Exporters in the Netherlands are delivering fresh butter at 25 cents per pound and storage butter at 15 cents per pound, although inside the Netherlands the wholesale price of butter is 72 cents per pound.

Nonfat dry milk exports are heavily subsidized. France, with an internal price of 21 cents per pound, is exporting it for as low as 12 cents per pound. Canada and the Netherlands are reported to be exporting nonfat dry milk at 10 to 12 cents per pound.

Export subsidies on sweetened condensed milk range from $1.97 per case in the Netherlands to $5.37 in Germany. Subsidies on evaporated milk are a little over $2 per case in both countries.

Furthermore, there is not one single country that exports dairy products in any volume that does not encourage exports in some manner. It is obvious that we must have quantitative import controls in the face of such subsidization of exports and the ingenious methods found to evade our quotas.

It is our recommendation that the Congress enact H.R. 3816, the proposed Dairy Import Act of 1967, introduced in the House on January 25, 1967, by Representative B. F. Sisk, and currently cosponsored by 59 Senators and 202 Members of the House of Representatives.

We really believe that the only reason the executive branch established additional quotas in mid-1967 was that the great interest in the bill by the Congress, as evidenced by the practically unprecedented sponsorship just noted, convinced the executive branch that, if it did not establish the quotas, Congress would enact the Dairy Import Act of 1967.

Furthermore, we believe that right now the fact that this committee is holding these hearings is perhaps the only reason emergency quotas have just been placed on evaporated and condensed milk, and the Tariff Commission, by direction of the President, is holding hearings under section 22 beginning July 22.

The major provisions of the bill are:

(*a*) The establishment of automatic quotas on dairy products imported at the 5-year, 1961–65 average level. The base does not include 1966 or 1967 because of the greatly abnormal level of imports those years.

(*b*) Import volumes would be increased or decreased each year, as the case may be, in direct ratio to increases or decreases in the annual domestic consumption of milk and milk products.

(*c*) Also, this Dairy Import Act of 1967 would permit the President, if he finds such action is required by overriding economic and national security interests of the United States, to increase the quotas above those specified in the law, but if he did so, the Secretary of Agriculture would be required to purchase a volume equivalent to the additional imports and the cost of such purchases would not be charged to any agricultural program.

Now, in view of all these facts and considerations which we have recounted, and which I have done very hurriedly because of the time limitation, we think the Congress should correct this ever-recurring and unsatisfactory situation by passing the Dairy Import Act of 1967, and most assuredly shouldn't do anything that would permit anyone in our Government to negotiate away the quota authority we now have and do anything to hinder the application of the current section 22.