

tries rather than in a preferential import duty treatment. However, we frankly have little confidence in the ability of the EEC countries to institute machinery which will effectively insure such price maintenance. If, in fact, it could be achieved, it would still result in a discriminatory situation, encouraging in a preferential way an expansion of citrus production in countries which are competitive with California and Arizona with respect to certain varieties and during certain times of the year.

In addition to the disadvantageous position in which the creation of the Common Market has put us with respect to maintaining access to these long established European markets for our citrus, non-tariff barriers, as well, must be considered equally discriminatory. It is these barriers that must be given particular attention because of their ability to impede or threaten to impede our continued access to markets within the EEC as well as throughout the world. Appendix I of this presentation is a summary of such non-tariff barriers affecting trade in citrus.

Reference is made to the USDA publication ERS-4-60 dated September, 1963, in which approximate measurements of the extent to which agricultural production in various countries is protected through the existence of such non-tariff barriers. In the case of the United States, no protection is noted as a result of non-tariff barriers in fruit and vegetable categories. In contrast, the following percentages are noted with respect to the fruit and vegetable production by members or associates of the EEC: France 83%, Germany 60%, Netherlands 59%, Italy 26%, Belgium 88% and Greece 100%. These computations, of course, were made prior to the effective functioning of the Common Market's reference price-variable levy system which is applicable to fruits and vegetables and particularly applicable to importations of fresh oranges and lemons. As of this date, the Common Market has not acted to impose variable levies on citrus under the system and only on rare occasions have prices in the selected markets fallen below the reference price. However, the existence of the system and its availability for use almost without notice constitutes a constant threat to the maintenance and expansion of the important trade which has been developed with countries within the EEC.

BARRIERS TO TRADE BY COUNTRIES OUTSIDE OF THE EUROPEAN ECONOMIC COMMUNITY

1. Japan

Exports of citrus to Japan has been of a mixed nature in recent years. As a result of liberalizing the import restrictions on fresh lemons, the United States has been able to steadily increase its exports to this country in a very significant manner. As noted in the following table, an average of 97,000 boxes were exported during the period 1958 through 1962. By 1966-67, the U.S. export volume to Japan reached 832,000 boxes; over 8 times the average before liberalization. The result has been an important contribution to the U.S. balance of trade position.

U.S. exports of fresh lemons to Japan

[Thousands of 76-pound boxes]

1958-62 average	-----	97
1962-63	-----	127
1963-64 (liberalized May 1964)	-----	430
1964-65	-----	506
1965-66	-----	712
1966-67	-----	832

Source: Citrus Fruit, "World Production and Trade Statistics," USDA, FAS, September 1967 and FT 125, 1967.

On certain other citrus commodities, however, such as fresh grapefruit, fresh oranges and concentrated lemon juice, Japan continues to maintain unjustified quota restrictions. On these items, Japan either has very little production or no production at certain times of the year, to the extent that U.S. imports in general or during particular months would have little or no effects on the Japanese producer. Therefore, these restrictions must be considered arbitrary and without justification. In fact, GATT no longer supports the Japanese restrictions on the basis of a balance of payments position and every effort should be made to cause Japan to remove these quotas.