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UNITED STATES TARIFF COMMISSION

CALF AND KIP UPPER LEATHERS: FORMER
WORKERS OF THE OHIO LEATHER COMPANY,
GIRARD, OHIO

Report to the President
on Investigation No. TEA-W-138
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 490
Washington, D. C.
May 1972

UNITED STATES TARIFF COMMISSION

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,
May 26, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the findings of an investigation made under section 301(c)(2) of the act in response to a petition filed on behalf of a group of workers.

On March 28, 1972, Leather Local 29 of the Amalgamated Meat Cutters and Butcher Workmen of North America (AFL-CIO) submitted a petition for a determination of eligibility to apply for adjustment assistance on behalf of the former workers of Ohio Leather Company of Girard, Ohio. The Commission instituted the investigation (TEA-W-138) on April 4, 1972, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with calf and kip upper leathers (of the types provided for in item 121.30 of the Tariff Schedules of the United States (TSUS)) formerly produced by the Ohio Leather Co. are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of that company.

Public notice of the institution of the investigation was given in the Federal Register of April 8, 1972 (37 F.R. 7131). No public hearing was requested, and none was held.

In the course of its investigation the Commission obtained information from the Bureau of Customs, the Departments of Labor and Commerce, and the Tanners' Council of America, Inc.; from officials of Leather Local 29, former officials of the Ohio Leather Co., and officials of its parent company, Beggs & Cobb, Inc.; from importers and users of calf and kip leathers and other firms that deal in leather; and from its files.

Finding of the Commission

On the basis of its investigation, the Commission 1/ unanimously finds that articles like or directly competitive with calf and kip upper leathers (of the types provided for in item 121.30 of the TSUS) produced by the Ohio Leather 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, the unemployment or underemployment of a significant number or proportion of the workers of such company.

1/ Commissioner Sutton did not participate.

Considerations Supporting the Commission's Finding 1/

Views of Chairman Bedell and Vice Chairman Parker

This statement is in support of our negative determination under section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) made respecting a petition for a determination of eligibility to apply for adjustment assistance submitted on behalf of the former workers of the Ohio Leather Company of Girard, Ohio.

The TEA establishes four statutory conditions all of which must be met before an affirmative determination can be made. These conditions are:

- (1) Articles like or directly competitive with those produced by the workers' firm or appropriate subdivision thereof must be imported in increased quantities;
- (2) The increased imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

In this investigation, we have concluded that the fourth condition has not been met and, therefore, our determination is negative. The principal reasons for our conclusion are set forth below.

The Ohio Leather Company--the firm in which the workers were employed--produced calf and kip upper leather for many years. The company had been founded in the early 1900's; in 1963 it was ac-

operates five other establishments that tan cattlehide upper leather.

The Ohio Leather Company was a regular (not a contract) tannery. It purchased calf and kip skins suitable for upper leather, which it tanned and finished; it then marketed the finished upper leather to producers of men's and women's shoes. The company, according to reports of persons in the leather trade, was a well-equipped, efficiently operated producer of calf and kip upper leather. * * *

The company shut down in the latter part of 1971; the last production workers were laid off in December of that year.

In the late 1960's and early 1970's, the Ohio Leather Company, like other domestic tanneries specializing in calf and kip leather, was seriously affected by a marked decline in U.S. consumption of calf and kip leather which was accompanied (as a result of the weak domestic demand) by lower prices. From 1968 to 1971, the apparent U.S. consumption of calf and kip upper leather declined 46 percent--from 75 million square feet to 41 million square feet. This decline in consumption, it should be noted, was a continuation of a long-time contraction in the domestic use of calf and kip leather in general; apparent consumption of calf and kip leather in 1971 was about a third that in the early 1950's. U.S. production of calf and kip skins also declined and exports of such skins greatly exceeded imports. Largely in consequence of the falling demand, the prices of calf and kip upper leather in the United States

dropped severely in recent years. Average annual prices charged by U.S. producers of calf upper leather, for example, decreased from \$1.22 per square foot in 1966 to 90 cents per square foot in 1968, rose to 98 cents per square foot in 1969, and then dropped to 79 cents per square foot in 1971 (when the company closed the plant).

The recent severe drop in consumption of calf and kip upper leather and the price decline affected both domestic production and imports--both declining sharply as demand receded. The principal cause of the decreased consumption of such leather was the decline in U.S. production of footwear using calf and kip upper leather, reflecting in substantial measure a change in style and substitution of cattlehide upper leather and nonleather materials such as vinyl. Largely in consequence of the precipitous drop in demand for calf and kip upper leather, the sales and output of the Ohio Leather Company dropped. During the recent years of declining output which led to the closing of the plant, indeed, imports of calf and kip upper leather were declining sharply. Furthermore, other U.S. tanneries that produced calf and kip leather apparently were able to survive the catastrophic market contraction by diversifying into the tanning of other hides and skins. Ohio Leather did not convert. The parent company, Beggs & Cobb, Inc., however, produced cattlehide upper leather at other plants which it controlled. Thus, we cannot conclude that increased imports, whether or not caused in major part by trade-agreement concessions, were the major factor causing unemployment at the Ohio Leather Company.

