

UNITED STATES TARIFF COMMISSION

NONRUBBER FOOTWEAR

Report to the President on Investigation
No. TEA-I-18 Under Section 301(b)(1) of the
Trade Expansion Act of 1962



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C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Introduction-----	1
Finding of the Commission-----	3
Views of Commissioners Clubb and Moore-----	5
Views of Presiding Commissioner Sutton-----	25
Views of Commissioner Leonard-----	31
Information obtained in the investigation:	
Description of products-----	A-1
U.S. customs treatment-----	A-6
U.S. consumption-----	A-12
Factors affecting U.S. consumption-----	A-13
Population-----	A-14
Disposable personal income-----	A-15
Consumer preferences-----	A-17
Role of imports-----	A-17
Marketing channels-----	A-19
Retail outlets-----	A-19
Distribution of U.S. production and imports-----	A-21
U.S. producers-----	A-23
Size groups-----	A-24
Product specialization-----	A-25
Entries and exits-----	A-27
Technological developments-----	A-28
U.S. production and shipments:	
Volume-----	A-29
Composition-----	A-30
Footwear for women-----	A-30
Footwear for men-----	A-33
Footwear for children and infants-----	A-34
Slippers, and athletic and work shoes-----	A-34
U.S. exports-----	A-35
U.S. imports-----	A-37
Composition-----	A-38
Footwear for women-----	A-39
Footwear for men-----	A-41
Footwear for children and infants-----	A-41
Slippers, and athletic and work shoes-----	A-42
Sales of imported nonrubber footwear, by	
wholesale price ranges-----	A-43
Prices in the U.S. market:	
Price practices and markups-----	A-46
Price trends-----	A-47
Wholesale price ranges-----	A-50

	<u>Page</u>
Information obtained in the investigation--Continued	
Employment:	
Trend of employment-----	A-51
Earnings-----	A-53
Characteristics of the work force-----	A-54
Productivity-----	A-56
Unemployment-----	A-57
Profit-and-loss experience of domestic producers-----	A-61
Appendix A. Part 1A of Schedule 7 of the	
Tariff Schedules of the United States Annotated (1970)----	A-69
Appendix B. Tables-----	A-77

TABLES

1. 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, 1970, and final stage of Kennedy Round concessions-----	A-79
2. 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, 1964-69, January-June 1969, and January-June 1970--	A-81
3. Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, June 18, 1930-Aug. 30, 1963-----	A-82
4. Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 3-year averages 1954-62, annual 1963-69, January-June 1969, and January-June 1970-----	A-84
5. Nonrubber footwear: U.S. production, imports for consumption, and apparent consumption, by types, 1965-69, January-June 1969, and January-June 1970-----	A-85
6. U.S. population and disposable personal income per capita, 1955-69 and, by quarters, January-June 1970-----	A-86
7. Nonrubber footwear: Apparent U.S. consumption and shares thereof supplied by domestic production, and imports, by types and wholesale price ranges, 1969-----	A-87
8. Estimated retail sales (value) of footwear in the United States, by type of outlet, 1958, 1963, and 1968-----	A-88
9. Nonrubber footwear: Percentage distribution of domestic producers' sales, by size-of-output group and type of market outlet, 1969-----	A-89
10. Nonrubber footwear: U.S. production, by geographic areas, 1965-69-----	A-90

	<u>Page</u>
11. Nonrubber footwear: Number of U.S. producing companies and their aggregate output, by U.S. Bureau of the Census (SIC) product classes and by size of output, 1969-----	A-91
12. Nonrubber footwear: U.S. production and shipments, 1958-69, January-June 1969, and January-June 1970-----	A-92
13. Nonrubber footwear: U.S. exports of domestic merchandise, by principal markets, 1965-69-----	A-93
14. Nonrubber footwear: U.S. imports for consumption, by principal sources, 1965-69-----	A-94
15. Footwear of leather: U.S. imports for consumption, by principal sources, 1965-69-----	A-95
16. Footwear having uppers of plastics: U.S. imports for consumption, by principal sources, 1965-69-----	A-96
17. Other nonrubber footwear: U.S. imports for consumption, by principal sources, 1965-69-----	A-97
18. Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1965-69, January-June 1969, and January-June 1970-----	A-98
19. Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970-----	A-100
20. Nonrubber footwear: Percentage distribution of U.S. importers' sales, by types and price ranges, 1967 and 1969-----	A-105
21. Indexes of U.S. wholesale prices for leather footwear and other selected commodities, 1960-69 and, by quarters, January-June 1970-----	A-106
22. Indexes of U.S. consumer prices for footwear and other selected commodities, 1960-69 and, by quarters, January-June 1970-----	A-107
23. Nonrubber footwear: Percentage distributions of domestic producers' sales, by types and price ranges, 1967 and 1969-----	A-108
24. Total employment in all manufacturing and average number of all employees, production workers, and women employees engaged in the production of non-rubber footwear, 5-year averages 1950-64, annual 1965-69, and, by quarters, January-June 1970-----	A-109
25. Employment in the production of nonrubber footwear, by principal producing States, 1960-69-----	A-110
26. Average hours (total and overtime) worked per week by production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear, 5-year averages 1950-64, annual 1965-69, and, by quarters, January-June 1970-----	A-111

	<u>Page</u>
27. Average hourly and weekly earnings of production workers in all manufacturing and in the production of non-durable goods and nonrubber footwear, 5-year averages 1950-64, annual 1965-69, and, by quarters, January-June 1970-----	A-112
28. Labor turnover rates per 100 employees in all manufacturing and in the production of nonrubber footwear, 1960-69-----	A-113
29. Value added by manufacture per employee, in all manufacturing, nondurable goods, and nonrubber footwear, 1960-67-----	A-114
30. Expenditures per production worker for new plant and equipment; in all manufacturing, nondurable goods, and nonrubber footwear, 1960-67-----	A-114
31. Number of insured unemployed persons in all manufacturing and in the production of leather and leather products (SIC No. 31), total and as a percent of insured employment, by months, January 1969-June 1970----	A-115
32. Financial experience of domestic producers of non-rubber footwear, by size-of-output groups, accounting years 1963-69-----	A-116
33. Nonrubber footwear: Ratios of net operating profit (or losses) to sales, for all U.S. producers and for U.S. producers of women's and men's nonrubber footwear, by size-of-output groups, accounting years 1963-69-----	A-117
34. Specified data relating to U.S. producers of women's and men's nonrubber footwear, 1967 and 1969-----	A-118
35. Nonrubber footwear: U.S. producing firms reporting losses as a percent of total number of firms, by size-of-output groups, accounting years 1963-69-----	A-119
36. Investment in new plant, machinery, and equipment by domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1964-69-----	A-120

REPORT TO THE PRESIDENT

U.S. Tariff Commission
January 15, 1971

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(b) of that act, relative to nonrubber footwear.

Introduction

The investigation to which this report relates was undertaken to determine whether nonrubber footwear (i.e., footwear of the kinds described in part 1A of schedule 7 of the Tariff Schedules of the United States (TSUS), other than the footwear described in items 700.51, 700.52, 700.53, and 700.60) is, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products.

The investigation was instituted, under section 301(b)(1) of the Trade Expansion Act of 1962, by the Tariff Commission on July 16, 1970, in response to a request from the President. A copy of the President's request, dated July 15, 1970, is reproduced below:

Dear Dr. Sutton:

An interagency task force has recently completed a detailed examination of the problems of the nonrubber footwear industry. The task force benefited from the information developed in the two section 332 investigations completed ,

in January 1969, and in December 1969, by the Tariff Commission. The report of the task force has been made public and I am forwarding a copy of it for the Commission's information.

You will note in the report that the task force found that the facts and information available to it did not demonstrate a case of overall import injury. However, it also noted its concern that, if all the necessary information were available, there might be injury to the men's and women's leather footwear industry. It pointed out that an investigation such as the Tariff Commission is authorized to conduct--with powers of subpoena, access to confidential business data, and public hearings--would provide a more comprehensive basis for judgment than was available to the task force.

For these reasons, under the authority vested in me by section 301(b)(1) of the Trade Expansion Act of 1962, I therefore request that the Tariff Commission promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, increased imports are causing or threatening to cause serious injury to the United States industry producing men's and women's leather footwear. In light of the Commission's previous section 332 investigations and the report of the interagency task force, I would hope that this investigation could be completed at the earliest date.

Sincerely,

(Signed) Richard Nixon

Notice of the institution of the investigation was posted at the Commission's offices in Washington, D.C., and in New York City and was published in the Federal Register of July 22, 1970 (35 F.R. 11729). A public hearing, originally scheduled to begin on October 13, 1970, 1/ was held October 20-23, 1970, when all interested parties were afforded

1/ Public notice of the postponement of the hearing was issued on Aug. 17, 1970, and was published in the Federal Register of Aug. 20, 1970 (35 F.R. 13336).

opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

The information for this report was obtained not only from evidence presented at the hearing and in the briefs filed by interested parties, but also from the Commission's files, other Government agencies, and by questionnaires sent to individual domestic producers and importers.

Findings of the Commission

The Commission, being equally divided, 2/ makes no finding under section 301(b)(1) of the Trade Expansion Act with respect to whether footwear of the kinds described in part 1A of schedule 7 of the Tariff Schedules of the United States (TSUS), other than the footwear described in items 700.51, 700.52, 700.53, and 700.60, is, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products.

Commissioners Clubb and Moore find--

(1) that the aforementioned footwear (other than slippers in item 700.32, and other than athletic and work footwear and footwear

1/ The transcript and written statements were attached to the original report to the President.

2/ Presiding Commissioner Sutton and Commissioner Leonard voted in the negative, and Commissioners Clubb and Moore voted in the affirmative. Commissioner Young did not participate in the investigation. In a situation of this kind, section 330 of the Tariff Act of 1930, as amended, requires that the findings of each group of Commissioners be transmitted to the President, and provides that those of either group may be considered by the President as the findings of the Commission.

for children and infants, as defined in statistical headnotes 1(a), (b), (1), and (m) to part 1A of schedule 7) is, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to threaten to cause serious injury to the domestic industries producing like or directly competitive products; and

(2) that in order to prevent serious injury, the rates of duty applicable to imports of such footwear provided for in items 700.35, 700.43, 700.45, and 700.55 must be increased as follows: 700.35 to 10 percent ad valorem, 700.43 to 18 percent ad valorem, 700.45 to 16 percent ad valorem, and 700.55 to 10 percent ad valorem.

Views of Commissioners Clubb and Moore

On July 15, 1970, the President directed the Tariff Commission to make an investigation under section 301(b)(1) of the Trade Expansion Act of 1962 "to determine whether, as a result in major part of concessions granted under trade agreements, increased imports are causing or threatening to cause serious injury to the United States industry producing men's and women's leather footwear." 1/

For the reasons set out below we find it necessary to divide the "industry producing men's and women's leather footwear" into five separate industries. We have made an affirmative determination with respect to two of the industries involved on the ground that they are being threatened with serious injury, and have further found that in order to prevent such serious injury it will be necessary to make modest increases in the rate of duty on certain competing imported items. We further recommend that a program of adjustment assistance be initiated for the two threatened industries. The reasons for this determination and recommendation are set out below.

