STATEMENT OF HON. JAMES HARVEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. HARVEY. I appreciate very much this opportunity to present my views and, in particular, those of thousands of dairy farmers in Michigan's Eighth Congressional District on the need—a dire need—for Congress to take corrective action to regulate imports of milk and dairy products.

I realize that many other Members of Congress will address you on this subject. In particular, reference will be made to recent action taken last year in the Presidential proclamation of June 30, 1967, pursuant to section 22 of the Agricultural Adjustment Act. Further, just a few days ago—June 10, 1968—the President proclaimed temporary import quotas on condensed and evaporated milk and cream. These are encouraging signs.

But these actions are only temporary. Further, as pointed out by Secretary of Agriculture Orville L. Freeman, a number of other dairy products are not now subject to import restrictions.

These include: chocolate milk crumb, a product used in candy manufacture; butterfat-sugar mixtures in retail packages (in bulk form, such mixtures are already subject to quota); and most types of cow's milk cheese which are not under quota now. These include processed Edam and Gouda cheese, Italian cow's milk cheese not in whole loaves, swiss cheese, and the miscellaneous cow's milk cheeses classified as "other cheese" in the U.S. tariff schedules.

It has been recognized that section 22, when applied, is not totally effective. It never has been and cannot be.

Best estimates indicate that there are approximately 2,300 dairy farmers producing grade A milk living in the Eighth Congressional District. It is by far the biggest concentration of dairy farmers in Michigan.

For further background information, our eighth district dairy farmers produce about 2,300,000 pounds of milk per day or 840,000,000 pounds per year—about 420,000,000 quarts.

I can assure you that these dairy farmers were both aware and appreciative of the action taken by President Johnson last year and again this year to improve administrative control of cheap, and possibly inferior, dairy products from other nations. But all of those who have contacted me, and these include several hundred farmers, feel strongly that this action is not enough and that legislation is required.

The cost of imports to Michigan dairy farmers is quite clear. As previously outlined by the Michigan Milk Producers Association and the National Milk Producers Federation, the cost of imports to Michigan farmers is emphasized as follows:

The class II price last year would have been 30 cents per hundredweight higher if it had not been for the fact that imports took 12 percent of the domestic cheese market and 13 percent of the market for butterfat in ice cream.

Keep in mind also that the American dairy products these imports replace must be purchased by the Government through the price support program, thus placing an additional burden on taxpayers.

If imports continue, progressive and aggressive bargaining by Michigan dairy farmers will be of little avail.