

the same swing took place in dress gloves. For practical purposes we have seen a large segment of our sporting goods and our glove business sacrificed. We cannot survive as an industry if the same thing happens to shoes.

I want to make it absolutely clear that our loss of markets in the past is in no sense due to any competitive shortcoming on our part. I believe that we in the United States make the best leather in the world. I don't believe it. I know it.

Our prices are more than competitive as our notoriously small profit margins will attest. For a generation we have been the consistent victims of lack of reciprocity by other countries and that has played a major part in our loss of market to imports. We cannot afford to see the same thing happen in shoes, our one remaining large market, and I do not believe that the country can. Our reasoning is as follows:

Tanning is described by the economists as a high labor intensity industry. We use the best machines we can find and develop. We have the finest skills in production management and engineering, but leather has to be made by people. It cannot be programed as an automatic push-button operation. It takes hands and eyes, backs and human sweat to make leather. Tanning provides employment opportunity for the unskilled and the semiskilled labor which has never learned how to operate a computer. These, gentlemen, are exactly the kind of jobs and job opportunities which are needed in the United States today.

In my company in Chicago, 70 percent of our employees are from minority groups, principally Negroes. I am sure the remaining percent when they started to work in the plant considered themselves minority groups. They earn an average of \$3 an hour. Average weekly earnings in my plant last year, 1967, were about \$150.

My company is not alone in the composition of our employment. In Chicago, Milwaukee, Newark, and other leather production centers a very high proportion of tanning jobs is made up of the very groups for whom job opportunity at high wage levels is essential. Our employees have a very great stake in our ability to survive.

Please bear in mind that wages paid by U.S. tanners are anywhere from three to 15 times larger than tanning wage rates abroad. Therefore a reduction of tanning jobs in the United States as a result of imports is bound to aggravate the acute social and economic problems which must be met in our cities and communities.

Our industry has seen no growth for years. Population is growing, consumption is increasing, but the tanning industry as a whole has not held its own. Imports are the major cause. Who would dream of investment in expansion when shoe imports jump 40 or 50 percent a year and capture better than 30 percent of our market? What industry merits investment confidence if it is slated to be swamped by foreign production?

We have the raw material, we have the people needing the jobs, but we have allowed other countries to take over our growth and increase their employment at a price to us which we cannot afford to underestimate. If we had any reasonable assurance that the import trend will be stabilized, tanning plants would be started in the very areas where jobs are needed. I speak very personally. My company would build additional facilities.

There is another consideration that must concern you. This is about the balance of payments. We are now in the United States exporting