Under section 301(b)(1) of the Trade Expansion Act, an

1/ Letter from President Nixon to Presiding Commissioner Sutton, dated July 15, 1970.

affirmative determination must be made if the following four requirements are met:

- 1) imports of an article like or directly competitive with an article produced by the industry involved must be increasing;
- 2) the increased imports must be in major part the result of concessions granted under trade agreements;
- 3) the industry producing the like or directly competitive product must be suffering serious injury or be threatened with serious injury; and
- 4) the increased imports must be the major factor in causing or threatening to cause serious injury. 1/

1/ These four requirements are derived from the statutory language of section 301 of the Trade Expansion Act of 1962, which reads in pertinent part as follows:

"(b)(1) Upon the request of the President. . . the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

* * *

- (3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing or threatening to cause, such injury."

The industries involved

The President has directed the Commission to determine whether an article is being imported in such increased quantities as to cause, or threaten to cause, serious injury to the "domestic industry producing men's and women's leather footwear." Thus, three threshold questions which the Commission must resolve are (1) what are the dimensions of the "industry producing men's and women's leather footwear," (2) what imported items are "like or directly competitive with" the articles produced by this industry, and (3) are imports of such articles increasing?

In addressing ourselves to the first of these questions, we find that "the industry producing men's and women's leather footwear" also produces vinyl and fabric footwear. Generally, vinyl and fabric shoes are produced by the same firms, and frequently in the same plants as leather footwear. Moreover, we have held in past cases that vinyl and fabric footwear compete with leather footwear. Finally, for statistical purposes, footwear made of all three materials is usually lumped together into a "nonrubber footwear" category. Accordingly, it seems clear that the economic interests which produce men's and women's leather footwear can best be discussed in terms of nonrubber footwear producers.

Within the group of firms producing nonrubber footwear, a

fairly clear breakdown can be made on several bases. Thus, the industries involved here have three dimensions: (1) type of construction, i.e., welt, turned, cement, etc.; (2) sex and age, i.e., men's, women's, children's, etc.; and (3) end use, i.e., dress, work, athletic and casual.

Taking these dimensions into consideration, we have concluded that rather than one industry producing men's and women's leather footwear, there are several, all of which produce a product from nonrubber materials, and which individually can be characterized as follows:

- (A) the men's dress/casual shoe industry;
- (B) the women's dress/casual shoe industry;
- (C) the athletic shoe industry;
- (D) the work shoe industry;
- (E) the slipper industry.

Each of these industries is composed of plants or portions of plants which in general produce the product indicated. A given firm may have more than one plant, or more than one type of operation within the same plant, and thus may produce products which fall in more than one of these industry groupings. However, the production machinery and methods for each are in many respects different. Accordingly, recognizing that no industry breakdown will be entirely satisfactory, we believe that the economic

interests producing men's and women's nonrubber footwear can best be broken down into the five industries listed above.

Athletic, slipper and work shoe industries

Two of these industries can be quickly dismissed since there is no evidence that the slipper or athletic shoe industries are being injured or threatened with serious injury. In the case of slippers, imports have been negligible ^{1/} and domestic production continues to grow. Similarly, in the case of athletic shoes, although imports have increased significantly in recent years, domestic production is holding up well, and there is no sign of substantial distress among the firms making up the domestic industry.

The case of work shoes presents a more difficult problem. Here, imports have also increased significantly in recent years, and domestic production has declined somewhat. Moreover, there is evidence that the increased import competition is causing a larger than normal number of firms to leave the industry. Nonetheless, it seems clear that such distress as exists in the work shoe industry does not rise to the level of the serious injury or threatened serious injury required by the Trade Expansion Act. It should be noted, however, that while the entire work shoe

^{1/} It is recognized that some imported footwear that is known in the trade as slippers is not reported as such in official statistics.

industry is not seriously injured, the aggregated statistics may well conceal the special hardships of some firms and groups of workers. The Trade Expansion Act provides that such firms and groups of workers may petition individually for adjustment assistance, despite the negative finding for the industry as a whole.

For the reasons stated above, therefore, we make a negative determination with respect to the slipper, athletic shoe and work shoe industries. Thus, only the men's and women's dress/casual shoe industries need be further examined.

Increased imports

A. Men's dress/casual shoe industry

Imports which are like or directly competitive with the shoes produced by the men's dress/casual shoe industry are imported primarily under the following tariff classifications: 1/

700.25, 700.26, 700.27 and 700.29	<u>2/</u>	Welt shoes at various price levels
700.35	<u>2/</u>	Other leather shoes for men, youths and boys
700.55	<u>3/</u>	Shoes with vinyl uppers

1/ The descriptions of the tariff classifications have been paraphrased in order to make them more readily understandable. The precise descriptions are contained in the Tariff Schedules of the United States.

2/ Almost all of the imports under items 700.25, -26, -27 and -29 (welt shoes) and 700.35 (leather shoes for men, youths and boys) compete directly with the articles produced by the men's U.S. nonrubber dress/casual footwear industry. ▼

3/ Only about 10% of all imports under 700.55 appear to be men's shoes.

When the estimated amount of non-competitive footwear in each classification is excluded, the total imports of men's shoes which compete with the shoes produced by the U. S. nonrubber men's dress/casual footwear industry appear to have increased under each of these tariff categories as follows:

(stated in millions of pairs)

	1965	1966	1967	1968	1969	Jan-Sept 1970
700.25 <u>*/</u>						
700.26)	1	1	2	1	1	1
700.27)				1	1	1
700.29 <u>**/</u>		1	1	1	2	1
700.35	7	9	12	18	22	20
700.55	9	7	7	8	11	13
Total	17	18	22	29	37	36 (9 mos.)

*/ Imports have amounted to less than 100,000 pairs in recent years.

**/ Imports amounted to 452,000 pairs.

It can be seen from the foregoing table that total competitive imports have more than doubled in the period 1966-1970.

Accordingly, it seems clear that articles like or directly competitive with the articles produced by the men's nonrubber dress/casual footwear industry are being imported in increased quantities within the meaning of the Act.

B. Women's dress/casual shoe industry

Imports which are like or directly competitive with the shoes produced by the women's dress/casual shoe industry are imported primarily under the following tariff classifications: 1/

700.20	Turn, or turned leather footwear
700.43	Women's footwear of leather, valued at not over \$2.50 per pair
700.45	Women's footwear of leather, valued at over \$2.50 per pair
700.55	Women's footwear of vinyl

When the estimated amount of non-competitive footwear in each classification is excluded, the total imports of women's shoes which compete with the shoes produced by the U. S. nonrubber women's dress/casual footwear industry appear to have increased under each of these categories as follows:

(stated in millions of pairs)

	1965	1966	1967	1968	1969	Jan-Sept. 1970
700.20	1	1	1	2	2	2
700.43				34	29	29
700.45	21	28	38	20	27	26
700.55	35	33	50	69	71	62
Total	57	62	89	125	129	119 (9 mos.)

1/ The descriptions of the tariff classifications have been paraphrased in order to make them more readily understandable. The precise descriptions are contained in the Tariff Schedules of the United States.

As the foregoing table indicates, competitive imports have increased rapidly in each of the past five years, and have more than doubled over that period. Moreover, the increase in competitive imports has continued into 1970. Accordingly, we conclude that imports of an article like or directly competitive with the product produced by the domestic women's dress/casual shoe industry are increasing within the meaning of the Act.

In major part

The second requirement of the statute is that the competing increased imports must have resulted in major part from trade agreement concessions. We have ruled that this requirement of the statute is satisfied if, but for the concessions, imports would not be at substantially their present levels, 1/ and that in making this determination we must consider the aggregate of all concessions which have been granted since 1934. 2/ Moreover, we have observed that a concession

"normally includes both a lowering of a duty and an implicit assurance that the duty will not be increased above the new level. The

1/ Buttweid Pipe, Inv. No. TEA-W-8 (1969) at 8-11; Transmission Towers and Parts, Inv. No. TEA-W-9 and 10 (1969) at 10-11; Barbers' Chairs, Inv. No. TEA-I-11 (1968); Eyeglass Frames, TEA-I-10 (1967)

2/ Eyeglass Frames, TEA-I-10 (1967), pg. 17.

former tends to lower the price of the imported product in the United States market and the latter encourages foreign producers to make long range plans for marketing in the United States. Both these factors must be considered in determining whether imports have increased in major part as a result of concessions." 1/

Applying these principles to the present case, we have concluded for the reasons given below that competitive imports of both men's and women's dress/casual shoes have increased in major part as a result of concessions.

A. Men's dress/casual footwear

Competitive imports are primarily entered under six separate tariff categories. The rates of duty applicable to these categories have been reduced as follows:

Year	700.25 <u>*/</u>	700.26 <u>*/</u>	700.27 <u>*/</u>	700.29 <u>*/</u>	700.35	700.55
1930	20%	20%	20%	20%	20%	
1943					10%	
1958	17%			5%		
1963	17%					12.5%
1968	17%	30¢/pair	6% but not more than 34¢/pair		9.5%	11.0%
1969	17%	27¢/pair			9.0%	10.0%
1970	17%	23¢/pair	5.5% but not more than 34¢/pair			8.5%
1971	17%	20¢/pair	5%		8.5%	7.0%
1972	17%	17¢/pair	5%	5%	8.5%	6.0%

*/ Numerous intermediate reductions on items 700.25, 700.26, 700.27 and 700.29 (welt footwear) have been omitted.

1/ Id.

About 50 percent of the imports which compete with the shoes produced by domestic men's dress/casual shoe industry are entered under TSUS item 700.35 (leather shoes for men, youths and boys). In an earlier workers adjustment assistance case, we held that the imports of low-priced shoes entered under this item were concession-generated. In that case we first noted that the duty had been reduced from 20% to 9%, and then said,

"In the highly competitive market for low-priced footwear in which Eagle Shoe was engaged, these reductions mean the difference between sales and no sales and are a significant stimulus to imports of such footwear." 1/

In this industry-wide case we must consider the TSUS category as a whole, and not just the low-priced shoes. While it is clear that there are some imports of high fashion men's shoes which enter under this item, and which probably are not sold on the basis of price, a much larger proportion of the imports enter in the middle and lower price ranges where price is always an important, and frequently a controlling, factor.

The same considerations apply with even greater force to imports entered under item 700.55 (men's vinyl shoes). On that

1/ Men's, Youths, and Boys' Footwear: Eagle Shoe. . . , Inv. No. TEA-W-19 (June 1970), pg. 12.

category, the duty has been reduced from 35% in 1930 1/ to 8.5% in 1970, a total of 26.5%. The average entered value for men's shoes under this item in 1969 was \$1.26. Thus, if the 1930 rate were being applied, the duty would be 44¢ per pair as opposed to the 11¢ per pair now in effect. At the lower end of the price scale where imports of men's vinyl shoes generally sell, there can be no doubt but that such a large decrease in duty has had a decisive effect of sales. 2/

We conclude that, but for the concessions, imports would not be at substantially their present level, and accordingly, imports have increased in major part as a result of concessions within the meaning of the Trade Expansion Act.

1/ See, Women's and Misses' Dress Shoes, Inv. No. TEA-F-10, (1970) pg 14, n. 1.

2/ In a very helpful brief, counsel for the Footwear Group of the American Importers Association argues that the TSUS Column II rate for item 700.55 (35%) cannot be considered the pre-trade agreement rate for purposes of section 301 of the TEA. Counsel argues that item 700.55 was derived from three provisions of the Tariff Act of 1930 carrying rates of 25% (reduced to 12.5%) 20% (reduced to 10%) and 20%.

We have considered counsel's argument, but have concluded that, even if his argument were accepted, any conceivable rate which might be selected as the pre-trade agreement rate, e.g., 20%, would still reveal a sufficient reduction to cause us to rule that the increased imports had resulted in major part from trade agreement concessions. Accordingly, even if we accepted counsel's position, it would not change the result in this case.

