STATEMENT OF IRA H. NUNN, COUNSEL, NATIONAL RESTAURANT ASSOCIATION

Mr. Chairman and members of the Committee, my name is Ira H. Nunn. I am the Washington Counsel for the National Restaurant Association. This association has 14,000 members of its own and through its affiliation with 137 state and local restaurant associations it speaks for 110,000 eating and drinking establishments in all parts of the country. The National Restaurant Association includes among its members all types of food service industry—all types of institutional feeding as well as restaurants, cafeterias, drive-ins, etc., of the usual kinds.

Our purpose in coming here, Mr. Chairman, is to address ourselves to one part only of the various proposals your Committee has under consideration at this time, that is, to the proposal further to restrict the importation of fresh, chilled and frozen beef.

Our appearance is entirely in the interest of the consumer. Should the importation of foreign beef be further restricted, there is no doubt that the price of hamburgers and sausages to the consumer would rise. So far as I know, the proponents of the proposal to restrict imports make no other claim.

The food service industry which my association represents is the single largest purchaser of food in the Nation. Our industry buys, prepares, and passes on to the ultimate consumer 25 percent of all the food this country consumes. The American housewife is the laregst consumer of food, our industry is next in volume, the United States Government is third. One out of every four meals eaten by Americans today is eaten away from home.

It is the hamburger business which stands to lose most if the importation of beef is further restricted. The "hot dog" business would feel the effect as well. Let us look at the "away-from-home", that is, the restaurant consumption of hamburgers.

Leaving military consumption out of account, we learn from the Market Economics Division of the U.S. Department of Agriculture that 4,464,000,000 pounds of hamburger was consumed in the United States in 1965. Of this 3,468,000,000 pounds or 77.7 percent, were consumed at home and 996,000,000 pounds, or 22.3 percent were consumed away from home.

The total retail value of this hamburger consumed in 1965 was $2,431,000,000. The value of that consumed at home was $1,734,000,000, or 71.3 percent. The value of that consumed away from home was $697,000,000, or 28.7 percent.

So the food service industry is a large customer and consumer of hamburger and has an abiding interest in the subject of your inquiry.

Some of the proposals which you have before you would roughly cut in half the amount of foreign beef which might legally come into this country. The result of this would be to increase the cost of hamburgers to the consumer by a varying but very substantial amount depending upon location and other factors affecting marketing.

I submit, Mr. Chairman and Gentlemen, that this result would come about without doing anyone any good, not the cattlemen, not the packers, certainly not the housewife or any other consumer. No one would benefit. We would succeed only in raising our prices and we would do great violence to the economy of two of our most valued allies in the Viet Nam war, namely, Australia and New Zealand. We have all too few allies in Viet Nam now, Mr. Chairman. Practically all fresh and chilled and frozen beef imported into the United States comes from Australia, New Zealand or Ireland. I make no comment upon the effect these restrictions would make upon our international trade. That has been discussed before your Committee at considerable length.

In reality, Mr. Chairman, this imported beef does not compete in a literal sense with domestic beef. Almost no grain fed beef is imported to our country. Almost all of the imports consist of lean grass fed beef. Thus, lean beef is used in manufacturing—principally hamburger and frankfurters. It is mixed with domestic meat and with the surplus fat stripped from roasts and steaks and thus made into hamburger or other products which may be sold at prices lower than the roasts and steaks produced domestically. The presence in our market of this lean meat from abroad actually stimulates the market for our excess fat. When sold for rendering, the excess fat brings about five cents a pound. When sold for mixing in hamburger, it brings about 45 cents a pound.

It is said by the proponents of this measure, Mr. Chairman, that ground beef competes with higher-priced beef because when a housewife chooses hamburger she fails to buy roast or steak. This is not the case. When a housewife buys hamburger she does it either because her family, especially the children, prefer