In view of the circumstances described above, we have concluded that increased imports of articles like or directly competitive with the calf and kip upper leather produced by the Ohio Leather Company were not the major factor causing unemployment of the company's workers.

Views of Commissioner Leonard

I agree with Commissioners Bedell and Parker that any increase in imports of calf and kip upper leather, the only product of the Ohio Leather Company, was not the major factor causing the closing of the firm and the discharge of its workers. Unlike the aforementioned Commissioners, however, I find that the increase in imports of nonrubber footwear, the end product in which most calf and kip upper leather is used, was the major factor in causing the decline in U.S. consumption and thus in U.S. (including Ohio Leather Company) production of calf and kip upper leather. The imports of nonrubber footwear which increased steadily from 133 million pairs in 1967 to 202 million in 1969 and 268 million in 1971 were largely responsible for the decline, from 447 million pairs to 363 million, taking place in 1967-71 in the production of shoes with leather uppers, and the still larger decline, from 42 million square feet to 17 million, in the production of calf and kip upper leather. I determine, however, that imports of nonrubber footwear, even if they are considered articles like or directly competitive with the calf and kip upper leather produced by the Ohio Leather Company, are not the result in major part of concessions granted under trade agreements. 1/

1/ See the reasoning in support of this determination as stated in Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18, TC Publication 359, 1971, pp. 31-47.



Information Obtained in the Investigation

Description and Uses

The Ohio Leather Company, the firm in which the petitioning workers were employed, was engaged exclusively in the production of calf and kip upper leathers. The principal functions of the company were purchasing raw skins and tanning and finishing them into leather. The company then sold the leather to producers of footwear, who cut it into uppers for the shoes they produced.

Calf leather is tanned from the skins of calves (including veal calves) that are from a few days to a few months old; kip leather is tanned from the skins of bovines that are older and larger than veal calves, but are not full grown. Calf leather is finer grained and more supple than kip leather, and is a more important article of commerce. Cattlehide leather, an article not produced by the Ohio Leather Co., accounts for the great bulk of the upper leather consumed in the United States. It is coarser grained and less supple than calf or kip leather, requires less labor in tanning, and is cheaper. Cattlehide upper leather is produced by the other five subsidiaries of the firm that owned the Ohio Leather Co.

The bulk of the calf and kip upper leathers are used in shoes for women and men. The shoes in which they are used generally sell at retail for more than \$25 per pair. Small quantities of calf and kip upper leathers are used in other articles such as ladies handbags, wallets, and belts. Calf and kip leathers are especially suited to shoe uppers because they do not scuff easily and their finish is

readily restored by polishing. Cattlehide leather is used largely in uppers for shoes that sell at retail in a wide range of prices, including those of more than \$25 a pair.

U.S. Tariff Treatment

Calf and kip upper leathers

Calf and kip upper leathers were dutiable at 15 percent ad valorem from June 18, 1930, through December 31, 1947. Effective January 1, 1948, the rate of duty was reduced to 12.5 percent ad valorem as a result of a trade-agreement concession negotiated with the United Kingdom in the General Agreement on Tariffs and Trade (GATT). 1/ As a result of a five-stage concession granted in the Kennedy Round negotiations under the GATT, the rate of duty was reduced to 9 percent ad valorem. That rate, which reflects the final stage of the concession, became effective January 1, 1972. Annual U.S. imports of calf and kip upper leathers during 1930-71 and changes that have occurred in the rates of duty during 1930-72 are shown in table 1.

Effective August 16, 1971, Presidential Proclamation 4074 imposed an additional duty of 10 percent ad valorem on most articles which were the subject of tariff concessions granted by the United States in trade

1/ An escape-clause investigation by the Tariff Commission pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended, resulted in a finding, announced May 29, 1959, that certain calf and kip leathers (including calf and kip upper leathers--then dutiable at 12.5 percent ad valorem) were not being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. Calf and Kip Leather: Report on Escape-Clause Investigation No. 73 Under Section 7 of the Trade Agreements Extension Act of 1951, as Amended, 1959.

agreements; the combined rates of duty were not to exceed the statutory rates. The additional duty was removed effective December 20, 1971. Inasmuch as the rate of duty effective for calf and kip upper leathers in 1971 (9.5 percent ad valorem) plus the additional duty (10 percent ad valorem) exceeded the statutory rate of duty (15 percent ad valorem), the statutory rate was applicable to U.S. imports of calf and kip upper leathers in the period August 16 through December 19, 1971.

Cattlehide upper leather

The rate of duty on cattlehide upper leather (TSUS item 121.57) was reduced from 15 percent ad valorem to 10 percent ad valorem between 1930 and 1967, and has since been reduced to 5 percent pursuant to concessions in the Kennedy Round of trade-agreement negotiations (table 2). The imports were subject to the full 10 percent ad valorem additional duty imposed from August 16 to December 20, 1971, by Presidential Proclamation 4074.