B. Women's dress/casual footwear

Imported footwear which competes with that produced by the domestic women's dress/casual footwear industry is entered primarily under four tariff categories. The rates of duty applicable to these categories have been reduced as follows:

Year	700.20	700.43	700.45	700.55
1930	20%	20%	20%	35%
1932	10% ^{*/}			
1950	5%			
1963				12.5%
1968	4%	19%	18%	11.0%
1969		18%	16%	10.0%
1970	3%	17%	14%	8.5%
1971		16%	12%	7.0%
1972	2.5%	15%	10%	6.0%

* Effective January 1, 1932, the statutory rate of 20% was reduced to 10%, pursuant to sec. 336 of the Tariff Act of 1930.

Almost 55 percent of the imports of competing women's shoes are entered under item 700.55 (vinyl). Another 22 percent are entered under 700.43 (leather, valued at under \$2.50), and 21 percent are entered under 700.45 (leather, valued at over \$2.50). Only 2 percent of the competing imports are entered under item 700.20 (turn or turned). As shown in the foregoing table, the rates of duty applicable to the three principal categories have

been reduced from 20% to 17%, 20% to 14% and 35% to 8.5% respectively.

In previous cases, we have held that the increased imports under these items have resulted in major part from concessions. Thus, in an earlier worker adjustment assistance case we said,

"Given the extended range of competing articles in today's markets, the role of expanding imports can be of crucial importance to the economic health of firms at the margin of the industry. In the shoe industry, as is true in other consumer goods industries, marginal producers are frequently those producing for the lowest price ranges. In these price ranges, where a few cents per pair marks the difference between profit and loss, an additional tariff concession of apparently modest amount can be sufficient to cause the demise of the marginal operations. Thus we conclude that increasing imports of footwear like or directly competitive with the products produced in these plants would not be at their present level were it not for the trade agreement concessions," 1/

That case involved three firms which sold in the lower price ranges and one which sold in the middle price range. In another more recent worker adjustment assistance case, a similar result was reached where the firm sold in the middle price range. 2/

In this industry case, however, we must consider the TSUS category as a whole, and not merely the lower and middle

1/ Women's and Misses' Dress Shoes, Invs. No. TEA-W-15, 16, 17 and 18 (June 1970).

2/ Women's Leather Shoes, Inv. No. TEA-W-32 (Jan. 1971).

priced merchandise. It is clear that there are some imports of high fashion women's shoes which enter under item 700.45, and which are not sold primarily on the basis of price. With respect to such shoes, the reduction of a few percentage points in the rate of duty probably has little, if any effect. But the vast majority of imported shoes which compete with the shoes produced by the domestic industry are lower priced shoes entered under items 700.43 (leather, valued at less than \$2.50) and 700.55 (vinyl). Moreover, many of the shoes entered under item 700.45 (leather, valued at over \$2.50) are retailed in the middle price range. In these price ranges, duty reductions brought about by trade agreement concessions have a decisive effect.

Accordingly, we conclude that, but for the tariff concessions, imports would not be at substantially their present level, and that therefore, increased imports of a product like or directly competitive with that produced by the domestic women's dress/casual shoe industry have been caused in major part by trade agreement concessions within the meaning of the Trade Expansion Act.

Threat of serious injury

The third requirement is that the domestic industries involved must be suffering serious injury, or be threatened with serious

injury. We have interpreted serious injury to mean

"an important, crippling, or mortal injury; one having permanent or lasting consequences. Such injuries are distinguished from the less important and temporary injuries which domestic concerns are expected to absorb without governmental assistance." 1/

It seems clear that the threat of such an injury is now facing the domestic men's and women's nonrubber dress/casual shoe industries.

As we pointed out in an earlier report, 2/ the U. S. footwear industry is characterized in intense import competition at all levels of production and distribution; profit rates, in consequence, are typically low and business mortality high. Historically, there has been constant movement of marginal firms, predominantly small producers, in and out of the industry. At the Commission's hearing, a representative of the footwear industry testified that 471 footwear plants were closed and 358 plants opened during the decade of the 1960's resulting in a net loss of 113 firms.

In recent months, conditions within the men's and women's dress/casual footwear industries have suddenly deteriorated

1/ Pianos and Parts, Inv. No. TEA-I-14, (Dec. 1969), p. 6.

2/ Women's and Misses' Dress Shoes with Leather, Vinyl, or Fabric Uppers: Benson Shoe Co. . . ., TEA-F-10. . . (1970) at 11.

when measured against the background of extensive long-term changes. In 1968 and 1969 these industries sustained a combined net loss of about 60 firms -- an annual reduction sharply higher than occurred in the early 1960's. The domestic producers operated at a considerably reduced percentage of capacity in 1969 and 1970 -- output being equivalent to about 77 percent of capacity in the last two years as compared with 83 percent in 1968. While U. S. production of men's and women's nonrubber footwear grew slowly during the 1950's and 1960's, it dropped materially in 1969 -- amounting to 577 million pairs, compared with an average of 626 million pairs in 1966-1968. Output in 1970, moreover, continued to decline, amounting to 2.5 percent less in the first nine months of 1970 than in the same period of 1969. Annual net profits earned by domestic producers of both men's and women's nonrubber footwear declined materially in 1969, following several years of gradual growth. Intense competitive pressures are being felt throughout both industries, but the smaller producers in the industry, typically the most vulnerable to intense competitive conditions, sustained the sharpest declines.

It appears to us that these trends will continue and perhaps intensify in the immediate future if some relief is not provided.

Many formerly healthy firms, already in a distressed condition, will be forced out of the industry, and substantial dislocation of workers will occur. Accordingly, we conclude that the domestic men's and women's dress/casual shoe industries are being threatened with serious injury.

Imports are the major factor

The final requirement is that increased imports resulting from trade-agreement concessions must be the major factor in threatening to cause serious injury to the domestic industries. The requirement is satisfied if the serious injury would not be threatened were it not for the increased imports.

As demonstrated above, the domestic industries producing nonrubber footwear for men and women have traditionally served a highly competitive market. In recent years one marked change has occurred in that market -- the supply of imports has grown so rapidly that today, in the overall, imports of foreign footwear control a third of the U. S. market. The threat of serious injury exists because these industries which serve an intensely competitive market are beset with greatly increased concession-generated imports of competitive footwear. The added pressure of highly price-competitive imported footwear has forced many more marginal firms out of the industry than would have occurred with lower levels of imports. Should imports of such footwear

continue to increase, even larger firms will be threatened with serious injury. If imports supplied only a modest share of the market, rather than the present 33 percent, the domestic industry probably would be able to adjust, without serious disturbance, to the long-run competitive pressures of the domestic market.

Remedy

It is our view that the domestic industries producing men's and women's leather footwear are at a critical point. They need relief from the rising pressures of rapidly increasing imports encouraged by lower rates of duty -- if serious injury to them in the future is to be avoided.

But in fashioning a remedy consideration must be given not only to the immediate cause of the injury -- imports, but also to other competitive conditions within the industries involved. In this connection it seems clear that two trends in these industries will continue irrespective of what happens to imports. First, there will be a continuing trend toward concentration of the industries into fewer, larger and more efficient firms. Thus, there is a difficult time ahead for many of the smaller firms in any event. Second, the movement of plants away from high wage areas and into areas of lower labor costs will also

continue, and many of today's workers in the two footwear industries involved will be required to either change their residence or seek new employment.

The Trade Expansion Act and the trade agreement concessions which were made pursuant to it envisage that imports into the United States will increase, and that many industries such as the two involved here will have to make substantial adjustments in order either to become more competitive, or to content themselves with a smaller portion of the United States market. But it is intended that such adjustments should be made in an orderly way so as to avoid the serious dislocations which would otherwise occur. The threat of serious injury from imports here stems largely from the fact that, while other very substantial internal changes are taking place, the footwear industries are also faced with a rising tide of imports which threatens to prevent the internal changes from progressing in an orderly way, and which threatens to cause serious dislocations among healthy firms which, given time to complete their adjustment, will be well able to compete effectively with imports.

If serious injury to the domestic men's and women's footwear industries is to be avoided, a reasonable restraint on

imports will be necessary which will prevent imports from increasing at an even faster rate than they have in the past. We find that, in order to accomplish this result, it is only necessary to increase duties by a modest amount on a few key categories of imported footwear as follows:

<u>TSUS Number</u>	<u>Recommended Rate</u>
700.35	10%
700.43	18%
700.45	16%
700.55	10%

This action should be coupled with an adjustment assistance program which will assist the firms and workers in making the difficult changes which are inevitable for internal reasons, and which are necessary if they are to compete effectively with imports. In a few years, when these adjustments have been substantially completed, the concessions can probably be safely restored.

Views of Presiding Commissioner Sutton

As the Commission has pointed out on numerous occasions, four conditions must be met before an affirmative determination can be made in an escape-clause investigation under section 301(b)(1) of the Trade Expansion Act of 1962. In the investigation at hand, it would have to be established that each of the following conditions had been met:

- (1) Nonrubber footwear is being imported in increased quantities;
- (2) the increased imports are in major part the result of concessions granted under trade agreements;
- (3) the domestic industry producing nonrubber footwear is being seriously injured, or is threatened with serious injury; and
- (4) the increased imports (resulting in major part from the trade-agreement concessions) are the major factor causing, or threatening to cause, serious injury to the domestic industry.

U.S. imports of nonrubber footwear have increased greatly in the last decade and a half. In 1969, entries of such footwear exceeded 200 million pairs, compared with average annual entries of 10 million pairs in the mid-1950's. Imports of nonrubber footwear supplied only 2 percent of U.S. consumption in the mid-1950's, but they accounted for about a fourth of consumption in 1969 and probably for a third in 1970. The upward trend of imports of nonrubber footwear has been evident in recent years; entries of such footwear more than doubled in the 5-year period 1965-69.

Although nonrubber footwear is, in my judgment, being imported in increased quantities, I am unable to conclude that, under the terms of the statute, the increased imports are in major part the result of concessions granted under trade agreements. The timing of the concessions, on the one hand, and the changes in imports, on the other, have been such as to clearly indicate that the trade-agreement concessions could not have been the major stimulus of, although they may have contributed to, the growth in the imports of shoes into the United States.

Nonrubber footwear is currently dutiable on entry into the United States under 23 TSUS items. The great bulk of the volume of the imports, however, are dutiable under four items--TSUS 700.35, 700.43, 700.45, and 700.55. In view of the dominant importance of those items--accounting for 91 percent of the total imports in 1969--my comments below respecting the effect of trade-agreement concessions in causing increased trade will be related to them. Similar comments, however, are applicable to the effect of trade-agreement concessions on the level of imports under six other TSUS items--700.20, 700.25, 700.26, 700.27, 700.28, and 700.29--accounting for about 4 percent of the 1969 imports. The remaining 5 percent of the 1969 imports--admitted under 13 TSUS items--consisted principally of specialties (or novelties), such as clogs and after-ski boots. The history of the trade in these products reveals little connection between the trade-agreement concessions and the level of imports; moreover, the imports entered under most of the 13 TSUS items have been negligible in recent years.

My views respecting the factors affecting imports under TSUS item 700.35, as well as under items 700.43 and 700.45, have been set forth in recent investigations relating to petitions by groups of workers for adjustment assistance. I will only briefly summarize my views here.

