

op. 2

1972 48

UNITED STATES TARIFF COMMISSION

SOLE LEATHER, LINING, AND WELTING LEATHERS: FORMER
WORKERS OF THE ELKLAND LEATHER COMPANY, INC.,
ELKLAND, PENNSYLVANIA

Report to the President
on Investigation No. TEA-W-154
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 520
Washington, D. C.
November 1972

UNITED STATES TARIFF COMMISSION

Catherine Bedell, *Chairman*

Joseph O. Parker, *Vice Chairman*

Will E. Leonard, Jr.

George M. Moore

J. Banks Young

Italo H. Ablondi

Kenneth R. Mason, *Secretary*

Address all communications to
United States Tariff Commission
Washington, D. C. 20436

C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	2
Considerations supporting the Commission's finding-----	3
Information obtained in the investigation:	
Description and uses-----	A-1
U.S. tariff treatment:	
Sole, lining, and welting leathers-----	A-3
Soles of rubber, plastics, or leather, and soling materials, other than leather-----	A-3
Nonrubber footwear-----	A-5
U.S. consumption and trade:	
Sole, lining, and welting leathers:	
Consumption-----	A-6
Production and yearend stocks-----	A-6
Exports-----	A-7
Imports-----	A-7
Producers-----	A-8
Soles of rubber, plastics, or leather, and soling materials, other than leather-----	A-9
Footwear-----	A-10
Cattlehides-----	A-11
Prices-----	A-12
The Elkland Leather Co., Inc., Elkland, Pennsylvania-----	A-13
Production, sales, and capacity-----	A-13
Price competition-----	***
Employment-----	A-14
Reasons for termination of the Elkland Leather Co. alleged by the petitioners--	A-14
Statistical appendix-----	A-17

Appendix Tables

1. Certain "other" bovine leather: U.S. rates of duty and imports for consumption, by types, 1931-72, January-June 1971, and January-June 1972-----	A-18
2. Soles of rubber, plastics, or leather and soling materials, other than leather: U.S. rates of duty applicable to specified TSUS items, June 18, 1930-January 1, 1972-----	A-20

Appendix Tables

	<u>Page</u>
3. Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963-Dec. 31, 1967, and the final stage of Kennedy Round concessions-----	A-21
4. Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, June 18, 1930-Aug. 30, 1963-----	A-23
Nonrubber footwear: Total U.S. imports, all non-rubber footwear and leather footwear, and U.S. tariff rates and imports by specified TSUS items and by specified types, 1967-72-----	A-25
6. Sole, lining, and welting leathers: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption 1967-71 and Jan.-June 1971 and 1972-----	A-26
7. Soles of rubber or plastics and soling sheets, other than leather: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1967-71-----	A-27
8. Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption 1967-71-----	A-28
9. Cattlehides: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71-----	A-29
10. Sole, lining, and welting leather and cattlehides: U.S. producers' prices, annual 1967-71, and by months, January 1971-October 1972-----	A-30

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
November 6, 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 September 6, 1972, the employees of the Elkland Leather Company, Inc., Elkland, Pennsylvania, and the County Commissioners of Tioga County, Pennsylvania, submitted a petition on behalf of all employees of the Elkland Co. for a determination of eligibility to apply for adjustment assistance. The Commission instituted the investigation (TEA-W-154) on September 18, 1972, to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with sole leather and other leathers (provided for in item 121.57 of the Tariff Schedules of the United States (TSUS)) formerly produced by the Elkland 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 September 22, 1972 (37 F.R. 19846). 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 the Joint Board Fur, Leather and Machine Workers Union, former officials of the Elkland Leather Co., and officials of its affiliate, Proctor, Ellison, and Company, Inc.; from importers and users of sole leather, including firms that cut soles for shoe producers and shoe producers, and other firms that deal in leather; and from its files.

Finding of the Commission.

On the basis of its investigation, the Commission 1/ finds unani-
mously that articles like or directly competitive with sole, lining, and
welting leathers of the types manufactured by the Elkland Leather Co., Inc.,
Elkland, Pa., 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 the company.

1/ Commissioner Leonard did not participate in the decision.

Considerations Supporting the Commission's Finding 1/

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 Elkland Leather Company, Inc., Elkland, Pennsylvania.

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 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 Elkland Leather Co.--the firm in which the petitioning workers were employed--was known in the trade as a sole leather tannery. The company was a regular (not a contract) tannery. Elkland purchased raw

1/ Commissioners Young and Ablondi concur in the result.

cattlehides which it tanned and finished into sole, lining, and welting leathers. It then marketed most of the finished leather * * * to producers of men's and women's shoes who cut it into soles, lining, and welting for the shoes they produced. The remainder of the leather was either sold to other firms which cut soles for shoe producers, or was cut into soles by Elkland and then sold to shoe producers.

Sole leather, which is used only for soles of shoes, accounts for the great bulk of the value of the output of sole leather tanneries; lining and welting leathers are made from the portions of the hides tanned by such tanneries that are not suitable for soles. The aforementioned leathers are the only types of leather produced by sole leather tanneries.

In the late 1960's and early 1970's, the Elkland Leather Co., like other sole leather tanneries, was seriously affected by a marked decline in the use of sole leather in domestically-produced shoes. From 1967 to 1971, the U.S. consumption of sole, lining, and welting leathers declined about 30 percent--from 221 million square feet to 157 million square feet. This decline in consumption was a continuation of a contraction in the use of sole leather in domestically-produced shoes that has been going on since the early 1950's. The share of the domestic output of shoes having leather soles declined from 45 percent in the early 1950's to 16 percent in the early 1970's. Conversely, the share of output having synthetic soles increased. Meanwhile, the domestic output of nonrubber footwear was about 10 percent larger in the early

1970's than in the early 1950's. Thus, long before the precipitous increase in imports of shoes began in the late 1960's, the bulk of the shoes consumed in the United States have had synthetic, rather than leather, soles.

Synthetic soles have been used increasingly in lieu of leather soles because they are cheaper and they wear longer. Currently, the cost of leather soles for producing shoes is about 2-1/3 times the cost of synthetic soles. Some U.S. producers of shoes have, nonetheless, paid the higher prices for sole leather for use in some shoes they produced. Such shoes are invariably higher priced than shoes having synthetic soles.

