

As you know Mr. Battin is very much interested in the cattle business.

Mr. HOUSE. Yes.

Mr. BETTS. He asked me if I would present these questions to you.

First, what effect does the importation of low quality boneless beef have on the price levels of U.S.-produced fed beef? He points out that importers claim there is no effect on our price levels because the qualities are different and they need lean beef to blend with fat.

We say that beef is beef, whatever the quality, so imports are directly competitive and do depress domestic cattle prices.

Would you care to comment on that?

Mr. HOUSE. Yes, I would. That has been a misleading statement and I realize that the people that don't understand the beef business make some statements from time to time and do it honestly, but 25 percent of a choice steer is sold ground.

You see, we are the only place in the world, the only country in the world, that developed a ground beef business. You can travel in Europe and England and those places and go to Australia and New Zealand and they won't offer you ground beef.

We developed that market. It is peculiar to the United States and it developed into a great market because it has a tremendously high value as food and it gives all the people in the United States an opportunity to eat beef which other countries don't have, so I want it made plain that it competes directly with fed beef and is directly competitive with the dairy interests and the beef producing interests with their own cows that have been discarded after production life is over, and I don't want to let that stand and have people think for a minute that one type of beef doesn't compete with another because it does.

It is all on the market at the same time. You can go take your choice and we are real proud of the hamburger market in the United States because we developed it and it is very difficult to buy hamburger anywhere else in the world except a few little shops that specialize and talk about the U.S. hamburger, and why they don't do it I don't know.

In fact that worries me. Why don't other nations develop their own markets and feed their own people as well as we feed ours?

Mr. BETTS. The second question was I understand that the American National Cattlemen's Association has a voluntary program to improve beef prices.

What is the nature of this program and what effect does imported beef have upon the success of your program to improve cattle prices?

Mr. HOUSE. We have two programs going. One is a guidelines approach that tries to help our people plan for the future, and necessarily we try to incorporate into this all the information we can get to help a cowman plan because in a cow-calf program you have to plan from 5 to 10 years ahead of time so we have this guidelines program going and we are coming out with a monthly review of the world beef situation and what we can expect in the United States and trying to keep it from producing when people don't want it, and the minute there is any indication that they want more beef in the United States we want to be in a position to say now turn loose and go.

We have a second program for the cattlefeeders and it has been at this time to hold up on the tonnage 5 percent. We also have a cattle