rate of duty of 43% on slide fasteners valued at 4¢ or less, and 34% on fasteners valued at more than 4¢. These rates will be further reduced under the GATT agreement to 25% for fasteners valued at 4¢ or less and to 20% for fasteners valued at more than 4¢. The duty applicable to parts will be reduced to 35% under the GATT agreement.

The GATT agreement will also result in reductions in the 17½% rate under TSUS 347.3340 applicable to flat and woven corded tape to 13.3% and in the 20% rate under TSUS 386.50 applicable to sewn corded tape to 14%.

These reductions have been and are being made despite:

1. The following trend in imports of slide fasteners:

Year	*Units*
1963	1, 113, 000
1964	1, 628, 000
1965	3, 552, 000
1966	10, 705, 000
1967	28, 376, 000
1968 (1st qtr) an annual rate of 45,482,008	11, 370, 502

2. The increase in imports of slide fastener tape to which reference has been made.

3. A substantial increase in volume of imports of wearing apparel, bags and hundreds of other items *containing* slide fasteners.

Any determination as to probable economic effects of these reductions in duty on slide fasteners and parts is dependent upon an estimate as to the extent to which such reductions would curtail domestic production. It is, of course, difficult to come up with such an estimate in view of the many variable factors involved. However, the Tariff Commission itself estimated in 1945 that a duty reduction of 50% would probably result in imports supplying between 15 and 20% of the domestic market (1945 report to the Senate on "Post-War Imports and Domestic Production of Major Commodities").

The slide fastener industry believes that his prediction was unduly conservative. It is obvious that imports increase where they can be sold at prices lower than the prices of domestic manufacturers. The desertion of the domestic product for the foreign product for price reasons is bound to be cumulative. As the volume leaders in one after another of the industries using slide fasteners turn to the lower priced foreign product, their less important, low volume competitors must follow in order not to be at a competitive disadvantage. The desertion of one large customer, a volume hand bag manufacturer, for instance, might force the desertion of twenty of its competitors to the imported product.

The loss of 20% of the domestic market to foreign production, as was estimated by the Tariff Commission in 1945 in the event of a 50% decrease in duty, would undoubtedly progress to a further loss far exceeding that percentage. Any opening of the gates which would permit foreign-made fasteners to flow into the American market at prices substantially lower than domestic prices would soon result in an increasing flood which might in a short space of time engulf the entire American industry.

It is important to note that since this prediction by the Commission the rate of duty applicable to slide fasteners has already been substantially reduced, and when the GATT reductions are effected the total reduction from the rates in effect when the 1945 prediction was made by the Commission would be 70% in the case of slide fasteners valued over 4¢ each, and 62% in the case of slide fasteners valued at 4¢ or less.

It is apparent that such a reduction of from 62% to 70% of the rate of duty in effect in 1945, would probably lead to a loss to imports of a considerably greater part of the domestic market than estimated by the Commission in its 1945 report to the Senate. Moreover, a loss of even 20% of the domestic market to foreign production would directly affect employment in the slide fastener industry. It would necessarily result in reducing employment and probably would also mean reduced compensation for those remaining in employment. It would also adversely affect employment in those industries which supply the slide fastener industry with raw materials.

If the percentage of the market lost to imports increased to above 20% as is highly probable, the closing of domestic plants would inevitably result.