

We were further surprised to learn that the hide production figures relied on by Commerce officials were neither the latest figures available nor accurate figures. For example, the Secretary of Commerce and the Under Secretary of Commerce acknowledged that the Department of Agriculture adviser admitted that the figures submitted by the Department of Agriculture for 1965 were probably low.

The Secretary of Commerce told us that the cost of military footwear has escalated approximately \$1.75 per pair during the seven-month period August 1965-March 1966. The figures given were from approximately \$6.25 to \$8.00 per pair in the contract price of military procurement, contrasted with approximately 5 per cent increase in civilian footwear for the same period of time. Military procurement costs for boots and other more expensive footwear are reported to be proportionately up.

The big increase in the cost of military footwear struck us as being the salient point brought out in the attempted justification of the export controls order on hides and skins.

If the cost of military shoes has increased six times as fast as the cost of civilian shoes during the same base period, we feel that this is an unjustifiable example of war profiteering, and should be the subject of an investigation.

This order affects far more than farmers, ranchers, and meat packers. It adversely affects the balance of payments position of this Nation because hide exports constitute one of the few agricultural commodities which we can sell in foreign markets for hard currency.

The cash proceeds of 1965 hide and skin exports are presently estimated as high as \$250 million, and the estimate of 1966 exports could be as high as \$335 million. We feel that we cannot afford the damage this order may cause to our balance of payments.

Not only are we concerned about the adverse effect on the balance of payments and the very serious implication of war profiteering, but we feel that both are compounded by reduced income to farmers (at about \$4.00 per head of cattle) and/or possible increases in meat prices to the housewife.