

That is when the prices are high. That is when we are not faced with competition from the southern hemisphere which comes in as you know in opposite seasons to ours so that if we could get the United Kingdom quota switched over so we could get 40 percent in that July to December period we would be in better shape.

In Venezuela the situation there is quite irritating. Three years ago they instituted a licensing system in Venezuela and at the same time announced that they were going to reduce the quota 10 percent a year in order to establish a tropical fruit industry of their own. This tropical fruit industry is not in existence commercially speaking and yet they have cut the quota 10 percent per year for the last 2 years.

On top of that they have not issued the licenses until about February 1 or early February so that the importers down there and our exporters here lose a month of valuable marketing time.

Of course we have to talk about Mexico too. Everybody does, it seems. They have a peculiar situation in that apples are restricted. We can't get in there. We can get in in two States along the border and we do get some apples into Mexico through that vehicle.

On the other hand, they have a duty of 75 percent ad valorem plus a specific duty of a little over 2 cents a pound so it is just prohibitive. At the same time as we all know Mexico is not a part of GATT. They enjoy most favored nation treatment so we think that our negotiators or our people should start making Mexico toe the line.

There are other nontariff barriers such as variable levy and reference prices, containers, which will be adopted by the Common Market, which are not universally used around the world. In many countries they have established food and drug laws that have no semblance to reasonableness and these can be used as effective barriers to keep us out.

Some of these are covered more thoroughly in my statement. I think one of the most effective nontariff barriers is the simple fact of trading blocs such as the Common Market and such as LAFTA. We have a situation in Brazil whereby they are a member of LAFTA. LAFTA comes in, Argentina can send food into Brazil free of duty. On the other hand, the duty on U.S. apples is 37 percent.

We have been working with Ambassador Roth for better than a year trying to get a seasonal duty in Brazil for U.S. apples and pears. In other words, say from September 1 to March 1 when Argentina is not in the market whatsoever we have been pushing Ambassador Roth to negotiate for a 50-percent reduction in the duty during that time.

Reportedly negotiations are going on in Geneva. However, the results are very slow and nothing has been achieved as yet.

In addition Brazil has an 18-percent sales tax on fruit but this same tax does not apply to LAFTA fruit. This is an outright violation of GATT and again we have been in contact with Ambassador Roth's office and supposedly aide memoires et cetera are going back and forth in order to eliminate the discrepancy.

In a quick perusal of the appendix pages 19 and 20 we will show you that we are faced with very high and sometimes insurmountable duties on both apples and pears in many countries. For example, in Norway the duty is close to \$1.25 to \$1.50 a box.