

packed olives. I strongly urge you to take positive action with respect to correcting the unfair tariff schedules which allow Spanish olive cartels to package, label, and ship to the United States, and *sell* the packed olives for less than they can be packed here at home.

This is grossly unfair to the American businessmen and to the American consumer. In addition, in the area of consumer protection, the U.S. standards for quality are something of which we can be justly proud. We have inspectors and established packaging procedures to protect the American consumer; we have little or no control over packaging procedures used outside of this country.

Would you please vote in favor of these Bills and correct this unfair tariff schedule. Thank you very much.

Very truly yours,

WENDELL B. SHEARER, *President.*

STATEMENT OF ROBERT C. LIEBENOW, PRESIDENT, CORN REFINERS ASSOCIATION, INC.

The Corn Refiners Association is a national organization of the American wet corn milling industry. Members of the Association operate 12 plants in Illinois, Indiana, Iowa and Missouri. Our industry is the Nation's largest food and industrial user of corn, America's most important single crop. Its purchases of corn throughout the year are a major factor in maintaining farmers' prices in the cash corn market.

Our members' products—principally corn oil, starch, corn syrup, corn sugar (dextrose) and other starch derivatives—are used throughout American industry, particularly in the manufacture of paper, textile, food, drugs, and adhesives.

They are also essential to national defense. They are used in the manufacture of explosives, airplane engines, tanks, shells, and hand grenade casings. They are used in missiles, uniforms and mess kits and are a part of every meal a serviceman eats from the barracks to combat rations in the field.

The Association supports expanded trade among all nations on a fair and equitable basis. It would point out, however, that a serious imbalance of trade can result where our efforts to free trade are met with the barriers to trade erected by other industrialized nations. Exactly this situation now exists with regard to tapioca starch.

We are the only major industrial nation that does not have a duty on the import of tapioca starch. This fact, coupled with the variable levy trade barriers of the European Common Market, creates here in the United States a kind of vacuum into which the world's output of tapioca starch has flowed in ever-increasing quantities. The tapioca starch thus imported competes directly with our domestic production of corn starch. This competition means that our trade with the few nations which produce tapioca is being financed through the profits and jobs of the American industrial firms affected.

The duty free status of tapioca, tapioca flour and cassava (from which the tapioca starch is made) was bound into our tariff schedules by the GATT negotiations of 1947. Since that time imports of tapioca starch have increased by 300 percent from around 100,000,000 pounds in 1948 to over 300,000,000 pounds in 1967. The ten-year average of tapioca imports from 1958-1967 is more than two and one-half times the average of the previous ten-year period, and imports have exceeded 300,000,000 pounds in each of the last three complete years.

The United States Tariff Commission investigation of the starch industry in 1959 demonstrated that the increased imports of tapioca starch had a telling effect on customers of the American corn refining industry. Open market sales of domestic corn starch to adhesive and dextrine manufacturers, for example, amounted to only about 20 million pounds in 1958. This was just slightly more than the amount of imported starch sold to such manufacturers.¹ These losses occurred despite the fact that the American wet corn milling industry had achieved a high degree of efficiency and ability to compete.

Thailand is currently the principal exporter of tapioca starch. (U.S. Tariff Commission Summaries of Trade and Tariff Information, Schedule 1, Vol. 6, 1966, p. 139.) Brazil is the second major supplier of the product, but many less-developed nations have the potential to produce tapioca starch—notably

¹ United States Tariff Commission Report on Starch, Investigation No. 332-37, March 1960, p. 38.