Notwithstanding the decreased use of sole leather in domestic shoes and the closing of many U.S. sole leather tanneries, U.S. prices for such leather have generally increased in recent years. * * *

During the latter months of 1971, U.S. prices of sole leather increased gradually and in 1972 they rose rapidly. The higher prices of sole leather were accompanied by increased production costs, including the cost of the raw material (cattlehides), which generally accounts for 30 to 50 percent of the cost of the finished leather. The increased prices of cattlehides are attributable to a change in available supply resulting from virtually static U.S. production accompanied by rising exports. Such prices, which averaged 14 cents per pound in 1971, rose steeply in 1972 from 18 cents per pound in January to 32 cents in August, when the company notified the workers

that it planned to close the plant. In light of these factors, 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 Elkland Leather Co.

In this investigation, the representatives of the petitioning workers alleged that increased U.S. imports of nonrubber footwear were the primary factor causing the unemployment of the workers at the company. Even if we were to hold that nonrubber footwear was, for purposes of the statute, like or directly competitive with the leather produced at the Elkland plant, we would have to conclude that increased imports of such footwear were not the major factor causing or threatening to cause the unemployment or underemployment of the workers concerned. Rather, the shift to the use of synthetic soles by domestic shoe producers, coupled with the increased production costs experienced by domestic sole leather tanneries, has had a far greater adverse impact on the U.S. output of sole leather than imports of any article.

In view of the circumstances described above, we have concluded that increased imports of articles like or directly competitive with the sole leather and lining and welting leathers produced by the Elkland Leather Co., Inc., were not the major factor causing the unemployment of the company's workers.

Information Obtained in the Investigation

Description and Uses

The Elkland Leather Company, Inc., the firm in which the petitioning workers were employed, was known in the trade as a sole leather tannery. The company purchased raw cattlehides, and tanned and finished them into leather. Although whole hides were tanned by Elkland Leather Co. in order to obtain sole leather, only * * *, by weight, of each hide (the part that covers the back and side of the animal behind the shoulder generally called the bend) has a fiber structure dense enough for sole leather. About * * * of the hide (the belly) was used for lining and * * * (the shoulders) for welting.

* * *

After tanning and finishing, the company cut some * * * of the leather into squares and pieces; it cut the remaining * * * into soles for shoes. The company then sold the bulk of the squares and pieces of leather and all of the cut soles to producers of shoes; some of the squares and pieces were sold to firms that cut soles for shoe producers. The producers of shoes who purchased the squares and pieces of leather further cut them into soles, lining, and welting (the strip of leather inserted between the sole and the upper of the shoe through which both are stitched or stapled together) for the shoes they produced. Virtually all of the sole and other leathers tanned by the Elkland Leather Co. was used in shoes for men and women.

For many years, the bulk of the shoe soles consumed in the United States have been made of materials other than leather, e.g., soling sheets of rubber or plastics. Such soles, often called synthetic soles, wear longer than soles made from leather and are cheaper.

U.S. Tariff Treatment

Sole, lining, and welting leathers

Imports of sole, lining, and welting leather, classifiable under TSUS item 121.57, were dutiable at 12.5 percent ad valorem from June 18, 1930 through December 31, 1938. Effective January 1, 1939, the rate of duty was reduced to 10 percent ad valorem as a result of a trade-agreement concession negotiated with the United Kingdom. As a result of a five-stage concession granted in the Kennedy Round negotiations under the General Agreement on Tariffs and Trade (GATT), the rate of duty was reduced to 5 percent ad valorem, the final stage of the concession becoming effective on January 1, 1972 (table 1). The table also shows changes that have occurred in the rates of duty for sole leather during 1931-72 and imports of such leather, as well as imports of certain "other" leather (including lining and welting leather) during 1931-63. The data for imports of sole leather and the rates of duty therefor were combined with several other types of leather, including lining and welting leather, on August 31, 1963, the effective date of the TSUS. The data shown in the table for the years after 1963, therefore, include imports of several types of leather in addition to sole, lining, and welting leather.

Soles of rubber, plastics, or leather, and soling materials,
other than leather

The trade-agreement (column 1) rates of duty established in the TSUS, effective August 31, 1963, for soling sheets of crepe (25 percent

ad valorem) and of rubber or plastics (12.5 percent ad valorem) reflect the estimated average of the trade-agreement rates previously applicable by virtue of the similitude provision of paragraph 1559 of the Tariff Act of 1930. The statutory (column 2) rate established for soling sheets of crepe was 50 percent ad valorem; for soling sheets of rubber or plastics, 25 percent ad valorem. Soles of plastics, first imported after World War II, were probably dutiable by virtue of the similitude provision at 12.5 percent ad valorem, the trade-agreement rate of duty for soles of natural rubber effective September 10, 1955. The column 1 rate of duty established in the TSUS for soles of plastics therefore, was 12.5 percent ad valorem. The statutory (column 2) rate of duty for soles of rubber (25 percent ad valorem) also became applicable to soles of plastics. The trade-agreement (column 1) rate of duty established in the TSUS for leather soles was 10 percent ad valorem; it reflected a concession effective January 1, 1939. The statutory (column 2) rate of duty established for leather soles was 15 percent ad valorem.

As a result of concessions granted in the Kennedy Round negotiations under the GATT, the rates of duty on all of the aforementioned articles, except soles of rubber or plastics, were reduced in five annual stages during the period 1968-72 (table 2). The reduced rates of duty effective January 1, 1972, range from 1/4 to 1/3 of the statutory rates. The rate of duty for soles of rubber or plastics is half of the statutory rate.

Nonrubber footwear

The petitioners claim injury from imports of shoes. Imports of nonrubber footwear are classified for tariff purposes under 23 items in part 1A of schedule 7 of the TSUS (table 3).

