

often, after a "shake-down" period it has become obvious that certain changes and refinements need to be made in that legislation. Specifically, there are five major provisions in H.R. 9475 which are necessary to correct the weaknesses which have become apparent in P.L. 88-482. These are:

1. To set the "trigger level" for imposition of restrictions at 100 percent instead of 110 percent of the quota for the period involved.
2. To level out the price depressing extremes by putting quotas on a quarterly instead of yearly basis.
3. To review the base period for figuring quotas to the years 1958-1962; thus eliminating the abnormally high import year of 1963.
4. To require that canned, cooked, or cured meat imports be included in the quota.
5. To include, generally, offshore meat purchases by the Armed Forces in the amounts which make up the quota.

Imports, per se, are neither new nor objectionable in our market. In fact, when judiciously regulated, they can exert a stabilizing influence on the market. But, without the above five provisions added to the existing framework of P.L. 88-482, we have witnessed imports not only not stabilizing but demoralizing the market.

ROLE OF CATTLE INDUSTRY IN AMERICAN ECONOMY

No doubt imports from friendly foreign nations are a valuable tool in our effort to strengthen the free world. But the maintenance of a strong America is also a "must" in that same effort, and America can remain strong only if our economy does. A growing, dynamic economy depends fundamentally upon the creation of new wealth, and new wealth is created from natural resources. Agriculture must be considered the most important creator of new wealth because it makes use of renewable resources. This is especially true of cattle because they convert an otherwise largely unusable renewal resource—grass—into new wealth which is injected into the economic bloodstream of America. For example, Arizona encompasses approximately 70 million acres. Of this, only slightly more than 2 percent is either cultivated or in municipalities. Most of the balance has only one primary productive surface use; i.e., the production of grass and forage. We are fortunate in that the production from such a vast area can be converted into a usable product—nutritious meat for the tables of America. Without the constant injection of new wealth our economy would soon stagnate and wither away. Imports, as such, do not create, nor even replace, new wealth.

Because of this all-important aspect of the cattle business any program which threatens its existence would have effects far beyond the comparatively few people who produce cattle. It is sometimes stated that we have a favorable balance of trade in agricultural commodities, and that, so long as we do, even though specific producers may be hurt, our total agricultural economy will benefit. In other words, according to this premise, the cattle segment of agriculture could be eliminated and, if our beef needs could be imported, no harm would be done (except to the beef producer) providing we could still maintain a favorable trade balance in agriculture. Such a premise is a fallacy because livestock, especially cattle, is the foundation of American agriculture. According to the Census of Agriculture about 85 percent of all United States farms and ranches are involved to some degree in marketing of cattle and calves, and so depend on those receipts for all or some portion of their income. No other commodity is this basic and the economic condition of all agriculture is to a very great extent dependent upon the economic condition of the livestock segment.

Likewise, it is probably safe to assume that livestock supports a greater proportion of American agribusiness than any combination of other commodities. A generally accepted figure is that 40 percent of our United States labor force is engaged in agribusiness—the production, servicing, processing, transportation and marketing of agricultural commodities.

As stated previously, we believe that imports can be a valuable tool in foreign relations. We also believe that, if judiciously regulated, imports can have a salutary influence on extremes in price cycles. But although an overly generous United States import policy might be helpful to our foreign friends on a short term basis, even their long term best interest lies in helping to keep the United States sound economically.