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UNITED STATES TARIFF COMMISSION

PROTECTIVE FOOTWEAR OF RUBBER OR PLASTICS AND
RUBBER- OR PLASTIC-SOLED FOOTWEAR WITH FABRIC UPPERS:
CERTAIN WORKERS AT THE MISHAWAKA, IND., PLANT OF
UNIROYAL, INC., THE WATERTOWN, MASS., PLANT OF THE
B. F. GOODRICH FOOTWEAR CO., AND THE ROCK ISLAND, ILL., PLANT
OF THE SERVUS RUBBER CO.

Report to the President
Worker Investigation Nos. TEA-W-23, TEA-W-24,
TEA-W-25, and TEA-W-26



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UNITED STATES TARIFF COMMISSION

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
July 24, 1970

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation, made under section 301(c)(2) of that act, relating to protective footwear of rubber or plastics and to rubber- or plastic-soled footwear with fabric uppers.

On May 25, 1970, the International United Rubber, Cork, Linoleum, and Plastic Workers of America (AFL-CIO, CLC), filed a petition for determination of eligibility to apply for adjustment assistance on behalf of the production and maintenance workers of the Mishawaka Plant, Mishawaka, Ind., of the Footwear Division, Uniroyal, Inc., who are members of Local Union No. 65, United Rubber Workers (URW). On the same date, a similar petition was filed on behalf of the representatives of "all executives, general foremen, superintendents, foremen, non-working supervisors, quality inspectors, office clericals, key punch operators and all other salaried personnel formerly employed" at the same plant.

Also on May 25, 1970, the Rubber Workers Union, 1/ Federal Local Union No. 21914 (AFL-CIO), Watertown, Mass., filed a petition for determination of eligibility to apply for adjustment assistance on behalf of the production and maintenance workers of the B. F. Goodrich

1/ This union is not affiliated with the URW.

Footwear Co. of Watertown, Mass. On June 1, 1970, the URW filed a similar petition on behalf of the production and maintenance workers of Local Union No. 215, URW, employed at Servus Rubber Co., Footwear Division, Rock Island, Ill.

On June 5, 1970, the Commission combined, pursuant to section 403(a) of the TEA, its proceedings with respect to the four petitions described above, and instituted a consolidated investigation to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the protective footwear of rubber or plastics or with the rubber- (or plastic-) soled footwear with fabric uppers produced at the aforementioned plants are being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of each of the said plants. The public notice of the receipt of the petitions and the institution of the investigation was given by the publication in the Federal Register of June 10, 1970, (35 F.R. 8977). No hearing was requested and none was held.

The information in this report was obtained principally from the petitioners, the officials of the firms, U.S. Department of Labor, and from Commission files.

Findings of the Commission

On the basis of its investigation, the Commission finds unanimously that articles like or directly competitive with the protective footwear of rubber or plastics produced by the Mishawaka, Ind., plant of Uniroyal, Inc., the Watertown, Mass., plant of the B. F. Goodrich Footwear Co., and the Rock Island, Ill., plant of the Servus Rubber 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 unemployment or underemployment of a significant number or proportion of the workers of such plants.

With respect to whether articles like or directly competitive with the plastic- or rubber-soled footwear with fabric uppers produced at these three plants are, 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 unemployment or underemployment of a significant number or proportion of the workers of such plants, the Commission, being equally divided, 1/ makes no finding.

1/ Commissioners Sutton and Leonard voted in the negative, and Commissioners Clubb and Moore voted in the affirmative.

Views of Commissioners Sutton and Leonard

Our determination is in the negative because the criteria established by section 301(c)(2) of the Trade Expansion Act of 1962 have not been met. Before an affirmative determination could be made with respect to any one of the three plants considered in this investigation, it would have to be established that for the particular plant each of the following conditions had been satisfied:

- (1) Footwear like or directly competitive with the protective and/or fabric-upper (canvas) footwear produced at the plant is being imported in increased quantities;
- (2) the increased imports are in major part the result of concessions granted under trade agreements;
- (3) a significant number or proportion of the workers at the plant are unemployed or underemployed, or are threatened with unemployment or underemployment; and
- (4) the increased imports (resulting in major part from trade-agreement concessions) have been the major factor causing or threatening to cause the unemployment or underemployment.

If any one of these conditions is not met, an affirmative determination is not possible.

At each of the three plants, we find that condition (3) has been met. The footwear operations at both the Mishawaka plant of Uniroyal, Inc., and the Watertown plant of B. F. Goodrich Footwear Co. have ceased; most of the production and salaried workers engaged in these operations were laid off. Without question, a significant number or proportion of them are unemployed. At the Rock Island plant of Servus

Rubber Co., the production of canvas footwear has also ceased. Although the production of protective footwear is continuing, a significant number or proportion of the persons formerly engaged in the production of canvas footwear are unemployed.