From 1930 until January 1, 1946, very few tariff concessions were granted on nonrubber footwear. During the period January 1, 1946, through August 30, 1963, however, many trade-agreement concessions were granted under the GATT on various types of nonrubber footwear. The pre-TSUS trade-agreement concessions that reduced rates of duty applicable to nonrubber footwear from 1930 through August 30, 1963, are shown in table 4. The rates of duty applicable to nonrubber footwear remained unchanged from August 31, 1963, through December 31, 1967. On January 1, 1968, when the first stage of the concessions granted by the United States in the Kennedy Round negotiations under the GATT was placed in effect, the trade-agreement (column 1) rates of 19 of the 23 TSUS items were reduced. Most of the U.S. concessions granted on nonrubber footwear in the Kennedy Round were placed in effect in five stages (table 5). That table also shows the volume of the great bulk of imports of nonrubber footwear, by tariff rates, for 1967-71. Table 3 shows the trade-agreement (column 1) tariff rates for nonrubber footwear during the period August 31, 1963, through December 31, 1967, and the final-stage rates which became effective January 1, 1972; it also shows the statutory (column 2) rates.

U.S. Consumption and Trade

Sole, lining, and welting leathers

Consumption.--U.S. consumption of sole, lining, and welting leathers declined from 221 million square feet in 1967 to 154 million square feet in 1970. In 1971, consumption amounted to 157 million square feet, or an increase of about 2 percent over 1970 (table 6). The data indicate that consumption has continued to increase in the first half of 1972. The major cause of the aforementioned decline in consumption was a decline in the domestic production of footwear having leather soles. During the period 1967-71, the U.S. output of footwear having soles of leather declined at an average annual rate of 8 percent, the output of footwear having soles of materials other than leather declined at an average annual rate of about 1 percent; the total U.S. output of footwear, meanwhile, declined at about a 3 percent average annual rate.

Production and yearend stocks.--U.S. production of sole, lining and welting leathers declined from 222 million square feet to 139 million square feet during 1967-70 (table 6). In 1971 production amounted to 147 million square feet; in January-June 1972, it amounted to 78 million square feet compared with 76 million square feet in the comparable period of 1971. The decline in production that occurred during the period (except as noted above) reflected the decline in consumption.

Inasmuch as the tanning of sole leather involves a period spanning several months, the proportion of producer's yearend stocks to production has ranged from 19 percent to 24 percent in recent years. At the end of 1971, however, the proportion of stocks to production amounted to 12 percent.

Exports.--U.S. exports of sole, lining and welting leathers increased from 2.0 million square feet in 1967, when they accounted for about 1 percent of production, to 8.2 million square feet in 1971, when they accounted for 6 percent of production. The bulk of the exports consist of offal (trimmings) from lining and welting leathers. Hong Kong, Canada, Taiwan, Jamaica, and the United Kingdom have been the principal export markets.

Imports.--For the decade prior to the effective date of the TSUS in 1963, U.S. imports of sole leather declined from about 8 million square feet (1953) to 1 million square feet (1962) (table 1). After the TSUS became effective, however, data on U.S. imports of sole leather, as well as lining and welting leathers, have not been reported separately, but were included in a provision with many types of "other" bovine leather.

In order to ascertain the volume of imports during the period 1967-71, questionnaires were sent to all known importers of sole, lining, and welting leathers. The following table, compiled from data submitted in response to the questionnaires, shows U.S. imports of those leathers by the responding firms during the period.

Sole, lining, and wetting leathers: U.S. imports, 1967-71

* * * * *

Based on data from questionnaires, the ratio of imports of sole leather to consumption was less than * * * during the 1967-71 period; the ratio of total imports of the leathers under investigation to consumption increased from about 3 percent in 1967 to 5 percent in 1971. The bulk of the imports came from South America.

Producers.--In 1972, there were six sole leather tanneries in the United States (including the Elkland Leather Co.); a decade ago there were twelve such tanneries. In 1970-71, the Elkland Leather Co. accounted for about * * * of the sole leather produced in the United States; in 1967-69, about * * *.

In October 1972, the Elkland Leather Co. closed its plant. Most of the remaining sole leather tanneries, like the Elkland Leather Co., primarily process sole leather; their machinery and equipment cannot be economically converted so as to tan other types of leather. The remaining tanneries hope to gain the market for sole leather that was supplied by the Elkland Leather Co., assuming that the high prevailing hide prices subside. They believe that there will always be

some demand for high-priced shoes having leather soles. Several of them reported that the Elkland Leather Co. was a keen competitor in what was a difficult market.

Soles of rubber, plastics, or leather, and soling materials,
other than leather

The value of U.S. consumption of soles of rubber or plastics and soling sheets increased from \$105 million in 1967 to \$115 million in 1968; thereafter, it declined. In 1971, it amounted to \$91 million (table 7). The decline in consumption accompanied the decline in production of nonrubber footwear.

During 1967-71, the value of imports increased from \$3 million (3 percent of consumption) to \$7 million (7 percent). Nearly all of the imported articles consisted of soling materials, other than leather.

Footwear

Apparent consumption of nonrubber footwear increased from 731 million pairs in 1967 to 821 million pairs in 1968; thereafter, it declined. In 1971 consumption amounted to 801 million pairs (table 8). During the period imports increased from 133 million pairs in 1967 (18 percent of consumption) to 269 million pairs in 1971 (33 percent). Data indicating the proportion of imports having soles of leather are not available. Domestic production of nonrubber footwear increased from 600 million pairs in 1967 to 642 million pairs in 1968; thereafter, it declined. In 1971, production amounted to 534 million pairs.

The share of the U.S. output of shoes having soles of leather has been declining for several decades. In the early 1950's about 45 percent of the domestically-produced shoes had leather soles; in 1971, when output was about the same as in the early 1950's, 16 percent of the shoes produced had leather soles. The cost of leather soles used for producing shoes is currently about 2-1/3 times the cost of synthetic soles.

Cattlehides

The complainants state that domestic cattlehides have been exported at high prices, and thus the cost of hides to U.S. tanners has risen rapidly. The cost of the hide generally accounts for 30 to 50 percent of the price of the finished sole leather. The supply of hides depends solely upon the slaughter of animals.

The United States is a large net exporter of cattlehides, whereas it is generally a net importer of leather. The prices for both thus depend largely upon conditions in the foreign market. During the period 1967-71, the U.S. production of cattlehides ranged from 36 million to 37 million hides (table 9). U.S. exports of such hides increased about 30 percent during the period, or from 35 percent of domestic production in 1967 to 45 percent in 1971. In recent years, Japan, Mexico, and the U.S.S.R. have taken the bulk of U.S. exports of cattlehides, whereas the bulk of the U.S. imports of sole, lining, and welting leathers originated in South America.

