

We have members in 34 countries outside the United States. Our membership produces and/or handles in excess of 75 percent of the commercial apples and winter pear crop and is directly concerned with practically all of the apple exports and 90 percent of the winter pear exports.

The U.S. National Fruit Export Council presented a general statement of position and policy before the House Ways and Means Committee on June 11, 1968. As a charter member of the USNFEC, we strongly support that statement. Further, we would like to emphasize to the committee that, since its inception in 1895, the International Apple Association, Inc. has advocated a policy of "free trade."

Our statement here today will cover some of the specific tariff and trade problems facing the apple and pear industry and how they come about.

First I think it should be recognized that apples and pears are important to many countries around the world and in the United States there are thousands and thousands of employees in the growing, packing, storing, and selling of the apple and pear crops.

In addition there are many thousands of people employed by allied industries that are dependent on these crops. The estimated farm value of the combined apple and winter pear crops in the United States in recent years is about \$300 million and the retail value is about a billion dollars.

In addition to being important to our overall economy apple and pear exports are important to our balance of payments position. We would emphasize that the exports of apples and pears are all sold for cash and there is no subsidy involved.

In 1965-66 apples contributed \$26 million and pears \$6 million to our balance-of-payments position. In 1966-67 apples contributed about \$20 million and pears nearly \$7 million to our balance of payments.

We would like to point out that if we could regain our 1935-39 export levels we could easily double the contribution to the balance-of-payments position. We would like to emphasize that the world apple market is facing real stiff competition.

During the past 30 years the total world apple production has doubled in that 30-year period and in that same 30-year period the European apple production has nearly tripled. The production in Asia has increased five times and in South America 10 times.

On the other hand, during that same 30 years the U.S. share of the total world apple production has dropped from about 50 percent to 25 percent. I have been speaking about apples primarily but the world pear production is about in the same picture.

Historically the United States has been well recognized as the leader in the production of apples and pears, and for many, many years, we have pioneered and developed innovations including new varieties, new cultural practices, new equipment, new storage facilities, et cetera, and as a result we grew, packed, and sold the best apple and pear in the world and we enjoyed a comparative advantage in the world markets and we still do, everything being equal.

During the last 60 or 70 years exports of apples and pears have been an important and integral part of our market. However, at the end of World War II many countries around the world and notably in Europe erected trade barriers, both tariff and nontariff.