AVERAGE HOURLY EARNINGS OR WAGE RATES OF WORKERS IN THE MANUFACTURE OF SMALL LEATHER GOODS OR RELATED INDUSTRIES IN 8 COUNTRIES

Country and description	Average hourly earnings (U.S. dollars)		
	Men	Women	All employees
Austria: Leather products			[1] $89.82
France: Leather and leather products	[2] 0.895	[2] 0.691	
Germany, Federal Republic: Leather products	1.08	.752	.882
Italy: Leather and leather products			.51
Spain: Leather and leather products	[3] .276	[3] .197	[4] .254
United Kingdom: Leather goods	1.05	.642	
Japan: Leather and leather products			.471
United States: Leather and leather products			2.03

[1] Average earnings per month; average hours worked per week, 41.3.
[2] Average hourly wage rates of skilled workers in the Paris area, highest of 5 wage zones in France.
[3] Skilled and semiskilled workers.
[4] All leather industry average.

Source: National statistical publications.

The countries with the lowest wage scales are those from which imports are rising and causing the greatest damage to our industries. This disparity in wage rates can become even more devastating when there is added to the United States rate an approximate 20% of earnings which represents fringe benefits.

These foreign imports use their low prices to drive low priced American products off the market. This is their only competitive tool. American products are anxious to compete with foreign products on the basis of style, finish, quality, ideas, construction, workmanship and consumer appeal. But, competition on the basis of price as a direct result of low wage rates is a hopeless and frustrating task. In fact, it is an impossible task. American industry cannot expect nor does it want the low wage rates which exist in foreign countries. Our economy is built and thrives on the basis of the highest labor standards. To pit these standards against the low labor standards of foreign competition is unfair and unjust and can only mean disaster. American living standards have been constant in their rise—in many instances helped and propelled by the Government.

POINT III.—PERCENTAGE OF IMPORTS TO TOTAL DOMESTIC VALUE OF SHIPMENTS GROWING

In the past three years there has been a steady growth of imports when compared with the domestic value of shipments. In 1965, imports represented 5% of the domestic value of shipments which were $286,582,000. In 1966, imports represented 5.5% of the domestic value of shipments which were $348,683,000. And, in 1967, imports represented 6.7% of the domestic value of shipments which totalled $360,118,000.

These growing import percentages represent an increasing threat to our domestic production. Unless some quota system is imposed at this time, this threat will grow larger and larger. The two principal export countries, Italy and Japan, have only recently become engaged in the manufacture and sale of these products on an expanded export scale. In a relatively brief period of time they have been able to capture 6.7% of the domestic market. Given time, expertise and opportunity, their impact can become so drastic as to cause curtailment of employment and business losses to our domestic manufacturers.

CONCLUSION

Mindful as our industries are of the commendable plan which the United States has pressed so aggressively for the firm establishment of economic relations with foreign countries, we cannot overlook or lightly pass over the harmful effects which must result from any competition of imports from low wage countries.

The facts and figures outlined in the previous pages indicate some very salient and indisputable conclusions.

NOTE.—Source for Domestic Value of Shipments Figures—Bureau of the Census, U.S. Department of Commerce—Series M31E.