grade beef would cause a sharp rise in the price of hamburger to the consumer.[12/]

It is impossible to make any exact prediction concerning consumer prices. Price increases would clearly be substantial on almost all manufactured meat products because a reduction in imports would constitute an artificial factor in total supply. Regulated supplies and rising demand would force prices up.

Inflation is a major cause of concern throughout the United States. The cattlemen have stated that it is one of their most pressing problems. Apparently, however, inflation facing the American housewife is placed in a different category.

Overproduction of fed cattle resulting in oversupplies of grain-fed beef and the related depression in net return to the rancher, cannot be separated from the national interest. However, this chronic problem bears no relation to imports of lower grades of beef. If lean beef supplies are curtailed through an additional system of import quotas, processed meat products will become more expensive and in some instances will be priced out of the market. A diversion of consumers to meat substitutes would hurt all red meat production.

12/ Prior to Senate Hearings on quota proposals in October 1967, the Meat Importers' Council, Inc. undertook a survey to determine, to the extent possible, the potential effect on consumer prices of a new quota system similar to that provided for in S. 1588. The terms of S. 1588 were submitted to meat processors and retailers, including large national chain stores. Many of these concerns referred the matter to their own marketing staffs. Based on the response received, the Meat Importers' Council has concluded that hamburger prices would go up by at least 20%, and possibly by as much as 50% within a year.