TSUS item 700.35 applies to certain footwear of leather for men and boys. 1/ The U.S. import duty applicable to such footwear has been 10 percent ad valorem throughout most of the past three decades, i.e., from 1943 to 1968. That duty was a trade-agreement rate, having been reduced from 20 percent ad valorem in 1943 to carry out a trade-agreement concession. Because of the passage of so many years, however, that ancient reduction could scarcely have been the impetus for the increased imports in the late 1960's. The duty was the subject of a second trade-agreement concession at the GATT Kennedy Round, pursuant to which it was reduced from 10 percent to 9.5 percent ad valorem on January 1, 1968, and then to 9 percent on January 1, 1969; the duty remained at 9 percent in 1970. These reductions were trivial--both in the absolute amount of duty collected per pair and in relation to other causes stimulating imports.

TSUS items 700.43 and 700.45 apply to certain footwear of leather largely for women and misses. 2/ Trade-agreement concessions that reduced the rates applicable to those tariff items were granted by

1/ See U.S. Tariff Commission, Men's, Youths' and Boys' Footwear of Leather: Workers of the Eagle Shoe Manufacturing Co., Everett, Mass., TC Publication 324, June 1970, pp. 5-7.

2/ See U.S. Tariff Commission, Women's and Misses' Dress Shoes with Leather, Vinyl, or Fabric Uppers: Benson Shoe Co., Lyons, Mass., . . . TC Publication 323, June 1970, pp. 5-7.

the United States on such footwear for the first time at the GATT Kennedy Round. 1/ Pursuant to the concessions, the rate of duty on footwear classified thereunder valued not over \$2.50 per pair was reduced successively from 20 percent ad valorem to 19 percent on January 1, 1968, 18 percent on January 1, 1969, and 17 percent on January 1, 1970; the rate on such footwear valued over \$2.50 per pair was reduced from 20 percent ad valorem to 18 percent on January 1, 1968, 16 percent on January 1, 1969, and 14 percent on January 1, 1970. The imports of women's and misses' footwear entering under those TSUS items, however, had already increased materially--from an estimated 21 million pairs in 1965 to 38 million pairs in 1967--before the first reduction in duty was placed in effect. Moreover, much of the remaining recent increase in entries occurred in 1968; only the small initial 1- and 2-percentage-point reductions, which were not of a magnitude that would sharply stimulate imports, were in effect in that year. The trade-agreement concessions, consequently, could not have been a major factor causing the increased imports.

TSUS item 700.55 applies to footwear with uppers of rubber or plastics, largely footwear with supported vinyl uppers for women and misses. Such footwear was not specifically provided for in the U.S. tariff prior to 1963 (when the TSUS became effective), but most is believed to have been dutiable, by similitude, under the provisions for leather footwear. Thus, most of the currently imported footwear

1/ Pursuant to GATT concessions granted in 1948 and again in 1961, the statutory rate of 20 percent was bound against increase.

classified here would have been dutiable at 20 percent ad valorem as women's and misses' leather footwear--i.e., at the same rate of duty that had been in effect since 1930. When the TSUS was adopted in 1963, a rate of duty of 12.5 percent ad valorem was specifically established for footwear with uppers of rubber or plastics classifiable under item 700.55. Subsequently, pursuant to a concession granted at the GATT Kennedy Round, the rate was reduced to 11 percent on January 1, 1968, 10 percent on January 1, 1969, and 8.5 percent on January 1, 1970. Consequently, for the women's and misses' footwear dutiable under item 700.55, which accounts for the bulk of the trade thereunder, the rate of duty has been reduced from 20 percent to 8.5 percent during the 1960's. But the bulk of such reduction (from 20 percent to 12.5 percent) resulted from the adoption of the TSUS in 1963, not from the carrying out of the Kennedy Round concession in 1968-70. Hence, most of the reduction in the rate could not be regarded as attributable to a trade-agreement concession. Much of the recent increase in imports, moreover, occurred before the Kennedy Round trade-agreement concessions were placed in effect.

After weighing all of the factors that have influenced U.S. imports of nonrubber footwear under all 23 TSUS items, I have concluded that the second criterion listed above has not been met--the increased imports of nonrubber footwear have not resulted from trade-agreement concessions. I have, therefore, had to make a negative determination in this case.

One final observation. As is well known, the causation criteria for the granting of tariff adjustment for domestic industry are rigid and difficult to meet. When the criteria are met, section 301(e) of the Act contemplates from the Commission a determination with respect to --

the amount of the increase in, or imposition of, any
duty or other import restriction on such article
which is necessary to prevent or remedy such injury * * *

If, as two of my colleagues have determined, the rigid criteria have been met in this case, the purposes of the statute are wholly distorted by the unrealistic remedy embodied in their findings. The slight rate increase which they find as being necessary to prevent serious injury could and would not provide effective relief to domestic industry. ^{1/} In their affirmative findings in this case and in other tariff adjustment cases my colleagues have, in my view, not only eased the statutory criteria and arrogated unto themselves determinations on the alternatives for relief which under the Act are solely the prerogative of the President, but also have otherwise flouted the legislative purpose of section 301(b). As a result, the provisions for tariff adjustment in section 301(b) are converted into nothing but a shortcut measure for invoking the provisions for adjustment assistance on an industry-wide basis.

^{1/} An additional objection to the proposed tariff remedy is the extent to which it would if implemented further unduly proliferate the tariff classes for footwear on the basis of insignificant rate differences.

Views of Commissioner Leonard

Preamble

"A judicial body, standing aloof from any controversial questions, not biased by any beliefs which its members might entertain on general economic policies" was how Frank W. Taussig, its first Chairman, described the United States Tariff Commission.

The Commission is an impartial, nonpartisan, independent agency of the Federal Government charged primarily with the responsibility of finding facts on tariff, commercial policy, and foreign trade matters. Additionally, under certain provisions of law, the Commission must determine whether those facts satisfy the strictures of the law so as to permit the invocation of certain legal remedies.1/

Time and again we are reminded of the nature of our job-- objectively to seek the facts and to pronounce them so that the makers of national policy can use them as they see fit.2/

1/ U.S. Senate Committee on Finance, Report to accompany H.R. 17550, Social Security Amendments of 1970, p. 281; U.S. House of Representatives Committee on Ways and Means, Report to accompany H.R. 18970, Trade Act of 1970, p. 49; Tariff Act of 1930, sec. 332; and, Dictionary of Tariff Information, U.S.T.C., 1924, p. 274.

2/ U.S. Senate Committee on Finance, Report to accompany H.R. 17550, Social Security Amendments of 1970, p. 283; U.S. House of Representatives Committee on Ways and Means, Report to accompany H.R. 18970, Trade Act of 1970, p. 50; and, Hearing before the Committee on Finance U.S. Senate, on Nominations of Will E. Leonard, Jr., of La., and Herschel D. Newsom, of Ind., to be Members of the U.S. Tariff Commission, (90th Cong., 2d sess.), 1968, p.1.

applied or broadly construed, can solve all the vast and various economic difficulties, even just those of international trade, extant in this country today. To think otherwise is as naive as to believe a great ocean can be purified by dissipating the contamination of an entering riverlet. An effective escape clause and adequate adjustment assistance may be necessary cleansing agents, but a complete pollution control system they do not make.

This preamble is important to the consideration of any findings and views in support thereof which this Commission renders. We of the Commission, as well as those who follow the work of the Commission, should be mindful of our responsibility--what it is and what it is not--as we report on the investigation at hand.

The statutory criteria

Under the TEA the Commission, before making a finding of serious injury, or threat thereof, must determine that imports are entering in "increased quantities," that the increased imports are due "in major part" to concessions implemented pursuant to trade agreements, and that such increased imports are "the major factor" in causing or threatening the serious injury to the domestic industry producing articles like or directly competitive with those imported. Inasmuch as the criteria of the statute are conjunctive rather than disjunctive, the Commission is foreclosed from an affirmative determination unless each of the foregoing conditions is met.

Reason for a negative determination

The remainder of this statement is devoted to the reason why my determination in this investigation is in the negative. That reason is that imports of footwear here under consideration, although increasing, are not the result in major part of concessions granted under trade agreements. Because the facts do not satisfy at least one of the statutory criteria, it is not necessary for me to determine whether there is serious injury or a threat thereof to the industry or what the relationship of increased imports is to any such injury. A negative determination so founded is in no way at odds with the Report of the Task Force on Nonrubber Footwear because that report (upon which the letter from the President requesting this investigation appears to be based) although raising the possibility of injury or threat of injury did not attempt to cover relationships between trade agreement concessions and imports.^{1/} Nor is the conclusion that increased imports are not in major part the result of trade agreement concessions in disagreement with the factual material contained in reports previously issued

^{1/} Report of the Task Force on Nonrubber Footwear, June 1, 1970. (The reader is invited to read the penetrating treatment of the subject in the Task Force Report.)

by the Commission on footwear.^{1/}

The domestic industry and the "like or directly competitive" imports

In the instant investigation the President requested the Commission to determine whether increased imports due in major part to concessions granted under trade agreements are causing or threatening to cause serious injury to the U.S. industry producing men's and women's leather footwear (emphasis added).

In evaluating the information collected during this investigation--which includes data relating to all nonrubber footwear--I have taken account of all imports of nonrubber footwear, but insofar as statistical data permit I have considered such trade principally in terms of its impact on U.S. producers whose output consists wholly or chiefly of leather footwear for men and women. In

1/ Men's Leather Footwear; Certain Workers of the Packard Division of Knapp Brothers Shoe Manufacturing Corporation, Brockton, Massachusetts: Report to the President on Investigation No. TEA-W-7 . . . , TC Publication 232, 1968; Nonrubber Footwear: Report to the President on Investigation No. 332-56 . . . , TC Publication 276, 1969; Nonrubber Footwear: Report on Investigation No. 332-62 . . . , TC Publication 307, 1969; Women's and Misses' Dress Shoes With Leather, Vinyl, or Fabric Uppers: Benson Shoe Co., Lynn, Massachusetts, and Workers of Benson Shoe Co., . . . : Report to the President, Firm Investigation No. TEA-F-10 and Worker Investigation Nos. TEA-W-15, TEA-W-16, TEA-W-17, and TEA-W-18 . . . , TC Publication 323, 1970; Men's, Youths', and Boys' Footwear of Leather: Workers of the Eagle Shoe Manufacturing Co., Everett, Massachusetts: Report to the President, Worker Investigation No. TEA-W-19 . . . , TC Publication 324, 1970; Women's Leather Shoes: Workers of Caressa, Inc., Miami, Florida: Report to the President, Worker Investigation No. TEA-W-32 . . . , TC Publication 353, 1971.

my view the imports of any footwear of a given size and for a particular sex may well have a bearing on the demand for domestically produced articles of the same nature even though the materials involved may be different. Thus, for example, the imports of a lady's dress shoe of vinyl, of a given size may, indeed, have an impact on a domestically produced lady's dress shoe of leather.

Trend in imports

As shown elsewhere in this report, it is clear that the imports of most of the major categories of nonrubber footwear are being entered in increased quantities within the meaning of the statute. Whatever recent years or period of years is selected as a basis for comparison, the upward trend has been pronounced both in absolute amounts and in relation to consumption.

Most of the gain in imports in recent years has been concentrated in footwear for men and boys and that for women and misses (appendix table 5). Of the aggregate increase in imports of all nonrubber footwear from 1965 to 1969--106 million pairs--about 72 million pairs consisted of footwear for women and misses, and about 19 million of shoes for men and boys. Nearly all of the remaining increase was attributable to the rise in the volume of imports identifiable as children's and infants' footwear.

With respect to leather footwear for women and misses, the imports rose from 21 million pairs in 1965 to 86 million pairs in 1970 (annualized from 6-month data), whereas the imports of leather

footwear for men, boys, and youths increased from 8 million pairs to 32 million pairs (table 2). The imports of footwear with vinyl supported uppers, principally for women and misses, rose virtually without interruption from 48 million pairs to 116 million pairs; imports of footwear of other materials doubled rising from about 6 million pairs to about 12 million pairs.

