

produce these products are and consistently have been on a substantial surplus production and export basis, and in good crop years could flood the attractive U.S. market at comparatively very low prices. Adjustment by the U.S. industry to such unlimited competition in its own essential market would be difficult at best, if not impossible, and could lead to the rapid disruption and disintegration of the U.S. industry. These industries do not seek to prohibit or avoid fair foreign competition. They can continue to exist, however, as significant factors in the general economy of their production areas, and as an important segment of U.S. agriculture as a whole, only if they have access to a reasonable share of the domestic market and an opportunity to compete in that market at reasonable prices.

These perennial tree-crop industries accordingly must continue to rely upon reasonable imports protection or limitation. The import duty rates applicable to these commodities (none of which were reduced during the recent Kennedy-Round negotiations) are modest and in no sense unreasonably protectionist.

Any foreign trade policy which does not give full and realistic consideration to these facts would be a gross disservice to the U.S. growers, handlers, and processors of these commodities and to agriculture and business in general.

ADJUSTMENT ASSISTANCE

"Adjustment assistance" such as authorized in § 301 of the Trade Expansion Act of 1962 (19 USC, § 1901), and as that section would be amended by Title III of HR 17551, the proposed "Trade Expansion Act of 1968," would not be practicable for any of these perennial specialty orchard crops. These orchards cannot be diverted to other production without intolerable sacrifice of long years of effort and heavy investment. Much of the land now producing these crops is not suitable for economic production of any other product, or such other crops as could satisfactorily be produced in the climatic areas and on the soils involved already are in surplus production or face heavy imports competition. The equipment used in producing, handling, and processing these crops is specialized, and for the most part could not be converted to other uses.

The growers of these commodities thus obviously cannot satisfactorily "adjust" to a loss or restriction of their markets. Such would require the destruction of their present groves or orchards. Loss or reduction of market outlets thus would be much more serious and involve a much greater sacrifice for these domestic agricultural industries than for producers of other commodities who may more readily go into or out of production. The following comment as to the inadequacy of "adjustment assistance" as to much of agriculture, which appears in a published analysis by the Giannini Foundation of Agricultural Economics, University of California, of the bill which was enacted as the Trade Expansion Act of 1962, is pertinent:

"It is clear that the adjustment-assistance provisions of the bill, recognizing their favorable aspects in general, were not framed with agriculture in mind. One may appreciate the importance of the adjustment-assistance provisions for non-agricultural workers, firms and industries; but that cannot explain the apparent lack of recognition and understanding by the architects of the bill of the differential nature of the adjustment-assistance problem in agriculture.

"In fact, one could believe that the agricultural adjustment-assistance problems, as they are related to the Trade Expansion Act of 1962, did not enter the minds of the drafters of the legislation, and if they did, they certainly made little imprint."¹

ADJUSTMENT ASSISTANCE—THE ROLE OF THE SECRETARY OF AGRICULTURE

In any event, the Secretary of Agriculture, not merely the Secretaries of Labor, Commerce, and Treasury, should have a voice in the administration of any adjustment assistance program which may be applicable to any agricultural commodity.

HR 17551 would transfer from the Tariff Commission to the President the determination of eligibility to apply for adjustment assistance, and determination of whether there exist the statutory conditions precedent to such assistance. The wisdom and advisability of transferring these vital functions from the

¹ "The European Common Market, Trade Expansion Act and California Agriculture," by Sidney Hoos, March 2, 1962, Giannini Foundation of Agricultural Economics, University of California, Berkeley, California.