During the period March-November 1966, the Department of Commerce imposed quotas on exports of cattlehides, as well as certain leathers and skins, for the purpose of alleviating an anticipated shortage of those articles in the domestic market. On July 15, 1972, the Department of Commerce again imposed controls on U.S. exports of cattlehides in order to cut down rising prices of shoes and other leather goods. At that time, U.S. cattlehide prices were at a then record high of nearly 30 cents per pound compared with prices that had averaged about 14 cents per pound in recent years (table 10). Effective August 29, 1972, the export controls were terminated as an amendment to the legislation that

extended the Export Administration Act (P.L. 92-412). Since then, domestic cattlehide prices have continued to increase; in October 1972, they averaged 40 cents per pound.

Prices

Prices for sole leather as quoted by the trade increased irregularly from 52 cents per square foot in 1968 to 67-68 cents per square foot in the first months of 1972 (table 10). Prices rose gradually to 91 cents in July and August 1972, then sharply to \$1.01 in September and \$1.15 in October. During the period, prices for lining leather rose more than those for welting leather, but the increase in prices for those leathers has not been nearly as great as the increase in prices for sole leather. The increase in prices for sole leather in 1972 accompanied the increase in prices for cattlehides. Prices for cattlehides increased irregularly from an annual average of 12 cents per pound in 1967 to 14 cents per pound in 1971. In the first months of 1972, however, cattlehide prices began to rise rapidly. By October, about the time the Elkland Leather Co. was closed, they had increased to 40 cents per pound.

Several U.S. producers of sole leather, including the complainant, asserted that import competition to domestic sole leather has been primarily from imported shoes; they agreed that competition from imported sole leather has been negligible. Data from the questionnaire showed that prices paid by users for sole leather from South America, the largest U.S. supplier, had averaged about * * * than for U.S.-produced sole leather in recent years.

The Elkland Leather Co., Inc., Elkland, Pennsylvania

The Elkland Leather Co. (liquidated in October 1972) was founded in the late 1800's. It was incorporated in the State of Massachusetts in 1920. The company has been family-owned since it was established. The company owns and operates another plant that employs about * * * people and tans specialty leathers.

The Elkland Leather Co. was primarily a regular tannery, as opposed to a contract tannery, i.e., one that tanned leather for others on a contract basis. The company purchased raw cattlehides which it tanned and finished into sole leather, lining leather, and welting leathers. It then marketed most of the finished leather, to producers of men's and women's shoes who cut it into soles, lining, and welting for the shoes they produced. The remainder of the leather was either sold to other firms who cut soles for shoe producers, or was cut into soles by Elkland and then sold to shoe producers.

Production, sales, and capacity

The following table shows annual production of sole, lining, and welting leathers and the value of sales (f.o.b. plant), as reported by the company for the period 1967-71.

* * * * *

Employment

* * * * *

In August 1972, the Elkland Leather Co. notified the union that it planned to close the plant and that it no longer planned to deal in sole leather. The employees were laid off in successive steps as they finished processing the hides owned by the company; i.e., the employees of the hide house (where the hides were received) were first laid off, followed by those who soaked the hides, and so forth. About the first of October, the finishers (the last group of employees to handle the tanned leather) were laid off and the plant was closed.

The average annual rate of unemployment in the area encompassing Elkland, Pennsylvania (Tioga County) increased from 4.2 percent in 1967 to 7.3 percent in 1970; in 1971, it averaged 6.3 percent. The rate of unemployment in 1972 (averaged bi-monthly) declined from 7.1 percent in February to 5.5 percent in August.

Reasons for the closing of the Elkland Leather Co. alleged by the petitioners

The workers submitting the petition stated, "The recognized reasons for causing this unemployment are numerous, basically foreign imports of shoes and excessive exports of domestic hides at high prices." The workers further submitted data showing that the ratio of imports of shoes to domestic production increased from about 4 percent in 1960 to 50 percent in 1971; production, meanwhile, declined from 600 million pairs to 534 million pairs. According to them, the imports of shoes have been responsible for the liquidation of 219 U.S. shoe factories in the past

four years. The workers assert that the sole leather industry could have maintained operations and continued to give them employment had imports of shoes not deprived the industry of market outlets. The workers allow that they, as well as the company, are the victims of shoe imports which have been stimulated in major part, by reductions in U.S. rates of duty. The company reported that a large proportion of the imported shoes are from Italy and Spain and the bulk of such shoes have leather soles.

In addition, the workers reported that the closing of the Elkland Leather Co. was partly due to its large size resulting in an unusual problem of overhead or fixed costs which were disproportionately greater than for smaller companies. They said that operation below a reasonable proportion of capacity and intermittent shutdowns due to lack of raw materials (often caused by high prices and delay in shipments) caused significant operating losses, and that these losses continued to a level which prevented further operation.

Not only did company officials agree with the complaints of the workers, but they further reported that the stockholders have continued to operate the Elkland tannery in the face of cumulative losses for the past 5 years. By June 1972, however, the burden of losses left them with no recourse except to terminate operations at the tannery. They have joined others in appealing to the Government for reasonable restraints against imports of shoes from low wage countries. The company officials stated, however, that the Government had not been responsive

to their appeals for implementing the concept of Orderly Marketing and the preservation of domestic labor intensive industries. The company also complained that hides had been exported at high prices, resulting in a corresponding increase in prices to the domestic tanner which he has been unable to offset with increased prices for finished leather.

