

Further, 35 of our 50 states have more than one million head of cattle and 29 of our states realize (in 1967) more than \$100 million in annual sales of cattle and calves. This is not just a "Cow Country" problem, a Western problem or a Midwestern problem—the industry has so burgeoned in recent years to make beef production a major factor throughout the nation.

OVEREXPANSION ENCOURAGED

In fact, one of the major difficulties experienced by the beef cattle industry in recent years is that our own government—accompanied by a chorus of enthusiasm from local chambers of commerce, colleges, agricultural supply industries, etc.—has encouraged expansion of beef cattle production on acres diverted from . . . or deserted by . . . other crops. Our domestic beef production since 1960, for instance has increased 35 percent . . . while our human population increased only about eight percent. This encouragement for more and more, seemingly ignored the expansion in, or condition of, the world beef trade which was gearing, meanwhile, for the "American Market".

That the two paths were clashing was recognized in 1964 when the Congress of the United States passed overwhelmingly, over vigorous Administration objection, PL 88-482 to establish, for the first time for a major domestic commodity, quantitative limitations on meat imports.

The reasons for passage of that law still stand and are further enforced by conditions within the domestic industry and developments in foreign lands too obvious and well known to be repeated here.

PUBLIC LAW 88-482 SOUND BASIC LAW

However, the very urgency in 1964 for establishment of quotas on selected meat imports is the reason for returning to Congress now. The concept of the legislation was new. It was alien to the thinking of so-called "free-trade" advocates. It was beyond the experience anyone had had with such imports. And the political exigencies of our world policy were so vague that several "loopholes" were built into the 1964 law.

We also had too little experience in the "ground rules" of world meat trade. It is apparent that there can not be true balanced foreign trade unless nation's have purchasing power or the power to produce wanted goods. However, we are not fully cognizant of just how fast and deliberately the "ground rules" can be changed, too often to the detriment of a nation such as ours which seems to feel that everybody always will play fair. "Free" trade is a two way street, but up to this point, it seems that the United States has only traversed in one direction . . . we have given while the other nations have remained rather static in their trade policies, many becoming even more protectionistic in just this short time.

We agree with Secretary of Agriculture Orville Freeman's remarks in Des Moines, February 15, 1968, when he told several hundred Midwestern farmers that "Orderly trading calls for reasonable protection of our agriculture—not protectionism. There's a big difference. Reasonable protection allows trade to flow. It permits comparative advantage to function with relative freedom for the good of all. Protectionism, by completely shielding inefficient producers from competition, stifles trade. The U.S. beef quota law illustrates what I mean by 'reasonable protection'."

NEED NEW "GROUND RULES"

That is exactly what the basic law does, yet after nearly 41 months of experience, we now appeal to Congress for a general tightening-up of PL 88-482 in line with experience and with what can be expected to happen in the future if the law is allowed to stand as it is. The principle behind the law itself is not in question; and certainly Congress recognizes this with the multitude of parallel measures introduced only to help "tidy" it up!

There are several major areas recognized by the industry and Congress as needing changes to avoid intentional or accidental damage under the current law. However, all revolve around these major points.

STABILITY ESSENTIAL

1. The domestic beef cattle industry much achieve stability and profitability on a broad scale. Otherwise fiscal facts-of-life or waning enthusiasm will lead to a general exodus from the production of beef. This is as real and as disastrous as