

CITIZENS STATE BANK & TRUST Co.,
Hiawatha, Kans., June 20, 1968.

HON. WILBUR MILLS,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D.C.

DEAR CHAIRMAN MILLS: Small rural communities of this nation are having an exceedingly hard time holding population. This county is known as the finest agricultural county in the state of Kansas, and yet has lost one per cent of its population annually for in excess of 50 years. Long range planners, operating under the Extension Departments of universities and financed by funds from the United States Government, inform us that the only salvation for the rural community is the retention of population through the influx of small industry.

United States Department of Commerce represents in its County/City Data Book that this county has *only* 16% of its population under the age of 21 (1960 figures). Surrounding counties are only slightly better and this in comparison with 28% for Kansas, which does *not* compare favorably with the rest of the country. Conversely, this county shows about 20% of its population *over* the age of 65, in comparison with Kansas of slightly over 11% and this figure again exceeds the country averages.

The 1960 Census figures reveal that 31.6% of rural families have incomes under \$3,000. This compares with urban families of only 16.3%. Median income and per capita income figures also reveal that the rural areas desperately need to attract industry to supplement average rural incomes.

This small country town has been able to attract two small industries (one hiring about 60 people; the other about 120 people) in an attempt to participate in the industrial expansion of this great nation. The smaller of these two industries imports soft pine from the West Coast, manufactures and fabricates interior wooden shutters (movable louvers). The local community, through a Development Corporation and the assistance of the Small Business Administration is presently attempting to build a new \$320,000 building to enable this firm to increase its efficiency and ultimately hire more people from this area.

If import tariffs are continually reduced, then cheap labor (primarily Japan) will actually influence the hiring of marginal farm operators in this area. Additionally, it is apparent that Japanese purchases of West Coast pine is accelerating the rise in price of this product, even in advance of our "normal" inflationary pressures.

This country has depleted its resources by vast give-away programs to many foreign countries for in excess of 20 years. We have assisted the Japanese in their giant steps to a thriving economy. Now, do we bludgeon down tariff barriers erected to protect small rural industry? Do we destroy the rural effort to survive in America? Our shutter industry must be allowed to compete!

Most sincerely,

WAYNE R. STARR, *President.*

STATEMENT OF ERNEST U. LANG, CHIEF ENGINEER, NATIONAL-STANDARD CO.,
NILES, MICHIGAN

The proposal which I am making is a single idea which encompasses and provides a potentially universal solution to the subjects under discussion at these hearings. The suggestion is an import duty, import tax, tariff, or whatever it should best be called, which applies in the same way to *all* imports without exception. The annually determined rate for the tax on a given product would depend upon the percentage of our usage of that product that was imported in the preceding year, the higher the percentage of imports, the higher the rate. A suggested rate schedule should automatically limit most imports to between 10% and 15% of our usage while permitting a wide diversity of imports under the provision of *no* tax unless 6% or more of our usage was imported in the previous year. The proposal is one which we could encourage every nation to adopt.