continues to rise through 1967 and 1968, remember that the liquidation of breeding stock in the past two seasons from casualties, ranchers, has forced otherwise unexpected quantities of pelts onto the market. For instance, a national board survey just completed, indicates that over half a million breeders were pelted and forced into the market last December alone. This represents a production potential of 1.5 to 2 million pelts, quantities that might otherwise have reached the market in 1969. If the dotted curve were continued into 1969 on the chart we could expect a steep and dramatic decline.

For those who might infer that domestic production has led to oversupply and lower prices, it is interesting to note from the intersections of the import volume curve with that of domestic production that imports have often approached, and at times exceeded the production of American mink ranchers in their own market.

HOSPITALITY GLADLY ACCEPTED

With the gates wide open from duty-free entry, imports, represented on the bottom curve across figure I, have frolicked up the volume stairs through the years, bringing regular, serious and sometimes drastic price depressions to the American market.

After the American ranchers' failure to secure escape clause regulation in 1959, imports exceeded domestic production for the first time in 1961, and with this excessive show of power brought the market crashing down by 23.6 percent, a price break from \$21.48 to \$16.41. In 1962 import volume dropped and the price curve made a moderate recovery, but in 1963 a new high for imports pulled prices back very nearly to the crash levels of 1961. In 1964 imports leveled off and receded slightly, again permitting moderate price recovery. In 1965 imports resumed their steep climb and domestic prices slumped off to \$17.57 about average for the cost-squeeze plateau.

The only aberration in this sensitivity pattern occurred in 1966 when Germany decided to become the world's second largest consumer of mink. In that year the Germans bid up prices in all of the world's markets and ended up with about 5½ million pelts, pricing themselves out of the market. This unforeseen development allowed for the sale of the domestic ranchers' crop at a figure of \$19.48, before the staggering import volume of that year became recognized as a factor of oversupply. Import volume advanced from 4,882,000 in 1965 to 5,675,000 in 1966, creating a vast carryover at trade levels, and setting the stage for the crash in prices which became apparent already in the December sales of that year.

It has been estimated by trade experts that 1½ million pelts backed up at trade levels in the United States and another 2 million lay dormant in the European market.

With a price break of 28.1 percent, and considering the massive carryover stocks threatening the opening of a new season, it is hardly a surprise to find the import curve in 1967 relaxing by 4.38 percent.

Looking at the import volume curve from 1960 onward, it is obvious to us that it has exerted continuous pressure on the price curve, which has been immediately responsive to import volume in every one of the years.

In the brief span of years illustrated by figure I, imports, which accounted for 42 percent of domestic consumption in the days of the