

INADEQUACY OF ADJUSTMENT ASSISTANCE

The thousands of American shoe workers, their dependents and the communities in which they live and work suffer most in this trading off of American jobs for excessive imports of foreign-made shoes. There are no jobs for the American shoe workers when their employers close factories and become importers. They cannot ply their skills and trade in foreign countries when their employers become foreign manufacturers. They cannot compete with the wages paid in Japan, Italy and other foreign countries. They must earn their living in the shoe trade here or they don't earn it at all.

To them, the so-called Adjustment Assistance under the Trade Expansion Act of 1962 has proven to be nothing more than a cruel hoax and a false promise. Assistance has been denied every group of workers who has applied for it and others have been discouraged from embarking on the same frustrating routine. For instance, my own union, the United Shoe Workers of America applied for adjustment assistance on behalf of its members in November 1967 after the Knapp Shoe Co. had closed its Packard division in Brockton, Mass. The Union's petition was denied when the Tariff Commission reported to the President the results of its investigation.

The Commission found that footwear like or directly competitive with the welt footwear produced by the Packard division is not, as a result in major part of trade-agreement concessions, being imported into the United States in such increased quantities as to be the major cause of the unemployment or underemployment of certain workers of the Packard division.

The Tariff Commission's report which amounted to denial of any assistance to these affected workers was obviously based on a meaningless technicality contained in the Trade Expansion Act of 1962 despite the fact that imports of the type of shoes involved (men's welt footwear valued over \$6.80 per pair) increased from 4,937,000 pairs in 1965 to an estimated 8,350,000 pairs in 1967, an increase of nearly 70 percent in 2 years.

We see little chance that the adjustment assistance clause in the proposed Trade Expansion Act of 1968 will be sufficiently liberalized to meet the requirements of displaced workers. Even if it were liberalized to some extent, it could not possibly meet the needs of American shoe workers who have lost their jobs to foreign competition. I have given the reasons for this conclusion at length earlier in discussing the shoe workers and their communities.

SUMMARY

(1) While we firmly believe in world trade and intelligent elimination of trade barriers as soon as possible, it cannot be denied with any degree of logic that certain high labor content industries in the United States must be protected against the results of extremely low wages paid abroad.

(2) While any further lowering of U.S. tariffs would certainly aggravate the import problems of the American shoe industry, we do not believe that further upward or downward fiddling with tariffs is the answer to our problem.

(3) That while we are willing to share our domestic shoe market, we are not willing to turn it over lock, stock, and barrel along with the industry and jobs it provides to foreign countries.