STATEMENT OF HON. THOMAS S. KLEPPE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Mr. KLEPPE. Mr. Chairman, I appreciate this opportunity to present my views on a subject of vital concern to the Nation's multibillion-dollar cattle industry: the impact of heavy importations of foreign meat on our livestock economy.

North Dakota is a major livestock-producing State, with approximately 2.3 million head of cattle, valued at $362 million. In the district which I represent, North Dakota's Second, cattle and wheat are the two principal sources of income for farmers and ranchers. In fact, the total economy of the district rests largely upon these two commodities and the prices which they bring. With wheat selling at only 52 percent of parity and cattle at 80 percent, the effects of these low prices are adversely felt throughout the business community.

While I recognize that the heavy importation of foreign meats in recent years is not the only factor which has depressed domestic cattle prices, it is a significant one. I strongly support the position of the American National Cattlemen's Association on meat imports, as expressed by its spokesmen before this committee earlier. I think they are right in asking not for a virtual embargo on meat imports but for a significant reduction.

The cattle industry is making a major effort to control domestic cattle numbers, with a view toward bringing supply and demand into better balance. This goal could be achieved more quickly and effectively with a reduced volume of competitive imports. Certainly it is not in the best interests of this Nation to become too heavily dependent upon foreign sources for meat and meat products.

Foreign trade must be a two-way street if it is to flourish and expand. The record of recent years indicates the United States is giving greater trade concessions on farm commodities produced in other countries than it is receiving on its own agricultural exports. As an example, the United States today has less access to European markets than it had in 1962 when the Trade Expansion Act was approved. The protectionist trend in the Common Market countries has been accelerated, rather than diminished. The system of variable levies there sharply restricts U.S. exports of most farm commodities.

I think this is regrettable. But so long as other countries raise artificial barriers against U.S. farm products, the United States must take a new look at the situation, in its own self-interest.

There is another important matter involved here. This concerns the alarming and perhaps worsening U.S. balance-of-payments position. The United States suffiered its second foreign trade deficit of the year in May—in the amount of $32.2 million. The March trade deficit was $157.7 million.

It is imperative that this Nation achieve a favorable balance in its commercial trade with other countries as an offset to the huge dollar payments which go abroad in the form of foreign aid, overseas military costs, foreign investment and tourism. The integrity of the dollar cannot be maintained if the United States continues to run balance-of-payments deficits of the magnitude incurred last year—$3.6 billion.