Leather uppers

The rate of duty on nearly all cut stock for footwear uppers (TSUS item 791.25), like that on upper leather itself, was reduced from 15 percent to 10 percent ad valorem between 1930 and 1967, and further reduced by annual stages in the Kennedy Round to 5 percent on January 1, 1972.

Footwear

The rates of duty on nearly all footwear, except that with fabric uppers, have been reduced since 1967 (tables 3 to 5). The duty on most leather footwear for men, which had already been reduced from 20 percent to 10 percent, has been further reduced to 8-1/2 percent. On the kind of women's leather footwear in which calf or kip upper leathers would be used (that valued over \$2.50 a pair), the rate has been reduced since 1967 from 18 percent to 10 percent ad valorem, which is half of the rate in 1930.

U.S. Consumption and Trade

Calf and kip upper leathers

Consumption.--U.S. consumption of calf and kip upper leathers increased from 59 million square feet in 1967 to 75 million square feet in 1968, then declined rapidly to 41 million in 1971 (table 6). The major causes of the decline were (1) a decline in the production of leather footwear and (2) a shift in style, away from women's pumps and other footwear with a dressy look, in which calf uppers were used, to boots and shoes of relatively sturdy construction, in which cattlehide upper leather was used. The consumption of cattlehide upper leather is shown along with that of calf and kip leather in the following table.

Cattlehide upper leather and calf and kip upper leathers:
U.S. consumption, 1967-71

Year	Upper leathers			Ratio of calf and kip leathers to total
	Cattlehide	Calf and kip	Total	
	<u>Millions of</u> <u>square feet</u>	<u>Millions of</u> <u>square feet</u>	<u>Millions of</u> <u>square feet</u>	<u>Percent</u>
1967-----	566	59	625	9
1968-----	589	75	664	11
1969-----	560	64	624	10
1970-----	509	52	561	9
1971-----	492	41	533	8

Production and yearend stocks.--U.S. production of calf and kip upper leathers increased from 42 million square feet in 1967 to 45 million in 1968, then declined rapidly to 17 million in 1971. This decline reflected the decline in consumption and a more or less continuous increase in the proportion (although not in the quantity) of imports. The decline continued in the first 2 months of 1972, when production was 15 percent less than in the same months of 1971 (table 6).

Inasmuch as tanning involves a period spanning from several weeks to several months, tanners of calf and kip leathers usually carry large stocks, including raw skins, skins in process, and finished leather. The proportion of yearend (producer's) stocks to production declined from 36 percent in 1967 to 29 percent in 1968, but increased gradually to 40 percent in 1971 as production and consumption were reduced.

Exports.--U.S. exports of calf and kip leathers increased from 976,000 square feet in 1967, when they accounted for 1.4 percent of production, to 1.2 million square feet in 1971, when they accounted for 6.7 percent. The destinations were widely distributed and varied from year to year (table 7).

Imports.--U.S. imports of calf and kip upper leathers increased from 18 million square feet in 1967 to 29 million square feet in 1969, but declined to 21 million in 1971; they amounted to 4.1 million square feet in January-February 1972, compared with 3.9 million square feet in the corresponding period of 1971. The ratio of imports to consumption increased from 30 percent in 1967 to 46 percent in 1969 and to 51 percent in 1971. Most of the imports are from France, Italy, and West Germany (table 8) and consist of finished leather used in shoe uppers. Several consumers report that the imported calf and kip leathers, particularly those from France, have more usable surface per square foot and fewer scars and scratches than the domestic article.

Producers.--In 1967 there were 10 tanneries in the United States that produced primarily calf and kip leathers (including upper leathers); in 1971 there were four. The tanneries operating in 1967 employed 1,100 workers, * * * . The value of shipments by the 10 tanneries in 1967 amounted to \$25.3 million, * * * . The total value of shipments of calf and kip leathers by all U.S. producers declined about 65 percent, * * * from 1967 to 1971.

In January 1972 the Ohio Leather Co. closed its tanning operations. The three remaining calf and kip skin tanneries are A.F. Gallun & Sons Corp., Milwaukee, Wis., A.C. Lawrence Leather Co., Peabody, Mass., and Barrett & Co., Inc., Newark, N.J. Although they have remained in the calf skin business, all three firms have, in order to remain viable, diversified their operations to include other kinds of skins beside calf and kip.

Cattlehide upper leather

Cattlehide leather accounts for nine-tenths of the shoe upper leather used in the United States. The consumption has declined since 1968 along with that of all upper leather, although cattlehide upper leather has accounted for a gradually increasing proportion of the total.

Imports of finished cattlehide upper leather have increased since 1967, but, unlike those of calf and kip upper leathers, they are relatively small. They have amounted to only 6 percent of consumption and have actually been less than the exports in the last 2 years (table 9).

