Under these conditions the United States was the number one apple and pear exporting nation of the world prior to World War II, since before the turn of the century. Exports were an important and integral part of our market. Even during the troubled pre-war period (1934–38) we exported over 10 million bushels of apples, or about 8% of our total crop (see appended tables). In 1962–66, in the face of the artificially stimulated increased apple production and the continuing arbitrary trade barriers, we exported an average of only 4.5 million bushels, or 3.5% of our total crop, despite the fact that our fruit does have an admitted comparative advantage (i.e., quality of fruit, pack, package, etc.). During the 1925–29 period we exported an average of 12.3 million bushels to western European nations alone, with the United Kingdom taking 8.4 million bushels of that total.

A similar decreased export picture exists for winter pears, only more so.

With our world recognized comparative advantage, it is our considered judgment that U.S. apples and pears could successfully compete in the world markets if the unreasonable and arbitrary barriers and "preferences" were eliminated. This, in our opinion, is especially evident in the E.E.C. where the three main principles of the Community's Common Agricultural Policy completely ignore the validity of "comparative advantages". The same is true to a substantial degree within other trading blocs.

The appended tables and the data on the next page show developments in the exports of apples and pears around the world after World War II, as compared with pre-war. While the U.S. has dropped from the Number One spot to Number Six, other competing countries have experienced an "export explosion" under the cloak of trade barriers and "preferences"—at the expense of the U.S. Apple and Pear Industry. For example, during the 1934–38 period the U.S. enjoyed 38% of the apple export market. By 1958–62 our share had dropped to 6.3% and is at about that level today.

The data following shows what has happened in certain competing countries.

PERCENTAGE OF TOTAL APPLE EXPORTS FROM SPECIFIED COUNTRIES

[In percent]

	1934–38 [1]	1958–62 [1]	1965–66 [2]	1966–67 [2]
Argentina	0.5	11.9	16.9	12.8
Australia	14.9	10.4	10.7	11.4
Canada	25.3	4.6	3.7	4.5
Denmark	.1	2.1	.7	.7
France	1.4	1.8	9.5	12.8
Italy	6.4	46.3	33.5	34.1
Netherlands	1.8	6.1	4.0	4.0
South Africa	.9	4.4	5.6	7.8
United States	38.0	6.3	9.0	6.3

[1] Annual average.
[2] Crop year, except Southern Hemisphere.

U.S. BALANCE OF PAYMENTS

Apples and pears are not only important to our Nation's economy. Even under the existing restrictive conditions, the exports of U.S. apples and pears make a valuable and important contribution to the U.S. balance of payments position.

All exports of U.S. apples and pears are sold for cash, namely, U.S. Dollars. The f.a.s. value of our export shipments during the 1965–66 season was about $26,000,000 for apples and $6,000,000 for pears. During the 1966–67 season the value was about $20,000,000 for apples and $6,900,000 for pears. If our comparative advantage was allowed to operate without the existing restrictions and thereby allow us to regain our 1934–38 export levels, exports of U.S. apples and pears could contribute $55 to $60 million to our payments position.

NON-TARIFF BARRIERS

As stated previously, many countries, especially in Europe, imposed excessive tariffs as well as non-tariff barriers at the close of the War. Many of these non-tariff barriers (and excessive duties) are still in existence, in whole or part, today. Some of the major barriers include:

1. *Seasonal opening dates.*—Belgium, Denmark, Finland, Ireland, Norway, Sweden and Switzerland are among the countries which restrict imports by use