony.

We appeared in 1963 and again in 1964 as an industry before the Tariff Commission and the Trade Information Committee to present our case for reservation in the Kennedy round. We are at the present time bringing up these industry figures and rewriting the report that we presented to the TIC and the Tariff Commission at that time and Mr. Chairman, we would like permission to submit that document when it is completed to this committee if that is possible.

Mr. HERLONG. Without objection it will be done.

(The information referred to was not received by the committee by the time hearing went to press.)

Mr. CRANE. A little bit on the background of paprika and chile pepper, which are tied together as far as our industry is concerned, but which are two different items as far as the countries from which they come.

Most of the paprika imported into this country comes from either the Mediterranean countries or the Balkan countries and Hungary which is sometimes included in the Balkan countries. All of these are non-GATT countries with the exception of Spain and Spain produces, or ships to the United States, about half of the imports that come into this country, so Spain obviously has a significant effect as far as setting the price is concerned in the market place.

The history of Spanish imports or imports from Spain has been a rather steady amount as far as the actual amount of pounds imported. From right after the war until about the midfifties Spain had a strict government control and the Spanish Government actually set the price at which Spain would ship paprika to the United States.

Then along in the midfifties the Spanish Government withdrew this type of control and more or less established a free market, but at the same time they put on an export bounty or subsidy, if you would, of 12 percent so that the Spanish exporter if he produced and sold at the cost would have a 12 percent profit just on the basis of the bounty that he got in order to bring U.S. dollars into Spain.

This has been going on for about 10 or 12 years now and in Spain, as I say, the market has fluctuated in a range of 33 cents, probably plus or minus 10 percent, and the Spanish producer has continued to ship into this country.

If Spain produces a lot of paprika the prices go down. If the crop is short the prices go up. But as Spain goes so go the rest of the countries involved.

Another thing that is critical as far as Spain is concerned is that in November of last year with the devaluation of the pound, Spain because of her high trade with the United Kingdom 2 days later de-