

Now, the administration has its reasons, which it is for the administration to explain.

The importers strongly object to having their interest sacrificed to an interest in an entirely unrelated area of the trade field.

In the absence of any real explanation of this proposal by either the administration or my friends on the other side, I am afraid I shall have to ask your patience to go rather deeply into the mechanics and the arithmetic of ASP on rubber footwear.

In the brief which—I call it a brief, gentlemen, but it is entitled “a statement.” But truly, I have submitted to you a lawyer’s brief. There is no unnecessary verbiage in it. I hope that some members of the committee will have the time and the patience to read it with care.

I am going to take you through it briefly, in deference to the fact that time is limited.

The first and basic historical position of the importers is that ASP really ought to be abolished, without increasing the nominal rate of duty at all. In all candor, we don’t expect this committee to accept this position.

There is too much history, but we do say that it is seriously advanced, and to understand why it is seriously advanced, and perhaps a good deal else on the subject, I should like to ask you to cast your eyes on our attachment 5, at the last two pages of our statement, which is simply the tariff schedule of the United States as related to footwear, and there you see the gamut of the rates, effective January 1, 1968, where with one possible exception, they run up to 20 percent, 22 percent, 25 percent as a maximum.

Most of them are in the area of under 10 percent, and under 20 percent, for men’s and for women’s respectively.

You have those footwear rates, and then you have item 700.60, and I want to call to your attention that 700.60 doesn’t say anything about rubber-soled footwear with fabric uppers. It says “other”—20 percent ad valorem on the American selling price.

Now, you had discussion from Mr. Cooper, based upon the Tariff Commission’s study in 1965, whether the true average for that is 58 percent or the true average for that is 90 percent, depending on whether the old practice or the present practice of the Customs Bureau is followed.

But consider the implications of rates of 58 percent on the average, and the average means a lot of them are much higher than 58 percent, for a product which is another footwear product. It involves a great deal of hand labor, it is not all that different from a great many other products of the footwear industry.

You put it in the oven at the end of the line, and that is the most important difference. It involves rubber, but the rest of the footwear industry uses a great deal of rubber and plastic, too.

This is a real anomaly, gentlemen; and, therefore, it is quite reasonable to say that if it had been done under the escape clause, this high rate of protection would long since have been lost, and abandoned along with the other rates.

Now, importers were extremely disappointed that the Geneva negotiations in May of 1967 did not lead to any reduction in the rate. We don’t know exactly why, but we conjecture that for the same reasons that it is doing so before this committee, the administration put