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Congress of the United States

House of Representatives

Washington, D.C. 20515

April 21, 1977

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Dear aaaaa:

Thank you for contacting me regarding the plight of the American footwear industry. I am painfully aware of the devastating impact which the continued deterioration of the industry would have on both the local and national economies. The 70,000 jobs lost and 350 factories closed nationally since 1970 attest to the need for some decisive action to prevent the total collapse of the industry.

As you know, I was among some 150 Members of Congress who wrote to President Carter, strongly urging that he adopt the quota/tariff system recommended by the International Trade Commission (ITC). While I was disappointed that the President did not adopt the course of action recommended by the ITC, I do believe that he appreciates the seriousness of the problem. The President's reluctance to adopt the ITC's recommendations may well have reflected his unwillingness to take any overtly protectionist action in the first major international trade decision of his Administration and on the eve of the London Economic Conference.

The President's decision to pursue orderly marketing agreements with major shoe exporting countries is a questionable one, inasmuch as orderly marketing agreements have never been proven to be an effective remedy for an industry damaged by excessive imports. The President has, in effect, asked for ninety days to demonstrate that orderly marketing agreements can provide the relief that the industry needs. There have been indications, notably by Secretary of Labor Marshall, that should those marketing agreements fail, the Administration will take stronger action to protect jobs in the industry.

In any event, Congress can override the President's decision by a majority vote of both Houses within ninety days and implement the ITC's recommendations. The present inclination of the Congress is to allow the President the full ninety days he requested to pursue his remedy. We are writing to the President expressing our reservations about his plan and indicating our intention to override if it does not provide substantial relief. We are also introducing a House resolution expressing the same position.

In closing, I would like to repeat my commitment to do all that I can to protect the jobs of those employed in the shoe industry. I must point out, however, that whatever form of relief is eventually adopted will be short-lived. Under the terms of the Trade Act, no more than five years of any kind of relief can be afforded, with a specific prohibition of relief of any kind for two years after the five year program expires. Relief will give the industry a "breather" from international competition, no more. During that time, each person in the industry will have to do his utmost to restore the American footwear industry to a leadership position in the international marketplace. I know that this will not be easy, but it must be done. And I am confident that the combined efforts of the men and women who work in the industry will result in a healthy, internationally competitive, American shoe industry once again.

As always, if I may be of further assistance in this or any other matter, please do not hesitate to contact me.

Sincerely,

PAUL E. TSONGAS
Member of Congress

PET/vpd