

BOB DOLE
1ST DISTRICT, KANSAS

243 CANNON HOUSE OFFICE BUILDING
AREA CODE 202
225-2715

COMMITTEES:
AGRICULTURE
GOVERNMENT OPERATIONS

DISTRICT OFFICE:
210 FEDERAL BUILDING
HUTCHINSON, KANSAS 67501

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

COUNTIES:
BARBER HODGEMAN RAWLII
BARTON JEWELL RENO
CHEYENNE KEARNY REPUBL
CLARK KINGMAN RICE
CLOUD KOWA ROCKS
COMANCHE LANE RUSH
DECATUR LINCOLN RUSSEL
EDWARDS LOGAN SALINE
ELLIS MEADE SCOTT
ELLSWORTH MITCHELL SEWAR
FINNEY MORTON SHERID
FORD NESS SHERM
GOVE NORTON SMITH
GRAHAM OSBORNE STAFFO
GRANT OTTAWA STANTO
GRAY PAWNEE STEVEN
GREBLEY PHILLIPS THOMA
HAMILTON PRATT TREGO
HARPER WALLAK
HASKEL WICHIT

STATEMENT OF HONORABLE BOB DOLE
ON EXPORT QUOTAS ON CATTLE HIDES
BEFORE THE
SECRETARY OF COMMERCE
APRIL 19, 1966

Mr. Chairman, I represent a district where livestock raising has become a very important element in the agricultural economy. Cattle production has increased steadily each year in the past decade and has provided an important source of income, not only to western Kansas farmers, but allied businesses as well. Many commercial feed lots have sprung up, and numerous slaughter plants have come into being or are in the planning stage, opening up a field of much needed job opportunities to bolster lagging farm income.

The news contained in a release from the Commerce Department on March 7 announcing export quotas on future shipments of cattle hides, calf and kip skins destined for all countries except Canada, came as a distinct shock to the cattle producers of my district and, for that matter, to all others in Kansas and the nation.

The reasons advanced by Commerce officials for this action appear utterly inconsistent. It has been said such restrictions are necessary because increased hide exports over the past several months might impose a squeeze on domestic users of hides and generate price increases through shortages.

That this export control device has had no beneficial effect for the consumer is evidenced by the fact that shortly after the announcement of export quotas, manufacturers taking part in the National Shoe Fair announced increases that will add an estimated \$1 to \$2 per pair to the retail prices of men's and women's shoes.

For many years, hide prices have been in a depressed condition, so much so that for some time cattle raisers could find no market

for cattle hides and simply buried or otherwise disposed of them. Now, at the first moment there is some recovery in the hide market, farmers and ranchers are being told by their government they must forego this promise of improved income. It is particularly difficult for them to understand this proposal when price increases in hides have been from zero and, are not now out of proportion with live cattle prices or with increased prices of most other commodities. In addition, it is difficult to understand this action when so much has been said about the need for improving our balance-of-payments position. This action appears to many to be an indirect method of imposing price controls on the agricultural economy which is already lagging behind other segments of the national economy.

Farmers and ranchers are eager to see inflation brought under control but do feel they should be singled out for this purpose. The mere announcement of the proposal to impose these restrictions has had a depressive effect on live cattle prices at the principal Midwest markets. They have every justification for feeling as they do, for in addition to this action, they have been the victims of price-depressing dumping of CCC grain stocks in recent months by the very department of government which was created to protect and further their interests. More recently, orders have been issued to cut back on government purchases of butter and pork by the military, while at the same time, imports of dairy products are being increased in the face of a serious situation in the dairy industry.

During hearings before the Subcommittee on Livestock and Feed Grains, of which I am a member, testimony was presented pointing up the fact that industry economists have estimated hide production in 1966 will be up between 5 and 6 million hides over that of 1962. On the other hand, the use of hides for domestic leather production is expected to be no more than one million above 1962 usage. Testimony

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further developed the fact that only 6.8 percent of the retail price of a pair of shoes is represented by the value of a cured hide.

In view of the foregoing and a statement made by the Secretary of Commerce that the cost of military footwear has escalated approximately \$1.75 per pair during the 7-month period of August, 1965, to March, 1966, I have joined with eight other Members of the House of Representatives in requesting the Honorable Mendel Rivers, Chairman of the House Armed Services Committee to hold an investigation to develop the facts in this regard.

All major farm and livestock organizations seem solidly united in opposition to the export controls in question. On March 24, 1966, I joined with the Honorable W. R. Poage, Vice Chairman of the House Committee on Agriculture, in introducing a committee resolution adopted by the full committee on that date, requesting the Secretary of Commerce to reconsider the action taken on March 7, 1966, imposing export restrictions on cattle hides, calf and kip skins. This clearly reflects the strong sentiment of the majority of our committee on this issue.

In summary, I strongly urge that in the best interests of our nation's agriculture, /^{prompt} action be taken to rescind these licensing and quota restrictions. Thank you.