STATISTICAL APPENDIX

Table 1.--Certain "other" bovine leather: U.S. rates of duty and imports for consumption, by types, 1931-72, 1/ January-June 1971, and January-June 1972

(Rates of duty in percent ad valorem)						
Period	Sole leather		Other rough, partly finished or curried leather, n.s.p.f. <u>2/</u>		Total quantity	
	Rate of duty	quantity	Rate of duty	quantity		
		<u>1,000</u> sq. ft.		<u>1,000</u> sq. ft.	<u>1,000</u> sq. ft.	
1931-----	12.5	3,438	15	516	3,954	
1932-----	12.5	2,606	15	397	3,003	
1933-----	12.5	4,832	15	1,850	6,682	
1934-----	12.5	5,257	15	1,585	6,842	
1935-----	12.5	6,682	15	3,040	9,721	
1936-----	12.5	6,039	15	4,305	10,344	
1937-----	12.5	4,295	15	8,281	12,576	
1938-----	12.5	3,837	15	4,334	8,171	
1939-----	10	4,293	10	1,254	5,547	
1940-----	10	2,636	10	1,343	3,979	
1941-----	10	19,668	10	4,508	24,176	
1946-----	10	38,141	10	3,049	41,190	
1947-----	10	15,905	10	519	16,424	
1948-----	10	11,061	10	958	12,019	
1949-----	10	6,558	10	777	7,335	
1950-----	10	21,349	10	1,801	23,150	
1951-----	10	19,767	10	3,106	22,873	
1952-----	10	7,330	10	2,154	9,484	
1953-----	10	8,527	10	3,275	11,802	
1954-----	10	5,353	10	2,192	7,545	
1955-----	10	2,774	10	1,030	3,804	
1956-----	10	3,969	10	3,726	7,695	
1957-----	10	3,820	10	6,340	10,160	
1958-----	10	3,494	10	8,561	12,055	
1959-----	10	3,105	10	10,254	13,359	
1960-----	10	1,783	10	7,878	9,661	
1961-----	10	1,527	10	6,072	7,599	
1962-----	10	1,097	10	11,885	12,982	
1963 <u>3/</u> -----	10	1,407	10	17,306	18,713	
1964-----	10	<u>4/</u>	10	<u>4/</u>	20,684	
1965-----	10	<u>4/</u>	10	<u>4/</u>	36,474	
1966-----	10	<u>4/</u>	10	<u>4/</u>	49,827	
1967-----	10	<u>4/</u>	10	<u>4/</u>	35,134	
1968-----	9	<u>4/</u>	9	<u>4/</u>	43,749	
1969-----	8	<u>4/</u>	8	<u>4/</u>	54,551	
1970-----	7	<u>4/</u>	7	<u>4/</u>	68,570	
1971-----	6	<u>4/</u>	6	<u>4/</u>	55,433	
1972-----	5	<u>4/</u>	5	<u>4/</u>	<u>5/</u>	
Jan.-June--						
1971-----	6	<u>4/</u>	6	<u>4/</u>	30,833	
1972-----	5	<u>4/</u>	5	<u>4/</u>	38,708	

See footnotes on p. A-22.

Footnotes for table 1

1/ Data for the war years 1942-45 have been omitted.

2/ Includes lining and welting leathers and small quantities of leather for balls dutiable at rates ranging from 20 percent ad valorem to 10 percent ad valorem during 1931-63.

3/ Data for statistical classes and the rates of duty were combined effective August 31, 1963.

4/ Data not separately reported, but included in total shown. Data on imports of sole leather and lining and welting leathers for 1967-71, as reported on the questionnaire, are shown on page A-8.

5/ Not yet available.

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

Note.--Pursuant to Presidential Proclamation No. 4074, effective August 16 through December 19, 1971, the rates of duty or imports of certain "other" bovine leather were increased by the temporary imposition of an additional duty of 10 percent ad valorem provided the combined rates of duty did not exceed the statutory rates. Inasmuch as the rate of duty for certain "other" bovine leather in 1971 (6 percent ad valorem) plus the additional duty (10 percent ad valorem) exceeded the statutory rate, the statutory rate (12.5 percent ad valorem) was effective.

Table 2.--Soles of rubber, plastics, or leather and soling materials, other than leather: U.S. rates of duty applicable to specified TSUS items, June 18, 1930-January 1, 1972

TSUS item	Abbreviated description	1930 rate	Concession rates	Effective date
	Soling sheets:	Various		
770.80	Crepe	(estimated average 50% ad val.)	25% ad val. 24% ad val. 21.5% ad val. 19% ad val. 17% ad val. 14.5% ad val. 12.5% ad val.	Aug. 31, 1963 Oct. 1, 1966 Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972
771.42	Rubber or plastics:	25% ad val.	12.5% ad val.	Aug. 31, 1963 <u>1/</u>
			11% ad val. 10% ad val. 8.5% ad val. 7% ad val. 6% ad val.	Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972
	Soles:			
772.30	Rubber or plastics:	25% ad val.	12.5% ad val.	Aug. 31, 1963 <u>1/</u>
			12.5% ad val.	Jan. 1, 1972
791.25	Leather	Various	10% ad val. (estimated average 15% ad val.) 9% ad val. 8% ad val. 7% ad val. 6% ad val. 5% ad val.	Aug. 31, 1963 Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972

1/ The rate established in the TSUS reflects a concession which became effective on September 10, 1955.

Table 3.--Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963-Dec. 31, 1967, and the final stage of Kennedy Round concessions

TSUS item No.	Reference No. (key to table 4)	Description	Rate of duty 1/		Statutory rate
			Column 1 rate	Final stage of Kennedy Round effective	
			Aug. 31, 1963-Dec. 31, 1967	Jan. 1, 1972, except as noted	
700.05	1	Footwear of leather (except footwear with uppers of fibers):			
700.10	2	Huaraches-----	20% ad val.	2/	20% ad val.
700.15	3	McKey-sewed-----	20% ad val.	10% ad val.	30% ad val.
700.20	4	Moccasins-----	10% ad val.	2/	20% ad val.
		Turn or turned-----	5% ad val.	2.5% ad val.	10% ad val.
700.25	5	Welt, valued per pair--		2/	20% ad val.
700.26 3/	6	Not over \$2-----	17% ad val.	17¢ per pair	20% ad val.
700.27 3/	7	Over \$2 but not over \$5-----	34¢ per pair	5% ad val. 4/	20% ad val.
		Over \$5 but not over \$6.80-----	34¢ per pair		
700.28 3/	8	Over \$6.80:			
700.29 3/	8	Ski boots-----	5% ad val.	Free	20% ad val.
700.30	9	Other-----	5% ad val.	2/	20% ad val.
700.32	10	With molded soles laced to uppers-----	10% ad val.	5% ad val.	20% ad val.
		Slippers-----	10% ad val.	5% ad val.	20% ad val.
		Other:			
700.35	11	For men, youths, and boys-----	10% ad val.	8.5% ad val. 4/	20% ad val.
700.41 5/	12	For other persons:			
		Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe.	20% ad val.	10% ad val.	20% ad val.
		Other, valued per pair--			
700.43 5/	12	Not over \$2.50-----	20% ad val.	15% ad val.	20% ad val.
700.45 2/	12	Over \$2.50-----	20% ad val.	10% ad val.	20% ad val.
700.55	6/	Footwear (whether or not described elsewhere in this subpart) which, by weight, is over 50 percent of rubber or plastics or over 50 percent of fibers and rubber or plastics with at least 10 percent being rubber or plastics: Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except (1) the protective-type footwear provided for in items 700.51, 700.52, and 700.53 1/ and (2) footwear having foxing or foxing-like band applied or molded at the sole: and overlapping the upper).	12.5% ad val.	6% ad val.	35% ad val.

