

develop new commodities which do not come within the specific descriptions contained therein.

At the time of the President's proclamation, I warned that it would not be long before importers would develop new methods of evading the quotas. That is precisely what has happened, and is the reason for my appearance here today.

The President's June 30 proclamation specifically excluded such items as chocolate crumb, processed Edam and Gouda, and processed Italian-type cheese. Illustrative of the problem we are now facing are the following statistics. In 1960, only 50,000 pounds of chocolate crumb, which is a mix for ice cream, was imported into this country. But by the end of 1967, this total had risen to 10 million pounds.

This month, because of the alarming levels of imports of such items as condensed and evaporated milk and cream, the President proclaimed temporary import quotas on them.

As the Secretary of Agriculture has pointed out: "Each pound of foreign milk imported as condensed or evaporated milk or cream will replace one pound of domestic milk now going to condenseries which would be converted to cheese, nonfat dry milk powder, and butter. The domestic milk displaced by these imports would consequently have to be purchased, in processed form, by the Commodity Credit Corporation."

The Tariff Commission is also to investigate the need for quotas on a number of other products not now subject to import restrictions. These include chocolate milk crumb, butterfat-sugar mixtures in retail packages, and most types of cow's-milk cheese which are not now under quota.

I have no doubt that the Tariff Commission will find that imports of these commodities are interfering with the price-support program. In time, further section 22 action will follow. But to me, the only truly permanent solution to this problem is passage of the Dairy Import Act, whether it be H.R. 7649, or a similar bill.

The State of Iowa is one of the Nation's leading dairy States. Passage of dairy-import legislation will mean much for the well-being of this most important industry.

I therefore urge your adoption of legislation to permanently curb damaging levels of imports of dairy products.

Thank you for your time and consideration.

The CHAIRMAN. Thank you, Mr. Scherle, for bringing to us your thoughts. Are there any questions?

Thank you, sir.

Our colleague from Minnesota, the Honorable John M. Zwach, was unavoidably detained this morning and has requested that his statement be included in the record. Without objection it will be so done at this point.

(Congressman Zwach's statement follows:)

STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. Chairman, I wish to thank you and the Committee for this opportunity to present my thinking on this vital question of imports. I shall be brief as you have many experts here to add the facts and figures of this many-sided issue.

Much has been said about the volume of agricultural exports which has expanded greatly and has presented the country with a favorable contribution to