

ment each of the wholesale prices to which I refer—is \$5.50 in Czechoslovakia. The domestic product is made by Endicott Johnson.

All of you are well aware of the fact that Endicott Johnson can produce shoes as economically as any other producer in the United States. These cost \$7.60 except that it goes beyond that because the materials used in the Czechoslovakian shoe are actually superior to the material used in the Endicott Johnson shoe that we have here. It probably has another 50 cents worth of materials or more.

With your permission, Congressman Burke, from time to time I would like Mr. Watson to show you these shoes, if you care to see them, and for the benefit of those who are not here, we hope that in the next few days we will also have these shoes brought to other members of the House Ways and Means Committee who are not here today.

This, to us, is the concrete evidence of what is taking place. It is beyond my conception to understand why we permit this when I read in the newspapers that the largest supplier of munitions to North Vietnam is this same Czechoslovakia.

There is general expectation in the footwear trade, both here and abroad, that economic conditions will continue to encourage a rapid increase in imports. The statistical projection of footwear imports to 1975 indicates that by 1970 we may expect to be importing 291 million pairs and by 1975 as many as 403 million pairs. It is an absolute certainty that as imports move to these levels domestic production will show a distinct downward trend.

This trend is in sharp contrast with that abroad. For example, the EEC countries, in the past decade, doubled their footwear output, and the EFTA countries increased footwear production at least 50 percent. In fact, the percentage gain in footwear output in Great Britain, over the past decade, far outdistanced that of the United States. No doubt this will continue, but possibly at a somewhat slower pace.

It has often been stated that the real reason behind the importation of footwear was style. Nonsense. The Europeans and the Japanese do not have a monopoly on creative imagination. They have a monopoly on one thing, and that is cheap labor.

I might add, as one who has been intimately associated with style, that hand labor is often a vital factor. For example, many of you sitting there right now have worn leather-woven shoes. Is it conceivable that I can pay \$2 an hour to weave leather, which is a very simple operation, when in Spain reliable sources indicate that a 16-hour day at 35 to 40 cents an hour, including fringe benefits, is the typical wage-hour structure in footwear?

Incidentally, in Spain, children may work 2 years as apprentices without compensation.

Here in front of me again are a pair of shoes. One shoe, gentlemen, was made in Yugoslavia. The other shoe was made in the United States of comparable quality. You will see that this is all hand labor and all hand weaving. The imported shoe from Yugoslavia is \$3.30. The domestic shoe made by a volume manufacturer, a minimum of \$6.33, and you can't tell the difference between the two shoes.

The concrete evidence of our contention concerning cheap labor is the tremendous growth of the Spanish footwear industry: from 275,000 pairs exported to the United States in 1959 to 6.7 million pairs in 1967.