1 See footnotes at end of table.

Table 3.--Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963-Dec. 31, 1967, and the final stage of Kennedy Round concessions--Continued

TSUS item No.	Reference No. (key to table 4)	Description	Rate of duty $\frac{1}{2}$		Statutory rate
			Column 1 rate	Final stage of Kennedy Round effective	
700.66	8/	Footwear with uppers of fibers:			
		With soles of leather, valued per pair--			
	13	Not over \$2.50-----	20% ad val.	15% ad val.	35% ad val.
700.68	8/	Over \$2.50-----	20% ad val.	10% ad val.	35% ad val.
		With soles of other material--			
700.70	14	With uppers of vegetable fibers-----	15% ad val.	7.5% ad val.	35% ad val.
700.75	15	With soles and uppers of wool felt-----	14% ad val.	7% ad val.	35% ad val.
700.80	16	Other-----	25% ad val.	12.5% ad val.	35% ad val.
		Other footwear:			
700.83	17	Of wood-----	16-2/3% ad val.	8% ad val.	33-1/3% ad val.
700.85	9/	Other-----	25% ad val.	12.5% ad val.	35% ad val.

1/ The column 1 rates are applicable to the products of all countries except the countries designated as Communist in General Headnote 3(e) of the TSUS. Products of Communist countries are dutiable at the column 2 rates; footwear from Communist countries has accounted for about 2 percent of total U.S. imports of nonrubber footwear in recent years. Pursuant to sec. 203(l) of the Tariff Classification Act of 1962 (Public Law 87-456), the column 2 rates are treated as the rates "existing on July 1, 1934" for the purposes of the Trade Expansion Act. Philippine products are subject to the column 1 rates or to fractional parts thereof, as provided in General Headnote 3(c) (in 1970, such rates were equivalent to 80 percent of the column 1 rates); U.S. imports of Philippine footwear have been negligible in recent years.

2/ Not negotiated; therefore the rate was the same in 1972 and in 1967.

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

4/ Effective Jan. 1, 1971.

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

6/ The various pre-TSUS rates for nonrubber footwear of the types now classifiable under item 700.55 are not shown separately in table 4. Such footwear (exclusive of rubber zorris, which are excluded from the import figures of this report) is believed to have been dutiable, prior to Aug. 31, 1963, by virtue of the similitude provisions of par. 1559 of the pre-TSUS tariff schedules, principally at the rates provided for leather footwear in par. 1530(e).

7/ Items 700.51, 700.52, and 700.53 provide for hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all of the foregoing having soles and uppers or which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching).

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

9/ The various pre-TSUS rates for the miscellaneous footwear covered by item 700.85 are not shown in table 4.

Note: Pursuant to Presidential Proclamation No. 4074, effective August 16 through December 19, 1971, the column 1 rates of duty on most imported products were increased by the imposition of an additional duty of 10 percent ad valorem or less. On imports of five of the TSUS items shown in this table--700.05, 20, 41, 43, and 45--the temporary rates were the same as the column 2 rates shown; on imports under the remaining items, the temporary rates were 10 percentage points higher than the 1971 rates.

Table 4.--Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, June 18, 1930-Aug. 30, 1963

Tariff paragraph and description	Rate of duty		Refer- ence No. (see table 3	
	Jan. 1, 1934 <u>1/</u>	Changes through Aug. 30, 1963		
		Rate		Comment
Par. 1530(e):				
Footwear of leather (except footwear with uppers of fibers):				
Huaraches-----	20% ad val.	10% ad val.	Concession to Mexico, eff. Jan. 30, 1943-Dec. 31, 1950. 20% ad val. Statutory rate restored, eff. Jan. 1, 1951.)	1
McKay-sewed (except if at- tached to ice skates): <u>2/</u>				
Boots and shoes:				
For men, youths, or boys--	30% ad val. <u>3/</u>	20% ad val. <u>4/</u>	GATT concession, eff. Apr. 21, 1948:)	
For other persons-----	30% ad val. <u>3/</u>	20% ad val. <u>4/</u>	GATT concession, eff. Apr. 21, 1948:)	
		19% ad val.)	GATT concession, eff. in 3 annual)	2
		18% ad val.)	stages, the first on June 30, 1956:)	
		17% ad val.)		
Other footwear-----	20% ad val.		No change)	
Moccasins:				
For men, youths, or boys----	20% ad val.	10% ad val.	Concession to Mexico, eff. Jan. 30, 1943-Dec. 31, 1950; GATT concession, eff. Jan. 1, 1948.)	3
For other persons-----	20% ad val.	10% ad val.	GATT concession, eff. Jan. 1, 1948)	
Turn or turned:				
Boots and shoes:				
For women and misses-----	10% ad val. <u>5/</u>	5% ad val.	GATT concession, eff. May 30, 1950)	
For other persons-----	10% ad val. <u>5/</u>		No change)	
Other footwear:				
For women, misses, in- fants, or children.	20% ad val.	19% ad val.)	GATT concession, eff. in 3 annual)	
		18% ad val.)	stages, the first on June 30, 1956:)	
		17% ad val.)		
		15.5% ad val.)	GATT concession, eff. in 2 annual)	4
		14% ad val.)	stages, the first on July 1, 1962)	
For other persons-----	20% ad val.	19% ad val.)	GATT concession, eff. in 3 annual)	
		18% ad val.)	stages, the first on June 30, 1956:)	
		17% ad val.)		
Welt, valued per pair--				
Not over \$2-----	20% ad val.	19% ad val.)	GATT concession, eff. in 3 annual)	5
		18% ad val.)	stages, the first on June 30, 1956:)	
		17% ad val.)		
Over \$2 but not over \$5----	20% ad val.	50¢ per pair,)	Concession to the United Kingdom,)	
		but not more)	eff. Jan. 1, 1939.)	
		than 20% ad)		
		val.)		6
		40¢ per pair)	GATT concession, eff. Jan. 1, 1948)	
		38¢ per pair)	GATT concession, eff. in 3 annual)	
		36¢ per pair)	stages, the first on June 30, 1956:)	
		34¢ per pair)		
Over \$5 but not over \$6.80--	20% ad val.	10% ad val.)	Concession to the United Kingdom,)	
			eff. Jan. 1, 1939.)	
		40¢ per pair)	GATT concession, eff. Jan. 1, 1948)	7
		38¢ per pair)	GATT concession, eff. in 3 annual)	
		36¢ per pair)	stages, the first on June 30, 1956:)	
		34¢ per pair)		

