we will not have a shoe business left in the United States, and his company will have no customers for its leather.

Mr. Hasse asked me if his apprehension struck me as being farfetched. He then asked me to consider these facts: In 1966 we imported 68 percent of the baseball gloves used in this country. Baseball may be our national pastime, Mr. Chairman, but we might never know this from the manufacturer's name on the gloves. In 1966 we imported more than 35 percent of our handbags and better than 50 percent of our dress gloves. Maybe we should talk to our wives about these items.

Mr. Hasse tells me that the basic reason for the terrific increase in imports of shoes, leather, and leather goods is perfectly simple—unfair competition. Manufacturers in the United States are compelled by our Government to maintain a minimum scale of wage rates. There is no such obligation on manufacturers abroad. Labor costs in the United States are anywhere from three to 10 times higher than labor costs abroad. On the one hand our Government wants us to maintain a high cost structure and, on the other hand, it does nothing to protect us against the competition of products made by low-cost labor abroad.

The United States also closes its eyes to subsidized exports and to nontariff restrictions which prevent us from competing abroad. For example, we still cannot export any leather to Japan, although there is certainly nothing wrong with the economy of that country now. Meantime, leather goods flood us from Japan.

Operating behind their artificial barrier the Japanese tanners can afford to buy our raw materials and then return the finished goods to this country which cuts production and jobs in the United States.

In Europe there are direct and indirect subsidies to promote leather and leather good exports to the United States.

At Sheboygan, Wis., Henry Jung of the Jung Shoe Manufacturing Co., describes his firm as a relatively small Wisconsin footwear manufacturer employing 150 workers—typical of the many hundreds of similar shoe manufacturers located in over 600 cities and towns in the United States.

Mr. Jung says that in recent years his company has felt the terrific impact of foreign shoe imports. He says that while foreign imports have increased over 1,500 percent in the last 10 years, footwear exports have decreased 35 percent in the same period. The recent results of the Kennedy round, he says, will reduce future tariffs an average of 30 percent and make the domestic shoe manufacturing industry more vulnerable.

Jung says the heritage of his industry has never been a high profit one with average footwear manufacturers earnings at 2 to 3 percent on each dollar of sales. Obviously, he says, the American footwear industry cannot favorably compete with the low-labor rates paid in foreign countries which if paid in this country would be illegal, nor does it have any particular manufacturing advantage because of improved methods of technology.

The only salvation for the industry, says Jung, is legislation which will curtail imports whenever imports are found to be contributing to economic impairment of a domestic industry.

Members of Locals 197 and 796 of the International Boot & Shoe Workers Union, AFL–CIO, at Sheboygan and New Holstein, have ex-