

Why? As labor costs increased "somewhat" in Italy, importers have run to Spain in order to exploit its cheaper labor, and we have here again another pair of children's shoes, little infant's shoes. They are \$1.79 in Spain landed here. They are \$2.85 by one of our larger manufacturers in the United States, comparable quality. There isn't one mother in America that would be able to tell the difference, from quality or fit, between these shoes, or she wouldn't know because they would probably be retailing at the same price, and the retailer would be making the additional markup, and by the same token I have shoes that you or your children may be wearing, particularly if they went to Dartmouth. I am a Dartmouth graduate also.

This shoe was made in the United States at a cost of \$9. This shoe was made in Spain at a cost of \$4.95, and let me tell you that as a shoe manufacturer the material in the domestic shoe at \$9 is far inferior to the material in the imported shoe at \$4.95, and I will also tell you that there is nothing about style on this shoe. This shoe was brought in because there is a differential of \$4 a pair for a better shoe and that is the only reason it was brought in.

This lower cost imported footwear makes it possible for retailers to achieve substantial improvement on markons and profits over domestic footwear. The price differentials between American and imported footwear are bound to continue for years to come. There is every reason, therefore, to expect the flow of imported footwear to the United States to continue at a higher rate.

We hear about vinyl footwear, and you have heard about vinyl footwear not being a substitute for domestic footwear. All we have done is take three Japanese manufactured shoes, and we have reached and secured the comparable footwear in the United States. These three shoes are what they call vinyl footwear.

Here is a little boy's shoe. Here is a young lady's shoe. Your wife would wear it. Your daughter would wear it. Here is a little girl's shoe, if you had a growing little girl. This little girl's shoe differential is \$1.10 in Japan; \$2.55 in the United States. This woman's shoe is \$1.70 in Japan landed here in the United States, \$3.80 in the United States; and the little children's shoe, the boy's shoe is \$2.25 versus the Japanese shoe of \$1.10.

We will give you these shoes because we will tell you that neither you nor anyone in your family would be able to differentiate between these shoes and as you look at these Japanese shoes, ask yourself whether or not they are substitutes for regular footwear since they are regular footwear.

Let me give you another example of how the burden of imports falls most heavily on medium sized concerns like ours making shoes in rural and semirural areas throughout the country.

We concentrate on the teenage and college market since it is, of course, the most dynamic. Sandals, which you are aware of, and in particular the village-type sandals similar to those which I now have in front of me, have become increasingly important because of the "barefoot" trend among college boys and high school boys. Consequently, we believed that they would cut into the sale of handsewn moccasins, an item which is fundamental to our own production, and we therefore decided to manufacture this type of sandal ourselves—a somewhat radical move in light of the fact that sandals have been a major imported item because of lower price.