the only country to make a commitment which, after a cereal reduction over a period of 5 years, will bring our respective duties to near parity.

All other countries that are parties to the agreement made concessions ranging from token amounts to reductions of 50 percent in their formal tariff rates on both types of shoeboard.

Meaning both cellulose and leather. As a result, a wide disparity still exists, will still exist when the final agreement rates go into effect in 1972.

In cases where the formal tariffs were reduced as much as 50 percent, the continuation of the nontariff charges of which you have heard so much in the testimony today, precludes any benefit to be derived from the tariff reduction. On page 6 of our brief, there is a table to permit easy comparison of these rates.

The shoeboard industry is small business, as I have stated. The stability and welfare of the industry is largely dependent upon the shoe industry, of which I also commented. They are our principal market. We are trying to diversify our products and develop new markets, but this is a slow, difficult, and expensive process, due to the nature of our productive facilities, and the specialized character of the products that we produce.

Our industry presently has import competition from Canada and Western Europe and areas, and anticipate a substantial increase as the lower tariff makes our market more attractive and our total inability to exert any competitive leverage because of the great tariff disparity.

Although continuous efforts are made to develop foreign markets, exports of shoeboard remain very small. We had hopes that the trade agreement program would improve our opportunities to sell our products in foreign markets, but with the exception of Canada and perhaps one or two other areas, the trade agreement program to date has little, if any, promise for expansion of exports.

The members of the National Shoeboard Conference are willing to support the elimination of tariffs, which must include the elimination of nontariff charges on shoeboard in the United States, and elsewhere.

We believe that in free market, we can compete on the basis of quality and performance of our products. We suggest that new legislation make provisions for such agreements, if it is possible to do so. It is just possible that bilateral or multilateral agreements to eliminate tariffs on specific products may be more leastly achieved than agreements affecting a large number of products.

Gentlemen, that completes my report. We appreciate the opportunity of having been able to present it verbally to you.

(Mr. Fuller's prepared statement follows:)

STATEMENT OF ROBERT P. FULLER, CHAIRMAN, GOVERNMENT AFFAIRS COMMITTEE, NATIONAL SHOEBOARD CONFERENCE, INC.

My name is Robert P. Fuller. I am President of the Colonial Board Company, Manchester, Connecticut. I am appearing before this Committee in my capacity as Chairman of the Government Affairs Committee, National Shoeboard Conference, Inc., Box 1495, Boston, Massachusetts. This Conference is a trade association, the members of which are manufacturers of shoeboard, a product used primarily in the manufacture of shoes. Shoeboard is manufactured from either reclaimed cellulose of leather fibres, and is made by the wet machine process.

The shoeboard industry is small. Producers of shoeboard are small businesses. Our Conference has a membership of seven members. The annual value of production is approximately $9,000,000.