

UNITED STATES TARIFF COMMISSION

LEATHER WORK SHOES FROM CZECHOSLOVAKIA

Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-48
Under the Antidumping Act,
1921, as Amended



TC Publication 185
Washington, D.C.
August 1966

UNITED STATES TARIFF COMMISSION

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Washington

[AA1921-48]

August 11, 1966

LEATHER WORK SHOES FROM CZECHOSLOVAKIA

Determination of No Injury or Likelihood Thereof

On May 11, 1966, the Tariff Commission received advice from the Treasury Department that work shoes, leather, men's and boys', from Czechoslovakia are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. Accordingly, on May 12, 1966, the Commission instituted Investigation No. AA1921-48 under section 201(a) of that Act to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Public notices of the institution of the investigation and of a public hearing to be held in connection therewith were published in the Federal Register (31 F.R. 7266 and 31 F.R. 7421). The hearing was held on June 21 and 22, 1966.

In arriving at a determination in this case, due consideration was given by the Commission to all written submissions from interested parties, all testimony adduced at the hearing, and all information obtained by the Commission's staff.

On the basis of the investigation, the Commission has unanimously determined that an industry in the United States is not being and is

not likely to be injured, or prevented from being established, by reason of the importation of work shoes, leather, men's and boys', from Czechoslovakia, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons

As the Commission has pointed out in previous determinations, sales at less than fair value are not made unlawful by the Antidumping Act. They are subject to additional duty if they are found to be injurious 1/ by the Tariff Commission. The Commission's responsibility is to determine whether or not sales which have been found by the Treasury Department to have been or likely to be made at less than fair value are injurious.

Leather work shoes, which are generally made with heavy leather uppers, durable stitching, and special soles, are a distinct product within the footwear industry. Plants that produce work shoes, as distinguished from those that produce dress shoes, require special stitching machines, needles, thread, and other special machinery and supplies. Machines for producing work shoes are for the most part not interchangeable with those for producing dress shoes. The market for these

1/ The word "injurious" is here used in the sense of the Antidumping Act, which requires the Commission, after it is advised by the Secretary of the Treasury that he has determined "that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value," to determine "whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States."

shoes is clearly distinguishable from that for other types of footwear. Consequently, there is a definable work-shoe industry.

Imports of like or directly competitive work shoes began entering the United States in significant quantities in 1963. Of these, LTFV imports from 1963 to date have represented a small proportion of the domestic consumption of work shoes. In each of the years 1963-65, the ratio of LTFV imports to U.S. consumption, even when the scope of the industry is considered in a narrow sense urged by the complainant, was found to be less than 4 percent.

This relatively low level of LTFV imports is not, of course, conclusive evidence of lack of material injury to the domestic industry. In this case, however, both domestic and imported work shoes are sold nationally. U.S. production and sales have increased markedly during the relevant period to the point where domestic suppliers have been hard put to fulfill demand; and prices for domestic shoes comparable to the LTFV imports have increased. The importer has not sold shoes to the important retail and discount chains because of interchannel competitive conditions and some reluctance on the part of mass distributors to carry work shoes made in a Communist country.

In sum, since 1963 there have been marked increases in the demand for work shoes, in prices of both the LTFV imports and domestic work shoes, in aggregate domestic production and sales of such shoes, and in U.S. consumption of work shoes. The Commission concludes, therefore,

that an industry in the United States is not being materially injured as a result of the LTFV imports.

The Commission, is fully aware of the possibility that imports may increase in the future or that conditions may otherwise change so as to alter the competitive situations. However, the Commission's investigation has disclosed no basis for concluding that a significant change in the current competitive situation is imminent. Consequently, the Commission finds no likelihood of injury to a domestic industry by reason of LTFV imports of work shoes from Czechoslovakia.

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The Commission's determination and the above statement of reasons in support thereof are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:

DONN N. BENT
Secretary

