was 1¼ cents per pound. Effective January 1, 1968, the rates of duty on grapefruit and oranges were lowered in accordance with the Kennedy Round on the General Agreement on Tariff and Trade. Although Mexico is not a member of the G.A.T.T., the new rates for grapefruit and oranges applied to all imports except those from communist countries. According to a letter received from the United States Department of Commerce dated February 29, 1968, the rate on oranges was reduced from 1¼ cents per pound to 1 cent per pound effective January 1, 1968, and will be further reduced to 0.8 cent per pound January 1, 1970; 0.7 cent per pound January 1, 1971, and 0.6 cent per pound January 1, 1972.

It is submitted that assuming the one cent per pound duty on citrus fruit fixed in 1930 represented at that time the differential in the cost of producing citrus in a foreign country as compared to the United States, it no longer does. What might have been a realistic approach in 1930 has, with the passage of almost forty years, become outdated. Despite the constant inflation in the United States and the decline in the purchasing power of the dollar, the domestic citrus producer is confronted with a progressive lowering of the present tariff on oranges, set in 1930, to a figure which on January 1, 1972, will be less than one-half of that existing prior to January 1, 1968. Unless the tariff is substantially increased over one cent per pound or an adequate quota system established the domestic orange producer will be unable to recover his bare costs of production and will be forced out of business as many already have been.

BALANCE OF PAYMENTS

With the present emphasis on balance of payments, it is evident that Mexico with its increasing citrus production coupled with its lower costs of production will increasingly drain dollars from the United States. There is now no possibility of offsets by way of exports of citrus fruit from the United States to Mexico because Mexico has closed her borders to importation by that country of citrus fruit produced in the United States. This season through May 20, 1968, Mexico alone has crossed into the United States 2,261 carlot equivalents of oranges, 428 carlot equivalents of tangerines, 6 carlot equivalents of mixed citrus and 19 carlot equivalents of limes for a total of 2,714 carlot equivalents of citrus fruit. These imports represent approximately nine million dollars that have flowed from the United States into Mexico (USDA, State Market News Service, Weslaco, Texas). In addition to the large volume of citrus which has been entered into the United States from Mexico, there has been additional citrus entered from other citrus producing countries.

How does the 2,714 carlot equivalents mentioned above imported from Mexico during this season compare with shipments of Texas citrus fruit? During the 1966–67 citrus season, the largest Texas shipper of fresh fruit was Edinburg Citrus Ass'n of Edinburg, Texas. This association, operating two packing houses, shipped 2,133 carlots of citrus fruit—almost 600 less than Mexico shipped to the United States this season. The 2,714 carlots of Mexican citrus that have entered the United States this season were produced, harvested and packed in Mexico, depriving from gainful employment a domestic work force in numbers approaching the total number employed by three of Texas' highest capacity packing houses. The impact of imported citrus fruit on our domestic labor force is more substantial than many realize.

PERCENTAGES OF PARITY BEING RECEIVED ON DOMESTIC CITRUS FRUIT

The 1966–67 citrus season, which was a disastrous one for orange growers in the United States due to the large crop, resulted in the Texas producer receiving 29 percent of parity for oranges (USDA C&MS—F & V Citrus Fruits: Estimated Equivalent On-Tree Returns and Parity Prices 10–2–67). As a result of Texas' much small crop than Florida's and the fact that it can be sold much closer to the producing area with a consequent savings in freight, Texas should always receive a higher percentage of parity then Florida; however, such has not been the case. This season to date, Mexico crossed, as stated above, 2,261 carlots of oranges compared with only 255 carlots last season. Except for 124 cars that crossed at Nogales, all of such citrus fruit crossed the border here in Texas and sold in Texas' traditional marketing area. As a result, during the present season the Texas orange producer has received only 49