II. The Dairy Import Act of 1967

Even if the Section 22 loophole we have previously discussed were closed, it should be noted that the quota *only* covers certain hard Italian-type cows' milk cheeses, namely, Romano made from cows' milk, Reggiano, Parmesano, Provoloni, Provolette, and Sbrinz. Other Italian-type cheeses made from sheeps' milk (Pecorino) and goats' milk are not included. Mozzarella and other specialty-type Italian cheeses are being imported in greatly increasing quantities but they are *not* covered by the quota either.

Therefore, we need legislative relief to cover *all* types of Italian-type cheeses—under the quota and those not under the quota. We support the general concept and intent of the Dairy Import Act of 1967 which creates legislative limitations on the imports of dairy products based on the 1961–65 average.

The Dairy Import Act as presently drafted is vague in its definition of dairy products and does not contain a provision for subdividing the overall quota into separate quotas for appropriate categories of product. Quotas set for dairy products under dairy import legislation should be set by *product*—such as Italian-type cheeses—and should not be lumped together under a general category. In this way, fair consideration can be given to each type of dairy product. We are hopeful that any dairy import legislation adopted will clearly establish specific quotas for Italian-type cheeses—without regard to shape and form and without regard to the type of milk used to manufacture the cheese.

The proposed Dairy Import Act also does not appear to contain a provision prohibiting "trading off" among various dairy products—where Italian-type cheese quotas might be raised while the quotas on other dairy products are correspondingly reduced.

The proposed Act also gives a great deal of discretion to the Secretary of Agriculture in Section 7 to make rules and regulations he deems necessary to carry out the intention of the legislation. We are concerned that any dairy import legislation adopted contain safeguards against "freewheeling" by the Secretary of Agriculture and/or the President.

III. Fair International Trade Act of 1968 (H.R. 16936)

We support the general concept and intent of the Fair International Trade Act of 1968 introduced by a distinguished member of this Committee, Mr. Herlong.

Reasonable ceilings on imports, designed to offer a liberal share of our markets to imports and permitting imports to grow with the growth of our markets, is the approach in this bill. We feel this is an intelligent and responsible way in which to deal with the problem of increasing low-priced imports from abroad.

Under this legislation, viable trade would be preserved while at the same time imports would be prevented from overwhelming domestic industry and driving our capital abroad where vastly lower wage costs exist.

The fear that import quotas would lead to higher prices is not borne out by the industries that have operated under import quotas in recent years. Moreover, imports have risen appreciably in many instances, even while import quotas were in effect.

IV. The Trade Expansion Act of 1968 (H.R. 17551)

The Administration trade bill fails to adequately deal with the import problem, except to provide liberalized adjustment assistance provisions which we support. The existing adjustment assistance provisions in the tariff law have proved useless because of a rigorous application of the test of injury by the Tariff Commission in the past. Under the Administration bill, relief would be available whenever increased imports are a substantial cause of injury.

While we support the liberalized adjustment assistance provisions in the Administration bill, we do not feel that the sacrifice of various domestic industries such as ours is a realistic means of solving the problem. Jobs are an increasingly important need of our society. Destruction of those jobs by unregulated imports is unwise. Increased Government spending on adjustment assistance programs further drains the economy by increasing the tax burden on those still employed. The need is to create more jobs, particularly in rural areas, and not eliminate the ones we have. Further, current trade balance statistics are very disheartening—showing increased imports while exports are declining. It is time that the Administration faced this very serious problem in a realistic manner.

We will now discuss the specifics of how our industry is being severely affected by low-priced imports.