We had to make a decision last fall whether we should build another factory here or go into the import business. With all the competition from imports in this labor-oriented product we decided we would be much better off to augment our business by developing these relationships in Italy, England and Spain. This means of course that we have restricted our expansion and several hundred jobs which we might have created by building a factory in the United States have been eliminated.

We are barely into this program so it is difficult for me to project how far it will go. However, I can assure you it is going very, very well. We feel we were forced into it, and I am sure if we had proper emphasis on domestic versus import relations we would have much preferred to have built a factory here in the United States.

*Letter #2*

Our largest single customer is . . . . During several recent years this account has represented over 15% of our total volume; hence it is not difficult to understand its importance to us. In January of 1968, as is customary at that time of the year, we submitted and presented our style suggestions for the fall season. (They) ordered a number of samples from this selection and we again contacted the account in March in an effort to nail down certain adoptions for the approaching season. In April we were advised by this account that almost all adoptions of new styles would be made from imports and that *no* adoptions of new styles would be made from samples we had submitted. . . .

Our five-year plan calls for an expansion of our physical production facilities but that unless there is a drastic change in the attitude of the administration in Washington or unless there is proper Orderly Marketing Legislation enacted in behalf of our industry, *there isn't a remote chance that our expansion will take place on domestic soil!*

These letters are typical of what is taking place in the footwear industry. As imports continue to rise, more and more domestic footwear manufacturers will follow the same practices. More and more jobs will be exported.

THE IMPORTED FOOTWEAR COULD HAVE BEEN MADE HERE

Evidence may be put into the record from trade papers that the American footwear industry is operating at capacity as far as labor is concerned and that it cannot supply the footwear needed and that retailers, therefore, must go abroad. The labor situation in footwear today is extremely tight. But it is also true that if the business that has been going to imports over the past ten years had been given to domestic manufacturers new factories would have been opened in the United States, labor would have been employed, and the industry today would be able to supply the current demand and more. It is unreasonable for those who have given the business to foreign manufacturers in the past to charge that the industry cannot supply the demand today. It is like asking a fighter who has been out of training for seven or eight years to get in the ring and go fifteen rounds.

TRADE ADJUSTMENT ASSISTANCE HAS BEEN A BLIND ALLEY

The industry has been asked from time to time by Trade Representative Roth's office why it did not appeal for help under the adjustment assistance provisions of the Trade Expansion Act. It should be unnecessary at this time, when the Administration, through various officials, has admitted for public record that the statute as written is useless and that it is impossible for industry or labor to meet the test for relief, to comment on this point. It was partly because of the ineffectiveness of the adjustment assistance provisions that the AFL–CIO at its convention in Miami Beach last December reversed its historic position for free trade and came out for "international agreements to regulate world trade . . . in industries that are sensitive to disruption by rapidly rising imports and unfair competition."

No matter how written, it is doubtful if adjustment assistance will be of value to any company unless that company is approaching or is already in bankruptcy.

NEW LEGISLATION NEEDED ON ANTIDUMPING

The domestic footwear industry is particularly vulnerable to the increasing flow of imports from behind the iron curtain. For example, since 1959 Czechoslovakia has stepped up its exports to the United States: from 192,600 pairs in 1959 to almost 2 million pairs in 1967, or an increase of 938 per cent. Other communist