

nor sells citrus fruit. Its principal objective is to supply its members, who are citrus producers, with information relating to all phases of the production and marketing of citrus fruit in order that they may receive their fair and proper share of the consumer's citrus dollar. Its finances are obtained from a 25 cent per ton assessment paid by members on the fruit marketed by them. It is my purpose to speak for the Texas citrus producer who for the past twenty years has been beset by killing freezes, prolonged drought and destructive hurricanes and who now faces an even greater threat—the loss of his domestic markets to citrus imported from foreign areas where costs of labor and production are far below those prevailing in the United States.

IMPACT OF IMPORTS OF CITRUS FRUIT

The Texas citrus grower is vitally concerned with the importation of citrus fruit from foreign areas and particularly from Mexico. The production of citrus in Mexico, principally oranges, is rapidly increasing and it is evident from the experience during the past citrus season that it will have an increasingly adverse effect upon the marketing of domestically produced oranges in the United States.

The costs of producing citrus in the United States are increasing at a rate far exceeding that prevailing in Mexico and in the other citrus producing countries of the world. Over the past few years, action has been taken on the Federal level which has increased and will continue to increase the domestic costs of production. To mention a few—the bracero program has been terminated; most farm, packing house and processing employees are now included under the federal wage and hour legislation which establishes an approximately thirty per cent wage increase for these employees between February 1, 1967, and February 1, 1969; increasing costs are being encountered by the producer in his purchase of supplies and equipment and taxes at the local, state and federal levels are constantly rising. There is no indication that foreign costs of production have increased or will increase comparatively and, in fact, the termination of the bracero program resulted in lower wages in Mexico.

Over the years, the citrus producers in Texas, California, Florida and Arizona have substantially contributed to the advertising and promotion of citrus fruits. As a result of this effort, a good demand for citrus has been developed. These same producers are paying the highest wages applicable to any commercial citrus producing area in the world and they are also paying their fair share of the taxes necessary to support our higher standard of living. The domestic citrus grower does not receive long term low interest government loans for the purpose of planting citrus orchards and financing such orchards until they become commercially productive, nor does the domestic citrus producer receive any government subsidy on exported citrus, citrus by-products or concentrate as is the case in many foreign countries. As a result of these actions on the part of foreign governments, the planting of citrus groves, principally oranges, has been encouraged to the point where large surpluses must inevitably occur. These countries are looking to the United States to dispose of their excess production during peak crop years and because of their much smaller costs of production, the dumping of this foreign citrus in the United States can have a catastrophic effect on the domestic citrus producer. The maintenance of a sound domestic citrus industry and the guarantee of steady employment to those who labor in the production and processing of citrus should be a paramount national objective.

EXISTING TARIFF ON CITRUS FRUIT

Exports of citrus fruits from Mexico have consisted mostly exclusively of fresh oranges. For customs purposes, citrus fruits were made dutiable by the Tariff Act of 1930 at the rate of one cent per pound which might be increased or decreased by Executive action under Sec. 336 of the Tariff Act of 1930 in cases where the Tariff Commission, after investigation, finds that the rate of duty fixed by statute is higher or lower than necessary to equalize the differences in the cost of production in the United States and in the principal competing countries. For all practical purposes, the duty has remained at approximately the rate of one cent per pound since 1930, although prior to January 1, 1968, the rate on grapefruit was 1.2 cents per pound for grapefruit entering between the dates of August 1, and September 30; 0.9 cents per pound for grapefruit entering during October; 1.5 cents per pound for grapefruit entering November 1, to July 31, and the duty on oranges prior to January 1, 1968, for the entire season