

Bureau of the Census, the value of shipments for the major branches of the industry was, as follows:

Luggage	\$250, 232, 000
Handbags	262, 769, 000
Personal leather goods.....	180, 808, 000

This comes to \$693,809,000 on a cumulative basis. It is estimated, unofficially, that the cumulative total of 1967 was upward of \$800 million—an increase of more than 10 percent in a period of 2 years that reflects, among other things, spiraling costs, for prices rose nearly 4 percent in 1966 and at least an equivalent amount in 1967. But in an economy that is at a high-soaring level of \$735 billion, this industry is only one-tenth of the 1 percent of the national total.

We must bear in mind that the economics of the United States has become increasingly interdependent with world economics. U.S. export-import trade exceeded \$55 billion during 1966, with approximately \$30 billion in exports and more than \$25 billion in imports. In fact, this excess of exports over imports was the only big plus in the U.S. balance of payments, but the picture with respect to this import-export relationship is not getting any better, for imports, generally speaking, are gaining more ground than exports.

If in general terms the export-import relationship is still favorably stanced toward the United States in the specific case of leather goods' industry, it is predominantly weighted in favor of imports. In 1967, for example, \$21.3 million of luggage, billfolds, letter cases, and other flat goods were imported into the United States as compared with \$11.1 million in 1958. In the same period exports of American luggage leveled off at approximately one-fourth of this figure.

Far more significant are the trends in the handbag sector of the industry. In 1958 the number of units imported was roughly equivalent to that exported, 2,382,000 imported to 1,939,000 exported. In 1966 an enormous gap had developed in this import-export relationship. In that year 29,508,000 handbags and purses were imported. Significantly, the units exported actually went down as compared to the 1958 level, to 1,006,000. In terms of value, imports of handbags and purses amounted to \$5,993,000 in 1958 and reached the level of \$35,305,000 in 1966. In 1967, according to preliminary data, the value of imports went over the \$40 million mark. In other words, the import-export relationship at one time almost coterminous, had burgeoned forth in a situation where in less than a decade we were importing in terms of value 20 times as much as we were exporting.

It is this development, particularly in the handbag sector that is the largest area of our jurisdiction, that is particularly disconcerting to our union. Other relevant criteria might outline the nature of the problem. In 1958 the share of the American market preempted by foreign handbags and purses was 2.6 percent. Five years later, in 1963, it had doubled to 5.2 percent. And the escalation has been constant since that time, reaching a level of 11.5 percent in 1966 and 14.3 percent in 1967.

In other words, the import share of the domestic market in a period of less than a decade has increased by approximately 600 percent.

This trend will undoubtedly be accelerated as a consequence of the reduction in tariff duties by 50 percent during the next 5 years. Indeed, many manufacturers and retailers in the handbag sector have turned,