Leather uppers

Most of the imports of leather cut into forms or shapes suitable for conversion into footwear are shoe uppers, and it is believed that they consist principally of uppers of cattlehide leather for boots and shoes, reptile leather, and other kinds besides calf and kip. Imports were valued at \$1.9 million in 1967, \$2.2 million in 1968, and \$2.8 million in 1970 and 1971. They were about one-sixth as large as the imports of calf and kip upper leathers in 1971.

Footwear

Imports of all nonrubber footwear have increased steadily since 1967 (table 10). However, data indicating the proportion of imports having uppers of calf and kip leathers are not available. Imports of footwear with leather uppers increased by 68 million pairs, from 62 million in 1967, when they accounted for 12 percent of consumption, to 130 million in 1971, when they accounted for 26 percent. Domestic production decreased by a slightly larger amount, 84 million pairs, from 447 million to 363 million, and apparent consumption of footwear with uppers of leather was reduced fractionally (table 11).

Hides and skins

The cost of the hides and skins accounts for 30 percent to somewhat more than 50 percent of the cost of the upper leather in which they are used. The supply depends upon the slaughter of animals, and only incidentally, if at all, upon the requirements for tanning.

The United States is a large net exporter of both cattlehides and calf and kip skins, whereas it is generally a net importer of leather. The prices for both thus depend very largely upon conditions in the foreign market. U.S. production and trade in calf and kip skins and in cattlehides is shown in tables 12 and 13.

During the period March-November 1966, the Department of Commerce imposed quotas on exports of cattle leather, calf and kip upper leathers, cattlehides, and calf and kip skins for the purpose of alleviating an anticipated shortage of those articles in the domestic market. On April 17, 1972, the Secretaries of Commerce and Agriculture met with representatives of shoe manufacturers, tanners of leather, cattlemen, meatpackers, retailers, and labor to discuss the current situation regarding a world shortage of hides. The Secretary of Commerce called for an immediate study of hide and shoe inventory levels in the United States and of both domestic and foreign orders.

Prices

As 30 to 50 percent of the calf upper leather used in the United States is imported, U.S. prices are governed largely by conditions on the world market. Until recently these prices have declined along with the prices of the calf skins from which they are made, notwithstanding a steady reduction in the supply of skins.

Prices for calf upper leather as reported in the trade declined irregularly from an average of \$1.22 per square foot in 1966 to 75 cents in the first quarter of 1971 (table 14). ^{1/} Prices rose gradually during the remainder of 1971 to 84 cents per square foot in December, and then rose sharply in the next 3 months to \$1.09. The decline in prices of calf upper leather from 1966 to 1971 accompanied relative stability in the price of cattle hide upper leather,

^{1/} Asked prices, on which the table is based, often have a spread of 30 percent. They tend to overstate actual realized prices, particularly during a decline, when producers are reluctant to admit the reduction they are obliged to accept.

and was many times as large as the reduction (equivalent to 2 to 3 cents a square foot) in the duty on calf upper leather in those years. It largely reflected the weak demand for calf upper leather, resulting from the continued shift to the use of cattle side upper leather. That shift was generated by a decline in the demand for women's pumps and other shoes with a dressy look in which calf upper leather was used. In late 1971 and early 1972, when there was a partial return to the dressy look in women's shoes, prices advanced. Before much of this price advance had taken place, however, the Ohio Leather Co. was closed.

The Ohio Leather Co., Girard, Ohio

The Ohio Leather Co. (now liquidated) was a subsidiary of Beggs & Cobb, Inc., and, with the parent company, was wholly owned by Talcott National Corp. Beggs & Cobb operates five subsidiaries that tan cattlehide upper leather, owns a division that deals in cattlehides, and has interests in a rendering plant and in firms that produce byproducts of leather such as splits, gelatin, glue, and so forth.

The Ohio Leather Co. was incorporated in the State of Ohio in the early 1900's. The company was acquired by Beggs & Cobb in the fall of 1963. It was a regular tannery, i.e., it purchased, tanned, and finished the skins, and marketed the finished leather to producers of men's and women's shoes. The shoes in which its leather was used generally sold at retail for more than \$25 a pair.

Several persons who deal in leather reported that the equipment, machinery, and operations of the Ohio Leather Co. were modern and efficient for tanning calf and kip leather. The equipment and machinery could not, however, be economically converted so as to be usable for tanning cattlehide leather. The union representative reported that several months prior to announcing its intention to close, the company had purchased * * * up-to-date tanning equipment in Europe. That equipment was never used by the company. It was sold at public auction in January 1972, along with all the other fixed assets of the company except the buildings and real estate, which were sold privately.

Production and sales

The Ohio Leather Co. tanned only calf and kip upper leathers. The following table shows annual production and the value of sales (f.o.b. plant) of calf and kip upper leathers, as reported by the company for the period 1966-71.

* * * * *

Employment

* * * The employees of the company were unionized.

