

The average selling price per cwt. is \$16.68.

Now, based on conservative figures, the cost of ingredients of identical United States-produced milk crumb:

37 percent milk solids (3 × \$4.18 per cwt.)	\$12.54
56 percent sugar (56 percent × \$10.00 per cwt.)	5.60
6 percent cpcpa (6 percent × \$25.00 per cwt.)	1.50
Average ingredient cost per cwt.	19.64

You will note that this price breakdown clearly indicates that milk crumb produced abroad is being sold in this country for about \$3 per hundredweight less than the U.S. ingredients cost. John Gehl informs me that as of today he is the only independent producer of milk crumb and he has only two customers left; the rest have switched to foreign milk crumb.

For months Mr. Gehl has had a running correspondence with the Department of Agriculture, seeking some sort of relief. The Department kept replying that Mr. Gehl surely was the victim of misunderstanding.

Actually, Mr. Chairman, John Gehl and I both knew that he was no victim of a misunderstanding, but rather a victim of imports which knocked the bottom out of his markets.

Now, Mr. Chairman, the Secretary tells us that imports of chocolate milk crumb have increased tremendously. He says the 21.5 million pounds imported in 1967 was an increase of about 10 times the 1965 level. Shipments received the first 3 months of 1968 were over 40 percent higher than the corresponding period of the preceding year. And he says that, because of the price advantages of imported chocolate crumb, foreign milk solids could replace the entire 90 million pounds of milk solids reported by the Tariff Commission to be consumed by the milk chocolate industry.

The President has now acted with long-overdue import quotas on condensed and evaporated milk and cream. At the same time he ordered the Tariff Commission to investigate the situation in such areas as chocolate milk crumb and Mozzarella cheese.

I think, Mr. Chairman, the President in this latter area also could have taken the immediate step of imposing quotas. Concerned people like Mr. Sartori and Mr. Gehl surely see no need to await an investigation. They already have documented the case, as far as I am concerned.

Mr. Chairman, what I have outlined to you today clearly indicates the need for dairy import legislation. The Dairy Import Act I have introduced (H.R. 7255) should be, I believe, used as the foundation for building import restrictions that will, as they do in the bill, have a sliding ceiling based on domestic production. The legislation should be passed, Mr. Chairman, and I urge you to give it prompt and favorable consideration.

Surely we can't exclude all imports. We can be sure, however, that when we have products produced in this country we provide equitable treatment for them. An honest assessment of the industries I have discussed here today leads me to believe that action is needed to give them an opportunity to fairly compete at home and abroad. They are today facing a situation in which they cannot compete with lower-