Effects of trade-agreement concessions

It must be considered axiomatic that the forces contributing to a rise of imports of this magnitude in the diverse types and styles of footwear here considered are many and complex. Patently, it would be difficult to identify them and even more so to measure with the requisite degree of precision the relative contribution of each to the upsurge in the import trade. As will be demonstrated, however, the major cause clearly could not have been tariff reductions implemented in pursuance of trade-agreement concessions.

With respect to women's footwear of leather (chiefly items 700.43 and 700.45), for example, the statutory rate of 20 percent ad valorem was not reduced until January 1968, when tariff concessions were implemented pursuant to the Kennedy Round. Notwithstanding the absence of any duty reduction, the imports, which had been increasing in the 1950's, accelerated sharply in the 1960's, rising from about 9 million pairs in 1961 to about 38 million pairs in 1967. Obviously this large gain in imports, aggregating nearly 30 million pairs, was attributable to factors other than tariff reductions, since none were in effect.

In January 1968 the rate of duty on women's footwear of leather valued not over \$2.50 per pair (item 700.43) was reduced 1 percentage point (to 19 percent ad valorem) and the rate of duty on such footwear valued at \$2.50 per pair or more (item 700.45) was reduced 2 percentage points (to 18 percent ad valorem). Again, on January 1, 1969, the duties were reduced, respectively, by 1 and 2 percentage points (to 18 percent ad valorem and 16 percent ad valorem). On January 1, 1970, the duties were again reduced (to 17 percent and 14 percent).^{1/}

Based on the average unit values of women's leather footwear imported during January-June 1970, the aggregate of the duty reduction in effect as of January 1971, ranged from 4 cents to 5 cents per pair on imports valued under \$2.50 per pair, and from 24 cents to 34 cents per pair on those valued at \$2.50 or more. While these duty reductions no doubt contributed to the higher volume of imports after 1967, the rate of growth in such imports had been escalating sharply before the duty cuts were implemented, and they could scarcely have greatly accelerated the growth trend thereafter. As indicated later, numerous other factors obviously had a much greater bearing on the trend in trade after 1967 than the duty reductions.

With respect to the category that accounts for the bulk of the imports in men's footwear of leather (i.e., footwear provided for in item 700.35), the evidence that trade-agreement concessions

^{1/} Effective Jan. 1, 1971, the rates were reduced to 16 percent and to 12 percent. At their final stage, effective Jan. 1, 1972, the Kennedy Round rates will be 15 percent ad valorem and 10 percent ad valorem, respectively.

have not been the major cause of the increased imports is equally compelling. The statutory rate on such footwear, 20 percent ad valorem, was originally reduced in 1943 to 10 percent ad valorem. No further rate reduction was implemented until January 1968, when the rate was reduced by one-half a percentage point, and in January 1969 it was again reduced by another half of a percentage point (to 9 percent ad valorem). On January 1, 1971, the final Kennedy Round rate--8.5 percent-- was implemented.

Notwithstanding that the principal concessions on such footwear date from the early 1940's, the imports did not exhibit their greatest growth until after the early 1960's.

Normally, the maximum stimulation to imports as a result of trade concessions would be expected soon after the concessions were negotiated. Even after making allowance for the World War II dislocation to foreign industry and other time lags needed to take advantage of the concession in question, it is clear that the rate reduction on this class of merchandise was made so long ago as to preclude its being the major factor in the surge of imports that occurred from 1964 to 1967.

Based on the average unit values of men's leather footwear entered under item 700.35 during January-June 1970, the Kennedy Round duty reduction (from 10 to 9 percent) would have amounted to about 4 to 6 cents per pair. While these tariff cuts doubtlessly contributed to the increase in the imports after 1967, it is difficult indeed to rationalize the contention that they have been the

major cause of the increase. Both in the absolute amount of duty collected per pair and in relation to other causes stimulating imports, these cuts were trivial in magnitude.

In this connection, it is to be observed that over the period 1957-67 the imports of women's and misses' footwear of leather, dutiable at the statutory rate of 20 percent ad valorem, rose nearly twenty fold (or from about 2 million pairs to 41 million pairs). Over the same period the imports of men's and boys' footwear of leather, which had been subject to a full 50 percent reduction (from 20 percent to 10 percent ad valorem in 1943) rose from somewhat less than 2 million to about 14 million. The above data clearly point to substantive economic forces other than duty reductions as the cause of the increased imports of women's footwear not subject to a duty reduction, while the principal duty reductions implemented so long ago on leather footwear for men and boys could have had but limited, if any, bearing on the increase in this category of trade during the period in question.

With respect to the remaining major category of footwear--that with uppers of plastics or rubber (item 700.55)--the products represent, for the most part, a foreign innovation and did not constitute an important item of commerce until the early 1960's. Prior to August 31, 1963, imports are believed to have been dutiable, by virtue of similitude, at rates provided for leather footwear in paragraph 1530(e) of the Tariff Act of 1930. In the Tariff Schedules of the United States, the rate of duty was established at 12.5 percent ad valorem. As shown in table 2, the imports of footwear with

supported vinyl uppers rose sharply, and generally at an accelerating rate, prior to the implementation of the first Kennedy Round concession on January 1, 1968, when the duty was reduced to 11 percent ad valorem. Based on subsequent trade data, the rate of increase does not appear to have been significantly accelerated, if at all, by the relatively small reduction in the duty implemented in January 1969 (from 11 percent to 10 percent), nor by that in January 1970 (to 8.5 percent).^{1/} Based on the average unit values of footwear entered under this item in January-June 1970, the reduction in duty (from 12.5 percent to 8.5 percent) would have amounted to about 4 cents per pair for such footwear for men and to about 3 cents per pair for footwear for women.

Factors abroad affecting the footwear trade

As noted earlier, a number of diverse economic factors other than trade-agreement concessions have been involved in the gain in imports, and it is probably not possible to separately identify and weigh each of them. In my view, however, the evidence is overwhelming that these factors, taken in the aggregate, were much more significant than the trade-agreement concessions outlined above. Inasmuch as these factors were discussed at length during the Commission's hearings, as well as in the main body of the Commission's report, they are only summarized here.

From the information developed in the investigation, it is clear that profound changes are occurring in the footwear industries

^{1/} Effective Jan. 1, 1971, the rate of duty was reduced to 7 percent ad valorem; effective Jan. 1, 1972, the final stage of the Kennedy Round, the rate will be reduced to 6 percent ad valorem.

both at home and abroad. With respect to foreign production, it is important to note that in many of the principal supplying countries the producing establishments tend to be relatively new, having been established for the most part in the postwar era--in some cases with the assistance of U.S. capital and know-how. Many of these industries have obviously concentrated upon the relatively attractive U.S. market and in so doing have made intensive efforts, in cooperation with U.S. distributors, to exploit it through the introduction of new types and styles of footwear, through the use of new materials, and through aggressive marketing techniques both in conventional outlets and in newly developed merchandising channels (such as discount houses and variety and self-service stores).

Another factor in the increased imports is the relative abundance of labor abroad. The production of footwear tends to be highly labor intensive, and the information submitted during this investigation clearly demonstrates that during most of the 1960's--and particularly during the period of relatively full employment after the buildup in Viet-Nam--domestic producers in many areas of the United States appear to have generally experienced difficulty in obtaining sufficient numbers of workers to meet their requirements because they were unable either to attract new workers or to bid competitively with other industries also seeking to attract added employees.

Finally, a major advantage enjoyed by the foreign industry, also quite unrelated to trade-agreement concessions, is the differential between domestic and foreign wage rates. Information contained

in the Report of the Task Force on Nonrubber Footwear, for example, estimates that average hourly labor costs, including supplements, were about \$2.68 in the domestic footwear industry in 1969, and in recent years have been more than two times those in Italy, and four times those in Japan. Strictly comparable data were not available for Spain and Taiwan, the other principal suppliers, but hourly labor costs in those areas are known to be substantially lower than those in Japan.

In this connection it is to be noted that spokesmen for both industry and labor before the Commission seem to agree that inequalities in U.S. and foreign labor costs have been the critical factor in the growth of imports. Evidence of this is presented in the following colloquy between the Commission and Mr. George O. Fecteau, General President, United Shoe Workers of America, during the public hearings (emphasis added):

- Q: . . . but Mr. Fecteau, you understand that under the statute, the Tariff Commission can only make an affirmative finding if it finds as a result that in major part trade agreement concessions have caused the imports to increase.
- A: . . . I realize that. And I do say and I repeat, although I did not bring it out in my testimony here, that I believe that the concessions that have been made over the years, tariff concessions, have contributed substantially to the import problem we have
- Q: They have contributed substantially, but vis-a-vis the wage differential paid abroad and in the United States, how do they run? In other words, which is the more important reason for the increased imports--the low wages paid abroad or the concessions that the United States granted by way of trade agreements?

A: . . .I must admit I believe it is the lower wage paid abroad that is the greater factor in the import problem that we have. While the tariff, of course, is a contributing factor, I believe the other factor is a great one, too.1/

Mr. William Sheskey, Chairman, National Affairs Committee, American Footwear Manufacturers Association, and President, Commonwealth Shoe and Leather Co., Inc., of Whitman, Mass., made precisely the same point in his testimony before the Commission in October 1970, when he stated (emphasis added):

. . .data conclusively indicate the tariff concessions are closely linked to import increases. As an industry, however, we continue to believe that (the) basic underlying cause of increased imports remains one single factor: low foreign wages, simply because foreign shoe wage rates continue to be a small fraction of United States wages. . . .2/

Domestic factors affecting the footwear trade

A number of complex economic forces within the United States have also contributed greatly to the increased imports of footwear. Total U.S. dutiable imports, that is, imports of all articles on which duties are assessed, although increasing in the 1950's, accelerated sharply after 1963. Similarly, the rate of increase in the imports of footwear was up sharply after 1963. Doubtlessly, the same economic forces which contributed so greatly to the sharp upward trend in total dutiable imports in recent years were also responsible, in substantial degree, for the rise in imports of footwear after 1963. These forces included, among others, the increases

1/ Transcript of the hearing, pp. 9-10.

2/ Transcript of the hearing, pp. 80-81.

in domestic prices and costs, the relatively high utilization of domestic labor, and the high level of domestic consumption expenditures--both for imported and domestic goods--during this era.

Within the U.S. footwear industry itself, rising production costs were among the important contributors to the pronounced market penetration by imports. As indicated elsewhere in this report, the wholesale price index of domestically produced footwear in the past few years has increased much more sharply than that for all commodities, for all nondurable commodities, and for wearing apparel. The cause, it is safe to say, rests primarily in the sharp gains in wages in the domestic industry in the face of limited gains in productivity, in the rise in prices of hides, skins, and leather, and in the increase in the cost of lasts, dyes, and patterns as a result in part of more rapid innovation and turnover in footwear styles than prevailed in earlier years. In brief, the rapid price increases in the domestic economy overall, and in the footwear industry in particular, have been important contributors to the growth in the imports under consideration. Together with the other factors already enumerated, they far outweigh the duty concessions as a causal factor regarding the increased imports.

Conclusion

Given the circumstances enumerated above, I cannot find with two of my colleagues that the imports in question are in major part the result of trade-agreement concessions. In this connection, it should be stressed that in the TEA the Congress made more stringent

the criteria for an affirmative determination. It indicated that the test "in major part" shall be compelling. The law does not say "in whole or in part." It says "in major part." It does not say "substantial" or "considerable." It says "in major part." It does not say "but for." It says "in major part." It does not say "if the 1930 rates had been in effect the imports would have been substantially less." It says "in major part."