In July 1971 the company notified the union that it planned to close the plant and that the parent firm, Beggs & Cobb, no longer planned to deal in calf and kip upper leathers. The employees were laid off in successive steps as they finished processing the skins owned by the company; i.e., the employees of the hide-house (where the skins were received) were first laid off, followed by those who soaked the skins, and so on. In December 1971 the finishers (the last group of employees to handle the tanned leather) were laid off.

The rate of unemployment in the area encompassing Girard, Ohio, increased from 3.1 percent in May 1971 to 7.4 percent in September; in January 1972, it averaged 6.5 percent.



STATISTICAL APPENDIX

Table 1.—Calf and kip upper leathers: U.S. rates of duty and imports for consumption, 1930-41 and 1946-72

Year	Rate of duty		Quantity		Year	Rate of duty		Quantity
	Percent	ad valorem	1,000 sq. ft.	sq. ft.		Percent	ad valorem	
1930	15.0		21,591		1953	12.5		4,676
1931	15.0		13,386		1954	12.5		4,049
1932	15.0		13,887		1955	12.5		6,499
1933	15.0		12,853		1956	12.5		7,361
1934	15.0		4,969		1957	12.5		9,285
1935	15.0		7,695		1958	12.5		12,760
1936	15.0		7,899		1959	12.5		17,349
1937	15.0		10,542		1960	12.5		8,390
1938	15.0		8,903		1961	12.5		8,881
1939	15.0		9,406		1962	12.5		13,782
1940	15.0		2,509		1963	12.5		13,443
1941	15.0		3,257		1964	12.5		12,213
1946	15.0		2,032		1965	12.5		11,101
1947	15.0		3,187		1966	12.5		13,223
1948	1/ 12.5		2,717		1967	1/ 11.5		18,055
1949	12.5		2,436		1968	1/ 11.0		28,988
1950	12.5		7,425		1969	1/ 10.0		29,223
1951	12.5		4,159		1970	1/ 9.5		22,599
1952	12.5		4,920		1971	1/ 9.0		20,618
					1972	1/ 9.0		2/

1/ Effective Jan. 1.

2/ Not yet available.

Source: Imports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Cattlehide upper leather: U.S. rates of duty and imports for consumption, by types, 1931-41 and 1946-72

Year	Grain splits		Other splits		Other upper leather		Total quantity
	Rate of:	Quantity:	Rate of:	Quantity:	Rate of:	Quantity:	
	duty	1,000	duty	1,000	duty	1,000	
	Percent	sq. ft.	Percent	sq. ft.	Percent	sq. ft.	1,000
	ad val.		ad val.		ad val.		sq. ft.
1931-----	15	204	15	1/	15	1/	204
1932-----	15	56	15	1/	15	1/	56
1933-----	15	221	15	1/	15	1/	221
1934-----	15	1,385	15	1/	15	1/	1,385
1935-----	15	186	15	327	15	5	518
1936-----	15	15	15	117	15	3	135
1937-----	15	99	15	443	15	348	890
1938-----	15	35	15	901	15	112	1,048
1939-----	12.5	804	10	779	12.5	182	1,765
1940-----	12.5	144	10	397	12.5	11	552
1941-----	12.5	5,093	10	1,560	12.5	18	6,671
1946-----	12.5	2,955	10	23,049	12.5	593	26,597
1947-----	12.5	2,119	10	2,361	12.5	133	4,613
1948-----	12.5	511	10	3,225	12.5	411	4,147
1949-----	12.5	231	10	2,057	12.5	762	3,050
1950-----	12.5	1,710	10	5,263	12.5	314	7,287
1951-----	2/ 10	1,925	10	2,435	12.5	149	4,509
1952-----	10	1,224	10	414	12.5	109	1,747
1953-----	10	1,729	10	918	12.5	139	2,786
1954-----	10	1,922	10	578	12.5	168	2,668
1955-----	10	2,711	10	945	12.5	690	4,346
1956-----	10	3,819	3/ 9.5	1,750	12.5	356	5,925
1957-----	10	2,621	4/ 9	986	12.5	347	3,954
1958-----	10	3,791	5/ 8.5	427	12.5	432	4,650
1959-----	10	5,861	8.5	3,966	12.5	1,502	11,329
1960-----	10	2,476	8.5	1,114	12.5	997	4,587
1961-----	10	4,223	8.5	1,864	12.5	540	6,627
1962-----	10	5,383	8.5	3,053	12.5	480	8,916
1963-----	10	5,939	6/ 8.5	2,723	6/ 12.5	3,813	12,475
1964-----	10	4,041	10	2,534	10	6,014	12,589
1965-----	10	12,118	10	2,731	10	5,406	20,255
1966-----	10	10,226	10	3,987	10	6,409	20,622
1967-----	10	9,606	10	3,743	10	5,665	19,014
1968-----	9	11,389	9	3,919	9	6,849	22,157
1969-----	8	8,997	8	5,513	8	8,864	23,374
1970-----	7	10,188	7	11,661	7	8,807	30,656
1971-----	6	9,874	6	11,110	6	8,645	29,629
1972-----	5	1/	5	1/	5	1/	1/

See footnotes on p. A-20.

