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1971 or

**UNITED STATES TARIFF COMMISSION**

**MEN'S DRESS SHOES:  
FRENCH SHRINER & URNER MANUFACTURING CO.  
BOSTON, MASS.**

**Report to the President  
Firm Investigation No. TEA-F-28  
and Worker Investigation No. TEA-W-101  
Under Sections 301 (c)(1) and 301 (c)(2) of the Trade Expansion Act of 1962**



**TC Publication 421  
Washington, D. C.  
September 1971**

UNITED STATES TARIFF COMMISSION

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# C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	2
Views of Commissioners Sutton and Leonard-----	3
Concurring views of Commissioners Moore and Young-----	4
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment-----	A-2
U.S. consumption-----	A-3
U.S. production:	
Volume-----	A-6
Prices-----	A-6
U.S. imports:	
Volume-----	A-7
Prices-----	A-8
Data relating to French Shriner & Urner Manufacturing Co.:	
*          *          *          *          *          *          *	
Statistical appendix-----	A-18

## Appendix Tables

1. U.S. rates of duty applicable to leather footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972-----	A-19
2. Men's dress shoes of leather: U.S. tariff rates and estimated imports for consumption, by specified TSUS items, 1965-70-----	A-20
3. French Shriner & Urner Manufacturing Co.: Comparative statement of profit or loss, 1967-71-----	***
4. French Shriner & Urner Manufacturing Co.: Comparative statement of financial condition, 1967-71-----	***
5. French Shriner & Urner Manufacturing Co.: Ratios of financial data, 1967-71-----	***
6. French Shriner & Urner Manufacturing Co. and affiliated companies: Comparative statement of profit or loss, 1967-71-----	***

Note.--The whole of the Commission's report to the President may not be made public since it contains certain information the publication of which would result in the disclosure of the operation of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
September 24, 1971.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of investigations, made under sections 301(c)(1) and 301(c)(2) of that act, relating to men's leather dress shoes.

On July 29, 1971, the Commission received petitions filed on behalf of the French Shriner & Urner Manufacturing Co., Boston, Mass., and the workers of that firm for determinations of eligibility to apply for adjustment assistance under the said act. On August 9, 1971, the Commission instituted investigations (TEA-F-28 and TEA-W-101) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the men's leather welt shoes produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm or the unemployment or underemployment of a significant number or proportion of its workers.

Public notice of the investigations was published in the Federal Register (36 F.R. 15145) on August 13, 1971. No public hearing was requested, and none was held.

The information in this report was obtained principally from officials of the French Shriner & Urner Manufacturing Co. and from the Commission's files.

## Finding of the Commission

On the basis of its investigations, the Commission 1/ unanimously finds that articles like or directly competitive with men's leather welt shoes of the type produced by the French Shriner & Urner Manufacturing Co. are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm or the unemployment or underemployment of a significant number or proportion of its workers.

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1/ Chairman Hedell and Vice Chairman Parker did not participate in the decision.

## Views of Commissioners Sutton and Leonard

Our determination in the instant cases is negative because the increase in imports of any footwear like or directly competitive with that produced by the French Shriner & Urner Manufacturing Co., Boston, Mass., is not the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in the separate statements of our views in the Commission's report on nonrubber footwear submitted to the President on January 15, 1971. 1/

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1/ Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . . , TC Publication 359, 1971, pp. 25-47.

### Concurring Views of Commissioners Moore and Young

Our determination in this investigation is in the negative because increasing imports of men's shoes were not the major factor causing, or threatening to cause, injury to the French Shriner & Urner Manufacturing Co. or unemployment or underemployment of the workers.

The French Shriner & Urner Manufacturing Co. produced men's leather dress shoes which were sold under the French Shriner and Edwin Clapp labels in a retail price range from about \$35 to \$45 a pair. The company ceased production and closed its manufacturing establishment in April 1971.

The company has continued, however, to merchandise and to distribute French Shriner and Edwin Clapp footwear which is made for it by other producers. Sales volume during the current fiscal year (ending March 31, 1972) is expected to approximate that of recent fiscal years. It is anticipated that in excess of 90 percent of the firm's footwear requirements will be purchased from domestic manufacturers and the balance--less than 10 percent--will be imported. Since more than 90 percent of the anticipated sales volume will consist of footwear of domestic manufacture, the company's management expects to compete successfully with imports. It follows, therefore, that imports were not the major factor which affected the company's operations and led to the closing of the plant.

In recent years, fashions in men's apparel have emphasized lightweight dress footwear, frequent style changes, and increasing use of casual footwear styles. These factors have reduced the demand for the type of footwear produced by French Shriner and have added to its



administrative expenses and other costs. All of these factors, including increased competition from imports, coming at a time when the company's sales were feeling the effects of the general economic slowdown, apparently influenced the decision by management to cease manufacturing and to buy footwear from other producers.

In the light of the evidence available to the Commission, we have concluded that, although imports were a factor which had an adverse impact on the operations of the company, they were not, within the meaning of the Trade Expansion Act, the major factor causing the shutdown of the manufacturing operations. We have, therefore, made a negative determination.



## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The French Shriner & Urner Manufacturing Co., which ceased production in April 1971, produced men's leather dress shoes retailing at about \$35 to \$45 a pair. The shoes were constructed by the welt process. About 60 percent were made with cemented soles--by the process known as silhouwelt--and about 40 percent, with stitched soles.

The term "dress shoes" refers to the types of footwear intended principally for business and social activities; generally it does not refer to footwear suitable for hazardous or strenuous occupations, active sports, beachwear, or other leisure activities for which casual attire is worn. More specifically, the term "dress shoes" does not refer to athletic or work shoes.

In 1969 about 50 percent of the men's dress shoes produced in the United States were made by the welt process, about 25 percent by the cement process, and most of the remainder by the injection-molded process. With respect to imported men's dress shoes, it is estimated that about 20 percent were made by the welt process, about 75 percent by the cement process, and the remainder by the injection-molded and miscellaneous processes. In the welt process a narrow strip of supple leather or manmade material, called the welt, is sewed to the shoe upper and to a lip on the surface of the insole; the outsole is then sewed and/or cemented to the welt. Welt shoes are generally considered heavier in weight and appearance than those made by other processes. The silhouwelt process (welt type with cemented soles) permits the construction of a more flexible shoe with a trimmer outsole. In the cement process of construction, the outsole (or midsole, if any) is affixed to the

upper by an adhesive without sewing. The cement process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes used for men's footwear. In the injection-molded process of construction, the sole and heel of polyvinyl chloride or an elastomer resin compound are simultaneously molded and attached to the shoe upper, thus reducing production time and labor costs by eliminating a number of the steps required to attach the sole to the upper. The injection-molded process has been used increasingly in recent years to produce a dress shoe of trim appearance.

Nearly all men's dress shoes sold in the United States are made with uppers of leather. In recent years, the U.S. output of men's dress shoes has included a small volume (probably less than 5 percent) of shoes with uppers of manmade, leatherlike materials (poromerics). Imports of men's shoes made of such materials are believed to be negligible.

#### U.S. Tariff Treatment

Since August 31, 1963, the effective date of the Tariff Schedules of the United States (TSUS), imported footwear of the type (welt construction) formerly produced at the plant under review is classified for duty purposes under TSUS items 700.25, 1/ 700.26, 700.27, and 700.29, depending on the value per pair. Imported men's leather shoes of cement construction and of miscellaneous construction (particularly the injection-molded and the stitchdown processes), which do not

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1/ Imports of welt footwear classified under item 700.25 (valued not over \$2 a pair) have been negligible in recent years.

differ significantly from welt shoes in styling and appearance, are admitted under item 700.35.

Footwear in chief value of leather (except with uppers in chief value of fibers) was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). From 1930 until January 1, 1948, the effective date of the earliest concessions granted by the United States under the General Agreements on Tariffs and Trade (GATT), the tariff rates on the footwear here discussed were effected by the following two pre-GATT concessions: (1) Effective January 1, 1939, the rate on welt footwear with a dutiable value of over \$2.50 a pair (now TSUS items 700.26, 700.27, and 700.29) was reduced to 50 cents a pair, but not less than 10 percent ad valorem; and (2) effective January 30, 1943, the rate on footwear made by cement and miscellaneous processes (now TSUS item 700.35) was reduced to 10 percent ad valorem.

Table 1 (in the appendix shows) the 1930 rates of duty and the concession rates granted under the GATT (including all stages of the Kennedy Round reductions) for items 700.25, 700.26, 700.27, 700.29, and 700.35, the five TSUS items under which men's leather dress shoes have been admitted in recent years. <sup>1/</sup> Table 2 shows, for 1965-70, the

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<sup>1/</sup> Pursuant to Presidential Proclamation No. 4074, effective Aug. 16, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS. On the imports under the TSUS items considered here, the new rates (i.e., the 1971 rates in table 1 plus the additional rate) are as follows: item 700.25, 20 percent (the col. 2 rate); item 700.26, 20 cents a pair plus 10 percent; item 700.27, 15 percent; item 700.29, 15 percent; and item 700.35, 18.5 percent. Goods exported to the United States before Aug. 16, 1971, are exempt from the additional duty, but any such goods entered for warehouse or entered into a foreign trade zone will be subject to the additional duty unless they are withdrawn for consumption on or before Oct. 1, 1971.

## U.S. Production

Volume

During 1965-70, estimated annual production of men's dress shoes ranged between 58 million and 66 million pairs, as shown in the following table.

Men's dress shoes: U.S. production, by types of construction, 1965-70

(In millions of pairs)

Year	Welt	Cement	Injection- molded 1/	Other	Total 2/
1965-----	39	15	1	7	62
1966-----	41	15	2	6	64
1967-----	35	12	5	6	58
1968-----	37	13	6	9	65
1969-----	31	15	5	9	60
1970-----	33	17	6	10	66

1/ May include some shoes made by the vulcanized process.

