

IMPORTATION OF LATHES USED FOR SHOE-LAST ROUGHING AND SHOE-LAST FINISHING

JULY 25 (legislative day, JULY 16), 1956.—Ordered to be printed

Mr. BYRD, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H. R. 10177]

The Committee on Finance, to whom was referred the bill (H. R. 10177) to amend the Tariff Act of 1930 to provide that certain lathes used for shoe-last roughing or for shoe-last finishing may be imported into the United States free of duty, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The Finance Committee amended the bill to provide for a 2-year limitation on the free entry of the lathes which are the subject of the bill. The House bill provided for permanent free entry. The title was amended to conform to this amendment.

PURPOSE

The purpose of H. R. 10177 is to amend paragraphs 1643 of the Free List of the Tariff Act of 1930, as amended, by including therein copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last.

GENERAL STATEMENT

Copying lathes for making shoe lasts of the type described in the bill are specialized and expensive types of machinery. Shoe lasts constitute highly necessary and important equipment in the manufacture of shoes. The shoe last itself is a reproduction, generally, of maple wood, of the approximate shape of the human foot over which leather or other material is placed in the process of production of shoes. Approximately 2,246,000 pairs of shoe lasts were produced in

the United States in 1955, by some 15 companies. The lathes used for making these shoe lasts are built for turning irregular shapes and are so constructed that not only can exact duplicates (and reverse duplicates) of a model last be turned but also enlarged or reduced turned products from master models can be produced. Information received by your committee indicates that presently shoe last manufacturers are using about 400 turning lathes, many of which were made 20 or 30 years ago.

Lathes for making shoe lasts of the type specified in the bill are dutiable at 13% percent ad valorem, either under paragraph 372 of the Tariff Act of 1930, as amended, as machines not specially provided for, or, if containing an electrical element as an essential feature, under paragraph 353 of the act, as amended. As a result of a concession granted in the recently completed Geneva trade agreement negotiations, the rate of duty on such lathes under paragraphs 372 will be reduced to 13 percent ad valorem from June 30, 1956, to June 29, 1957, inclusive; 12 percent ad valorem from June 30, 1957, to June 29, 1958, inclusive; and 11½ percent ad valorem on and after June 30, 1958.

Information indicates that copying lathes used for making shoe lasts from models are not now being made for sale in the United States because there is no demand for domestically produced lathes, despite the fact that the imported lathes are valued higher than domestically produced lathes. In this connection, the Department of Commerce, in urging enactment of the bill, reported that:

This equipment is available to the domestic using industry only from foreign sources. * * * It appears to us that removing this duty on these lathes would benefit the domestic shoe last manufacturing industry and the consumer, with no overriding detriment to domestic equipment producers, and at a minor loss of revenue (estimated at \$15,000 per year) to the Federal Government.

Lathes of the type specified in the bill have been imported in 1955 and 1956 from Italy, Germany, Switzerland, and Sweden, and generally valued at least 50 percent more than the last lathes produced in this country. These imported lathes are of good workmanship and of more advanced design than copying lathes generally used in this country. The Department of Commerce further stated in its report:

The shoe last manufacturing industry in the United States is understood to be very much interested in these lathes, for the reason that productivity of shoe lasts from their use is much greater per unit of investment and production cost than is that from equipment now in common use.

Copying lathes for making shoe lasts such as described in the bill are so specialized and so expensive that they are not likely to be used for purposes other than the manufacture of shoe lasts, and the Treasury Department stated in its report that no administrative difficulty would be encountered should the bill be enacted. While estimates vary, it appears that only a comparatively small number of such lathes, possibly 12 to 14 a year, would be imported for the next several years.

Favorable reports on the bill were received from the Department of the Treasury and the Department of Commerce.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (new matter is printed in italics; existing law in which no change is proposed is shown in roman):

PAR. 1643. Linotype and all typesetting machines, shoe machinery, *copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last*, sand-blast machines, sludge machines, and tar and oil spreading machines used in the construction and maintenance of roads and in improving them by the use of road preservatives; all the foregoing whether in whole or in part, including repair parts.

