Mr. Burke. Our next witness will be Hon. George Richardson, of the New Jersey Legislature.

Is he here? Is Representative Richardson here?

The next industry will be the Rubber Footwear Industry, and our first witness is Mr. Mitchell J. Cooper.

STATEMENT OF MITCHELL J. COOPER, COUNSEL, FOOTWEAR DIVISION, RUBBER MANUFACTURERS ASSOCIATION; ACCOMPANIED BY C. P. MacFADDEN, CHAIRMAN, P. G. BROWN, AND TOM NELLIGAN

Mr. Cooper. Thank you very much, Mr. Chairman. I am sensitive to the clock.

Mr. Burke. Will you identify yourself for the record, and then all your associates, and then you may proceed. I see you do have a prepared statement.

Mr. Cooper. It is brief, Mr. Chairman, and I will run through it, stressing only the points which I regard as particularly important.

My name is Mitchell Cooper, I am testifying as counsel for the footwear division of the Rubber Manufacturers Association, and the members of this division, whose names are appended to the statement.

I have with me today Mr. C. P. MacFadden, at the end of the table, who is chairman of the footwear division of the Rubber Manufacturers Association, and Mr. P. G. Brown and Mr. Tom Nelligan of Uniroyal.

The current rate of duty on rubber-soled footwear with fabric uppers is 20 percent, based on American selling price. Section 401(b) of H.R. 17551 would convert ASP to a rate of 20 percent plus $.25 a pair, but not less than 58 percent, based on foreign value, effective January 1, 1971. We support this provision.

As those of you know—and as I believe most of the other members of this committee know, Mr. Chairman—who have been exposed to the problems of this industry know, it is rather extraordinary for us to endorse a proposal of the executive branch affecting our products, and I am anxious that you fully understand both how we arrived at this turn of events and what the limitations of our endorsement are.

Nature of the industry and of its problems

I remind you that rubber footwear is a labor-intensive industry, with labor costs representing in excess of 50 percent of the total cost of production. It is a high wage industry, with average hourly earnings—including fringes—of close to $4. It is an industry which in recent years has witnessed a decline in both domestic consumption and shipments of waterproof footwear, a 1966 decline of 5 percent in domestic shipments of rubber-soled, fabric-upper footwear, and a 1967 decline of an additional 3 percent in such shipments. For the first 3 months of 1968 there has been a further decline of 5 percent. As shown on tables A and B attached hereto, a truly substantial and increasing share of our domestic market has been taken by producers in other countries, notably Japan, Formosa, and Korea.

In the last 2 years, incidentally, Formosa and Korea have been the principal beneficiaries of the increase in imports as a result of the fact that their costs are even lower than Japan's. Thus, whereas in 1965