let the American shoe industry and their means of livelihood become the sacrificial goat for those free traders who consistently oppose any meaningful protection of their jobs and this vital part of America's economy.

I should like to note in retrospect, that we have been warning of the developing danger of footwear imports for many years. In 1960, in a statement to Members of Congress pointing out the growing problem represented by a growth in footwear imports from slightly over 1 percent of domestic production in 1954 to about 3.5 percent in 1959, we urged "proper remedial action at this time to prevent the inevitable consequences if this trend is allowed to continue unchecked."

In May of 1964 President Mara and I were members of a committee which, under semigovernmental auspices, met with representatives of the Italian shoe manufacturers in Milan, Italy, to try to work out an acceptable system of voluntary controls on Italian imports of footwear to the United States. The effort was failure. In part the Italian manufacturers blamed the pressure on them from American shoe importers to resist any reasonable system of controls.

In 1964, when imports had grown to over 12 percent of domestic production, we urged in the GATT hearings that—

> Lowering the tariff rates on footwear at this time would result in a flood of footwear imports which, in combination with other factors affecting the shoe industry in the United States, would have an adverse effect upon American shoe workers and upon the communities in which they live.

Our members are now asking, "How high must the import percentages rise before serious attention will be given to our problem?"

In a basic sense, it is not only our problem but the country's problem. The footwear industry is an essential industry whose products were rationed during World War II. If we allow imports to run rampant and eventually destroy the shoe industry in America as excessive imports have destroyed other industries, what assurance would we have that the American people and its fighting men would have an ample supply of footwear in any future war?

BASIS OF FOREIGN COMPETITION

The question may be asked: How can this happen if the shoe industry in the United States is modern, competitive, alert to changes in markets, and possesses the capacity to produce more shoes than America consumes? The answer is relatively simple. The economic structure of shoe manufacturing in foreign countries is similar to our own. Shoe manufacturing is relatively easy to enter and there are hundreds of factories to supply their domestic as well as foreign demands.

Because footwear is a necessity, shoe factories were among the first to be reconstructed in foreign countries following the war. Through U.S. aid, many of these plants have been rebuilt and modernized, and today they are among the most efficient in the world. In addition, many U.S. companies have bought into or bought out companies abroad and now export shoes to the United States. It has become a growing necessity for more and more U.S. manufacturers to open factories abroad or to become importers and close their factories at home in order to meet competition from foreign shoe companies and the ever increasing number of U.S. shoe companies which have located in foreign lands and now export shoes to the United States.