the 10% was due to arrive. The elimination of this extra volume seems entirely justified since we now really provide for allowable imports up to 110% of the quota.

Quotas on the products covered by present law are on an annual basis only, thus allowing for rather wide fluctuation in the tonnage that may be allowed from month to month. Table III attached and covering the years 1964, 1965, 1966, 1967, show the fluctuations which have taken place in each of these years. In addition, Charts I through IV graphically illustrate the pronounced irregularity of the imports of beef, veal and mutton.

We seek quarterly quotas amounting to a volume equal to one-fourth of an annual figure which will be a step toward modifying the swings which have occurred and probably would continue in future years. Such a requirement is absolutely necessary under the framework of industry efforts towards stabilization of supplies on which I will elaborate later in this presentation.

Present law makes provisions for quotas on only beef, veal and mutton that is in the categories of fresh, chilled and frozen. Without question, these are the imported products, the volume of which has risen phenomenally beginning in 1958 and reached high percentages of domestic production. Not to go unnoticed, however, is the fact that imports of lamb and pork have also risen rather consistently since 1957. By 1966, imports of lamb reached 14,884,000 pounds, and imports of pork totaled 298,349,000 pounds, both figures given in product weight. You are referred to Tables IV and V that are part of this presentation wherein we have listed the imported figures for each year from 1957 through 1967.

While existing statute does not provide for quotas on pork and lamb, neither does it provide for limitations on cooked, cured and canned beef, veal and mutton. Though not a drastic increase, imports of these latter products have risen some since 1964 and, unless precautions are taken, could increase to a degree that is much more pronounced.

The Charts I through IV illustrate both total imports of beef, veal and mutton, as well as the volume covered by the 1964 law. The volume between the two charted lines, which largely amounts to cooked, cured and canned products, is generally widening, reflecting some increase in these types of products.

Pending legislation would establish quotas on the Tariff items of fresh, chilled and frozen beef, veal and mutton. It does not establish, and we do not suggest, specific quotas for pork and lamb as well as cooked, cured and canned products. We do recommend, however, and feel necessary, the provisions contained in H.R. 9475 that would authorize the President to limit, by proclamation, the total quantity of products other than fresh, chilled and frozen beef, veal and mutton, if it is necessary to prevent unwarranted increases in the quantity of such articles imported into the United States. These limitations would be in the form of what are commonly referred to as discretionary quotas. Such authority would provide the means for preventing exporters to the United States from changing the form or containers or products and thus circumventing the law.

Beyond these provisions, H.R. 9475 and companion legislation would require that products having quantitative limitations, but procured with appropriated funds by the Department of Defense from foreign sources, would be included in the volume allowed by the quotas.

IMPORTS DEFEAT INDUSTRY EFFORTS AT STABILIZATION

In this closing section, we would like to call attention to some of the circumstances in domestic production which have prevailed and created problems for the industry, and then to explain what the industry is doing to alleviate these problems. Finally, we will point out how large volumes of imported meat products work directly against these industry efforts and accentuate the problems we are trying to correct.

The historical records of domestic production of red meat animals show rather definite swings, and in years past the peaks and valleys have occurred with reasonable regularity. Nearly everyone is acquainted with the so-called cattle cycle which used to run its course in a fairly consistent number of years.

These cycles of production, however, have been tending to level off which simply means that the peaks and valleys of production have become less pronounced. As a result of various circumstances, the domestic industry is moving to stabilize production of red meat animals and be more consistent on a generally upward trend in the volume of meat provided in an expanding market.