During the past few days a compromise Meat Bill has passed through both Houses of the United States Congress, and it has been signed by the President.

I have spoken to people in our own Government Departments and to the American Agricultural Attache, trying to get a clear, concise answer about the mechanism and the effect of this Bill. No simple answer is available. It is clear, however, that the compromise Meat Bill is much more favourable from Australia's point of view than the Bill that was previously passed by the Senate, and which would have restricted our exports to the United States to 160,000 tons. It has been said that this new Bill will allow us to export about 204,000 tons, which is midway between the United States Senate proposal and the voluntary agreement negotiated between our two Governments. However, I think even this is inaccurate. It appears that the measure is hedged around with so many conditions and so many subsidiary clauses that it may mean everything or nothing.

The Americans I have spoken to, clearly do not expect the provisions of the Bill to be used, provided nothing drastic happens to the American market. This is certainly their hope, and it must also be ours.

The legislation also gives the United States President overriding powers if he does not want to invoke the clauses of the Act. If he wishes he can say there are national interests involved which make it necessary for him not to apply the Act.

The measure does seem to have satisfied cattle interests in the United States. Perhaps they find it just as hard to understand as we do.

There is one thing we should not forget in this matter. The United States Administration as opposed to the United States Congress was very much on our side. It was the Administration that had pressed for and negotiated the voluntary agreement hoping that this would enable them to withstand Congressional pressure. The Administration also had its eye on the wider field. The Kennedy-round tariff negotiations are to take place some time in the future. One of the United States' objectives is to break down tariff barriers on agricultural products into Europe. The United States' bargaining position would have been extraordinarily weak if the Europeans could say - "This is what you argue we should do, but look how viciously you have restricted meat imports from Australia." It appears that this has now been avoided.

One of the interesting phases of the discussions that took place about this Bill was revealed in our newspapers of August 18th. Our Prime Minister had written to the President setting out in plain terms some of the facts of life about trade relationships between our two countries. The Prime Minister had pointed out that the loss to Australia from the Bill as passed in the United States if Australia cut off imports of American tobacco, cigarettes, cotton, tractors, harvesting machines and aircraft. The United States exports of these products to us totalled about £28,000,000 last year. This was not, in fact, a threat of retaliation, but it was laying the facts on the line. Under the rules of the General Agreement on Tariffs and Trade, Australia would have had a right to restrict imports from the United States if the United States had acted as her Senate had wished.

Our Prime Minister also pointed out that our general trade relationship with the United States is very much in favour of that country,
being over £200,000,000 in favour of the United States.

The substance of the letter was leaked in the United States to the press, and it is probable that it had some part in making the compromise arrangements possible. It was clear it was not only the beef interests which were involved in the United States, but also other areas producing these products named in the Prime Minister's letter.

Australia will have to watch this matter closely. We have been fortunate in that this year good markets for meat have opened in the United Kingdom, Italy and Greece, so while our exports have risen there has been no necessity and no pressure on the American market, at least from us. If the European markets failed and we wished to send all our meat to the United States, a situation could arise that would have to be watched very closely. It seems, however, that the compromise agreement reached in the United States should not greatly damage our interests. The vagueness of its terms and the conditions attached to it make any firmer conclusion difficult.
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