In other words, our crop was down 40 percent so we had some available down there and we actually bought peppers at half what the Mexican Government paid the Mexican farmer for them. The Mexican Government, according to the information that they gave me, lost about 12 million pesos on this type of subsidization program in 1962. They actually dumped most of it in the United States.

Since that time they have still been active but the market has stablized so that we have had no real adverse effects since then. About 9 million pounds of chili peppers actually came into the United States from Mexico last year and about half of this 9 million pounds, and these figures will be available in the report that we will submit later on exactly, came in ground form and was ground of course by Mexican labor and at Mexican wages, which is about one-fifth of our wage in California at the present time, so it is a little difficult to compete with them.

Any concession that we were to give as far as these agreements would obviously help Mexico and in that they could export more to this country.

I have one other thing that I will skip over that I would like to speak to. Do I have more time, Mr. Chairman?

Mr. Herlong. Yes, go right ahead.

Mr. Crane. Specifically we have mentioned in the statement the price squeeze. We have discussed a little bit about the effect of Mexico and of Spain on the price which we are able to sell our product for.

The price-cost squeeze of course affects us as it does all industry but I would like just to bring to the attention of the committee two specific things which are beyond our control and which have a vital effect on the chili pepper industry.

One of course is the act of Congress which took away from agriculture the braceros, which all of you are very well aware of. This actually increased our cost when we had to replace the bracero with local labor which was less efficient about $100 an acre which is more than the profit the farmer normally gets from it.

Our cost went up from about 40 percent as far as the actual wage rate was concerned but the efficiency of the local itinerant labor available is about 60 percent of what the Mexican national was so we have obviously had a hardship laborwise as far as the California farmer is concerned due to this act of Congress.

Just recently, which would appear somewhat innocuous in the month of May the Secretary of Agriculture, whom I understand controls the subsidization on the sugar beet industry, has the right to establish what the going wage is to be used in the farming of sugar beets; that is, in the hoeing, and thinning, and so forth—on May 24 I understand the date was—determined that the going rate of labor in sugar beets should be raised from $1.40 to $1.50 an hour.

The sugar beet grower in order to get his subsidy, which will average about $2 a ton or about two-thirds of the profit he receives, obviously has to go along with this wage increase set by the Secretary but the thing that we would like to point out is that with this wage increase just in sugar beets it is an automatic minimum wage set for all farm labor in the State of California because if you are working crews in sugar beets and working crews right next to them in peppers or any