

a third of our raw cattlehides, about 12 million a year, at an average of roughly \$7 per hide. Every one of these hides comes back to us converted and fabricated into shoes, handbags, baseball gloves, or camera cases, and the value of the returned hide which we ship out for \$7 can come back worth \$200 to \$700 worth of merchandise. If we could expand and tan more of our own raw material, that would make a big difference to the U.S. balance of payments.

I referred at the beginning of this statement to lack of reciprocity, to the absence of the equality of competition as a prime element in our present situation. We tanners are familiar with the polite response to our repeated pleas for trade reciprocity. Many years ago we were told that the dollar shortage abroad temporarily justified unfair or discriminatory practices by other countries. Then when the dollar shortage disappeared we were told that foreign border taxes or subsidies through remission of internal taxes were really not a trade issue. When such facts were finally acknowledged as an issue by our own Government, we are told that we must never do anything to incur retaliation. We fail to appreciate the point because retaliation is all we have had for some 20 years.

Gentlemen, I will tell you as a trader that this retaliation thing is a myth. People buy things from us because they need them or they want them. It is just a matter of time before a country that can make a transistor radio can be making a computer or a Volkswagen can get a snowplow in front of it and become an earthmover.

I am not going to dwell on the details of a one-way street in international trade policy. The executive head of the council has some pertinent information and views on that subject he would like to present to your committee. I do want to express to you the conviction and the conclusion of our industry. We believe that the issues confronting the leather and leather-consuming industries of the United States in foreign trade are unprecedented. They cannot be dealt with in the conventional terms of the past. Terms such as protection and free trade reflect irrelevant and antiquated dogmas.

I recall the phrase from a real good musical show, "The King and I," when the king was debating making alliances with another country, and his phrase was, "Might they not protect me out of house and home?"

The underlying fact is that tariff tinkering, such as the Kennedy round, cannot and will not solve the fundamental issue arising from the vast disparity between a mandated wage structure in the United States and far lower wage costs abroad. It cannot cope with the violations of mutuality which are all too evident today. We must deal positively and forthrightly with realities and if that means adopting new means to keep our economy viable, then so be it.

We believe that it has become necessary for the United States to act on behalf of domestic industry and labor when imports threaten the wholesale destruction of job opportunity. We must forge an economic rule of reason in foreign trade policy and that means imposing reasonable restraint and order on imports when necessary. Our guiding policy should be to allow foreign producers to share in the growth of the American market but not to preempt and destroy it by such a tidal wave of shipments as is now taking place.