

In order to assure a supply of tomatoes of suitable quality for processing in our cannery in Minster, Ohio, we grow all of our own tomatoes. By integrating the farming and canning operations, The Minster Canning Company is better able than many other canners to control costs. But, with only one source of income—arising out of the sale of our finished canned food products—we are unable to compete either in our farm operations or in our canning operations with the low cost imports from Spain and other countries. A number of other tomato processors have integrated their farming and canning in the same manner. The people employed in growing the tomatoes, those employed in the plant and in the warehouse—all depend on our ability to stay alive in the tomato canning business.

As I have previously stated, it is my understanding that the United States actually intended in the Kennedy Round not to make any further tariff reduction on canned tomatoes or on tomato paste, but that it was coaxed into doing so as a political gesture even though not on sound economic grounds. The position of our Government not to reduce the tariffs on tomato products probably was arrived at even before the 1967 upsurge in imports became evident. I would like to suggest therefore that the Government's carefully arrived at economic position, not to reduce the tariffs, substantiates my argument that increased protection is in order.

I would like to propose that the tariffs on canned tomatoes and on tomato paste be increased by at least 50 percent above the rates existing prior to the Kennedy Round. That would bring the rate on canned tomatoes, which was 21 percent, up to 31.5 percent, and the rate on tomato paste, which was 17 percent, up to 25.5 percent. The effect would be an increase in the tariff of .42¢ per case on a case of six No. 10 cans of tomatoes with a value of \$4.00 and would increase the tariff on a case of six No. 10 cans of tomato paste .68¢ per case on a case valued at \$8.00. However, I am not at all sure that imports from low cost supplying countries can be dealt with by tariff increase alone. As the major problem at the present time appears to be the price differential between domestic canned tomatoes and tomato products and the imported products, a tariff increase would be helpful in protecting our pricing.

The total imports in 1967 were double the imports of 1966. Very many doubling of imports of canned tomatoes and tomato paste each year could easily spell disaster to the domestic production. Some way will have to be found, in addition, to limit the volume of imports from low cost supplying countries. If the Committee and the Congress would favorably consider some form of quota legislation that provides for market sharing, I would ask that you include canned tomatoes and tomato paste in its provisions.

The 13,630,000 cases of tomatoes that I referred to in the opening paragraph of this statement represents 48.4 percent of the total 1967 pack of peeled canned tomatoes.

Following are the companies which asked me to represent them at this hearing:

- M. W. Acworth & Son, Inc., Quantico, Maryland
- Acme Preserve Co., Adrian, Michigan
- Bay Country Foods, Trappe, Maryland
- Bison Canning Company, Inc., Angola, New York
- Blissfield Canning Co., Inc., Blissfield, Michigan
- Bryan Canning Co., Bryan, Ohio
- Cherokee Products Company, Haddock, Georgia
- Fair View Packing Company, Inc., Hollister, California
- Florida City Canning Co., Florida City, Florida
- Golden Harvest Foods, Dania, Florida
- Great Lakes Packing Company, Inc., Farnham, New York
- H L H Products, Sanford, Florida
- Harrison & Jarboe, Sherwood, Maryland
- Hirzel Canning Company, Toledo, Ohio
- Hollister Canning Company, Hollister, California
- The Home Canning Co., Blissfield, Michigan
- T. Noble Jarrell, Inc., Goldsboro, Maryland
- Keystone Cooperative Grape Association, North East, Pa.
- The Lake Erie Canning Company, Sandusky, Ohio
- Lockport Canning Company, Lockport, New York
- Markham Bros. & Co., Okeechobee, Florida
- Martinez Food Cannery, Ltd., Martinez, California
- Melbourne Canning Company, Melbourne, Florida
- W. T. Onley Canning Company, Inc., Snow Hill, Maryland