

First, and foremost, is the well-known fact that the American workman is the highest paid of any country in the world. Second, the American standard of living is the envy and the pinnacle of achievement for all countries of the world. Third, as a result of the first two factors, American-made materials are the highest priced materials in the world. Consequently, products made of these materials and made by American workmen, of necessity must be the highest priced items in the world.

Imports from other countries can only make inroads upon American-made goods on the basis of *price*. American-made goods can and do compare favorably with foreign-made merchandise on the basis of style, quality and eye-appeal.

Price being the only advantage, the American manufacturer has the right to expect that he will be given equal opportunity with his foreign competitor to capture that portion of the American dollar devoted to his commodity.

To permit a flood of luggage and leather goods products into the United States because of low foreign wage rates would soon see such inroads made on American merchandise as to drive many an American producer out of business.

Our industry is engaged in a competitive struggle with other American industries for a share of the consumer dollar. Our products are the result of American living standards which encompass travel, leisure, utility and comfortable living. While within their scope they are essential to the American way of living, they cannot be accurately described as acute necessities. For that reason, competition from within is keen; keen enough to keep all of our manufacturers constantly alert for new ideas, designs, construction, merchandising and production methods and in a never-ending search for merchandise to catch the eye and the purse of the American consumer.

Competition from within is expected and welcome. It is competition from outside which can make its appeal only on the basis of price that must be feared and fought. As has been pointed out, this industry is small, highly competitive and constantly fighting for existence. It is highly sensitive to outside competition in the sense that it cannot afford to lose sales volume. It is that kind of competition which can mean the complete disintegration of our American business firms. That kind of competition must be made difficult to achieve in the same way that access to our products is made impossible by exclusion barriers imposed by those who flourish on that kind of competition.

In the light of the facts outlined herein, we recommend the establishment of a quota system on the importation of the products mentioned herein; such quota system to peg these imports at current levels when compared with the value of domestic shipments.

STATEMENT OF STEVEN J. WEISS, COUNSEL, NATIONAL HANDBAG ASSOCIATION

The National Handbag Association is a trade association consisting of 150 manufacturers of ladies' and children's handbags, purses and pocketbooks of all styles and materials representing 75% of the total domestic production of such items. The overwhelming majority of handbag factories are located in the Middle Atlantic region, primarily in the State of New York and more particularly, in the metropolitan area of New York.

The National Handbag Association welcomes this opportunity to present to the Committee on Ways and Means, its views about the causes, effects and possible remedies regarding the ever-increasing tide of imported handbags. It is clear that with this ever-increasing flow of imports, the tide of domestic production is ebbing. The domestic industry has arrived at a precarious position. It is in no sense an exaggeration to say that the very existence of this industry is presently at stake.

In 1949, for example, there were 114,342 leather handbags imported into the United States. By 1966, this had escalated to the record heights of 2,331,758 leather bags! The value of imported leather handbags in 1949 was approximately \$800,000.00. In 1967, their value had increased to \$9,900,000.00!

This astronomical rise does not tell the whole story. Prior to August 31, 1963, the effective date of the new Tariff Schedules and re-arrangement of classifications, it was impossible to obtain precise data on dollar value or quantity of items of non-leather materials. Straw handbags were grouped together with straw baskets, laundry baskets, waste baskets, bread baskets, etc. But we now know, as a fact, that these imports are growing by leaps and bounds. They are coming from Japan and Hong Kong in tremendous numbers.