RUBBER FOOTWEAR

	Pairs	British pounds
1960	197,383	129,449
1961	174,645	105,190
1962	319,679	154,042
1963	177,760	156,168
1964	187,041	109,131
1965	210,123	140,976
1966	128,800	108,800

Source: United Kingdom customs and excise return.

U.K. Exports of Rubber Footwear to U.S.A.

Comparing the six month period January/June, 1965, before the Tariff Schedule Amendments Act of 1965 came into force, with the equivalent periods January/June 1966 and 1967—after the Act was in being—the position is as follows:

RUBBER FOOTWEAR

	Pairs	January/June		Index 1965 equals 100
		Index 1965 equals 100	British pounds	
1965	78,172	100.0	53,576	100.0
1966	52,390	67.0	47,295	88.3
1967	57,240	73.2	44,406	82.9

Source: H.M. Customs and Excise.

These figures show that since the new Act has been in force, rubber footwear exports from the U.K. into the U.S.A. have dropped 26.8 % in volume and 17.1% in value (1965 v. 1967).

Taking examples of specific products, which fall within the category rubber footwear, the new duty structure has resulted in an increase in the amount of duty payable on articles of rubber foot wear e.g.

(i) A U.K. manufactured rubber Yachting Boot formerly attracted a duty at 12% of the F.O.B. price based on C.A.V.—now attracts a duty of 41% of the F.O.B. price.

(ii) On U.K. manufactured all rubber Golf Shoes (category protective rubber footwear) the duty has risen from .56 cents per pair of $1.68 per pair.

The overall effect of the new tariff structure appears therefore to have been twofold, inasmuch as it has tended to increase the amount of duty on items of rubber footwear and consequently to reduce the volume of imports into the U.S.A. from the United Kingdom.

This rise in duty rate, would seem to our Association to be contrary to the spirit of the GATT agreements and to the Kennedy Round as it increases tariff barriers rather than leading to their reduction and eventual abolition.

In contrast to the position on natural rubber footwear entering the United States under tariff item 700.53, we would mention that imports of similar footwear entering the U.K. from the United States, under U.K. tariff heading 64.01 (not containing Furskin) are subject to a low specific duty, which has remained unaltered since 1932.

6. Rubber soled footwear with fabric uppers. U.S. tariff item TSUS 700.60

As instanced above, most of the rubber soled footwear with fabhic uppers entering the U.S. from the U.K. is subject to A.S.P. In the view of our Association, this method of assessing the value of goods for duty purposes is unsatisfactory. Basically, it is related to the value of the like or similar domestic article in price, to the price of the imported article, and because the domestic article in practice is usually higher in price than the imported article of footwear from the U.K., the duty tends to be disproportionately high in relation to the U.K. export price. We contend therefore that this method of valuation results in artificially high rates of duty. Also by its nature, valuation on the basis of A.S.P. does lead to anomalies as it cannot be uniform.