See footnotes at end of table.

Table 4.--Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, June 18, 1930-Aug. 30, 1963--Continued

Tariff paragraph and description	Rate of duty		Reference No. (see table 3)
	Jan. 1, 1934 ^{1/}	Changes through Aug. 30, 1963	
		Rate	
Par. 1530(e)--Continued			
Footwear of leather--Continued			
Welt, valued per pair-- Continued			
Over \$6.80-----	20% ad val.	10% ad val. : Concession to the United Kingdom,) : eff. Jan. 1, 1939.) 40¢ per pair : GATT concession, eff. Jan. 1, 1948) : but not less :) : than 5% ad :) : val. :) 38¢ per pair,) : but not less :) : than 5% ad :) : val. :) :)GATT concession, eff. in 3 annual :) 36¢ per pair,) stages, the first on June 30, 1956:) : but not less :) : than 5% ad :) : val. :) 5% ad val. :)	8
With molded soles laced to uppers:			
For men, youths, or boys----	20% ad val.	10% ad val. ^{4/} : Concession to Mexico, eff.) : Jan. 30, 1943-Dec. 31, 1950;) : GATT concession, eff. Jan. 1, 1948:)	9
For other persons-----	20% ad val.	10% ad val. ^{4/} : GATT concession, eff. Apr. 21, 1948:)	
Slippers (for housewear)-----	20% ad val.	10% ad val. : Concession to Mexico, eff.) : Jan. 30, 1943-Dec. 31, 1950;) : GATT concession, eff. Jan. 1, 1948:)	10
Other:			
For men, youths, or boys----	20% ad val.	10% ad val. : Concession to Mexico, eff.) : Jan. 30, 1943-Dec. 31, 1950.) 20% ad val. : Statutory rate restored Jan. 1-) : June 5, 1951.)	11
For other persons-----	20% ad val.	10% ad val. : GATT concession, eff. June 6, 1951 :)	
Footwear with uppers of fibers:			
With soles of leather-----	35% ad val.	25% ad val. : Concession to Czechoslovakia, eff.) : Apr. 16, 1938-Apr. 22, 1939.) 20% ad val. : GATT concession, eff. Apr. 21, 1948:)	13
With soles of other material (except india rubber or substitutes for rubber ^{6/}):			
Footwear known as alpar- gatas, the uppers of which are of cotton.	35% ad val.	17.5% ad val. : Concession to Argentina, eff.) : Nov. 15, 1941; GATT concession,) : eff. Jan. 1, 1950.) 16.5% ad val. :)GATT concession, eff. in 3 annual :) 15.5% ad val. :) stages, the first on June 30, 1956:) 15% ad val. :)	14
With uppers of vegetable fibers other than cotton.	35% ad val.	17.5% ad val. ^{7/} : GATT concession, eff. Jan. 1, 1950 :) 16.5% ad val. :)GATT concession, eff. in 3 annual :) 15.5% ad val. :) stages, the first on June 30, 1956:) 15% ad val. :)	
With soles and uppers of wool felt.	35% ad val.	17.5% ad val. : GATT concession, eff. June 6, 1951 :) 15.5% ad val. :)GATT concession, eff. in 2 annual :) 14% ad val. :) stages, the first on July 1, 1962 :)	15
Other-----	35% ad val.	25% ad val. : GATT concession, eff. Sept. 10, 1955:)	16
Par. 412:			
Footwear of wood-----	33-1/3% ad val.	25% ad val. : GATT concession, eff. Apr. 21, 1948:) 16-2/3% ad : GATT concession, eff. May 30, 1950 :) val. :)	17

^{1/} Except as noted, the rate on Jan. 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

^{2/} Footwear with permanently attached skates or snowshoes is not covered by part 1(A) of schedule 7 of the TSUS (see headnote 1(1) to that subpart).

^{3/} Effective Jan. 1, 1932, the statutory rate of 20% ad valorem was increased to 30% ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

^{4/} Same rate in effect Apr. 16, 1938-Apr. 22, 1939, pursuant to a trade-agreement concession granted to Czechoslovakia.

^{5/} Effective Jan. 1, 1932, the statutory rate of 20% ad valorem was reduced to 10% ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

^{6/} Footwear with uppers of fibers and soles of india rubber or substitutes for rubber is currently included in item 700.60 and therefore is not covered by this investigation.

^{7/} If known as alpargatas, 17.5% ad valorem, effective Nov. 15, 1941, pursuant to a concession granted to Argentina.

