

During the first half of 1967, imports were running at an annual rate of nearly 4,300 million pounds.

In the face of this tremendous upsurge in imports, the President imposed import quotas in June 1967, on American-type cheese—other than Cheddar, which was already subject to quota—and butterfat-sugar mixtures in bulk form. As a result of this action the rate of imports declined during the second half of 1967. However, total imports of dairy products for the year still amounted to 2,800 million pounds of milk equivalent.

On June 10, of this year, the President proclaimed temporary import quotas on condensed and evaporated milk, and directed the Tariff Commission to investigate the need for quotas on chocolate milk crumb, butterfat-sugar mixtures in retail packages, and most types of cow's milk cheese which are not now under quota.

While I commend the administration's actions to reduce the flood of imports, I do not believe such action negates the necessity for some type of quota legislation. The administration's record on utilizing the provisions of section 22 of the Agricultural Adjustment Act has been one of too little, too late.

The bill which I introduced, H.R. 6639, provides for a flexible quota system. That is, as the domestic consumption of dairy products increases, imports will be increased by a corresponding percentage. I believe this would provide a fair and equitable means for the sharing of our market by U.S. and foreign producers.

The base for determining future imports, as provided in the bill, would be the average annual quantities admitted for consumption during the calendar years 1961 through 1965. I note that the President's proclamation of quotas on condensed and evaporated milk called for quotas to be established on the basis of 1967 imports. In 1967 total imports were three times what they were in 1965! If 1967 was used as a base year for all import quotas, foreign producers would gain a disproportionate share of the market. Thus, the desirability of basing imports on the 1961-65 annual average can be readily seen.

Mr. Chairman and members of the committee, I appreciate the opportunity to express my views on the dairy import situation. I know that you will receive a more detailed analysis of the problems facing the American dairy farmer from witnesses testifying before the committee. I share their concern and urge that you give favorable consideration to dairy import legislation.

Mr. HERLONG. Thank you, Mr. Quie, for sharing your views with us. Are there any questions?

The next witness, Mr. Ancher Nelsen, our colleague from Minnesota. You are recognized, sir.

STATEMENT OF HON. ANCHER NELSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. NELSEN. Mr. Chairman, an increasing number of consumer groups, farmers, and their Representative in Congress have become alarmed at the continuing high level of dairy imports.

The President acted about a year ago to invoke section 22 quotas on the flood of Colby cheese and Junex butter-sugar mix that was being dumped in American markets at that time. Most recently, he invoked