2. The volume of milk crumb being imported (i.e., 21,500,000 pounds in 1967) is not of sufficient volume to materially affect the Price Support Program.

Neither of the above statements are valid reasons for excluding milk crumb from our import laws; in fact to use them as such is to distort the truth.

ERRORS IN TARIFF COMMISSION'S REPORT OF JUNE 1967

The Tariff Commission's very brief comments in their report of June, 1967, stated the following:

1. "United States consumption of chocolate crumb in recent years has roughly approximated the volume of imports." This statement is a gross error as in 1965 imports were about 2,000,000 pounds while domestic production certainly exceeded 100,000,000 pounds and could possibly be as high as 300,000,000 pounds.

2. "*Little if any* milk crumb is produced for commercial sale in the United States." Again the Tariff Commission has not documented the fact correctly as our company alone produced over 8,000,000 pounds for commercial sale.

3. Milk crumb imports "are not likely to become major factors in the United States import trade in dairy products." Less than one year after the Tariff Commission's report we have been the imports of crumb skyrocket from 2,000,000 pounds in 1965 to 21,500,000 pounds in 1967. Since most other dairy products are under quota milk crumb has indeed become a major factor in United States import trade.

The above three points are the main facts upon which the Tariff Commission made its recommendation to exclude milk crumb. Since their facts were in error their conclusion is brought into serious question. In fact, common sense demands that absolutely no confidence can be placed in their recommendation.

FALSE LOGIC USED BY DEPARTMENT OF AGRICULTURE

The second reason given by the Department of Agriculture for not including milk crumb under quota, namely; "that the volume of milk crumb being imported is not of sufficient volume to materially affect the Price Support Program," is to treat United States Senators and Congressmen as if they were naive.

As recent as February 21, 1968, Secretary Orville Freeman signed an Amendment to the Sugar Act and placed under quota other sugar-butterfat mixtures that in the Secretary's own words "are not even coming into this country." The exact wording in the Amendment (7 CFR 817.10), signed by Mr. Freeman, is as follows:

"It is hereby determined that *prospective* importations into the United States of sugar-containing products with less than 5.5 percent butterfat will substantially interfere with the attainment of the objectives of the Sugar Act and shall be subject to the import limitations provided in this paragraph."

To say that products not coming into this country interfere with our Price Support Program on milk and sugar while in the same breath maintaining that another sugar-containing product coming in at the rate of 21,500,000 pounds does not, is sheer nonsense and deserves no further comment.

ERRONEOUS INTERPRETATION OF AGRICULTURAL ADJUSTMENT ACT BY DEPARTMENT OF AGRICULTURE

There is one point which I believe is important when reviewing the Department's position. Section 22 of the Agricultural Adjustment Act (7 USC 624) reads as follows:

"Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title . . . *or to reduce substantially the amount of any product processed in the United States from any agricultural commodity* . . . he shall so advise the President. . . ."

Thus, Section 22 which the Department has been quoting as the reason they can do nothing very clearly points out that they do in fact have ample authority to act *regardless of the quantity imported* when, in fact, imports may "reduce substantially domestic production of any product." Since foreign milk crumb was sold in the United States in January through March Quarter, 1968, for $16.80 per cwt., while domestic ingredient costs for a similar product were $19.80 per cwt., domestic production already has been and in the future will certainly be reduced substantially.