Footnotes for table 2

- 1/ Not available.
- 2/ Rate changed June 6, 1951.
- 3/ Rate changed June 1956.
- 4/ Rate changed June 1957.
- 5/ Rate changed June 1958.
- 6/ The rate of duty was 10 percent ad valorem from Aug. 31 to Dec. 31, 1963.

Source: Imports compiled from official statistics of the U.S. Department of Commerce.

Table 3.--U.S. rates of duty applicable to footwear of the types provided for in specified TSUS items, 1/ 1930 and GATT concessions to Jan. 1, 1972, and U.S. imports for consumption, 1971

TSUS item No.	Abbreviated description	Imports, 1971		1930 rate		GATT concessions 2/	
		Million pairs	Percent ad val.	Rate	Effective dates		
700.35	"Other" leather footwear: For men, youths, and boys-----	34.6	20	10	June 6, 1951-Dec. 31, 1967 Jan. 1-Dec. 31, 1968 Jan. 1, 1969-Dec. 31, 1970 Jan. 1, 1971		
700.43	For other persons: Valued not over \$2.50 per pair.	40.2	20	19 18 17 16 15	Jan. 1-Dec. 31, 1968 Jan. 1-Dec. 31, 1969 Jan. 1-Dec. 31, 1970 Jan. 1-Dec. 31, 1971 Jan. 1, 1972		
700.45	Valued over \$2.50 per pair-----	45.3	20	18 16 14 12	Jan. 1-Dec. 31, 1968 Jan. 1-Dec. 31, 1969 Jan. 1-Dec. 31, 1970 Jan. 1-Dec. 31, 1971		
700.55	Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics.	126.1	3/ 20	4/ 12.5 11 10 8.5 7 6	Jan. 1, 1972 Aug. 31, 1963-Dec. 31, 1967 Jan. 1-Dec. 31, 1968 Jan. 1-Dec. 31, 1969 Jan. 1-Dec. 31, 1970 Jan. 1-Dec. 31, 1971		
700.60	"Other" footwear with uppers of fabrics and soles of rubber or plastics.	62.9	5/ 35	5/ 20	Sept. 10, 1955 to date		

1/ These items included 90 percent of the total quantity of footwear imported in 1971.

2/ Includes only those granted in the Kennedy Round.

3/ Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When foot-

Footnotes for table 3--Continued

wear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at the rate provided for "similar" leather footwear in par. 1530(e). The col. 2 rate (i.e., the statutory rate) provided in the TSUS is 35 percent ad valorem.

4/ The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide range of rates previously applicable to the types of footwear provided for in this TSUS item.

5/ Effective Mar. 3, 1933; the basis for assessing the ad valorem rate of duty was changed from foreign (export) value to the "American selling price" of the "like or similar" domestic product (T.D. 46158).

Source: Imports compiled from official statistics of the U.S. Department of Commerce.

Note.--Pursuant to Presidential Proclamation No. 4074, effective Aug. 16 through Dec. 19, 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.

Table 4.--Footwear of leather for women and misses: U.S. rates of duty and imports for consumption, 1965-71

Year	Rate of duty		Quantity
	Percent ad valorem		Million pairs
1965-----	1/	20	21
1966-----	1/	20	28
1967-----	1/	20	38
1968-----	2/	19	34
	3/	18	20
			54
1969-----	2/	18	29
	3/	16	27
			56
1970-----	2/	17	37
	3/	14	35
			72
1971-----	2/	16	40
	3/	12	45
			85

1/ Included in TSUS item 700.40.

2/ TSUS item 700.43 (valued not over \$2.50 per pair).

3/ TSUS item 700.45 (valued over \$2.50 per pair).

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

Table 5.--Footwear of leather for men and boys ^{1/}: U.S. rates of duty and imports for consumption, 1965-71

Year	Rate of duty	Quantity
	<u>Percent ad valorem</u>	<u>Million pairs</u>
1965-----	10	8
1966-----	10	10
1967-----	10	14
1968-----	9.5	20
1969-----	9	25
1970-----	9	30
1971-----	8.5	35

^{1/} TSUS item 700.35.

Source: Imports compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Calf and kip upper leathers: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71, January-February 1971, and January-February 1972

Period	Production	Imports	Exports	Yearend stocks ^{1/}	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>sq. ft.</u>	<u>1,000</u> <u>sq. ft.</u>	<u>1,000</u> <u>sq. ft.</u>	<u>1,000</u> <u>sq. ft.</u>	<u>1,000</u> <u>sq. ft.</u>	<u>Percent</u>
1967-----	42,084	18,055	976	15,341	59,457	30
1968-----	44,594	28,988	640	12,915	75,368	38
1969-----	35,501	29,223	1,157	12,821	63,661	46
1970-----	28,529	22,599	1,084	11,088	51,777	44
1971-----	17,021	20,618	1,156	6,846	40,725	51
Jan.-Feb.--						
1971---	3,013	3,912	247	-	-	-
1972---	2,552	4,139	201	-	-	-

^{1/} Includes stocks in process and finished stocks.

