

I just returned from Australia and New Zealand and one of the things that I wanted to see was, they being the two major suppliers along with Ireland, accounting for 80 percent of the imported beef, were they shipping the same kind of beef that I produce and the answer is absolutely yes.

I went to their markets. I went to their packinghouses. I went to their ranches. They are selling old cows. They are selling old bulls. They are selling steers or heifers that don't happen to be fit for the feed lots and more than that, the same as in the United States, about a third of this beef is having to come from the dairy industry.

Down there and up here when they get through with the milk cows she goes into ground beef and it is good ground beef and that is the basis for our production here for a lot of them.

We have half as many dairy cows in the United States as we have beef cows so the dairy industry is just as interested in trying to convert their beef from their cows that they are discarding into a profit as we are in the cow-calf operations throughout the United States.

Now, the next thing I would like to discuss with you is the trade policy in the United States, because I realize, although our bill is a separate bill and the H.R. 9475 bill that is under discussion on the quotas is a separate bill, the trade policy of the United States is being discussed and no one is going to pass it over that is in these hearings.

There are some observations I would like to make. Some of them are quite personal in opinion. But the trade policy of the United States has developed down through the years and sometimes we are importing products that we could produce here.

This is the part that I would like to bring into question. The things we have had to have from outside, fine, but why do we import products that we can produce here? Everybody knows that the production is the key to employment. It is the key to being sure that you have it forever when you produce it within your own country.

It is more stable and in this case it is completely reasonable in price. The only reason that they can import beef of any kind into the United States is because, first, we have a tremendous local tax load to carry in the beef industry. I pay a local tax per unit on my cow-calf operation in my own county direct to my treasury for schools and county operation of \$17.50 per cow unit per year, and I can go to Australia and raise that calf for less than that and I don't want anybody to say that I am inefficient or a poor cowman when I have to start with a \$17.50 cost to support my community in the United States that they don't even know about.

We have a second problem and this second problem runs throughout industry that produces in the United States and that is the labor problem. We have built in our country a completely protected labor core. The American labor movement is built on complete protection from the outside with immigration quotas, with protection from job loss, social security, pension funds, and when the people talk about free trade they are only talking about the producer.

They are exposing many to it, but not labor. In the beef business we agree with the American labor movement. We want to see every man in the United States just as prosperous as he can be and we do not want to subject American labor to the level of costs and labor payments in the rest of the world because like people are not purchasers of beef in other countries.