contribute to a balanced diet at economy prices. To restrict imports of a basic commodity used in the manufacture of these products will not further the interests of domestic cattle raisers who offer no comparable substitute. The consumer who can least afford it, both in terms of income and nutrition, should not be required to assume a burden which serves no purpose.

THE IMPOSITION OF QUOTA RESTRICTIONS ON OUR PRODUCTS WOULD RUN DIRECTLY COUNTER TO THE ANNOUNCED TRADE POLICIES OF THE UNITED STATES, ESPECIALLY AS THEY APPLY TO LATIN AMERICA

It is a long accepted principle of United States foreign policy to encourage the economic development of Latin America. This policy is well illustrated by the recent GATT (General Agreement on Trade and Tariffs) negotiations and in the OAS (Organization of American States) and the Alliance for Progress. Indeed the security of the United States and the Western Hemisphere may depend upon the development of economies capable of substantial growth and controlling inflation.[7]

At the close of the Punta del Este conference, the Presidents of the member states of the OAS, including President Johnson, agreed "to refrain from introducing or increasing tariff or non-tariff barriers that affect exports of developing countries, taking into account the interests of Latin America." The Presidents of the member states also promised "to provide incentives and make available financial resources for the industrialization of agricultural production, especially through . . . the promotion of exports of processed agricultural products." [8]

The introduction of a quota restriction on classifications of meat over 95% of which are imported from South America would be a complete reversal of this policy, which was announced again as recently as April 1967. Nor would there be any logic in reducing tariffs on certain of the meat classifications which are the subject of this Statement (as in fact will be done by virtue of the June 1967 negotiations on GATT) if at the same time the United States imposes a quota on imports of the identical products.

From the point of view of foreign trade rather than aid, it is clearly advantageous for the United States to encourage private investment in the countries of South America rather than to make additional outright grants. Yet, when the countries in question do not ask for foreign aid dollars but only request a chance to compete freely in the United States market, imposition of quotas denying them free access to historic markets would be a reversal of the sound policy of self-help and private investment rather than foreign aid.[9]

In Argentina, Brazil, Paraguay and Uruguay, the cattle business is a significant factor in the national economy.

These countries have been encouraged to make substantial investments in equipment and modernization of plants to process beef to meet the requirements of the United States market. The curtailment of the present exports of beef from these countries would run directly counter to trade policies the United States has long encouraged and would result in a serious blow to their economies.

The National Consumer League said to this Committee:

"It should be our national policy to support the suggestion made by the President at Punta del Este in favor of a generalized, non-discriminatory program of support for developing countries designed to strengthen their export position, thus contributing towards the stable growth of their economies and a rise in the level of living for their populations. Imposition of quotas on the import of canned and frozen cooked beef from Latin America for example, would not only be a severe blow to the economies of our South American allies, but would be directly contrary to the trade policies of the United States as embodied in the Alliance for Progress . . ." [10]

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[7] A recent study prepared for the Subcommittee on American Republics Affairs of the Committee on Foreign Relations of the United States Senate examined the seriousness of inflation in Latin America and found that proper trade policies can aid in the solution of this problem. "Study of the Alliance for Progress—Inflation in Latin America," September 25, 1967.

[8] "Declaration of the Presidents of America." Sections III, 5 and IV, 7 (April 14, 1967), published in The Department of State Bulletin, Vol. LVI, No. 1454, pp. 717, 718, May 8, 1967.

[9] In its testimony before this Committee on June 11, 1968, the National Grange said: "We favor the general policy of continuing a positive program to help the developing nations improve their agricultural productive capacities and self-help programs. . . ." Page A–2.

[10] Testimony of National Consumers League, June 11, 1968, p. 2.