It should be observed further that in both the House and in the Senate versions of trade legislation considered by the 91st Congress, new provisions were drafted expressly for the purpose of relaxing these criteria. But these proposals have not yet been enacted. As a factfinding agency, the Commission cannot rewrite the law. It is bound by the existing statute and must adhere to its provisions. Indeed, such adherence to the provisions of law is essential, for if the Congress cannot be assured that the Commission will follow the legislative intent of one statute, it can have no great faith that its intent would be followed under another. Under such circumstances the whole legislative process would become an exercise in futility.

Finally, one is constrained to observe that the remedial measures recommended by my two colleagues finding a threat of serious injury would provide little, if any, relief from the injury they cite. In the 1960's, the imports of footwear increased sharply at duties as high as or higher than those my colleagues recommend and the restoration of a portion of or of all of those duties could not be expected to alter effectively the import trend. Surely the Congress,

by increasing the stringency of the "escape clause" test in the TEA must have contemplated more effective relief from injurious concession-related imports for industries that did meet the test than has been recommended by my colleagues.

One cannot minimize the complex problems confronting this industry or help but be moved by them. The industry is composed of a very large number of small producers who lack adequate financial resources and are otherwise ill equipped to adjust to the rapid proliferation of new styles and materials, increased imports from low-wage countries, changing technology, new marketing techniques, and a cost-price squeeze of impressive proportions. Many of these developments occurred more or less simultaneously and in the recent past. Even if footwear supplied from abroad is ignored, the problems of the industry are monumental. Obviously, the marked increase in the market penetration of the imports in recent years has contributed significantly to those problems. Had the industry qualified under the statute I would also have doubted the efficacy of adjustment assistance in view of the size and complexity of the economic factors involved. In my view, however, the existing statute clearly forecloses the Commission from making an affirmative determination in this case.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Products

In this investigation, as in the Commission's two footwear investigations conducted under section 332 of the Tariff Act of 1930, 1/ the term "nonrubber footwear" is used to refer to footwear of the kinds described in part 1A of schedule 7 of the TSUS, other than those described in TSUS items 700.51, 700.52, 700.53, and 700.60. Thus, with respect to material, method of construction, and style, the term covers a wide variety of footwear, including dress, casual, work, and athletic shoes, as well as sandals, slippers, slipper socks, moccasins, and boots, but does not include (1) so-called protective-type footwear (i.e., the rubbers, overshoes, galoshes, arctics, and boots of rubber or plastics described in TSUS items 700.51, 700.52, and 700.53) and (2) rubber- or plastic-soled footwear with fabric uppers (described in TSUS item 700.60), which consists principally of traditional styles of sneakers (e.g., tennis oxfords and basketball shoes) and a wide variety of specialties designed for leisure, street, or beach wear.

Articles of U.S. manufacture meeting the foregoing definition of "nonrubber footwear" are produced by the establishments included in industry Nos. 3141 and 3142 of the Standard Industrial Classification (SIC). Industry No. 3141 consists of establishments primarily engaged in "the production of boots and shoes [except rubber footwear] designed primarily for street, work, play, or sport wear" and industry No. 3142 consists of establishments primarily engaged in "manufacturing house

1/ Investigations No. 332-56 (TC Publication 276, 1969) and No. 332-62 (TC Publication 307, 1969).

slippers of leather or other materials." Both protective footwear and rubber- or plastic-soled footwear with fabric uppers--the two categories of footwear described in the TSUS items of part 1A of schedule 7 which are not nonrubber footwear for the purpose of this investigation--are produced principally by U.S. industry No. 3021 (rubber footwear), which consists of "establishments primarily engaged in manufacturing all rubber footwear, waterproof fabric upper footwear, and other fabric upper footwear having rubber soles vulcanized to the uppers." 1/

However, a significant portion of the recent imports of rubber- or plastic-soled footwear with fabric uppers admitted under TSUS item 700.60 have consisted of folding slippers, scuffs, and so-called indoor-outdoor slippers of types produced in the United States principally by firms manufacturing house slippers and reporting their production under industry No. 3142. 2/

In general or commercial usage the descriptive terms for footwear (e.g., "dress," "work," "casual," and "slippers" and "sandals") may have various meanings; some of them are specifically defined for tariff purposes in the headnotes (including statistical headnotes) to part 1A of schedule 7. 3/ Since the mid-1960's, the term "sandals"--

1/ See U.S. Tariff Commission, Protective Footwear of Rubber or Plastics and Rubber- or Plastic-Soled Footwear With Fabric Uppers: . . . Report to the President, Worker Investigation Nos. TEA-W-23, TEA-W-24, TEA-W-25, and TEA-W-26, TC Publication 330, 1970, p. A-26.

2/ Ibid., p. A-8.

3/ Part 1A of schedule 7 of the Tariff Schedules of the United States Annotated (1970) is reproduced in appendix A to this report. As indicated in this section (as well as in later sections) of the report, some of the definitions for tariff purposes of descriptive terms (e.g., "slippers" and "casuals") apply to only a small portion of the footwear for which such terms are currently used in retail outlets.

which is not defined in the TSUS--has been used in the trade to describe an increasing portion of the footwear available in retail outlets; it is used in this report to refer to footwear with uppers consisting wholly or predominantly of straps or thongs, regardless of the height of the heel or other constructional features.

In terms of U.S. retail sales, so-called dress shoes (a term not defined in the TSUS) are more important than any other type of non-rubber footwear. The term "dress shoes," originally used to designate shoes designed to wear with formal attire, has been used for many years to refer to the types of footwear intended principally for business and social activities. Generally the term "dress shoes" does not refer to footwear suitable for active sports, beach wear, other leisure activities for which casual attire is worn, or occupations requiring substantial amounts of walking or standing. Leather has long been the principal material used for making uppers of dress shoes in the United States; in recent years poromerics, supported vinyls, and various woven fabrics have become increasingly important, accounting (in terms of quantity) for about 30 percent of the total output of nonrubber footwear in 1969. With respect to imports of nonrubber footwear, however, footwear in chief value of leather has become increasingly important, accounting for nearly 50 percent of total imports in 1969, compared with 36 percent in 1965. 1/

1/ Data on zoris--thonged sandals of rubber or plastics, which are "nonrubber footwear" in this investigation (being provided for in TSUS item 700.55)--are excluded from the import figures shown in the text and tables of this report, unless otherwise noted. Zoris, which are worn primarily as beach sandals or shower slippers, are not produced in the United States. U.S. imports thereof, chiefly from Japan, declined from an estimated 70 million pairs in 1959 to 32 million pairs in 1963, and then to 25 million pairs in 1969; the dutiable value of the 1969 imports averaged 12 cents a pair.

The great increase in the past decade in the range of styles and qualities of footwear (including slippers 1/) made available to consumers as a result of new materials, technological developments in production, and new marketing techniques has contributed to a marked change in the mode of dressing in the United States. The interest of a growing proportion of consumers in "fun" fashions reflects the changing age structure of the population, increasing per capita income, and a growth of leisure activities. Accordingly, the distinction between dress shoes and casual (or play) shoes among consumers (both women and men) has become less important.

For many years the principal type of dress shoes worn by women in the United States was the pump--a closed-toe, closed-back, slip-on shoe held to the foot without fasteners (such as laces, buckles, buttons, or snaps), with lightweight soles, and with heels of 2 inches or higher. Pumps have been made in a wide variety of styles distinguished by different pattern treatments (i.e, cut) of the uppers, the material (or combination of materials) used for the uppers, the height of the heel,

1/ Unless otherwise noted, the term "slippers" is used in this report to refer to the types of domestic footwear reported under SIC product code 3142 (house slippers). In recent years only about 10 percent of the domestic output consisted of leather slippers of the type provided for in TSUS item 700.32 (described in headnote 2(e) to part 1A of schedule 7). Currently the great bulk of the domestic output of slippers consists of types of footwear described in various other TSUS items, e.g., 700.35, 700.43, 700.45, 700.55, and 700.60. Slippers of these descriptions are generally sold in retail outlets at slipper bars, usually located adjacent to hosiery departments rather than in shoe departments.

and the amount and kind of ornamentation. With the wide acceptance of the miniskirt in the late 1960's, footwear with heels of 2 inches or higher lost favor, and the low-heel, heavy-appearing "monster" styles became increasingly popular for use as dress shoes. Also there has been a growing tendency for consumers to utilize other types of nonrubber footwear (e.g., loafers, sandals, slippers, and--very recently--clogs) in lieu of both dress shoes and traditional styles of casual or play shoes, such as sneakers and footwear of wedge-type construction. For several years boots also have been gaining favor as a fashionable substitute for dress shoes. Currently, boots, which come in a wide variety of styles and materials, are reported to be selling in large volume, particularly in metropolitan areas; also plain pumps with various styles of heels of about 2 inches or more are again being featured in the trade journals and advertisements of retail outlets.

In recent years fashion has increasingly become the keynote of the U.S. market for men's footwear as well as for women's; men's dress shoes are now subject to more frequent style changes than formerly. In the mid 1960's footwear with the lightweight, so-called continental look, which was introduced into the United States by imports from Italy and Spain, became popular for wear with new fashions in men's wearing apparel. Recently slip-ons and buckled oxford-height shoes with blunt toes, as well as above-the-ankle styles, have been gaining wide consumer acceptance. Also, there has been a greater variety of footwear for sport and leisure wear.

U.S. Customs Treatment

Nonrubber footwear is classified for tariff purposes under 23 items of part 1A of schedule 7 of the Tariff Schedules of the United States (table 1 in appendix B). 1/ Unfinished footwear is dutiable at the rate provided under the TSUS item applicable to finished footwear of the same type. Leather and other materials cut or wholly or partly manufactured into forms or shapes suitable for conversion into footwear, however, are classified for tariff purposes elsewhere in the TSUS and therefore are not included in this investigation.

The rates of duty applicable to nonrubber footwear remained unchanged from August 31, 1963 (the effective date of the TSUS), through December 31, 1967. On January 1, 1968, when the first stage of the concessions granted by the United States in the Kennedy Round tariff negotiations was placed in effect, the column 1 (trade-agreement) rates 2/ provided in 19 of the 23 TSUS items were reduced.

1/ During the period Aug. 31, 1963, through Dec. 31, 1967, nonrubber footwear was classified under 18 TSUS items. On Jan. 1, 1968, to carry out the first stage of the Kennedy Round commitments made by the United States under the General Agreement on Tariffs and Trade, four of those TSUS items were subdivided; this action created five additional items, making a total of 23.

2/ The TSUS provides two rates of duty for each item--the column 1 rate and the column 2 rate. The column 1 rates applicable to nonrubber footwear that are lower than the corresponding column 2 rates reflect tariff concessions made by the United States in trade agreements. Imports from most countries are dutiable at the column 1 rates; imports from countries designated as Communist, which have accounted for about 2 percent of total imports of nonrubber footwear in recent years, are dutiable at column 2 rates (see General Headnote 3 to the TSUS).

