easy to purchase them for $4.00 per case. A recent purchase was made by the U.S.D.A. for 269,700 cases of six No. 10 cans of peeled tomatoes on bids from the packers and the average price paid for them was $3.347 per case.

I am also concerned about the rising imports of tomato paste, which is competitive with and can be substituted for tomato puree which our firm packs for remanufacturers of other products. The U.S. imports of tomato paste in 1967 more than tripled in volume and almost tripled in value, from more than 50 million pounds, valued at $4.5 million in 1966 to more than 155 million pounds, valued at $22 million in 1967. Unit values increased from an average of 14.3 cents per pound to 14.9 cents per pound, an increase of 4 percent, but not equal to the cost increases we experienced. Imports from Portugal accounted for more than half of the 1967 total volume. Imports were reported from 18 foreign countries. In addition to Portugal, the other suppliers were Italy, Mexico, Greece, Spain, France, Yugoslavia, South Africa, Angola, Morocco, Tunisia, Poland, Canada, Argentina, Korea and Japan.

The Treasury Department was scheduled to put countervailing duties into effect on June 1, against tomato products from Italy and France to offset export subsidies available to processors in those countries. However, the countervailing duties are not a solution to the problem of import competition now confronting the tomato industry.

Prior to the Kennedy Round negotiations, tomato growers and tomato processors from all over the United States presented strong economic arguments against any tariff reductions. It is my understanding that, on the basis of advice from various Federal departments and agencies concerned, tomatoes were placed on the list of products on which the U.S. actually intended to make no tariff reductions in the Kennedy Round. In April of 1967, when Ambassador Roth and the European Common Market representatives exchanged their "final lists" in the Kennedy Round negotiations, canned tomatoes and tomato paste were not included. The Common Market at the last moment asked Ambassador Roth to add tariff reductions on canned tomatoes and tomato paste and a few other products to the bargain. According to the best information available to us, the U.S. agreed in the closing moments of the Kennedy Round to reduce the tariffs on canned tomatoes and tomato paste in the face of the Government's intended, planned position, which had been carefully analyzed and arrived at, not to do so.

On January 1, 1968, the United States began implementing reductions in the tariff on canned tomatoes and the tariff on tomato paste as a result of the Kennedy Round. Instead of a reduction in the tariffs on canned tomatoes and tomato paste, increased protection would have been more appropriate. Now I shall attempt to explain why, instead of reducing tariffs, the United States should increase them.

First is the fact that tomatoes intended for commercial processing were harvested last year in 30 states on a total of 326.060 acres, and at a total cash farm value of $320.218,000. Of all the canning crops grown in the United States, tomatoes account for the largest total value, and tomato products account for the largest product volume of any commodity line in the canned foods industry.

As our business depends on tomatoes and tomato products, and we pack other products only to spread out our overhead costs, the jobs and income of many people in our community are jeopardized by the situation which now threatens us.

The Canning Industry in the United States is obliged to compete with imports from countries where wages and wage rates are considerably below the wage rates in our industry. Although the canning industry is highly automated and very efficient. a good deal of hand labor is employed in preparing the raw foods for canning. In my plant in Ohio. as in other canneries in the United States, we pay the legal minimum wage of $1.60 per hour, and much higher for most of our personnel. At the same time the price of cans went up 5½ percent. Our total costs were up in 1967 a total of 15 percent over our 1966 costs. A large portion of that increase in our operating costs results from action by the Congress in raising the minimum wage.

In contrast to the wages here of $1.60 an hour and higher, the wages in Portugal, for example. are about half of ours.

Also in 1967 field labor came under a minimum wage for agricultural workers at the direction of the Secretary of Labor. The Minster Canning Company employs approximately 250 workers during the canning season, and has a total annual payroll of more than $275,000.00