ucts, because these are an important aspect of programs developed by the Congress for the economic well-being of dairy farmers and, in particular, the price support program.

Now, the Federation assisted in the adoption of the price support program some years ago in the Agricultural Act of 1949, and, further, we participated in the development and adoption of section 22 of the Agricultural Adjustment Act, which is that section which is designed to prevent imports from impairing agricultural programs enacted by the Congress for the benefit of dairy farmers.

Briefly, to give a little perspective for our purposes here today, the price support program involves establishment of prices to producers for milk through action by the Commodity Credit Corporation, which effectuates the price level established for producers established by the Secretary of Agriculture by purchasing major dairy commodities on the open market. Dairy products so purchased are butter, cheese, and nonfat dry milk.

Currently, the price support level to producers is $4.28 per hundredweight of milk of average butterfat test.

Quantitative import controls under section 22 were first placed in effect in 1953 and at present apply to Cheddar, other American, certain types of Italian, Edam and Gouda, and blue mold cheeses, and butter, butteroil, butterfat-sugar mixtures, frozen cream, dried cream, dried skim milk, dried whole milk, dried buttermilk, and malted milk.

Section 22 has been, and is, helpful, but it has many shortcomings, and we wish to bring these to your attention in a very brief form today.

Some of these, as this section has been administered, are:

First, the section is permissive in that no administrative official really is required by law to do anything, irrespective of the situation.

Second, the administrative procedures are slow, cumbersome, uncertain as to results, and action taken may fall wide of the mark.

Our major problem with section 22, however, and in the proper control of imports as a protection to the price support program, has to do with the widespread subterfuge and evasion of quotas. I will give you a few examples of this.

The butter quota was evaded by importing butteroil, a commodity which had never been imported into the United States. When the quota was finally established on butteroil, it was placed at 1.2 million pounds.

The quotas were established on certain types of Italian cheese in original loaves. These quotas were evaded merely by cutting the loaves in half.

The butteroil quota was evaded almost the moment it was issued by the importation of a product, called exylone, that had never theretofore existed, and which as a matter of fact was never heard of because it was a coined name, a fanciful name, representing a commodity that was 77 percent butterfat, 15 percent water and 8 percent sugar, with a little vanilla flavor.

After a hearing, the Tariff Commission applied a zero quota to this particular commodity.

One of the most serious ways of evading the quotas, however, was through the product called Junex. That is another fancifully named product designed to evade the quotas, made out of butterfat and sugar, some nonfat dry milk and perhaps a little moisture and it was imported in very, very heavy volume for a couple of years, and by April