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STATEMENT BY HON. ROBERT DOLE (KANSAS) BEFORE THE
U. S. TARIFF COMMISSION, December 10, 1963
(Recommendation to Revise U. S. Beef Import Policy)

Mr. Chairman: I am appearing here today on behalf of the livestock industry generally, and specifically on behalf of the thousands of Kansas farmers who have a valid "beef" concerning our present beef import policy.

Just last week our government raised tariffs on imports of brandy, trucks and certain starch items; for example, brandy valued at more than \$9.00 a gallon in containers of not more than one gallon, were raised from \$1.25 a gallon to \$5.00. The tariff on trucks valued at \$1000.00 or more was raised from 8½% to 25%, and I might point out that more trucks are used by farmers than any other group I know of. This action is to be commended and mentioned primarily to point up the unfavorable situation the cattle producer is faced with.

During 1963 particularly, the American cattle industry has suffered drastically because of reduced prices, particularly involving cattle in the feedlots of the farm belt. To a large extent depressed livestock markets are a result of rising foreign imports of live cattle and finished beef products. Farmers, livestock organizations, members of the business community, and Members of Congress representing areas of the nation where livestock is a major source of income, are increasingly alarmed over this situation, which is steadily worsening.

Kansas ranks fourth in the nation in cattle population, with more than five million head of cattle as of January 1, 1963. Farmers in my district, as in other areas, have gone into the livestock business as a necessary means of bolstering shrinking incomes from the production of wheat and feed grains. Western Kansas, particularly, is not suited to a wide diversity in production of crops, and much of it is often referred to as a "one crop area" due to a lack of rainfall and a limited growing season. Forage crops can be successfully raised, hence many farmers have been feeding from 30 to 40 head, to as many as 300 to 400 head, of cattle.

Today in America there are nearly four million farms, and 2.5 million of them have livestock. Over one billion acres of land are involved in pasture, either permanent or temporary. The growing cattle industry has made a substantial contribution toward holding down the surpluses in feed grains, as millions of bushels are consumed on farms where grown.

The seriousness of depressed cattle prices on the farm economy, and in fact the economy generally, can be immediately seen when the loss per head is estimated to be as high as \$30.00.

Cattle prices have continued to drop steadily for a year now. Choice cattle that

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were commanding a price of \$30.00 per hundred a year ago brought \$22.00 during the current month of December. These declines in fat cattle prices have been reflected also in the prices of "feeders" which have dropped from \$3.00 to \$4.00 per hundredweight over the same time. In the December 7 issue of "The Drovers Telegram" it was stated:

"Local price of \$21.20 past week is lowest since May, 1957, and \$4.54 below the 1963 high. Slumping fat cattle markets the past week dropped the average price on slaughter steers at Kansas City to the lowest level in more than six years. Losses of \$1.00 or more suffered in the local trade the past five days tumbled the average price on beef steers to \$21.20 a hundred pounds, lowest weekly figure here since May of 1957. The price compared with \$22.01 last week and \$26.98 the corresponding week in 1962."

Some officials in the Department of Agriculture have attributed reduced prices primarily to heavy marketings, but we cannot disregard unprecedented beef imports the last three years have been a major factor. In 1961 imports totaled nearly 1.3 billion pounds, in 1962 nearly 1.5 billion pounds, and it is estimated they will reach almost two billion pounds in 1963. Today nearly 11% of the beef consumed in the U. S. is imported from Australia, New Zealand, Argentina and other countries.

On November 18, 1963, I introduced HR 9145 to amend the Tariff Act of 1930 to permit imposition of increased duties on cattle, beef and veal imported in excess of realistic and reasonable annual quotas. In recent years duties on beef have been reduced about 50%, and prompt steps must be taken to avoid chaotic conditions in a vital industry. As stated by A. G. Pickett, Secretary, Kansas Livestock Commission, in a letter to the Office of the Special Representative for Trade Negotiations:

"In spite of the fact that the United States tariffs offer little or no protection to the livestock and meat industry, records show that other countries have not only maintained but have increased their import duties, as well as using other import controls.

"The American livestock producer is willing to compete on a fair and equitable basis but with the United States' cost of production much higher than costs in our importing nations, and with these nations maintaining relatively high import controls, he realizes that he is at a disadvantage. Producers in this country feel that our tariffs and trade policies are permitting this country to become a dumping ground for world supplies of meat, and particularly beef."

USDA officials now recognize imports are having an adverse effect on cattle prices, though they seek to minimize the situation by stating the numbers of live cattle coming into the country are not significant, but admit most 1963 imports have been in the form of frozen and canned beef, in fact, 81% was boneless frozen beef, and 14% canned beef.

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It is difficult for farmers, or anyone else, to understand how imported live cattle compete with our cattle producers, but that the finished meat products do not. It has also been suggested by USDA officials that cows imported and used for beef used in hamburger and hot dogs do not significantly affect domestic prices.

The livestock industry is known throughout the history of our country for its independent spirit. Cattlemen pride themselves on being "rugged individualists" and fear government programs which could ultimately encompass them, and because of this spirit they have remained free from governmental control or direction.

Now that cattlemen ask their government to protect their industry against unwarranted imports of beef, some are saying the industry is asking for a subsidy, a form of price support, or even an indirect government payment. This attitude "begs" the question and is an insult to the integrity of this great industry.

Tariffs are as old as our country and have played a major role in our industrial development. Tariffs are, in many cases, a necessary facet of our way of life and our economy would suffer without them. Is it "Un-American" to protect this American industry rather than use it as a "pawn" in foreign policy decisions?

Something must be done immediately to avert disaster to thousands of our farmers. The urgency cannot be overemphasized, and I respectfully request prompt action to raise tariffs to the level necessary to protect a great American industry. The Kansas Livestock Association very properly suggests, "...a system of quotas be established based on average imports over a long period of time. This system of quotas should be accompanied by substantial increases in our import duties. We feel it is only fair to the livestock industry that our import duties at least equal those of our competitive importing nations. This plan would give importing countries access to our markets on a competitive basis."

Thank you, Mr. Chairman.