Source: Production and yearend stocks compiled from statistics of the Tanners' Council of America, Inc.; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Calf and kip upper leathers, except lining, patent, and metalized: U.S. exports of domestic merchandise, by principal markets, 1967-71, January-February 1971, and January-February 1972

Market	1967	1968	1969	1970	1971	Jan.-Feb. 1971	Jan.-Feb. 1972
				Quantity (square feet)			
Belgium	-	-	44,862	39,137	468,161	-	-
West Germany	105,358	45,961	23,047	-	106,584	22,746	-
Philippine Republic	26,964	32,852	-	-	156,000	156,000	-
Hong Kong	180,148	59,129	306,105	516,762	104,091	-	103,558
Japan	-	-	28,743	66,460	46,910	26,510	-
Canada	61,054	40,894	57,016	108,337	48,982	-	14,178
Switzerland	80,637	143,883	155,274	47,237	22,854	4,560	-
Haiti	-	-	-	-	24,245	-	-
Australia	-	-	-	-	39,116	-	49,890
El Salvador	39,159	-	47,061	36,284	11,337	10,000	-
France	30,912	-	-	-	18,164	-	-
Republic of Korea	-	-	-	32,150	13,601	-	-
All other	1/ 451,512	2/ 316,814	3/ 495,382	238,041	96,215	27,127	33,618
Total	975,744	639,533	1,157,490	1,084,408	1,156,260	246,943	201,244
				Value			
Belgium	-	-	\$15,802	\$25,484	\$194,985	-	-
West Germany	\$66,144	\$37,879	17,978	-	55,328	\$8,061	-
Philippine Republic	19,891	14,094	-	-	42,120	42,120	-
Hong Kong	65,539	21,362	102,442	141,152	36,835	-	\$32,845
Japan	-	-	23,537	56,810	31,601	13,811	-
Canada	50,776	45,710	45,317	60,571	29,433	-	10,350
Switzerland	80,121	157,094	169,624	40,811	24,986	5,324	-
Haiti	-	-	-	-	18,731	-	-
Australia	-	-	-	-	15,852	-	24,319
El Salvador	24,034	-	30,509	29,670	9,436	8,500	-
France	14,867	-	-	-	6,981	-	-
Republic of Korea	-	-	-	12,752	6,801	-	-
All other	1/ 205,290	2/ 171,133	3/ 252,395	92,438	33,034	8,112	17,868
Total	526,662	447,272	657,604	459,688	509,123	85,928	85,382
1/ Includes 162,366 square feet, valued at \$53,601, to Jamaica, and 34,928 square feet, valued at \$36,139, to Mexico.							
2/ Includes 50,022 square feet, valued at \$16,459, to Jamaica, and 50,431 square feet, valued at \$49,050, to Mexico.							
3/ Includes 207,687 square feet, valued at \$73,700, to Jamaica, and 67,888 square feet, valued at \$71,889 to Mexico.							

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Cattlehide upper leather: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71

Year	Production	Imports	Exports	Yearend stocks	Apparent consumption	Ratio of imports to consumption
	Million sq. ft.	Million sq. ft.	Million sq. ft.	Million sq. ft.	Million sq. ft.	Percent
1967--	567	19	17	102	566	3
1968--	583	22	17	101	589	4
1969--	547	23	19	92	560	4
1970--	513	31	35	92	509	6
1971--	497	30	38	89	492	6

Source: Production and yearend stocks compiled from statistics of the Tanners' Council of America, Inc.; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 10.--Nonrubber footwear: U.S. imports for consumption, by TSUS items and by types, 1967-71

US item	Description	1967	1968	1969	1970	1971
	(In thousands of pairs)					
	Total, all nonrubber footwear	133,259	181,492	202,208	241,660	268,625
	Footwear of leather (except footwear with uppers of fibers), total	61,550	86,343	96,851	119,969	130,183
700.05	Huaraches	48	163	73	221	126
700.10	McKay-sewed footwear	27	20	36	45	28
700.15	Moccasins	1,402	590	624	461	387
700.20	Turn or turned footwear	1,498	2,005	2,599	2,502	1,671
	Welt footwear:					
700.25	Valued not over \$2 per pair	52	45	52	53	65
/ 700.26	Valued over \$2 but not over \$6.80 per pair	2,423	3,147	3,098	2,536	2,875
/ 700.27	Valued over \$6.80 per pair	1,233	1,438	2,173	2,115	2,893
700.30	Footwear with molded soles laced to uppers	11	649	515	1,174	663
700.32	Slippers	434	462	357	313	206
	Other:					
700.35	For men, youths, and boys	13,545	19,922	25,009	30,203	34,571
/ 700.40	For other persons	40,877	57,902	62,315	80,346	86,698
	Footwear having uppers of plastics, 3/ total	66,686	89,861	96,909	109,362	126,106
	Other nonrubber footwear, total	5,023	5,288	8,448	12,339	12,336
/ 700.65	Footwear with uppers of fibers:					
	With soles of leather	1,385	1,256	694	526	376
	With soles of material other than leather:					
700.70	With uppers of vegetable fibers	1,351	1,412	2,007	2,378	2,651
700.75	With soles and uppers of wool felt	182	378	957	2,376	2,953
700.80	Other	1,325	1,513	2,397	2,158	2,806
700.83	Footwear of wood	198	231	1,524	3,892	1,097
700.85	Other	582	498	869	999	2,453

