

POINTS FOR CONSIDERATION

Five major points are included in H.R. 9475 and the other similar measures to bring about the solutions to the problems we have outlined:

(1) Elimination of the vagaries of statistical reporting and changes in statistics which allow a 10 percent flux or override over the actual quota before further shipments are curtailed. Actually we feel this has been far too lenient and the new legislation seeks to establish invocation of the quota on the exact amount established for that year or period. Foreign nations would have to gear their exports to an exact known figure. We feel this should help to stabilize our own domestic industry's growth as well as foreign output.

(2) Quotas would be allocated by quarters, which has become almost mandatory in order to allow exporters and importers to police themselves. That way the shipments can be geared to the time of light supplies of manufacturing beef. With most of the beef being shipped into the United States in the frozen condition, a few days in storage would make little difference, and with the quarter quota system, we would balance shipments throughout the year and stabilize the income of stockmen both here and abroad and tend to avoid the ups and downs in supplies.

(3) H.R. 9475 et al., will change the base period for figuring imports. Presently, the law calls for levels during the years 1959 through 1963 as a base. This includes an abnormally high import year of 1963, and does not then recognize the more realistic long-term average offered by the 1958 through 1962 base period. The fact that our base period appears to be too lenient is borne out by the history of the operation of the meat import quota law. We have not been required to invoke the quota since the law went into effect on January 1, 1965, simply because the base period was so generous as to make the quota meaningless. A study of the quotas finds their level of output is more nearly geared to a quota which would be based on the averages from 1968 to 1962.

(4) Colby Cheese and other dairy producers have pointed out that exporting nations are ingenious and that the elimination in 1964 of canned, cooked, or cured imports as minor parts of meat imports was a mistake. We need to close this loophole so that these items are covered. Nothing in Public Law 88-482 deters any nation from cooking, canning, or curing its excess exports and shipping them to us above and beyond the quota allotments. They could do this to garner dollars for their ingenuity with a completely straight face.

(5) We, of course, feel that the feature in H.R. 9475 et al., requiring offshore meat purchases by the armed forces to be included in the amounts considered toward the quota, makes excellent sense. Supply of our armed forces would not be hampered by the need to purchase only domestic meat and ship it long distances, but on the other hand, the meat bought offshore and thus included in the quotas would reduce the amount that could be then shipped to the domestic market, making offsetting factors and again helping to stabilize our demand.

STOCKMEN MUST PROSPER

One point that was presented to you by Bill House of the American National Cattlemen's Association, must be stressed again by all beef-producing associations—Americans must soon decide whether it is more important to provide a profit for a few meat importers who escape most local taxes and the hiring of American labor, or to preserve the vigor and well-being of the domestic cattle industry and the millions who depend upon it. What is needed today are the changes in the ground rules which H.R. 9475 and the related measures would produce. With this legislation the domestic industry would be more precisely predictable and the management decisions which must be made can be made on more basic information.

Further, we feel that we should never become dependent on meat from offshore sources. We know what can happen when supplies from outside the United States are depended upon, especially in the event of an armed conflict. If we do not police ourselves and take a realistic look at where our dependence lies, and the problems of the supplies for this domestic market, then we could find ourselves without the basic resources in this country because we didn't look early enough. Import quotas should be geared to serve us what we need, rather than with a free rein to send what where and how any exporter would want, to our shores.

The trade negotiations showed us that the Common Market certainly felt that this position was the one they should take. We made many offers in the Kennedy