

valuated the peseta, which is their currency, about 14.4 percent, the same as the British devaluation.

Immediately the Spanish quotations to this country dropped 14 percent. Within a day we were getting new quotations of a 14 percent less price so with the devaluation they just dropped their prices 14 percent. A couple of days later the Spanish Government was concerned that other countries were reaping the benefits of their devaluation and so they applied an export tax. They left the 12 percent export bounty on but they reapplied back an export tax which was 3 pesetas per kilo or about 6 percent, this in order to recover for the Spanish Government a part of the benefit that we might reap or any other country might reap outside of the United Kingdom.

They kept this on until about the first of March when after a meeting with the paprika industry over there, representatives and so forth, they determined it was best to take it off and so they took the 6 percent export tax off on the first of March and immediately the price dropped back down.

In other words, the bounty paid and the export tax applied directly affected the quotations of the Spanish exporter to this country. Obviously our paprika industry, which is relatively a small industry and certainly well controlled to a great degree by the imports—this is not included in this statement here but a point I might make is the total paprika industry in this country is about 17 million pounds and about 12 million pounds of that is imports, six of the 12 coming from Spain.

The balance of the 5 million pounds is produced in the United States. This is an industry that has grown and in answer to a question on the previous testimony our internal production is growing at about the same rate as our imports.

In other words, there is not much deviation. We are holding our share of the market under the present conditions. I would like to speak a little bit about Mexico and the position that we are in with Mexico as pertains to chili peppers.

Mexico produces no paprika for all practical purposes, a little bit for their own home consumption. They import none to my knowledge. They use very little but they are a large producer of chili peppers. In fact they produce more chili peppers in Mexico than we do here in the United States and about 45 percent of our U.S. consumption comes from Mexico.

Mexico does not belong to GATT. It has always reaped the benefits of any negotiations which we have had with GATT but at no time have they shown any favoritism toward us.

In Mexico chili peppers have an ad valorem duty of 35 percent and in addition to this you must get a permit to ship into Mexico. With very few exceptions I would say there has been no exportation of chili peppers from the United States to Mexico in the last 20 years.

In 1962 the Mexican Government in order to try to control the production and establish a stabilized price of Mexican chili peppers went into a subsidization program and they bought chili peppers from the farmers and producers at a fixed price and then sold them at whatever they could get for them. There were peppers actually purchased in that year. We bought some ourselves because of a severe heat wave that curtailed about 40 percent of the California crop.