tion of the effect of imports on the American Footwear industry. The Tariff Commission has announced that it will hold hearings on September 9, and in the meantime it is collecting data. It is the purpose of our statement not to present facts in detail which by themselves can be the basis of judgment, but to illustrate to this Committee the complex nature of the American footwear industry and the beneficial role that footwear imports are playing in the American economy. The conclusion is unavoidable, we think, that legislative action should not be taken to restrict imports, certainly not before the Tariff Commission report has been made and fully evaluated.

THE STATUTE

Submitted herewith as Exhibit B are Sections 700.05–700.85 of the Tariff Schedules of the United States reflecting rates of duty on twenty-three categories of non-rubber footwear. Twenty-seven categories are listed. Four of these, however, apply to footwear made 50% or more of rubber. Column one in the schedules give current rates and column two shows the "non-trade agreement rates." These are substantially as enacted in 1930 and still apply to imports from communist countries.

The Department of Commerce, Bureau of Foreign Trade states that the composite average tariff on all U.S. imports in 1967 was 12.2%. This was ascertained by dividing the total value of imports ($26,732,249,497) by the calculated duty collected ($2,016,421,359). The arithmetic average duty of non-rubber footwear in 1967 was 14.8%, 2.6% higher than the composite average of all U.S. imports.

THE INDUSTRY'S RECORD LEVEL OF PROSPERITY IS UNAFFECTED BY IMPORTS

Newspapers and trade publications of the domestic manufacturers' footwear industry state that, overall, the industry is prosperous. Steady gains, increased sales and net earnings, and increased dividends to shareholders have been the rule.

The net worth of the entire shoe and leather industry in this country may be close to two billion dollars based on the market value of its publicly held stock.

"This can be seen by comparing the 1967 lows with the year-end stock prices. It can be seen much more clearly when the price increases are translated into increases in total market valuation by multiplying the price of the stock by the number of common shares outstanding. On this basis, *the stocks of all shoe and leather companies whose shares are listed on the New York Stock Exchange rose last year by about* $792 million *or more than 70%* to 1.9 billion dollars" (*Boot & Shoe Recorder*, May 1968, pp. 24–25).

Commenting on the magnitude of this increase, Richard Landy, Financial Editor of *Boot & Shoe Recorder* in the March 1968 issue stated, "(t)he most significant thing is that even after this large price appreciation, most industry stocks are conservatively valued." (p. 38)

Wall Street, the most sensitive of business barometers, favors the industry. *Barrons* and *Forbes* have recently reported favorably on Green Shoe Company, Shaer Shoe and the giants, Genesco & Interco. Shoe Corporation of America, Weyenberg and Morse are commonly recommended for "growth". Shoe companies have been sought by "conglomerates"—diversified holding companies.

A recent Federal Trade Commission report on "Rates of Return of Identical Companies in Selected Manufacturing Industries from 1957–1966", commenting on the industry's growth showed that twelve leading footwear manufacturers improved their return on invested capital from an average of 11.4% in 1965 to 13.1% in 1966, representing a gain of 15% in one year. Of the 37 selected industries compared, footwear was 17th. (*Boot & Shoe Recorder*, February 1968, p. 30).

Profits continue to grow. The trade paper, *Leather* and *Shoes*, March 30, 1968, states:

"*While overall profits of leading corporations in 1967 fell slightly below 1966, shoe and leather industry managed to show increases of four percent after taxes.* Gain is based on total profits of 20 leading industry corporations which reported after tax profits of $85.4 millions compared with $81.9 million in year previous." (p. 4)

Increased profits mean increased dividends for shareholders.

"Listed shoe and leather companies rewarded their shareholders handsomely in 1967. A study of cash dividend payments by listed common stocks on the New