Table 5.--Nonrubber footwear: Total U.S. imports, all nonrubber footwear and leather footwear, and U.S. tariff rates and imports by specified TSUS items and by specified types, 1967-72

Period	Total, all nonrubber footwear	Total, leather footwear	Certain footwear of leather					
			For men, youths, and boys (700.35)		For other people (700.43 and 700.45) 1/			
			Tariff rate	Quantity	Tariff rate	Quantity		
			Percent ad val.	Million pairs	Percent ad val.	Million pairs		
1967	133	62	10	14	20	41	38	
1968	181	86	9.5	20	2/ 19	2/ 27	2/ 34	
1969	202	97	9	25	3/ 18	3/ 28	3/ 27	
1970	242	120	9	30	2/ 17	2/ 44	2/ 37	
1971	269	130	8.5	35	3/ 14	3/ 36	3/ 35	
1972	-	-	8.5	-	2/ 16	2/ 40	2/ 33	
					3/ 12	3/ 48	3/ 44	
					2/ 15	-	-	
					3/ 10	-	-	
Certain footwear with uppers of rubber or plastics (700.55)								
	Tariff rate	Total	Quantity					
			Percent ad val.	Million pairs	With supported vinyl uppers			Million pairs
					Total	For men, youths, and boys	For women and misses	
					Million pairs	Million pairs	Million pairs	
1967	12.5	67	62	7	50			
1968	11	90	83	8	69			
1969	10	97	89	10	71			
1970	8.5	109	101	16	77			
1971	7	126	116	20	87			
1972	6	-	-	-	-			

1/ Before Jan. 1, 1968, in TSUS item 700.40.

2/ TSUS item 700.43.

3/ TSUS item 700.45.

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

Table 6.--Sole, lining, and wetting leathers: U.S. production, imports for consumption, exports of domestic merchandise, yearend stocks, and apparent consumption, 1967-71 and Jan.-June 1971 and 1972

Year	Sole leather		Lining and wetting leather		Total	Imports		Exports		Yearend stocks		Apparent consumption		Ratio of imports to consumption
	1000	Sq. ft.	1000	Sq. ft.		1000	Sq. ft.	1000	Sq. ft.	1000	Sq. ft.	1000	Sq. ft.	
1967	172,020	50,080	222,100	5,903	1,960	42,283	220,848						2.6	
1968	164,620	46,760	211,380	5,917	4,080	50,176	205,324						2.8	
1969	135,060	38,760	173,820	6,252	7,280	41,919	181,049						3.5	
1970	106,980	31,840	138,820	6,867	5,480	28,134	153,992						4.5	
1971	112,880	34,560	147,440	7,582	8,200	18,358	156,598						4.8	
Jan.-June														
1971	57,920	17,800	75,720	1/	4,320	2/2,240								
1972	60,600	17,640	78,240	1/	2,240	2/1,800								

1/ Not available.

2/ Stocks at end of June.

Source: Production and yearend stocks compiled from statistics of the Tanners' Council of America, Inc.; imports compiled from data submitted in response to questionnaires sent to all known importers in recent years; exports compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Soles of rubber or plastics and soling sheets, other than leather: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1967-71

Year	Production	Exports <u>1/</u>	Imports <u>2/</u>	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Percent</u>
1967----	104,200	2,312	3,283	105,171	3
1968----	113,000	2,283	4,254	114,971	4
1969----	110,300	1,796	4,415	112,919	4
1970----	90,200	1,453	5,578	94,325	6
1971----	86,000	1,335	6,813	91,478	7

1/ Includes heels and soles of rubber or plastics. Exports of top-lift sheets were valued at \$1.2 million in 1970, the first year they were separately reported, and \$4.5 million in 1971.

2/ Includes leather soles, imports of which have been negligible.

Source: Production (U.S. shipments) estimated by the Tariff Commission staff on the basis of data available from the U.S. Department of Commerce and the Rubber Manufacturers Association; exports compiled from official statistics of the U.S. Department of Commerce. Imports for 1967-70 compiled from data submitted to the Tariff Commission in response to questionnaires sent to all known importers of soling sheets and soles of rubber, plastics, or leather. Imports for 1971 compiled from official statistics of U.S. Department of Commerce and represent mostly imports of soling sheets over 0.009 inch in thickness.

Table 8.--Nonrubber footwear: 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 pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
1967-----	600	133	2	731	18
1968-----	642	181	2	821	22
1969-----	577	202	2	777	26
1970-----	562	242	2	802	30
1971-----	534	269	2	801	33

Source: Compiled from official statistics of the U.S. Department of Commerce and partly estimated by the staff of the U.S. Tariff Commission.

Note.--Data in this table do not include production in Puerto Rico. Such production increased from 8 million pairs in 1966 to 14 million pairs in 1970.

Table 9.--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	15,322	1,425	22,142	41
1970---	36,800	424	15,489	1,495	21,370	42
1971---	36,280	258	16,479	1,256	20,280	45
Jan.-						
June:						
1971-	17,504	157	8,135	<u>3/</u>	<u>3/</u>	46
1972-	17,719	187	8,224	<u>3/</u>	<u>3/</u>	46

1/ Estimated total slaughter of mature cattle.

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

3/ Not available.

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

Table 10.--Sole, lining, and welting leather and cattlehides: U.S. producers' prices, annual 1967-71, and by months, January 1971-October 1972

Period	Sole leather	Lining leather	Welting leather	Cattle hides
	Per sq. ft.	Per sq. ft.	Per sq. ft.	Per pound
Annual:				
1967-----	\$0.54	\$0.28	\$0.11	\$0.12
1968-----	.52	.27	.11	.11
1969-----	.58	.32	.12	.14
1970-----	.51	.35	.13	.13
1971-----	.61	.35	.15	.14
By months:				
1971:				
January-----	.59	.35	.14	.10
February-----	.60	.35	.14	.11
March-----	.61	.35	.14	.12
April-----	.64	.35	.14	.16
May-----	.61	.35	.15	.17
June-----	.60	.35	.15	.14
July-----	.61	.35	.15	.15
August-----	.59	.35	.15	.15
September-----	.59	.35	.15	.15
October-----	.61	.35	.15	.15
November-----	.61	.35	.15	.17
December-----	.65	.36	.16	.16
1972:				
January-----	.67	.36	.16	.18
February-----	.68	.37	.16	.19
March-----	.74	.37	.16	.23
April-----	.82	.37	.16	.28
May-----	.87	.38	.16	.27
June-----	.85	.40	.16	.30
July-----	.91	.40	.16	.29
August-----	.91	.42	.17	.32
September-----	1.01	.45	.17	.33
October-----	1.15	.50	.18	.40

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

