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Tariff Showdown at Gucci Gulch

The Obama \$1 trillion economic de-stimulus plan has unleashed a lobbying frenzy on K Street unlike anything seen in Washington in a generation. Everyone from the porn industry to catfish farmers to the cement industry is getting in on the act. But one special interest provision that makes genuine sense as a "stimulus" would also represent a good opportunity to repeal one of the last failed legacies of the Hoover/FDR economic agenda.

Our congressional sources tell us a move is afoot to repeal the notorious Depression-era shoe tariffs that were part of the 1930 Smoot-Hawley trade legislation. The shoe duty rates are among the nation's highest -- as steep as 67.5% -- and land hardest on children's shoes, adding up to 30% to the retail price. For comparison, the effective average U.S. tariff on all imports is about 2.5%, according to the World Bank.

The shoe tax, points out Senate Finance Committee Chairman Max Baucus, is "inherently regressive," driving up the cost of "necessities" for families with children, such as baby shoes and sneakers, which must be regularly replaced. What's more, getting rid of the tax wouldn't jeopardize U.S. jobs because the U.S. doesn't produce many shoes, according to research by Dan Gresser of the Democrat-leaning Progressive Policy Institute.

The American Apparel and Footwear Association says it's close to finalizing a deal with Mr. Baucus and the Obama administration to get the tariff lifted.

With the nation's mayors requesting funds for "shovel-ready" gems such as swimming pools, dirt bike trails and a minor league baseball hall of fame, it can hardly be argued that lifting shoe tariffs would be too costly. These are the times, as the saying goes, that try men's soles, so tariff relief would be stimulus money well spent.

-- *Stephen Moore and Tyler Grimm*