

When I say cost plus I mean at cost and very little else. It is an industry that has kept up with the expanding population. It has kept up with the demand for beef in the United States and we still today are able to expand the business to produce any kind of beef they want in the United States and in any amounts and at a reasonable price.

We think we are one of the few countries where that can be done within the country and I want it understood that we are in a position today to produce all the beef that is being consumed, and at any given point, if Congress decided they would prefer the domestic meat industry to supply the entire amount of all kinds, I can assure you that we can do it.

Our financial condition in the beef business at this point is such that we are just about operating on a cost basis, both producer and the people that feed the cattle, and this is one of our problems because it is history now but American agriculture hasn't had a price rise in 20 years.

Quite often when the price of grain drops and the people who produce grain get in trouble they expect the cattle industry to pull them out of it and we are rapidly moving into one of those periods again and we have figures showing that we are entering a dangerous period when we will again be expected to pull out other sectors of the industry and rescue them from their own overproduction in the United States.

In fact we are sure they are. When I left home wheat was selling in Kansas at \$1.15 a bushel. It is the lowest in 26 years, and we know that a lot of those folks are going to want to convert that and we wish we had a market for it in the United States, but at this point the American Cattlemen's Association has surveyed the situation very carefully and we have had to ask our own people within the last year to hold up production and tonnage 5 percent just to see if we could get on a cost-plus basis.

There has been a little response in the market as we have carefully worked along, but I want it understood again that we are having to cut back in the United States just to get on a cost-plus basis here, so any opportunity given us by Congress we will take and we will produce whatever they want.

Now, there has been a good deal of discussion about whether or not we can produce the kind of beef that is imported. I happen to be a producer of cows and calves. I am one of the gentlemen in the United States that can furnish the kind of beef they want exactly. All they have to do is give me a cost-plus on an American basis and I will see that they get plenty of cow beef, plenty of bull beef, and my friends in the like business can do that 100 percent.

One of our problems is that we have to keep cows too long in this country and try to get too many calves out even when we would prefer to sell them because of the labor problem. The expense of labor, the shortage of labor, in the cattle country has been expanded greatly recently until we find the whole family, even the women, doing more work than they ought to do, so I want to make it plain that the imported beef does compete directly with what I produce and I also want it understood that 25 percent of a fed animal goes into direct competition, ground, with all the imported beef.