

FOR IMMEDIATE RELEASE

April 19, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

April 16, 1976

MEMORANDUM FOR

THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

Pursuant to Section 202(b)(1) of the Trade Act of 1974 (P.L. 93-618, 88 Stat. 1978), I have determined the actions I will take with respect to the report of the United States International Trade Commission (USITC) dated February 20, 1976, concerning the results of its investigation of a petition for import relief filed by the American Footwear Industries Association, the Boot and Shoe Workers Union and the United Shoe Workers of America.

I have determined that expedited adjustment assistance is the most effective remedy for the injury suffered by the U.S. footwear industry and its employees. I have determined that provision of import relief is not in the national economic interest of the United States.

A remedy involving import restraints would have lessened competition in the shoe industry and resulted in higher shoe prices for American consumers at a time when lowering the rate of inflation is essential. Footwear makes up 1-1/2 percent of the Consumer Price Index.

Import restraints would also have exposed U.S. industrial and agricultural trade to compensatory import concessions or retaliation against U.S. exports. This would have been detrimental to American jobs and damaged U.S. exports.

The U.S. footwear industry is benefitting from a substantial increase in production, shipments, and employment as a result of the economic recovery. Additionally, a number of plants have reopened, order backlogs of domestic manufacturers have increased, and profitability has improved.

In considering the effect of import restraints on the international economic interests of the United States, as required by the Trade Act of 1974, I have concluded that such restraints would be contrary to the U.S. policy of promoting the development of an open, nondiscriminatory and fair world economic system. The goal of this policy is to expand domestic employment and living standards through increased economic efficiency.

I have directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles covered by the USITC report, and their workers. I have also instructed the Secretaries to file supplementary budget requests for adjustment assistance funds, if necessary, to carry out my program.

I also direct you, as the Special Representative for Trade Negotiations, to monitor U.S. footwear trade, watching both the levels and quantities of imports as well as of domestic production and employment. If significant changes occur, they should be reported to me with appropriate recommendations.

This determination is to be published in the Federal Register.

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