

1967, during your hearings on trade and tariff proposals. Similar bills on dairy imports have been introduced or co-sponsored by many members of the House and the Senate.

The Dairy Import Act is needed to stop the flow of dairy products which are continually being shipped into the United States even though they are not really needed by the American consumer. This bill would establish automatic quotas on dairy product imports, based on the average butterfat and nonfat milk solids shipped in from 1961 through 1965. The years 1966 and 1967 would not be included in the base figure because of the abnormally high level of imports during those years.

The bill also provides, however, that as the U.S. domestic market grows the dairy import quotas would be increased in direct ratio to increases or decreases in the annual consumption of milk and milk products.

The President is also given the authority to permit additional imports if he finds such action is required by overriding economic or national security interests of the U.S.

In order to understand the need for this legislation it is necessary to look at the background and history of dairy import controls.

Agricultural import controls were first provided in Section 22 of the Agricultural Adjustment Act and have been maintained by Congress for more than 30 years. Section 22 provides that foreign trade programs and policies should not be adopted if they will undermine the programs which Congress has set up for American agriculture. This Section has been used since 1953 to place quota controls on the importation of some dairy products. It has been subject, however, to a history of evasion and subterfuge of the import quotas established thereunder.

The action taken last year in the Presidential Proclamation of June 30, 1967, pursuant to Section 22 of the Agricultural Adjustment Act, did place more restrictions on dairy imports and provided some relief to our domestic dairy farmers. However, many loopholes have continued to be available for the importation of foreign dairy products in evasion of quota controls. These loopholes add to the many problems facing dairy farmers and their cooperatives and increase the cost to the Federal Government in its operation of the price support program;

The excess importation of dairy products is also important in relation to our balance of payments problems. It is my understanding that the dollar drain for these imports was \$73,702,697 in 1967 and is estimated to be \$36,796,255 per year for 1968 and subsequent years.

It can readily be seen that import controls are necessary not only to provide dairy farmers with a level of income commensurate with that received by other segments of our society but also to aid in the problems our country now faces with regard to its price support program and the balance of payments.

STATEMENT OF HON. CLARENCE J. BROWN, JR., A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF OHIO

Mr. Chairman, last year, I offered legislation to restrict imports of dairy products. I feel that action is long overdue to relieve the dairy farmers' struggle since their efforts in regard to fair and equitable milk prices is directly related to the overflow of dairy products into our country through loopholes in the existing import quotas.

While action taken last year, as a result of the Presidential Proclamation of June 30, 1967, did provide some relief to dairy farmers, it still leaves some imports such as evaporated milk, chocolate crumb and some cheeses, which are being imported in ever-increasing quantities, untouched by quotas.

I would like to see immediate steps taken to plug the gaps in the quota law and our government's policy adjusted to permit our dairy farmers to make a decent profit on their produce.

The legislation which I sponsored specifically relates to excess imports of butterfat and nonfat milk solids. Under the provisions of my bill, imports would be limited to the respective average annual quantities which were admitted for consumption during the period from 1961 through 1965.

The bill allows the President to permit additional imports in the case of overriding economic or national security interest of the United States, but provides that no additional imports shall be admitted at a time when prices received by