

When the 1967 figures become available, there is no doubt whatever that they will show the EEC countries will have doubled their output and that the EFTA countries will have close to a 50 per cent increase over 1957. Even the United Kingdom, with its economic problems, will show a growth rate probably three times that of the United States.

The impact of footwear imports on domestic production in the United States is also apparent from a comparison of the rate of output growth in the last two decades. From 1945 to 1955 footwear production increased 20 per cent; from 1955 to 1967 (twelve years) it increased 3.4 per cent.

JOB OPPORTUNITIES IN THE DOMESTIC FOOTWEAR INDUSTRY WILL CONTINUE TO DECLINE

With no growth in domestic output (as shown in Chart I), there will be fewer job opportunities for workers in the domestic footwear industry than at present. In 1967 the industry employed 200,000 production workers—about 200 workers per plant—to manufacture 603 million pairs of leather and vinyl footwear. In 1955, 223,000 production workers were employed to manufacture 585 million pairs. These job opportunities have been lost because of changes in construction and increased productivity. Had the 129 million pairs imported in 1967 been made in the United States, 43,000 additional production workers would have been employed.

Based on estimated production and imports in 1970, over 90,000 job opportunities will have been lost to imports. When the Vietnam war is over and it becomes important to find job opportunities for veterans as well as for the increased labor force arising from population growth, the footwear industry, which is particularly suited to the employment of unskilled labor, cannot be counted on to help. In fact, it will require fewer workers to turn out the declining production in 1970 and 1975.

ELIMINATION OF INVESTMENT OPPORTUNITIES FOR SMALL BUSINESS ENTREPRENEURS

There will be few, if any, investment opportunities for new small entrepreneurs in the domestic footwear industry in the years ahead. This is particularly important in the light of the economic structure in footwear manufacturing. The industry is composed of approximately 800 companies operating about 1,100 factories in some 600 cities and towns in 42 states. In the majority of these localities footwear manufacturing is the major industrial activity and the chief source of income.

All but a few dozen of the shoe manufacturing companies are family owned and operated. Machinery may be leased as well as purchased. Manufacturing processes are relatively simple. By offering individual entrepreneurs with small capital an opportunity to engage in footwear manufacturing, the industry in the past has made it possible for small entrepreneurs to become independent and develop financial security in the best tradition of our competitive economy. The elimination of these opportunities will be a distinct loss to the small business structure of the country.

IMPORT COMPETITION HAS INTENSIFIED THE PREVAILING SEVERE COMPETITION IN FOOTWEAR MANUFACTURING

The industry structure is so atomized that intensive competition prevails in the manufacture of every type of foot wear. The shoe manufacturing industry is one of the most competitive in the Nation. Concentration in shoe manufacturing is minimal. The four largest companies, according to the "Boot and Shoe Recorder," a trade magazine, in 1966 produced 20.6 per cent of the total output of footwear and the first fifty companies, 53.2 per cent. Approximately half the shoe industry volume remains in the hands of some 700 small entrepreneurs or businessmen.

The low average factory value of all shoes produced in the United States provides another reflection of the intense competition prevailing in the industry as well as the tremendous value provided consumers. According to U.S. Department of Commerce figures, the average factory value for all the domestic leather and leather-type footwear produced in 1967 was only \$4.64 per pair. This results in an amazing picture at retail where over 50 per cent of the women's shoes sell below \$6.00 a pair; 64.5 per cent of all the children's shoes, at or below \$6.00 a pair; and 40 per cent of all the men's shoes, below \$10.00 a pair.