

average annual imports of these meats—by the percentage of increase or decrease since 1959–63 in domestic commercial production of these meats. In using the year 1963 in the average, the Department of Agriculture made the quota as high as possible. Thus the quota is not actually representative of a normal cycle of 5 years. Something must be done to provide a more accurate quota to prevent it from disrupting the market as it is at the present time. Canned, cured, and cooked meats are specifically exempted from the law. The quantity of these items, however, in our American market affects the price the farmer gets for his products. They should be included in the quota also.

Beginning in 1966, the United States balance of trade took a startling change: for the first time in recent history, our trade went into the red. The United States is now importing more goods than it exports. Until recently, the Commerce Department figures suggested that the United States has a trade surplus. But the truth is, a realistic accounting reduces the actual total of exports by 10 percent. The Commerce Department deliberately includes exports authorized under governmentally subsidized programs, such as Public Law 480 shipments of food. No reputable business accounting method would include free samples in reports of yearly sales. The Department reports import values on the basis of free-on-board (f.o.b.)—that is, the cost of goods when put on shipboard at a foreign port. Nearly every other country in the world realistically includes the insurance and freight charges that must be paid when the ship reaches the domestic port. When imports are figured on a true cost-insurance-freight basis (c.i.f.) the costs go at least 10 percent higher.

This discrepancy in the method of figuring imports is another example of the need for a strict, defined piece of legislation which would set a uniform basis for estimating import values as well as setting a specific, unadjustable limit on the amount of imports allowed.

Whenever any effort is made to provide reasonable protection against imports for the U.S. cattle industry, invariably we are met with the cry of alarm that nothing must be done, because it might endanger our export markets. The fact is, that we cannot compete, pricewise, with Australian or Argentine beef in the foreign markets of the world. Since 1966, our volume of exports has gone down, not up, and it was not very great to begin with. The home market, on the other hand, has been good to us. The foreign market has not. It does not make sense in a planet where half of the people are hungry and two-thirds need higher protein diets, to be shipping large quantities of meat into the one country where meat is already in such oversupply that markets are depressed and the producers are going broke. We must update the limitations in order to alleviate an already bad situation.

Careful steps must be taken through the passage of specific legislation, to introduce a meaningful relation between domestic and foreign production in order to eliminate the excessive amount of imports into the country and to protect the cattlemen.

Thank you.

The CHAIRMAN. Thank you, Senator Hansen. Are there any questions?

If there are no questions then our next witness is the Honorable Thomas S. Kleppe, of North Dakota. You are recognized, sir.