2/ Includes footwear other than athletic or work reported in industry No. 3141 as men's shoes except handsewns and footwear with uppers of soft tannage (desert boots and sandals).

Source: Estimates of the U.S. Tariff Commission based on official statistics of the U.S. Department of Commerce.

Welt shoes (the type produced by French Shrinker) accounted for about half of the total output in 1970; shoes produced by the cement process accounted for about a fourth; and injection-molded shoes, a tenth.

Prices

The percentage distribution of domestic production of men's shoes (other than athletic or work) is shown for 1967 and 1969, by ranges of manufacturers' selling prices, which generally are about half of the reselling prices, in the following table. As noted in the table, there has been an increase in the percentage of shoes sold at the upper end

of the scale. In 1970-71 the shoes produced by French Shriner sold at wholesale for about \$17 a pair--probably in the upper part of the highest value bracket shown.

Men's shoes (other than athletic or work): Percentage distribution of U.S. producers' sales, by price ranges, 1967 and 1969

Manufacturers' selling price per pair, f.o.b. plant or warehouse	1967	1969
\$2.41 to \$3.00-----	1	1
\$3.01 to \$4.20-----	8	2
\$4.21 to \$6.00-----	36	18
\$6.01 to \$7.80-----	24	37
\$7.81 to \$10.20-----	13	16
\$10.21 and over-----	18	26
Total-----	100	100

Source: Compiled from data obtained from domestic producers by the U.S. Tariff Commission.

### U.S. Imports

#### Volume

As noted in the table on page A-5, estimated annual imports of men's dress shoes, which increased from 6 million pairs in 1965 to 19 million in 1970, supplied 9 percent of apparent consumption in 1965 and 22 percent in 1970. In 1970 shoes entered under TSUS item 700.35, made principally by the cement process, accounted for approximately 85 percent of total imports; shoes made by the welt process, entered under TSUS items 700.26, 700.27, and 700.29, accounted for the remainder (table 2).

Italy, Spain, and the United Kingdom have been the principal suppliers of the imported dress shoes considered here. Italy and Spain supplied chiefly cement-process shoes; the United Kingdom, welt shoes.

Prices

In 1970 the average dutiable value of the men's dress cement-process shoes imported into the United States was about \$4.50 a pair; that of the welt shoes dutiable in the middle value brackets (items 700.26 and 700.27), \$5 a pair; and that of the welt shoes dutiable in the high value bracket (item 700.29), about \$10.50 a pair.

It is believed that the bulk of the men's dress cement-process shoes retailed at \$8 to \$20 a pair and the bulk of the men's dress welt shoes, at \$15 to \$35 a pair.

Data Relating to French Shriner & Urner Manufacturing Co.

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STATISTICAL APPENDIX



Table 1.--U.S. rates of duty applicable to leather footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	1930 rate	GATT concessions	
			Rate	Effective dates
700.25	Leather footwear: Welt, valued per pair-- Not over \$2-----	20%	Percent ad val. or cents per pair	June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958, to date.
700.26 1/	Over \$2 but not over \$5--	20%	40¢ 38¢ 36¢ 34¢ 30¢ 27¢ 23¢ 20¢ 17¢	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.
700.27 1/	Over \$5 but not over \$6.80.	20%	40¢ 38¢ 36¢ 34¢ 6¢ but not more than 34¢. 5.5¢ but not more than 34¢. 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1, 1971.
700.29 1/	Over \$6.80 (except ski boots).	20%	40¢ but not less than 5%. 38¢ but not less than 5%. 36¢ but not less than 5%. 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958, to date.
700.35	"Other" footwear (includ- ing cement process) for men, youths, and boys.	20%	10% 9.5% 9.0% 8.5%	June 6, 1951-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1970. Jan. 1, 1971.

1/ New item effective Jan. 1, 1968.

Table 2. Men's dress shoes of leather: U.S. tariff rates and estimated imports for consumption, by specified TSUS items, 1965-70

Year	Cement-process (in 700.35) 1/		Welt, valued per pair 2/		Quantity	Tariff rate	Quantity	Tariff rate	Quantity	Tariff rate
	Million pairs	Percent ad val.	Million pairs	Percent ad val.						
1965	6	10	5	34¢	1	5	3/			
1966	8	10	6	34¢	1	5				
1967	10	10	7	34¢	2	5				
1968	13	9.5	10	(30¢) (6% 4/	1	5				
1969	18	9	14	(27¢) (6% 4/	1	5				
1970	19	9	16	(23¢) (5.5% 4/	1	5				

1/ Consists principally of cement-process shoes but also includes shoes with injection-molded soles and those made by the stitchdown and miscellaneous processes.  
 2/ Imports valued less than \$2 per pair (TSUS item 700.25) have been negligible.  
 3/ Less than 500,000 pairs.  
 4/ But not more than 34 cents a pair.

Source: Import data are estimates of the U.S. Tariff Commission based on official statistics of the U.S. Department of Commerce.

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