governmental controls and, on the other, a growing number of socialized states.

In the United States our wage and hour regulations, welfare programs, and general inflation have brought about a constantly rising cost structure that has made it impossible for labor-intensive industries such as footwear to compete with manufacturers in other countries.

We are not asking that imports be shut out or even rolled back to the quantities imported in former years. We have recommended a progressive, forward-looking policy well adapted to long-run trade expansion. This is an orderly marketing arrangement which permits foreign countries to share in our market growth.

THE FACTS ON IMPORTS AND EXPORTS OF LEATHER AND VINYL FOOTWEAR

In 1955 imports were approximately 8 million pairs valued at $13 million, or 1.3 per cent of domestic production in pairs. In 1967, 129 million pairs were imported valued at $217 million, or 21.4 per cent of domestic production in pairs. For the first four months of 1968 footwear imports amounted to 69 million pairs valued at $112.7 million, or 30.5 per cent of domestic production in pairs.

The average dollar value of imported leather and vinyl footwear in the first quarter of 1968 of $1.62 per pair, f.o.b. point of shipment, compares with an average wholesale value of $4.71 of American footwear for that period. This reflects in a dramatic way the impact of imports on the American footwear industry. While imports represent 10.9 per cent of the total value of domestic shoe output in dollars, in pairs (and American consumers wear shoes not dollars on their feet) imports equal 30 per cent of our domestic footwear production. Foreign labor is able to produce the equivalent of almost a third of our domestic production in pairs for one-tenth of the value of our domestic footwear output.

Exports of footwear from the United States, which amounted to 4.6 million pairs valued at $14.4 million in 1955, have declined to 2.2 million pairs valued at $8.2 million in 1967. Our balance of payments on footwear shows a deficit of $209 million for 1967.

SOURCES OF FOOTWEAR IMPORTS

Footwear imports come principally from Japan, Italy, and Spain, in that order. Small quantities come from other countries, as shown in the following table:

U.S. IMPORTS OF LEATHER AND VINYL FOOTWEAR, 1955 AND 1967

Countries [1]	Millions of pairs		F.o.b. foreign value [3] (millions of dollars)	
	1955 [2]	1967	1955 [2]	1967
Japan	2.7	56.8	$1.1	$34.2
Italy	1.1	41.6	3.0	102.7
Spain	(4)	6.7	(5)	23.0
Taiwan	----	6.7	----	3.1
France	(4)	2.4	.2	7.0
Czechoslovakia	----	2.0	----	4.4
Mexico	.7	2.0	.5	2.7
United Kingdom	.8	1.8	4.3	11.4
Hong Kong	.4	1.4	.2	1.1
Canada	1.0	1.3	1.3	4.2
Communist countries: Yugoslavia, Poland, and Rumania	(4)	1.0	(5)	2.3
Switzerland	.1	.4	1.2	5.5
Other countries	.8	5.2	1.8	15.8
Total [6]	7.8	129.1	13.6	217.6

[1] Countries ranked by 1967 pairage.
[2] Data for 1955 do not include vinyl footwear imports which were minimal.
[3] By excluding cost, insurance, and freight, value of imports is understated by about 10 percent, according to U.S. Tariff Commission.
[4] Less than 50,000 pairs.
[5] Less than $50,000.
[6] Figures do not necessarily add to totals due to rounding.

It will be noted that imports are also increasing from communist nations seeking U.S. dollars. These imports are produced by state-controlled enterprises and sold at prices that have, in several cases, been found by the U.S. Treasury Department to be sold in this country at less than fair value. Imports