

STATEMENT OF
SENATOR BOB DOLE
BEFORE HEARINGS SPONSORED BY
WHITE HOUSE OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS
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It is my belief that these hearings may provide a useful step in our efforts to relieve the disastrous economic situation which American livestock producers have faced for the past year.

The current situation which confronts the American stockman — depression level live cattle prices which have led to the culling of cowherds and the increased slaughter of non-fed beef — is the result of a series of developments which stretch out over the relatively recent past.

I believe in the American cattleman and his ability ultimately to overcome adverse economic circumstances, but his current situation, because it is in large part the result of mistakes by Government, must in large part be remedied by the positive actions of Government. In the current context, with this country the only free port for meat in the world, we face the risk that the United States could become the world's dumping ground for meat.

Meat imports even now are at a very high level and approach the trigger point for quotas. Especially in Australia and New Zealand, but also in other meat producing countries, the potential is now building for a tremendous wave of imports into the United States. This may begin to hit our shores before the end of the year, and unless we take action now, the impact on the already hard-pressed livestockman will be disastrous.

The only reasons why this wave of imports has not yet hit our markets are because up to now our prices have been low and unattractive, and in the case of Australia, in spite of the good grass year there, slaughter house production has been held back due to labor problems. But on the other hand, the Canadian non-tariff barriers -- their ban on DES, the devaluation of currencies in Australia and New Zealand, and the barriers raised against us by Japan and European Common Market nations -- put us at a present distinct disadvantage.

The Special Trade Representative should pursue expeditiously an effort to obtain reciprocity from these other nations so as to restore a proper balance in international trade of meat. We have developed tremendous overseas markets for our wheat. We can do the same for meat, but not until we fashion import policies that will maintain production incentives for the livestock industry in this country. The imposition of quotas by this country against imports from those countries mentioned and any others which follow the same policy would give the United States a bargaining chip of sorts. Perhaps announcement of a temporary embargo on meat imports would serve notice on these countries and prompt them to take a more reasonable approach so that mutually satisfactory, long-term import quota agreements could be worked out.

It would be my optimum recommendation that we suspend all imports of

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meat into this country as soon as possible. I have introduced legislation on this subject in the past.

In the absence of this alternative, however, it is my strong recommendation that we announce now our intention to impose meat quotas of the most stringent variety and that we make it clear to the international community that we intend to enforce them rigidly and without exception until and unless meaningful and reasonable agreements can be worked out with other nations.

The alternative as noted above is for America to become the world's dumping ground for meat. On the surface, because this might result in a minimal — and I underscore minimal — decline in meat prices, there may be some support for maintaining meat imports. Food prices are a very sensitive point in the current national attitude towards inflation. But the adverse impact that continued and increasing meat imports would have on the American livestock industry is potentially so catastrophic that American livestock producers would, many of them, be forced to go out of business.

Any minimal lowering of meat prices resulting from imports would at best be temporary and at most be illusory, for without a vibrant domestic livestock industry, our supplies would soon dry up, and shortage — and prices far higher than are now the rule — would prevail in relatively short order and endure far into the future.

If absolute embargo for a given period should prove impossible to implement, then rigid and strictly enforced import quotas on meat — beef, veal and mutton — are our only alternative.

In my own State of Kansas the livestock industry means a billion dollars a year to the State's economy. I make this statement not only in behalf of that industry, but in behalf of the American consumer. It is in the interests of both that our domestic industry be protected from unreasonable and unfettered dumping of foreign meat production with the inevitable results that would follow.

We must maintain a watchful eye on the situation with respect to imports of dairy products. For the American dairyman, like the meat producer, is currently weighed down by the heavy burden of inflation which has driven his costs to unprecedented heights. Like the meat producer, the American dairyman will survive and will ultimately triumph over present adversities provided that American trade policies are calculated to give him a fair break and adequate protection from unfair foreign competition.

Again, let me express my feelings about the significance of these hearings. I await eagerly a report from the White House Office of the Special Representative for Trade Negotiations on the recommendation to be made to President Ford.