

Mr. BURKE. Someone suggested this morning, or testified, that if the quota system was put in, it might result in a massive retaliation.

Could you tell me whether or not the countries who are shipping shoes to this country would object to setting a quota, say 5 to 10 percent above the amount of shoes or footwear that they shipped in the year before? Or do they expect to continue to pyramid these imports until they drive every shoe company here in the country out of business?

Ambassador ROTH. To turn the question around, I think it would be as if the Europeans were to ask whether our computer industry would mind if we set a quota level not on the basis of present imports, but a little bit above. The answer is, that industry would object very strongly.

Now, it is true that if you have a quota bill where the quota is triggered at some future point, there is—although the legal question is open—probably no immediate retaliation.

Retaliation only comes at that point where the quotas come into effect, and where trade is affected.

Mr. BURKE. Don't you believe it would be reasonable to expect these countries to understand what the situation might be here in this country if these imports continue to glut the market, as they are with shoes?

I think in January their imports were raised 73 percent. This is an unreasonable amount for them to expect that this country here should absorb.

I think they ought to be reasonable enough, and be able to take a reasonable amount of business, and not expect to get it all.

I think the whole trouble in some of these foreign countries, with possibly some of our negotiators, although I am not complaining about you, but I think what they fail to realize is that Congress has the power to enact strong quota legislation, and if there aren't reasonable steps taken by those countries, then this legislation might be forthcoming.

I voted for the trade bill. I am for the trade expansion bill, but I certainly realize that no country should expect to come in here and capture the entire footwear market in this country. No two or three countries should expect that.

I think we are reasonable enough to expect them to expand a bit, but when they start expanding to the point where they are increasing their imports 73 percent in 1 month, then Congress certainly will act.

Now, you and I know there are 250-some odd Members of Congress who have shoe factories in their districts, and there are some other products that are affected, textiles, and steel, and others.

Now, if we don't have some reasonable action on the part of these negotiators, and let these people know just how far they can go, I am afraid your whole trade program will go down the drain.

I would not want this to happen, but we keep appealing and appealing to them to use judgment, and they are just sweeping that aside, and they continue to glut the market with these shoes.

It has been on a steady rise up since the trade bill was passed. Once the Kennedy round took effect, then they came in here with a 73-percent increase in 1 month.