With respect to the protective footwear formerly produced at Uniroyal's Mishawaka plant and at Goodrich's Watertown plant, our determination is in the negative because we find that condition (1) has not been met. Imports, which amounted to about 15 million pairs in 1961 and 1962, averaged about 13 million pairs in 1963-65, and ranged from 11 million to 13 million pairs in 1967-69. In view of this lack of increasing imports, there is no need for us to consider conditions (2) and (4).

With respect to canvas footwear, we both arrive at a negative determination for all three plants, but for different reasons. One of us (Commissioner Sutton) finds a lack of increasing imports of "like or directly competitive" articles, whereas the other (Commissioner Leonard) finds that "like or directly competitive" articles are being imported in increased quantities, but that such increased imports are not in major part the result of concessions granted under trade agreements. These two routes to a negative determination result from our difference concerning the identity of "like or directly competitive" articles.

Following the same views expressed in his dissenting opinion in the case involving Uniroyal's Woonsocket plant, 1/ Commissioner Sutton

1/ U.S. Tariff Commission, Plastic- or Rubber-soled Footwear with Fabric Uppers: Production and Maintenance Workers and Salaried Employees of the Woonsocket Plant of Uniroyal, Inc., TC Publication 321, April 1970, "Dissenting Opinion of Chairman Sutton and Commissioner Newsom," p. 12 ff.

identifies the articles "like or directly competitive" with the hand-made canvas footwear formerly produced at the three plants considered in this investigation as the sneaker-type footwear admitted under TSUS item 700.60, most of which has been dutiable on the basis of the American selling price rather than on the "normal" basis of valuation. Annual imports of such footwear, which reached a peak of about 47 million pairs in 1962, ranged between 22 million and 30 million pairs in 1964-69 (see the column labeled "canvas footwear" in table 2 of the appendix to this report).

Commissioner Leonard, who was absent when the determination relating to Uniroyal's Woonsocket plant was made, finds that the imported footwear "directly competitive" with the canvas footwear formerly produced at the three plants considered here includes not only the sneaker-type footwear admitted under item 700.60 but also other types of inexpensive imported footwear such as leather sandals (admitted under items 700.35, 700.43 and 700.45) and casual styles with supported-vinyl uppers (admitted under item 700.55). Leather sandals and footwear with supported-vinyl uppers are worn, particularly by young people and low-income persons, in lieu of sneakers. Without question, imports of leather sandals and vinyl-upper footwear have been rising in recent years (see appendix table 2). Thus, Commissioner Leonard finds that condition (1) is satisfied if such imports are combined with those of sneaker types.

Moving on to condition (2), however, Commissioner Leonard does not find that the increased imports of "like or directly competitive"

articles are in major part the result of trade-agreement concessions. On footwear of the types now admitted under items 700.35, 700.43, 700.45, and 700.55, no trade-agreement concessions became effective during the 1960's until January 1, 1968, the effective date of the first-stage of the Kennedy Round concessions. Imports admitted under those items had increased materially before 1968. Moreover, the reductions in 1968 and 1969 were not of a magnitude that would have sharply stimulated imports. In fact, imports of leather sandals were at approximately the same level in 1969 as in 1968 and the increase from 1968 to 1969 in imports of vinyl-upper footwear was much smaller than the other recent year-to-year increases.

Views of Commissioners Clubb and Moore

In the case at hand, the petitioners were employed at three domestic footwear plants: (1) the Mishawaka, Ind., plant of Uniroyal; (2) the Watertown, Mass., plant of Goodrich; and (3) the Rock Island, Ill., plant of Servus Rubber Co. In recent years, each of these plants has produced both rubber protective footwear (rubbers, overshoes, boots, and the like) and canvas footwear (footwear with fabric uppers and soles of vulcanized rubber, generally referred to as "sneakers.") The employment afforded workers by the manufacture of each type of footwear was a significant factor at each plant. Before recent severe declines in employment at the plants, footwear workers at the Uniroyal plant were divided about 60/40 between the manufacture of protective footwear and canvas footwear; those at the Goodrich plant were divided about 20/80, and those at the Servus plant, about 40/60. 1/

Protective footwear

We concur with our colleagues in reaching a negative determination with respect to imports of articles like or directly competitive with protective footwear. One factor is decisive, namely, U.S.

1/ Two of the plants--the Uniroyal and Goodrich establishments--have produced products other than footwear in recent years. The employment afforded by the manufacture of nonfootwear products has been substantial at the Uniroyal plant (nonfootwear employment being greater than footwear employment), but minor at the Goodrich plant. The petitioning workers did not complain about imports of any of the nonfootwear products involved.