PRESS STATEMENT:

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MALCOLM FRASER REPORTS FROM WASHINGTON

MEAT IMPORTS INTO THE UNITED STATES:

The Civil Rights Bill that was bogged down in the Senate for 83 days indirectly may have done the Australian meat industry a good turn. I think it is well known that Senator Hruska from Nebraska and Senator Mansfield—who is the majority Leader in the Senate, both have Bills before the Senate that would quite severely limit the imports of meat into this country. Because the Civil Rights Bill has dragged on for so very long a great deal of other legislation has piled up before the Senate and it is now quite possible that these Meat Bills will not be debated, that they will not get to the floor of the Senate Chamber. If this is so it will, of course, be a good thing.

I had a very long talk with Senator Hruska from Nebraska, who is perhaps the most vehement of all the United States Senators in fighting, as he sees it, to protect the interests of United States cattlemen. As the Senator sees it the arguments are simple. Prices for feed lots cattle in this country have been falling drastically and people running feed lots have, in fact, been losing money. As the same time imports into the United States have risen, therefore imports are the cause of the price fall. This is stating the argument in simplest terms. The Senator will admit that there are other causes for price falls, vastly increased production in the United States for example, cheap corn that was made available two or three years ago by the sale of some surplus corn and grain stocks. This encouraged people to put the corn through more cattle as they call it and so added to the supply of feed lot beef in the United States. These things the Senator, I believe, would regard as marginal. He says that imports are still the main cause.

Australia argues, with justice, that there are two markets for meat in this country, and we have pointed out and I pointed out to the Senator, that the price for the sort of meat we had been sending here had been rising while the price for American produced meat had been falling. We argue that the beef we send to this country, because of its relatively low quality, cannot compete with locally produced beef. Indeed, we argue that the dry, stringy beef that is sent from Australia to the United States is necessary so that they can mix in the fatty off-cuts from their prime feed lot beef, and this is how the hamburgers and the manufacturing meat is made up and processed. As I had been forewarned by other people here these arguments did not impress the Senator. He returned to the core of his thesis, prices were falling while imports were rising and therefore imports are the cause of the price fall.

When I spoke of the general trade balance between the two countries, which is extremely favourable to the United States, and of Australia's vital need for exports and ever more exports if we are to develop not only in our own interests but in the interests of the security of the whole free world, the Senator appreciated the point but, at the same time, returned to the fact that in Nebraska it was beef and cattle that they were concerned with. He told me that there were 32 States in the Union that ran over a million head of cattle.

The conversation that I had with the Senator was interesting to learn and to understand the point of view of the cattlemen and their representatives in this country. I asked the Senator what he thought would happen to the Bills before the Senate designed to restrict meat imports into this country. It was his view that the Bill proposed by Senator Mansfield, that is the more moderate one from our point of view, would be passed by the Senate but would be rejected by the House of Representatives in the United States and thus it would not become law. However, other people I have spoken to have said that because of the backlog of business as a result of the 83 day debate on the Civil Rights Bill that these Meat Bills would not even be debated by the Senate.
There is one other factor at work which may help to lead to this result. Australian exports to the United States in this calendar year are going to be probably 30% less than what they were last calendar year, they may even be 40% less. There are several reasons for this. Prices in Europe are better and prices in this country are lower. This may be the major reason but there are others also, and so when these reduced import figures to the United States start to show up in their own statistics the heat may well be off on this matter. If this is so I am sure the Department of Agriculture in the United States and the Administration Officials who have been involved in these negotiations will be most relieved. At a time when in international trade negotiations the United States is fighting for more liberal trade terms, not only in secondary goods but also in primary industry goods, at a time when they are trying to bring pressure to bear on the European Common Market countries to lower their barriers somewhat, the Administration would have had the ground cut from under its feet if its own Congress had opposed pretty severe restrictions on meat imports at the same time. As a result, the American Administration has a clear interest in maintaining a voluntary agreement that has been reached between Australia and the United States, not only because of relations between our two countries but because of wider impact that any change in this would have on their negotiations with other trading countries in the world.