Nearly all of the U.S. rates of duty applicable to imports of non-rubber footwear are of the ad valorem type. Before the first stage of the Kennedy Round concessions went into effect on January 1, 1966, the ad valorem rates in column 1 of the TSUS ranged from 5 percent to 25 percent. The great bulk of the imports of nonrubber footwear in 1967 were dutiable at 10 percent, 12-1/2 percent, or 20 percent ad valorem, as shown, by rates of duty, in the following tabulation of the imports entered at column 1 rates:

Rate of duty	Quantity	Value	Percent of total--	
			Quantity	Value
	<u>1,000</u>	<u>1,000</u>		
	<u>pairs</u>	<u>dollars</u>		
5% ad val-----	2,731	24,209	2	11
10% ad val-----	13,833	48,389	11	23
12-1/2% ad val-----	66,686	39,382	51	19
14% ad val-----	182	427	<u>1/</u>	<u>1/</u>
15% ad val-----	1,351	360	1	<u>1/</u>
16-2/3% ad val-----	198	256	<u>1/</u>	<u>1/</u>
17% ad val-----	19	12	<u>1/</u>	<u>1/</u>
20% ad val-----	42,137	92,710	33	43
25% ad val-----	1,907	692	1	<u>1/</u>
34¢ per pair 2/-	1,335	6,775	1	3
Total-----	130,379	213,212	100	100

1/ Less than 0.5 percent.

2/ Equivalent to 7 percent ad valorem, based on imports in 1967.

Footwear classified under the 19 TSUS items on which the United States granted concessions in the Kennedy Round tariff negotiations accounted for 95 percent of the value of U.S. imports of nonrubber footwear dutiable at column 1 rates in 1967. In those negotiations, the United States agreed to reduce the rates applicable to 14 of the 19 TSUS items by 50 percent, the maximum reduction permitted on those 14 items under the Trade Expansion Act of 1962 (76 Stat. 872). Footwear classified under the 14 items is estimated to have accounted in 1967 for about two-thirds of the quantity (and nearly half of the value) of total imports of nonrubber footwear dutiable at column 1 rates. On four other TSUS items, under which about three-tenths of the quantity (and two-fifths of the value) of nonrubber footwear imports dutiable at column 1 rates in 1967 were classified, the United States agreed to reduce the rates by less than 50 percent (generally by about 25 percent). On the remaining TSUS item subject to concession, which accounted for only a small share of the total imports of nonrubber footwear in 1967, the United States agreed to eliminate the duty. Most of the U.S. concessions granted on nonrubber footwear in the Kennedy Round are being placed in effect in five stages. As noted earlier, the first stage became effective on January 1, 1968; the subsequent stages are going into effect at annual intervals, the fifth on January 1, 1972.

Table 1 shows the column 1 tariff rates for nonrubber footwear during the period August 31, 1963, through December 31, 1967, together with the third stage (in effect during 1970) and final stage rates of the Kennedy Round concessions; it also shows the column 2 rates. Besides being the rates applicable to products imported from

countries designated as Communist, the column 2 rates, which range from 10 percent to 35 percent ad valorem, are treated as the rates "existing on July 1, 1934" for the purpose of the limitations on the President's rate-increasing authority under the Trade Expansion Act (sec. 203 of the Tariff Classification Act of 1962, Public Law 87-456, as amended).

In 1969, when the second stage of the Kennedy Round concessions was in effect, the great bulk of the imports of nonrubber footwear were dutiable at 9 percent, 10 percent, 16 percent, or 18 percent ad valorem, as shown, by rates of duty, in the following tabulation of the imports entered at column 1 rates:

Rate of duty	Quantity	Value	Percent of total--	
			Quantity	Value
	<u>1,000</u>	<u>1,000</u>		
	<u>pairs</u>	<u>dollars</u>		
3% ad val-----	354	5,751	<u>1/</u>	1
4% ad val-----	2,599	15,740	1	4
5% ad val-----	1,819	19,355	2	5
8% ad val-----	872	1,321	<u>1/</u>	<u>1/</u>
9% ad val-----	23,036	95,593	12	22
10% ad val-----	97,533	81,911	49	19
11% ad val-----	957	1,841	<u>1/</u>	<u>1/</u>
12% ad val-----	2,007	809	1	<u>1/</u>
13% ad val-----	1,524	3,791	1	1
16% ad val-----	28,321	137,353	14	32
17% ad val-----	13	11	<u>1/</u>	<u>1/</u>
18% ad val-----	34,383	51,515	17	12
20% ad val-----	3,339	2,317	2	1
27¢ per pair <u>2/</u> -----	811	3,350	<u>1/</u>	1
34¢ per pair <u>3/</u> -----	1,394	8,234	1	2
Total-----	198,962	428,892	100	100

1/ Less than 0.5 percent.

2/ Equivalent to 7 percent ad valorem, based on imports in 1969.

3/ Equivalent to 6 percent ad valorem, based on imports in 1969.

For the total imports admitted at column 1 rates, the ad valorem equivalent of the applicable duties was 12 percent in 1969, compared with 14 percent in 1967, the year before the Kennedy Round reductions were initiated. For the types of footwear that have accounted for the great bulk of the imports of nonrubber footwear in recent years, the volume of imports, by tariff rates, is shown in table 2 for the years 1964-69, January-June 1969, and January-June 1970.

Before the TSUS became effective, footwear in chief value of leather and footwear with uppers in chief value of fibers or substitutes therefor (regardless of the composition of the soles) were dutiable under paragraph 1530(e) of the Tariff Act of 1930. The rate of duty originally applicable to such articles under that act was 35 percent ad valorem for footwear with fiber uppers and 20 percent ad valorem for footwear in chief value of leather (except such footwear with fiber uppers). 1/ These were the only rate provisions in the 1930 statute that specifically named footwear. Footwear of other descriptions was dutiable at various

1/ By Presidential proclamation, pursuant to sec. 336 of the Tariff Act of 1930 (T.D. 45311, effective Jan. 1, 1932), the statutory rate of 20 percent ad valorem for leather boots and shoes was reduced to 10 percent on imports made by the turn or turned process and increased to 30 percent on McKay-sewed imports. Similarly, effective Mar. 3, 1933, the President increased the duty on footwear with fiber uppers and "with soles composed wholly or in chief value of india rubber or substitutes for rubber" by changing the basis for assessing the statutory rate (35 percent ad valorem) from foreign (or export) value to the American selling price of the "like or similar domestic product" (T.D. 46158); such footwear, however, is now classifiable under TSUS item 700.60 and therefore is not considered as "nonrubber footwear" for the purpose of this investigation.

rates, depending on the component material of chief value. For example, the original schedule of the Tariff Act of 1930 did not provide, by name, for the types of footwear of rubber or plastics that now constitute the bulk of the imports admitted under TSUS item 700.55. Such footwear (exclusive of rubber zoris, which are excluded from the import figures of this report) is believed to have been dutiable, prior to August 31, 1963, by virtue of the similitude provisions of paragraph 1559 of the pre-TSUS tariff schedules, principally at the rates provided for leather footwear in paragraph 1530(e). Footwear of wood (now admitted under TSUS item 700.83) was dutiable in the pre-TSUS tariff schedules under the provision in paragraph 412 for manufactures of which wood or bark is the component material of chief value, not specially provided for.

From 1930 until January 1, 1946, very few tariff concessions were granted on nonrubber footwear classifiable under paragraph 1530(e). During the period January 1, 1946, to August 30, 1963, however, many trade-agreement concessions were granted under the General Agreement on Tariffs and Trade (GATT) on various types of nonrubber footwear. The pre-TSUS trade-agreement concessions that reduced tariff rates applicable to nonrubber footwear classified in paragraphs 1530(e) and 412 are shown in table 3.

U.S. Consumption

From 1954-56 to 1967-69 1/ the average annual rate of increase in the U.S. consumption of nonrubber footwear was greater than that of the U.S. population--2.3 percent, compared with 1.5 percent. Nonrubber footwear has continued to be the predominant type of footwear sold in the United States, accounting for more than three-quarters of the consumption of all footwear other than the protective type during each of the years 1954-69. On a per capita basis, the average annual U.S. consumption of nonrubber footwear rose from 3.5 pairs in 1954-56 to 3.9 pairs in 1967-69--the increase being at an average annual rate of about 0.8 percent.

From 1963 to 1968 the apparent consumption of nonrubber footwear rose at an average annual rate of about 4 percent--from 668 million pairs to 822 million pairs--but then declined by 5 percent to 777 million pairs in 1969 (table 4). However, consumption was higher in 1969 than in any preceding year except 1968. Moreover, data for the first 6 months of 1969 and 1970 indicate that the apparent consumption of nonrubber footwear in these periods was about 4 percent larger in January-June 1970 than in the corresponding period of 1969--425 million pairs, compared with 409 million pairs.

Apparent U.S. consumption of nonrubber footwear rose far more sharply in 1968 than in other recent years; such consumption was

1/ Comparisons are made frequently in this report between average annual data for 1954-56 and those for 1967-69. The period 1954-69 spans the years when annual U.S. imports of nonrubber footwear increased materially. The 3-year averages are used to avoid atypical annual fluctuations.

90 million pairs larger in 1968 than in 1967. Extensive changes in the styling of women's and misses' shoes appear to have been largely responsible for the great increase in consumption of nonrubber footwear in 1968. Such changes appear to have stimulated both domestic production and imports.

In recent years, slippers have accounted for about 15 percent, athletic footwear for 1 percent, and work shoes for 5 percent, of the volume of nonrubber footwear sold annually in the United States. Other nonrubber footwear for women and misses has accounted for about a half; other footwear for men, youths, and boys for nearly a fifth; and other footwear for children and infants, about a tenth (table 5). The share of the sales accounted for by each of these broad categories has not changed significantly in recent years. Within some of these categories, however, the popularity of various identifiable types of footwear often changes. In recent years, for example, the popularity of sandals (especially for women, misses, and children), pigskin casual shoes (especially for men), and packables (folding slippers) 1/ has risen.

Factors affecting U.S. consumption

This investigation did not endeavor to determine all of the factors that affect U.S. consumption of nonrubber footwear. However, the principal factors influencing the volume and composition of

1/ The terms "packables" and "folding slippers" are used to refer to footwear with pliant uppers and soles, generally sold folded in a polyvinyl bag.

domestic consumption of such footwear--changes in the U.S. population, disposable personal income, and consumer preferences--are reviewed below.

Population.--Although the U.S. population has continued to increase in recent years, the annual rate of growth declined materially during the 1960's. The annual rate of increase averaged 1.3 percent during the period 1960-69, compared with nearly 1.8 percent during the 1950's. Expressed in absolute terms, the annual increase in the U.S. population averaged nearly 3 million in the late 1950's but was only 2 million in the year ending July 1, 1969 (table 6).

Recent changes in the age composition of the U.S. population have had an important influence not only on the volume but also on the types of nonrubber footwear consumed. From 1960 to 1970 the greatest gains in population were in the ages 14 to 24 years; the population of college age (18 to 24) increased by 53 percent and the population of high school age (14 to 17), by 42 percent. 1/ The persons in these two age groups are the principal consumers of sandals, which accounted for about two-fifths of the nonrubber footwear imported in 1967 and about a third of that imported in 1969.

The rise in the share of the U.S. population aged 65 and over has also altered the composition of U.S. footwear consumption. Persons in that age group are mostly retired, and their per capita purchases of footwear and other wearing apparel are likely to be below

1/ U.S. Bureau of the Census, Current Population Reports: Population Estimates and Projections, Series P-25, No. 448, Aug. 6, 1970.

the average for the total population. The rise in that segment of the population has probably affected the consumption of nonrubber dress shoes more than that of other types of footwear.

