countries, such as Poland and Rumania, are beginning to export footwear to the United States.

With shipments of footwear increasing from iron curtain countries and likely to increase in the future, the industry has become increasingly concerned over dumping or sales of footwear at prices below home-market price. State-controlled enterprises that manufacture footwear in these countries may establish prices for exported footwear which have no relation to cost but simply reflect the country's demand for dollars at that moment.

Over the past few years complaints have been filed by the Association on imports of footwear from Czechoslovakia, Poland, and Rumania. In all three cases, Customs found the shoes were being sold at less than fair value, the home-market price as described in the Antidumping Act of 1921. In the Czechoslovakian case the Tariff Commission found no injury to domestic industry. In the Polish and Rumanian cases the importers assured Customs that there would be no further sales at less than fair value, and the matter was not referred to the Tariff Commission. All of these actions were unsatisfactory.

The Antidumping Act of 1921, which Congress has amended several times, needs further amendment. This Act is obsolete and outmoded in a world which engages in trade with communist countries and collectivized industries. The absurdity of the present law is reflected in the fact that the Tariff Commission has had more than twenty decisions in which they have failed to find injury to domestic industry in antidumping cases.

The new international antidumping code negotiated in Geneva during the Kennedy Round will go into effect July 1, 1968, in spite of many protests that it is in conflict with the provisions of the U.S. Antidumping Act, Treasury regulations, and administrative interpretations of both the Treasury and the U.S. Tariff Commission. Under this rule, complaints to the Treasury about dumping must show evidence of injury as well as unfair prices. In the past, the Treasury would suspend appraisement of imports until it found out whether dumping existed. This was a worthwhile warning signal. Now, the Treasury will go ahead and appraise imports while investigating dumping practices. This removes one of the important elements of the dumping law and makes it even more useless than at present. We believe that legislative amendment of the Antidumping Act of 1921 is urgently needed as a necessary counter measure against the unfair trade practice of dumping. We believe congressional guidelines are necessary to clarify these basic concepts, eliminate loopholes in administration, and provide greater speed and certainty in handling dumping cases.

CONCLUSION

The footwear industry is in agreement with government aims and objectives that look toward increasing world trade. We believe it is imperative, however, in the light of vast changes in world conditions since our trade liberalization policy began thirty-five years ago, that we make adjustments in this policy where necessary to preserve and permit at least modest growth in home industries that provide employment in small cities and towns throughout America. Significant developments in international trade and finance over the past decade, and particularly at the present time, point to the dangers of failure to do so. If we exclude exports under Public Law 480 and government aid, our commercial trade balance has been barely in the black and this year is expected to show a deficit of anywhere from 1 to 2 billion dollars. Inflation and the rising costs of our welfare state have meant, particularly for labor-intensive industries, that we are losing our competitive edge and are no longer able to compete with lower cost economies abroad.

Moreover, in spite of years of negotiation under GATT, there has been a continuing lack of reciprocity in our trade negotiations. This may have been all very well in the thirties and forties but is totally inappropriate in the world of today. The industrialized countries of Europe and Japan do not need our help. They maintain an array of barriers to trade. Threats by Administration spokesmen of retaliation abroad for actions which we might take to improve our trade situation are greeted with wonderment by knowledgeable businessmen abroad who know the score. They conclude we are novices on trade matters. Finally, the growing signs of aims for self-sufficiency in the EEC, the building of new footwear plants abroad, and the movement by less-developed countries into industrialization and the manufacture of footwear threaten even stiffer competition for American footwear manufacturers in the future.