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Senate Committee of Finance

Mike Mansfield 1903-2001
Statement of Senator Mike Mansfield (D. Montana)
Before the Senate Committee on Finance

Import Quotas on Beef, Veal, Mutton, and Lamb

Mr. Chairman, it is a privilege to come before the Senate Finance Committee this morning to discuss an issue of great importance to the economic stability of one of the Nation's most vital industries, cattle and sheep. Before discussing the issue in greater detail, I wish to compliment the distinguished Chairman for the speed with which he has recognized the seriousness of the problem at hand and the prompt scheduling of public hearings.

On February 20, I introduced S. 2525 on behalf of myself and of my colleagues here in the Senate. The purpose of this legislation was to establish a restriction on imports of beef, veal, and mutton into the United States based on an annual average of these items imported into this country during the five-year period ending on December 31, 1963. I have re-introduced this proposal as an amendment to HR 1839, a tariff proposal passed by the House of Representatives and now before your Committee. My amendment has been rewritten to include lamb as one of the meat items to be protected. There is every indication that the lamb industry is deserving of the same treatment as beef, veal, and mutton.

Until recent years, the livestock industry has been blessed with a somewhat healthy economic situation with little interference from outside interests. However, in the past year, and particularly in the last 6 months, beef prices have been dropping. Interestingly, during this same period, imports of beef, veal, mutton, and lamb have reached all time highs. There is a very definite relationship between the price and increased imports.
Recognizing that the continuance of such a trend might be quite harmful to the domestic livestock industry, some of us began exploring possibilities of some administrative relief through negotiation or implementation of the Tariff Act. These efforts were not successful in any substantial degree. The voluntary agreement with Australia, New Zealand, and Ireland did little to relieve the situation. This agreement merely guarantees the importers a future market at levels higher than at any time in history.

In view of the continuing decline in prices, I felt that it was time that Congress intervened. I am not suggesting that we establish a program of supports and controls for the livestock industry. But I do believe that if we can establish a limitation on imports of beef, veal, mutton, and lamb, the industry will then be able to plan knowing what to expect in the way of foreign imports. To be perfectly frank, if this can be done, the domestic producers will then be responsible for regulating themselves in areas of total production, marketing practices, and consumer sales and preferences.

After consultation with interested parties, it appeared to me that a quota based on the average of the last five years, 1959-63, would be most reasonable. This period reflects current trends in imports without giving special consideration to the highest years on record. If the formula in S. 2525 and my amendment were adopted, it would mean that in 1964, foreign suppliers would be able to export to the United States 867,400,000 pounds of beef, veal, mutton, and lamb. This would give the importers about 6.9 percent of the domestic market, according to Department of Agriculture statistics. This would be a 33 percent reduction in imports under 1963. In that year, total imports of beef, veal,
mutton, and lamb reached 1,204,800,000 pounds. What is even more alarming is that if there are no controls, the imports could easily reach 1,322,900,000 pounds in 1964. The voluntary agreement recently announced will reduce imports this year by about 70 million pounds as opposed to a reduction of 337 million pounds if the 5 year average was adopted.

The provisions of my amendment make allowances for the importers to have their corresponding share of our increase in domestic consumption. The amendment as written excluded canned, cured, and cooked meat, and live animals. However, many representatives of the industry feel that there should be comparable quotas in this area. The Committee, I'm sure, will check into this situation.

Mr. Chairman, I recognize that the United States will soon be entering into delicate negotiations in conjunction with the implementation of GATT. We do not intend to upset the apple cart, but we must also protect the interests of our own, especially those in economic difficulty. I believe that every major importer of beef has some form of protective device for its domestic industry. I think that it is reasonable to ask the same for our livestock industry.

Mr. Chairman, I sincerely hope that after reasonable deliberation, that the Senate Committee on Finance will adopt this amendment in reporting HR 1839. My colleague, the able junior Senator from Montana, Lee Metcalf, who is with me today, and I suggest that the Federal government assume its role of providing reasonable protection for one of its basic industries in a very competitive and complex situation.