MILK PRODUCTION [1]

[In millions of pounds]

	Average, 1956–60	1965	1966	1967
Belgium	8,320	8,689	8,823	8,853
Denmark	11,633	11,832	11,704	11,484
France	46,037	59,020	61,971	63,933
Netherlands	13,833	15,745	15,950	16,479
West Germany	39,604	46,854	47,544	48,390
Total	119,427	142,140	145,992	149,139

[1] Foreign Agriculture Circular, USDA, January 1968.

Thus, the 1967 aggregate milk production of the five countries indicated exceeds by almost 25% the total U.S. milk production of approximately 120 billion pounds. The aggregate milk production in these countries has increased in 1966 and again in 1967 at an annual rate in excess of the total quantity of milk used in the U.S. for evaporated milk production.

EFFECT ON PRICE SUPPORTS—DOLLAR DRAIN

The total production of evaporated milk in the United States in 1967 was 34 million cases; for sweetened condensed milk it was approximately 3 million cases.

If this total milk supply was converted to products under the price support program of the United States Department of Agriculture, the cost to the government and hence to the taxpayers would be well over 160 million dollars.

In addition, the potential loss to the U.S. in the form of a drain on the balance of payments would be over 200 million dollars in the event that the domestic production of canned milk was replaced completely by imports.

PRESIDENT TAKES ACTION UNDER SECTION 22

In view of the cricumstances facing the domestic canned milk industry, President Lyndon B. Johnson on June 10, 1958 issued a Proclamation [5] establishing emergency import quotas on evaporated milk and sweetened condensed milk. The action was taken under Section 22 of the Agricultural Adjustment Act of 1937, as amended, which provides that 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 any loan, purchase, or other program of operation undertaken by the Department, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission.

The Act further states that in any case where the Secretary of Agriculture determines that a condition exists requiring emergency treatment, the President may take immediate emergency action and simultaneously direct the Tariff Commission to investigate and make recommendations.

Needless to say, this segment of the domestic agricultural economy is gratified at the actions taken by the President in saving the industry from literal destruction by cheap foreign imports.

PREVIOUS ACTIONS OF USDA

Despite our gratification at the recent actions taken in behalf of the industry, it should be pointed out that the setting of quotas under Section 22 is no without problems in terms of product classification.

In his recommendation to the President of March 30, 1967, the Secretary of Agriculture asked that the U.S. Tariff Commission investigate the need for import restrictions on articles containing not over 45 percent by weight of butterfat,

[5] Presidential Proclamation 3856—June 10, 1968.