/ Effective Jan. 1, 1968, new items 700.26 to 700.29 replaced former items 700.26 and 700.27.

/ Effective Jan. 1, 1968, new items 700.41, 700.43, and 700.45 replaced item 700.40.

/ Principally footwear having supported vinyl uppers.

/ Effective Jan. 1, 1968, new items 700.66 and 700.68 replaced item 700.65.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--Footwear with uppers of leather: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 1967-71

Year	Production	Imports	Exports	Apparent consumption	Ratio of imports to consumption
	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Percent</u>
1967-----	447	62	2	507	12
1968-----	438	86	2	522	16
1969-----	414	97	2	509	19
1970-----	389	120	2	507	24
1971-----	<u>1/</u> 363	130	2	491	26

1/ Estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 12.--Calf and kip skins: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71

Year	Production <u>1/</u>	Imports	Exports	Yearend stocks	Apparent consumption	Ratio of exports to production
	<u>1,000 skins</u>	<u>1,000 skins</u>	<u>1,000 skins</u>	<u>1,000 skins</u>	<u>1,000 skins</u>	<u>Percent</u>
1967---	5,928	838	2,445	668	4,259	41
1968---	5,443	794	2,231	536	4,138	41
1969---	4,858	690	1,653	642	3,789	34
1970---	4,080	542	1,315	519	3,430	32
1971---	3,691	235	2,222	320	1,903	60

1/ The total commercial slaughter of calves.

Source: Production and yearend stocks compiled from statistics of the Tanners' Council of America, Inc.; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 13.--Cattlehides: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71

Year	Production <u>1/</u>	Imports <u>2/</u>	Exports <u>2/</u>	Yearend stocks	Apparent consumption	Ratio of exports to production
	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>hides</u>	<u>1,000</u> <u>hides</u>	<u>Percent</u>
1967----	35,700	247	12,629	1,973	23,147	35
1968----	36,744	498	13,471	1,624	24,120	37
1969----	37,000	265	15,338	1,425	22,126	41
1970----	36,800	424	15,549	1,495	21,605	42
1971----	36,280	310	16,479	1,256	20,350	45

1/ Estimated total slaughter of mature cattle.

2/ Includes cattlehide pieces, data for which are converted from pounds to hide equivalent.

Source: Production and yearend stocks compiled from statistics of the Tanners' Council of America, Inc.; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 14.--Calf and cattle side upper leather, calf skins, and cattle-hides: U.S. producers' prices per square foot, 1965-71, and by months, January 1971-March 1972

Period	:Calf upper: : leather	: Cattle side : : upper leather:	: Calf : skins	: Cattle- : hides
Annual:	:	:	:	:
1965-----:	\$1.14 :	\$0.48 :	\$0.52 :	\$0.16
1966-----:	1.22 :	.54 :	.64 :	.20
1967-----:	.91 :	.47 :	.52 :	.16
1968-----:	.90 :	.46 :	.66 :	.16
1969-----:	.98 :	.52 :	.68 :	.18
1970-----:	.83 :	.53 :	.37 :	.17
1971-----:	.79 :	.55 :	.33 :	.17
By months:	:	:	:	:
1971:	:	:	:	:
January-----:	.76 :	.51 :	.35 :	.16
February-----:	.74 :	.51 :	.33 :	.17
March-----:	.74 :	.52 :	.33 :	.17
April-----:	.76 :	.54 :	.33 :	.20
May-----:	.79 :	.54 :	.33 :	.19
June-----:	.81 :	.54 :	.33 :	.16
July-----:	.81 :	.54 :	.33 :	.16
August-----:	.81 :	.55 :	.33 :	.16
September-----:	.81 :	.55 :	.33 :	.17
October-----:	.81 :	.55 :	.33 :	.17
November-----:	.81 :	.61 :	.33 :	.18
December-----:	.84 :	.58 :	.34 :	.19
1972:	:	:	:	:
January-----:	.96 :	.58 :	.39 :	.20
February-----:	1.07 :	.58 :	.50 :	.22
March-----:	1.09 :	.65 :	.50 :	.24
:	:	:	:	:

Source: Compiled by the U.S. Tariff Commission from Weekly Bulletin of Leather and Shoe News, Boston.