

BOB DOLE
1ST DISTRICT, KANSAS

244 CANNON HOUSE OFFICE BUILDING
CAPITOL 4-3121, EXT. 2715

COMMITTEE:
AGRICULTURE

DISTRICT OFFICE:
210 FEDERAL BUILDING
HUTCHINSON, KANSAS 67501

Congress of the United States
House of Representatives
Washington, D.C. 20515

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June 9, 1964

FOR IMMEDIATE RELEASE

I have written to Secretary of Agriculture, Orville Freeman, requesting an explanation for the Department's failure to utilize existing authority to give cattle producers relief from the depressing effect of beef imports. A copy of my letter is attached, and to acquaint you with the law referred to in it, a brief summary of the pertinent sections are set forth below:

"Section 32" which was enacted in 1935 is the legal basis for the Secretary of Agriculture to stabilize farm prices by purchasing temporary surpluses and diverting them to other uses. The primary purpose of "Section 32" is to provide a means of protecting the purchasing power of producers of farm commodities not covered by the regular price support program. The money needed to operate "Section 32" programs is collected from tariffs on all goods and products imported into the United States. At present the Secretary is using "Section 32" funds to purchase frozen and canned beef which is being donated to schools and needy persons.

"Section 22" which was enacted in 1933 requires the Secretary to advise the President when commodities are imported in such quantities as to render ineffective or materially interfere with any program or operation of the Department of Agriculture, including Section 32 programs. If the President agrees with the Secretary, he shall cause an investigation by the Tariff Commission and on the basis of its results shall impose tariff fees. In addition the President may take immediate action without waiting for the Tariff Commission if the Secretary of Agriculture finds and reports that "a condition exists requiring emergency treatment."

It is my contention the Secretary's use of "Section 32" without the corresponding use of "Section 22" requires taxpayers to purchase surpluses created by imports. This has the effect of subsidizing foreign agriculture, and cannot conceivably provide the cattle industry the urgent relief needed. I have, therefore, urged the Secretary to use the legal authority he possesses under "Section 22" in conjunction with the legal authority he is now using under "Section 32."

As recent as June 4, 1964, Secretary Freeman urged Congress not to impose quotas on beef imports as a way of helping cattle producers. Speaking before the House Ways and Means Committee, Freeman said beef imports aren't to blame for the cattle-price slump and that meat imports were expected to decline by 25% over 1963 anyway, as a result of recent voluntary agreements with major beef exporting countries. We are reminded that Freeman's first estimate was a 45% decline and that available data through February indicate a 10% decline. In addition, there is an indication that the Administration could have achieved more beneficial agreements with the foreign exporters, all of which suggests that it is only half-heartedly seeking to protect cattle producers in this fashion.

A Democrat Member of Congress recently charged: "It is quite obvious to me that our team of negotiators were not brought up in the world of hard bargaining as we in the West are so familiar with. It would appear to me that Australia was ready to accept a much more restrictive agreement on their part." The Sidney (Australia) Daily Telegram, confirmed this view in its comments on the voluntary agreement when it stated,

"Most of the relatively small cut--\$15,680,000 out of last year's \$179,200,000 exports to the United States--should be recouped through the 3.7% increase allowed for in 1965 and 1966. In any case, experts are confident Australia can sell 'lost' meat elsewhere--probably at a higher price."

If you have questions, please contact me.

