GENERAL AGREEMENT ON
TARIFFS AND TRADE

Group on Meat

STATEMENT BY THE UNITED STATES DELEGATE
TO THE GATT MEAT GROUP, JULY 1963

As you are aware, the United States imposes only low, fixed tariffs on meat imports. It uses no other means to control imports. It does not employ any artificial stimuli to domestic production.

In the past six years consumption of beef and veal in the United States has increased from 16.3 billion pounds to 17.75 billion pounds - an increase of almost 1.5 billion pounds. Imports have shared largely in this expansion of our market; in fact, imports accounted for about 90 per cent of it. In 1956, we imported about 200 million pounds of beef and veal; in 1962, almost 1.5 billion pounds. The United States is now the leading market for imports of beef and veal. In 1962, imports accounted for 8 per cent of our total consumption.

Imports of mutton and lamb also increased, from practically zero in 1956 to 140 million pounds in 1962. The increase of imports of pork and pork products has been less dramatic but nevertheless significant, from 150 million pounds in 1956 to 220 million pounds in 1962.

Our policy of admitting imports freely has given rise to criticism by domestic producers; but on the whole, these imports have thus far been absorbed without depressing domestic prices.

We believe there are lessons in this development which other importing countries may wish to consider. We are dealing here with a commodity with a great potential for growth, and this applies with even greater force to industrial countries in Western Europe and elsewhere whose incomes are rising rapidly but whose meat consumption is still low. There is every reason to believe that such countries would find it feasible and, indeed, advantageous to open their doors to increasing imports from countries able to produce meat at relatively low cost.

Now some of the major importing countries are contemplating new types of restrictions on international trade in meat. Needless to say, the United States would be seriously concerned if a situation developed in which the United States would become the last major import market for meat.

1Carcass weight basis.
We should be equally concerned about the threat which such a development would pose to the successful conclusion of the general trade negotiations. The economic well-being of some of the countries represented here depends on continued access to markets for their agricultural products, including meat, and it is in this area that concessions will have to be made to these countries if the trade negotiations are to be attractive for them.

We continue to believe that there is no agricultural commodity to which GATT rules and principles are more applicable than to meat; and we have seen no really convincing evidence that moderate fixed tariffs which are subject to negotiation and reduction in the framework of general tariff negotiations, are unsuited to this commodity. We believe that to the maximum extent possible, national support programmes should be shaped so as to permit the free play of competition in this field, both domestically and internationally.

On the other hand, we cannot close our eyes to the fact that in many importing countries, national policies of support and protection have become "politically entrenched", as the delegate from New Zealand put it; and we recognize that the development of new techniques of agricultural support and protection and their extension to meats make it necessary to envisage a broader type of international arrangement which would supplement the normal tariff negotiating procedures. In our view, such arrangements should limit the subsidization of domestic production by importing countries, and should assure the maintenance of prices which neither encourage uneconomic production nor discourage consumption. Whatever form import restrictions might take - whether tariffs, variable levies or quantitative restrictions - these barriers should be subject to negotiation and gradual reduction in the GATT context.

Exporting countries for their part might agree to shape their production and export policies with a view to avoiding excessive price fluctuations and the disruption of markets. In short, the arrangements which we are about to consider should cover the whole range of national policies affecting international trade in meats, and should be designed to facilitate the orderly expansion of this trade. The United States, for its part, is prepared to co-operate in this task, as an integral part of the trade negotiations.