

## Getting Shoes on a Free Trade Footing

By Adam Graham-Silverman, CQ Staff

Usually it's a bad thing in American politics to vote with one's feet. But New York Democratic Rep. **Joseph Crowley** and 37 House cosponsors are hoping that Congress will defy that dictum in behalf of American shoe consumers.

Crowley's bill, which he has styled the Affordable Footwear Initiative Act, would lift a 77-year-old tariff on imported shoes, thereby eliminating about \$797 million a year in import duties on the footwear industry.

The tariff was originally enacted as part of the 1930 Smoot-Hawley law, with the aim of protecting the domestic shoe industry from foreign competition. Since then, however, the international shoe business has overtaken American shoemakers in the domestic market. By 1978, imports accounted for a little more than half of U.S. shoe purchases, and in 2006, their share was 98.7 percent. Crowley's bill is "the first step into dismantling tariffs on an industry that no longer exists," as **Nate Herman**, director of international trade at the American Apparel and Footwear Association, puts it.

But the legislation would leave tariffs intact on many shoe lines, including the lucrative running-shoe market, so as to protect the production of the few remaining domestic manufacturers, such as New Balance, whose high-end leather running shoes are the brand of first resort for jogging enthusiasts who prefer "fair trade" fashions. That means consumers of pricey brands made overseas such as the three-figure Nike Air Jordans and Air Force Ones won't be getting any price breaks courtesy of the tariff's abolition.

Boosters of the bill hail it for finally ditching tariffs that they say amounted to a regressive tax: a bigger import penalty on cheaper shoes that now make up 60 percent of the total market, which means that a \$15 pair of shoes can be slapped with a \$4.30 tariff while a \$100-plus pair could rate just \$7.25. So the bill would give more help, proportionally, to families shopping at spots like Payless ShoeSource. "You always look for ways to stretch the budget," says cosponsor **Kevin Brady**, a Texas Republican. "Moms get this issue."

So do Nike and Payless, whose political action committees gave Crowley \$1,500 on July 16 — the same day other shoe interests gave him \$2,500 more. New York Democrat **Charles B. Rangel**, who chairs the Ways and Means Committee, which writes trade legislation, got \$10,900 on Aug. 4 from a half-dozen shoe executives. Most had previously given only to Republicans.