

past, our market has shown signs of improving. Immediate increase in shipments of foreign beef have broken this strengthening of the price.

Second. The present law provides that sanctions cannot be applied until the import tonnage reaches 110% of the quota. This 10% override feature is neither fair nor reasonable. The President should be able to apply sanctions at the very moment the quota is reached.

Third. Beef purchased in foreign countries for shipment and use by our armed forces should be applied against the quota.

Fourth. The import quota is compiled on a percentage of Federally inspected domestic slaughter. This is not an equitable arrangement due to the simple fact that when domestic slaughter is up it is a sign of domestic overproduction with the attendant decrease in price. The additional increase in imports automatically provided for at this time, further aggravates the oversupply which often triggers disastrous price breaks. It would seem that a fairer system would be to tie the import quota to a domestic price factor. When our price was good, we could stand the competition of foreign beef to a much greater extent than under the present system, which conflicts with the theory of supply and demand.

Fifth. Most important of all, from the consumer standpoint especially, all imported beef should be subject to the same fine, strict sanitary inspection, at slaughter and handling, that our domestic beef undergoes. The American consumer, in buying domestic slaughtered and inspected beef obtains the safest, finest product available. This is not necessarily the case with imported meat which may be slaughtered and processed under standards far inferior to our own. Frozen beef may even be thawed and refrozen without the consumer being aware of the practice. Assurance to the consumer that foreign imported beef meets the proper sanitary standards is of utmost importance.

Thank you for the opportunity to present a statement before the committee in these hearings.

Respectfully submitted,

LESLIE J. STEWART, *President.*

STATEMENT OF W. O. CULBERTSON, JR., PRESIDENT, NEW MEXICO CATTLE GROWERS' ASSOCIATION

The New Mexico Cattle Growers' Association is a statewide organization representing 3500 ranch families in New Mexico. We wish to thank the committee for the opportunity to submit our comments in regards to the proposed Import Legislation H.R. 9475 and all the other related bills which were introduced at about the same time. We certainly welcome the opportunity to discuss the problems that the beef cattle industry faces due to excessive imports in meat into the United States.

The full impact of these meat imports may never be completely assessed, but we do have one means of measuring; that is the competition resulting from such additional tonnage of beef on our market in the United States. We find it virtually impossible to make management decisions when we know that there is a 10 percent fluctuation from imported meat that will affect these decisions. We are striving within the best of our ability to stabilize domestic production at levels which will keep supply and demand in the proper perspective. That means the beef producer will be able to contribute to the economies of the communities, states, and the nation that he serves.

BEEF PRODUCTION IN NEW MEXICO

Specifically, let us look at the economy in New Mexico. At the present time, two-thirds of the total agricultural income for this state is tied up in beef cattle production. According to the year-end report of the University of New Mexico School of Business Research, 65 percent of the income of the cattleman is tied up in costs. These are outright costs and not increments to proprietorship, labor, capital, and the other items associated with business. Our sales within the state exceed \$187 million each year, from slightly over 1.1 million head of cattle. At the same time our feeding industry is growing to the point where we can fatten nearly half a million head of cattle each year for the slaughter market. Consequently, these management decisions and the factors which affect them are most important to the cattlemen of New Mexico. Without firm decisions we cannot keep abreast and return a profit with the proper charges to all the increments of running the business.