the recent mass desertion from dairying has been to important areas of the nation and economy.

Individuals will not put in the hours, labor or risk needed to raise beef cattle, no more than will risk-capital enter the field, if the well-known low returns, or lack of returns, from such investment and enterprise continue. It is argued that such dillusionment is not valid because cattle numbers continue to grow, feedlots to be built. What is overlooked is that farmers and ranchers in all states find no way, under normal circumstances, to meet their increasing taxes and other costs except by constant expansion. The fact that this is self-defeating is being dramatically recognized throughout the country in an almost universal acceptance of concepts of some form of "supply-control." These range from ANCA's own recommendation for a voluntary cutback of 5 percent in beef *tonnage* last year (and its corollary 1968 suggestion that cow herds not be increased at least until 1972) to the rigid production or marketing controls advocated by other agricultural groups.

ANCA economists—and realistic stockmen, bankers and independent observers—have calculated that a reasonable (6%) profit on investment and return for labor, risk, etc., can be achieved at somewhere around 40¢ per pound for 400-lb. calves and 32¢ for finished 1,000-lb. steers. These price levels are modestly above those being received today, so it is impossible to justify a jump from currently advertised hamburger at 45¢ a pound to 99¢, as has been suggested might happen in the propaganda of importers.

Prices of beef products can change dramatically, of course, because of temporary changes in supply. This is unfair to consumers and producers alike; neither can budget or plan ahead. Accompanying graphs and tables clearly illustrate the difficulty the livestock industry has in making intelligent plans for the future.

SEAPORT AREAS HIT HARD

Another difficulty experienced by the industry is illustrated by the plight of the livestock industries in Hawaii and other states with major seaports. In 1963, for instance, 12,052,000 pounds of foreign beef were shipped into Hawaii. It jumped to 18,304,000 pounds in 1965 and has maintained a steady high level since. Last year imports represented 26 percent of the 50th State's total beef market, a situation completely detrimental and demoralizing to adequate planning for meeting the state's future meat needs.

Other states adjacent to major meat receiving ports also suffer from market demoralization because of excessive and sporadic inshipments, particularly when the amounts vary so widely from time to time. An additional effort must be made to bring relief to the livestock industries so quickly and directly hit by imports in states having major ports of entry.

FOREIGN MEAT INDUSTRIES AIMING AT UNITED STATES

2. Foreign nations, often with infusions of U.S. capital from government and private sources, are being encouraged, or are themselves becoming enthused, about building their domestic cattle industries toward an export trade, mainly to the United States. This is so obvious that the Committee need not be burdened with further documentation. American stockmen are fully aware, by the way, that many countries have had to invoke "meatless" days for their own consumers so they could have meat for export!

PL 88–482 is a prime example of how Congress recognized that the stability of a domestic industry had to be protected against rapacious thrusts from foreign OR domestic interests which had little concern for the health of the USA livestock industry or the stability of our total supply of such a basic commodity as meat.

PACKERS NOT SEEKING DOMESTIC LEAN BEEF

3. Much of the problem over meat imports came about because U.S. meat packers discovered a neat way several years ago to shift their labor costs to foreign shores. The cost of skilled labor, particularly of carcass boners, was rising rapidly in the domestic meat industry. No longer was it profitable or feasible for packers to seek out "two-way" animals which could go directly to dry lot feeding of grains or to slaughter from pasture. These cattle had furnished much of this nation's supply of lean beef for manufacturing into weiners and other sausages, soups, etc., or blending with fat from grain-finished animals, or for