



GENERAL AGREEMENT ON
TARIFFS AND TRADE

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UNITED STATES INTERNATIONAL TRADE
COMMISSION INVESTIGATIONS

Footwear

The following communication has been received from the United States Mission.

My authorities have asked me to inform you that the United States International Trade Commission on 20 February reported to the President that the United States footwear industry is suffering serious injury from increased imports.

The Commissioners were divided in their views as to the appropriate remedy. Chairman Will E. Leonard and Commissioners George M. Moore and Catherine Bedell recommended increasing tariffs up to levels of 35 per cent, with 3 per cent annual reductions each year over a five-year period.

Vice-Chairman Daniel Minchew and Commissioner Joseph O. Parker suggested a tariff-rate quota as their remedy. They would keep the current tariff level on the quantity of imports up to the 1974 level, with rates of 40 per cent on imports above the 1974 level of imports, with 5 per cent annual reductions staged over a five-year period.

Commissioner Italo H. Ablondi suggested adjustment assistance for workers, firms, and communities as his remedy.

The Commission initiated an investigation on 17 September 1975 in response to a petition from the American Footwear Industries Association, the Boot and Shoe Workers' Union, and the United Shoe Workers of America. The imported footwear covered by this investigation is generally referred to as non-rubber footwear. The investigation included the public hearing, fieldwork by the Commission staff, questionnaires sent to the industry and to importers, and briefs by interested parties. The Commission has conducted several other investigations of the footwear industry in recent years.

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In 1975 there were more than 350 companies producing non-rubber footwear in the United States in 600 to 700 establishments. In 1969 there were nearly 600 companies producing non-rubber footwear in approximately 900 establishments. Rubber footwear is currently being produced in an estimated eighty-five establishments - a decline from the approximately 106 establishments reporting production of such footwear in 1972. The major footwear-producing areas in the United States are the middle Atlantic and New England states, although shoes are manufactured in thirty-seven states. The non-rubber footwear industry employed 178,000 workers in 1974, down 17 per cent from 1970. There was a small increase in the number of workers engaged in the production of rubber footwear during 1971-74.

The volume of imports covered in the investigation increased by 19 per cent between 1970 and 1974 to a total of 318 million pairs. Imports accounted for 34 per cent of the footwear market in 1974. United States production of non-rubber footwear declined by 19 per cent between 1970 and 1974, while production of rubber footwear increased only slightly. Principal suppliers of United States imports in recent years have been Taiwan, Italy, Spain and Brazil.

The President has sixty days to determine the method and amount of relief he will provide or to determine that relief is not in United States national interest. In making determination, the President will consider views of exporting countries.