

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 13, 1968.

Hon. WILBUR MILLS,
Chairman, House Ways and Means Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: For some time I have been aware of the hardships placed on our dairy farmers by lax import regulations of Section 22 of the Agricultural Adjustment Act of 1935. I joined a number of my colleagues in the introduction of the Dairy Import Act which would establish effective controls on imports of all milk and dairy products, and would, I sincerely believe, greatly help our dairymen throughout this country to earn a decent price for their products.

Section 22 of the Agricultural Adjustment Act of 1935 was enacted as part of agricultural programs aimed at providing just returns to our producers measured in terms of parity prices.

The 1951 amendments to this Act provided absolute clarification that protection for agricultural programs would take precedence over trade agreements. Not until 1953 did dairy farmers realize this protection. But this was not to last. Because the administration of this section has been ineffective. The result has been the addition of millions of dollars and unnecessary cost to the dairy price support program and the substantial interference with the achievement of the goal of parity prices in the market.

The Dairy Import Act of 1967 is, in my opinion, fair to all concerned. It would use as a base the 1961-1965 imports of butterfat and nonfat milk solids. This average would provide an automatic control and would not require long and unsatisfactory proceedings as at present. Additionally, these controls would be flexible enough to permit recognition of any legitimate new products while at the same time preventing circumvention of the quotas we have witnessed in recent years.

Included also in this legislation are provisions for expansion of the domestic market due to population or other factors so that the *import* total would increase by the *same* ratio. This would insure that foreign countries would share in U.S. market growth but their exports to the U.S. could not grow by displacing domestic production.

By establishing a definite and known level of imports and providing for adjustment of the market, both our own dairy industry and that of foreign countries can make sound plans for the future.

Mr. Chairman, I therefore strongly favor enactment of this legislation providing measures to adequately and effectively control milk and dairy products imports so that our own dairy industry will not be driven out of business by the continued flow of unlimited dairy imports.

Sincerely yours,

JOHN J. DUNCAN,
Member of Congress.

DEPARTMENT OF STATE,
Washington, D.C., July 11, 1968.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: The Department of State has received from the New Zealand Embassy statements prepared by the New Zealand Dairy Board * * *. The Embassy has requested that the two statements be transmitted to the Committee on Ways and Means for its consideration for possible inclusion in the record of the recently concluded hearings on tariff and trade proposals. In forwarding these statements to the Department, the Embassy has noted that the New Zealand Government endorses and supports the views expressed in the two statements.

I am, therefore, pleased to forward three copies of the enclosed statements for your consideration.

Sincerely,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary for Congressional Relations.

Enclosures.