

At the same time these countries copied and borrowed our techniques and varieties and increased their own production behind these barriers. We would like to emphasize that the barriers were erected first and then the production came after the erection of the barriers.

More importantly, these barriers still exist and their prime purpose is to protect the domestic industries in these countries around the world and in many cases this production of apples and pears in other countries is marginal in nature and without the protection of the tariff and nontariff barriers they could not exist.

I would like to contrast this development with what has happened in the United States. Through hard work, private money, without subsidy the apple and pear industry and apple and pear exports developed without a protective wall.

However, with this increased production in other countries and the high duties from Europe, in Scandinavia, and the admitted protectionist attitudes in the various trading blocs around the world, our export market for apples has dropped considerably.

In other words, in 1934-38 we were the No. 1 apple exporting nation in the world. We accounted for about 38 percent of all the world apple exports. In 1962-66 we dropped from No. 1 to No. 6 during that 30-year period and we only accounted for about 7 percent of the world apple exports and this despite an admitted comparative advantage in our fruit and by comparative advantage I mean our fruit is better packed, has better quality, and better varieties.

We just can't overcome these barriers that have been erected. If we get these barriers eliminated we can compete and we think we can come back to where we were in prewar years.

Just in passing I would like to emphasize that during the prewar years, 1934 to 1948, we exported 8 percent of our crop. During the period 1962 to 1966 we only exported 3.5 percent of our total apple crop here in the United States.

What are some of these nontariff barriers? Well, we have seasonal opening dates. In other words, in Belgium, Norway, Sweden, Finland, Ireland, and some other countries they don't allow any U.S. apples and pears in until a certain date and this is for the purpose of protecting their domestic production.

The opening dates are usually not established until well after the domestic production is out of the way and as a result we lose a lot of valuable marketing time.

Other nontariff barriers are quotas and licenses and there are three countries involved there. Norway has a quota system, United Kingdom has a quota license system, and so does Venezuela. In Norway they have established a quota of 18,000 metric tons. This was established some 3 or 4 years ago and it is readily apparent that this 18,000 metric tons is not adequate to meet the domestic needs.

As a result we could export more to Norway if our negotiators could show them the light over there so to speak. In the United Kingdom we believe that the total quota is adequate. However, it is split up into two periods. In other words, the second half of the year, for example, July through December, 20 percent of the quota is allocated to that period and 80 percent to the period from January 1, to June 30 and our most important marketing period is in the period prior to Christmas.