

common ground from which future negotiations might well proceed.

In a speech delivered in Des Moines, Iowa, earlier this year, Secretary of Agriculture Orville L. Freeman said:¹

Over the years we've sought "orderly trading" in the international arena, just as we seek "orderly marketing" in the domestic area. 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 United States beef quota law illustrates what I mean by reasonable protection.

The Secretary went on to say:

In the early 1960's our only market protection on beef was a modest duty. Other countries, however, were becoming more protectionist. The EEC was perfecting its variable levies. The United Kingdom had a domestic support system that made it less profitable for exporters to sell there than in the United States, Japan had strict quotas. Quantities of fresh, chilled, and frozen beef and veal were coming to the United States from exporters who found it impossible—or much less profitable—to sell elsewhere.

Mr. Freeman then added:

Heavy imports of these products in 1963 led to enactment of the meat import law of 1964. This quota law shares our growing beef market with foreign producers, yet keeps the United States from being a beef dumping ground for the rest of the world.

In our opinion, this amounts to a strong case for quotas on meat and meat products. The present Public Law 88-4829 provides machinery for the imposition of quotas on fresh, chilled, and frozen beef, veal and mutton, if imports are estimated to reach a specified percentage of our domestic production. However, with the complete failure of the Kennedy round of negotiations in the area of meat and meat products, we submit the necessity of modifying and strengthening this law, and slightly reducing the allowable volume that can be imported in direct competition with domestic industry.

Before proceeding with our case for reasonable quotas on meat and meat products, please allow me to expand on the failure of the Kennedy round and the restrictions on imports of meat and meat products still employed by major trading nations.

FAILURE FOR AGRICULTURE IN THE KENNEDY ROUND

Officials in the executive branch of our Government have sought diligently to carve out some gains for U.S. agriculture from the Kennedy round of GATT negotiations, rather than to flatly admit that the American farmer will still not be accorded reciprocal treatment, to any greater degree than in the past, as a result of these negotiations.

In testimony before this very committee at the beginning of these hearings on June 4, Cabinet members attempted to make a strong case against reasonable quotas which were often referred to as import restrictions. Such measures were discredited in numerous ways, and we were told they would cause untold damage to our position in the world markets. We were told further, that the imposition of quotas would not only be met by heavy retaliation against our exports, but also that our action would not be legal.

¹ Address by Secretary of Agriculture Orville L. Freeman to the National Farm Institute, Des Moines, Iowa, Feb. 15, 1968, pp. 11 and 12.