

Furthermore, it is contrary to our own best interests and the best interests of the American farmer to continue these import restrictions.

The imposition of restrictions on the importation of cheese, and particularly upon foreign types of cheese which have historically been imported into the United States, closes the door, if not completely at least partly, to trade with countries who buy more from us than we buy from them.

The balance of trade with these countries continued in 1968 strongly in favor of the United States. How can we now adopt additional legislative restrictions against cheese imports without very compelling reasons (which certainly does not exist in view of the facts and the availability and effectiveness of sec. 22 of the Agricultural Adjustment Act) without offending the countries from which we import these cheeses?

The provisions of the pending dairy quota bills would unnecessarily regiment, stifle, and destroy the cheese importing industry. We are presently, and have been for 15 years, operating under import restrictions which have restrained growth. Imposing restrictions across the board, on the basis of total butterfat and milk solids imported, makes no provision for the importation of historical cheeses, nor does it assure historical importers an opportunity to import cheeses from historical countries of origin. The bills would create a great many inequities and may result in even greater damage to the domestic industry by the importation of butterfat and milk solids in forms which are more competitive with the domestic industry, whereas the historically imported foreign cheeses have uniformly been higher in price than the domestic product. The cheese import industry has been the cornerstone of U.S. manufacture of foreign types of cheese. It has not only served the domestic industry, but has served consumer as well. The adoption of the proposed quota bills is totally unfair, unwarranted, and unnecessary.

One further thing. I have heard a lot about subsidies. There is an answer to subsidies in the form of countervailing duties. Certainly the fact that subsidies are paid where subsidies can be met by legislation which is already in existence is no basis for trying to invoke the drastic measure of across-the-board restrictions on dairy products such as proposed in the pending bills.

Thank you for your attention.

(Mr. Fromer's prepared statement follows:)

STATEMENT OF MARTIN A. FROMER, COUNSEL, CHEESE IMPORTERS ASSOCIATION OF AMERICA, INC.

I represent the Cheese Importers Association of America, Inc., an organization which comprises in its membership American firms engaged in the importation, sale and distribution of a major portion of the cheese imported into the United States. Many of our members are also engaged in the manufacture, sale and distribution of domestic cheese.

We fully support the proposed Trade Expansion Act of 1968 (H.R. 17551) and subscribe to the President's message which accompanied the proposed Act. We note particularly the President's statement that "A nation's trade lines are its life lines. Closed trade lines end in economic stagnation." The President further noted that "When trade barriers fall, the American people and the American economy benefit." The President makes this vital point, which is particularly pertinent to the importation of cheese which pending bills propose to place under complete import restriction:

"One central fact is clear. A vicious cycle of trade restrictions harms most of the nation which trades most. And America is that nation.