

If you keep the wage scale low they don't eat beef. It is an item that comes when people's per capita income goes up and the beef business and the American labor movement today are in the same groove exactly. We want it maintained and protected. We want the per capita income here high, and I would like to remind you that in Australia, say, they can probably bone their beef for one-fourth of what you can in the United States and this gives them a tremendous advantage, and I don't blame the people that make it available or the people that buy, but what they are doing is circumventing the laws on American labor that are on the books and that were put there by the Congress of the United States and I think if they are going to stand then I think the people that produce in the United States, that makes those jobs, that support our communities and that support the American labor movement as it is today, should be protected in a reasonable way.

I think you have approached it and Congress has approached it in a reasonable manner in many cases, and I think you have in our case, and we are quite anxious that you take a new look at us, but I don't see how the American labor movement can tolerate the movement of production to cheaper labor countries and I would like to make this one point in closing this particular part.

I feel that American labor should join us in this because if you have free trade and really free trade the jobs are eventually all going to move to the country that has the lowest labor cost. Technology is available everywhere, the same technology, the same machines today. We have one other problem that worries me.

We talk about the balance of trade and, as you know, today the trade we have is only about 4 percent of the gross national product. It has been overemphasized in value considerably, and to balance that and make it worse, they don't have a balanced trade really.

It is all deteriorating because of the increased labor costs in the United States, taxation, and a huge defense budget. And so we are losing our position and we are going to have to turn around and re-examine the whole thing.

I am quite anxious that this committee take a look and make up their minds what they want produced in the United States and make it possible to do so.

The second thing that worries me is in the testimony of the Secretary of Commerce. I looked the exports over very carefully and we are exporting capital goods. We are importing consumer goods.

Now, a nation that follows this trail very long eventually loses the capacity to produce. They sell it to somebody else and their consumer goods have been consumed and gone and you are simply committing economic suicide.

I am reminded of the old Bible story and I feel it is quite appropriate at this point to say that when you sell producer goods, capital goods to other countries, give them the know-how, and trade it for consumer goods, you have sold your birthright for a mess of pottage and I think this Nation is going to have to take a turn around.

They are going to have to take a new look at the whole thing or all production will leave the United States, and we are especially involved since we in the beef business are right in the middle of it.

There is another problem that I think should be considered. The capital goods that we send to the importing nations that send beef up