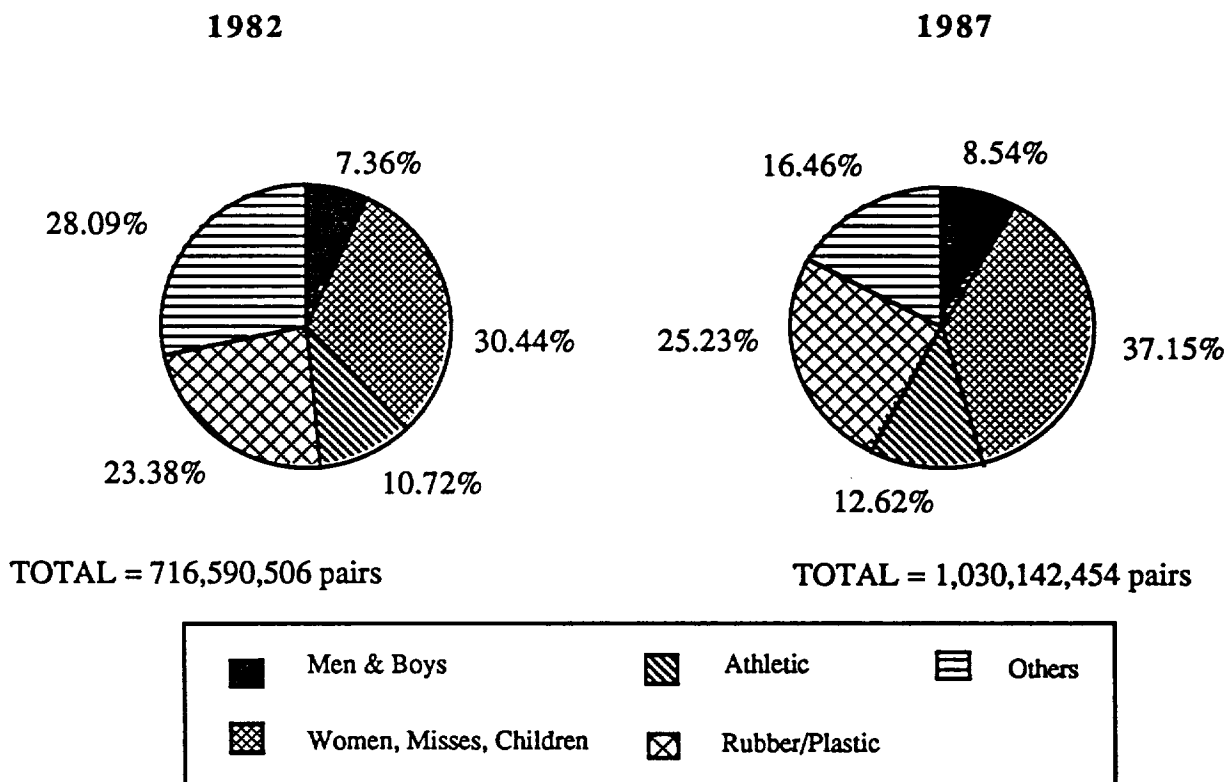


CHART 1

U.S. IMPORTS OF FOOTWEAR BY QUANTITY



Source: *U.S. General Imports and Imports for Consumption*, U.S. Department of Commerce.

Imports from Canada are less than 1% for each of these subsectors. This may be attributed, in part, to existing U.S. tariffs (2.5% to 37.5%) on Canadian footwear. However, market opportunities may increase with the ratification of the Free Trade Agreement between Canada and the United States. According to the Agreement, duty reductions will begin January 1, 1989, and continue in ten equal stages so that on January 1, 1998, all Canadian footwear entering the United States will be duty free. The tariff reduction schedule is summarized in Table 1 below. A full listing of tariffs is found in Appendix 6.