The following tabulation, compiled from Census Bureau data, ^{1/} shows the age composition of the U.S. population in 1950, 1960, and 1970 and the percent of change in the number in each age category from 1950 to 1960 and from 1960 to 1970:

Age	Percent distribution			Percent of change	
				in absolute numbers	
	April 1, 1950	April 1, 1960	July 1, 1970	1950 to 1960	1960 to 1970
All ages-----	100.0	100.0	100.0	+18.6	+14.1
Under 5 years-----	10.7	11.3	8.6	+25.1	-12.8
5 to 13 years-----	14.7	18.2	18.1	+47.1	+13.7
14 to 17 years-----	5.6	6.2	7.7	+31.7	+41.8
18 to 24 years-----	10.6	8.9	11.9	-1.1	+53.4
25 to 34 years-----	15.8	12.8	12.4	-4.1	+10.2
35 to 44 years-----	14.2	13.4	11.2	+12.1	-4.7
45 to 54 years-----	11.5	11.4	11.4	+17.8	+14.1
55 to 64 years-----	8.8	8.7	9.0	+16.8	+18.9
65 years and over-----	8.1	9.2	9.7	+34.7	+19.6

Disposable personal income.--Per capita disposable personal income in the United States has risen appreciably since the mid-1950's (table 6). Such income increased from 1955 to 1969 at an average annual rate of 4.6 percent if measured in current dollars and at 2.5 percent if measured in constant (1958) dollars. The increase in disposable personal income has permitted a rise in personal consumption expenditures. From 1955 to 1969, for example, the average annual

^{1/} Ibid.

rate of increase in per capita personal consumption expenditures was 4.5 percent for all goods and services; 3.8 percent for all types of footwear (nonrubber, canvas-rubber, and miscellaneous articles generally classified as footwear); and 4.2 percent for clothing and accessories (except footwear). The foregoing rates of change in per capita personal consumption expenditures were computed from the data on personal consumption expenditures for 1955, 1960, and 1966-69 shown in the following tabulation (amounts in current dollars):

Year or item	All goods and services	Footwear	Clothing <u>1/</u>
	Total expenditures (billion dollars) <u>2/</u>		
1955-----	254.4 :	3.6 :	19.4
1960-----	325.2 :	4.5 :	22.7
1965-----	432.8 :	5.4 :	30.4
1966-----	466.3 :	5.9 :	34.1
1967-----	492.2 :	6.3 :	35.8
1968-----	535.8 :	6.9 :	38.9
1969-----	577.5 :	7.6 :	42.0
	Per capita expenditures <u>3/</u>		
1955-----	\$1,533 :	\$22 :	\$117
1960-----	1,800 :	25 :	126
1965-----	2,224 :	28 :	156
1966-----	2,368 :	30 :	173
1967-----	2,472 :	32 :	180
1968-----	2,663 :	34 :	193
1969-----	2,842 :	37 :	207
	Percent of increase		
Change, 1955 to 1969:	:	:	:
Total-----	127 :	111 :	116
Annual average---	6.0 :	5.5 :	5.7
Per capita-----	85 :	68 :	77
Annual average---	4.5 :	3.8 :	4.2

1/ Includes accessories, but excludes footwear.

2/ From U.S. Department of Commerce, Office of Business Economics, The National Income and Product Accounts of the United States, 1929-1965: Statistical Tables, and Survey of Current Business, July 1970.

3/ Computed on the basis of the population data shown in table 6.

Consumer preferences.--Changes in consumer preferences, which reflect in part changes in the composition of the population, have also resulted from changes that have occurred in the mode of living in the United States in recent years. Increased urbanization, the growth of suburban areas, and the trend toward casual living--factors which have had a major impact on the apparel industry--have probably influenced the U.S. consumption of footwear to a marked degree. The interest of consumers in spending part of their increased income on footwear has been stimulated by the growth in leisure-time activities, which create demand for footwear designed for special purposes, and increasing emphasis on high-style footwear for men as well as for women.,

Role of imports

Before the mid-1950's, imports supplied a negligible portion of the nonrubber footwear consumed in the United States. From 1954-56 to 1960-62, however, average annual imports rose from the equivalent of 2 to 9 percent of apparent consumption (based on quantity) (table 4). Since 1963, imports of nonrubber footwear have continued to increase at a higher annual rate than domestic production; hence, the ratio of imports to apparent consumption has continued to increase. In terms of quantity, imports were equivalent to 26 percent of the apparent consumption in 1969 and 32 percent in January-June 1970. Because the unit value of domestic footwear is, on the average, substantially higher than that of imported footwear, the share of U.S. consumption of nonrubber footwear supplied by imports in recent years has been lower if measured in terms of the estimated wholesale values

rather than in number of pairs--about 18 percent in 1969 and 21 percent in January-June 1970.

Data from questionnaires returned by importers and domestic producers respecting their sales in 1969 of nonrubber footwear by wholesale price ranges indicate that a somewhat smaller share, in terms of quantity, of the nonrubber footwear consumed in the United States was marketed at wholesale at less than \$4 per pair in that year than in 1967--roughly a half compared with three-fifths (table 7). About two-fifths of the nonrubber footwear produced domestically was wholesaled in 1969 at less than \$4 per pair (or less than \$8 at retail), compared with about three-fourths of the imported nonrubber footwear; the corresponding ratios for 1967 were a half and four-fifths, respectively. In 1969, imports supplied about three-eighths of the nonrubber footwear wholesaling at less than \$4 per pair and about an eighth of that selling at \$4 per pair or higher; the corresponding ratios for 1967 were a fourth and a tenth.

Imports generally supply a larger share of the women's and misses' nonrubber footwear marketed in the United States than they do of either men's and boys' or children's and infants'--in 1969, 34 percent, compared with 27 percent and 25 percent, respectively (table 5).

A detailed discussion of the volume and composition of both domestic production and imports of nonrubber footwear in recent years is contained elsewhere in this report; see sections on U.S. production and U.S. imports.

Marketing Channels

In recent years significant changes have occurred in the marketing of footwear and other soft goods, as developments in merchandising techniques have accompanied the changing age structure of the U.S. population, increasing per capita income, growth of leisure activities, and expansion of market outlets in suburban areas. Changes of particular importance to the marketing of footwear noted in the Commission's previous reports on the subject include the increase in scrambled merchandising, 1/ the growth of discount outlets, and the opening of new shopping malls. In addition, there has been an evident increase in the concentration of retail outlets for footwear in the hands of the major firms. There has also been a tendency for footwear producers to enter the retailing field and for retail chains to enter the producing field or add to their production facilities. Both retail chains and producing facilities have been acquired by firms not previously in the footwear trade.

Retail outlets 2/

In 1963, nonrubber footwear was marketed in the United States by about 110,000 retail outlets, which were owned by some 80,000 firms. The American Footwear Manufacturers Association (AFMA) has estimated that the number of such outlets has increased by about 1 percent since that time. In 1968, retail chains (i.e., firms owning or leasing 11 or more retail outlets) accounted for 53 percent

1/ "Scrambled merchandising" refers to the addition of unconventional product lines to such outlets as supermarkets and drugstores.

2/ Data in this section are based largely on the 1967 Census of Business, and estimates made by the American Footwear Manufacturers Association appearing in Chain Stores and Leased Shoe Department Operators, Rumpf Publishing Co., 1970.

of the aggregate sales of footwear, estimated by the AFMA at about \$6.5 billion. So-called independent retailers (i.e., firms owning or leasing from one to 10 retail outlets) marketed about 43 percent of the footwear, while mail-order houses accounted for the remainder. 1/ As may be noted in table 8, the retail chains substantially increased their share of the U.S. footwear market between 1958 and 1968--from 40 to 53 percent. A number of retail chains are divisions or subsidiaries of domestic firms also engaged in producing footwear. 2/

Shoe stores and department stores are the principal types of retail outlets for footwear, accounting for about a half and a quarter, respectively, of the aggregate value of retail sales. The following tabulation compiled from the 1967 Census of Business shows, for the principal types of retail outlets in which footwear is sold, the number of establishments with payroll and their sales of footwear in 1967:

<u>Type of retail outlet</u> <u>1/</u>	<u>Number of</u> <u>establishments</u>	<u>Retail sales</u> <u>of footwear</u> <u>(million dollars)</u>
Apparel and accessory stores (56):		
Shoe stores-----	21,110	2,718
Other-----	19,272	648
Department stores (531)----	5,365	1,432
General merchandise stores (539)-----	11,153	214
Variety stores (533)-----	15,096	153
Mail-order houses (532)----	2,842	93
Drug and proprietary stores (591)-----	1,270	11

1/ Identified in parentheses by code number of the major group or subgroup of the Standard Industrial Classification.

1/ Mail-order houses are defined in the 1967 Census of Business as establishments "primarily selling merchandise as a result of orders received by mail." Also included in this classification, and counted as separate establishments, are catalog-order stores. Sales made from catalog order desks, however, are included with the sales of the retail establishment in which they are located.

2/ In 1969, 11,527 retail outlets for footwear were owned or leased by 24 parent companies, each of which operated 100 or more retail units. About four-fifths of these outlets were operated by firms that were also footwear producers. The Commission's report in January 1969 (on investigation No. 332-56) estimated that firms producing nonrubber footwear owned or leased less than a tenth of the total retail outlets for footwear and that such outlets probably accounted for about 15 percent of domestic retail sales.

Distribution of U.S. production and imports

Data obtained from domestic producers of nonrubber footwear indicate that more than four-fifths of the quantity of footwear produced by them in 1969 was sold directly to retail outlets. Data obtained from importers show a similar pattern of distribution for imported footwear. However, importers reported selling a much larger proportion of their footwear to discount retail outlets than did domestic producers--42 percent and 13 percent, respectively. The following tabulation shows, by type of market outlet, the distribution of sales of nonrubber footwear reported for 1969 by domestic producers and importers (based on quantity):

<u>Type of market outlet</u>	<u>Domestic producers 1/</u> <u>(percent)</u>	<u>Importers 2/</u> <u>(percent)</u>
Retail stores:		
Discount-----	13.3	42.3
Other-----	73.9	38.3
Jobbers and wholesalers-----	11.1	17.7
Other-----	1.7	1.7
Total-----	100.0	100.0

1/ Data obtained from the Commission's sample of domestic producers; see p. A-61 for an explanation of the sampling procedure employed.

2/ Data obtained from 95 importers accounting for about 65 percent of U.S. imports of nonrubber footwear in 1969 (includes imports by domestic producers).

Table 9 shows for 1969 the percentage distribution of U.S. producers' sales, by size-of-output group and type of market outlet. The table indicates that, in general, the larger the producer the larger the percentage of his output sold directly to retail outlets. The proportion of output sold to retail outlets in 1969 ranged from two-thirds for the smallest producers (those making less than

200,000 pairs annually) to more than nine-tenths for the largest producers (those making 4 million pairs or more annually).

Nonrubber footwear is imported into the United States not only by concerns engaged principally in the importing business, but also by domestic firms manufacturing and/or retailing such footwear. The great bulk of the footwear entered by domestic producers was accounted for by large firms (i.e., those having an annual production in excess of 4 million pairs). Most, if not all, domestic firms that own or lease retail establishments, including those that import directly, purchase imported nonrubber footwear from importing concerns. The major producer-retailers have separate divisions (or subsidiaries) to handle their imports; these divisions often distribute imports to wholesalers and retailers outside the parent firm. Retail outlets operated by producers, moreover, often buy from outside sources, foreign as well as domestic. It is estimated that about a third of the 1969 imports were purchased by domestic producers (including their importing and retailing divisions).

U.S. Producers

Nonrubber footwear is currently produced in the United States by about 600 companies in approximately 900 establishments situated in 38 States. Since the mid-1950's, the number of companies producing such footwear has declined by about 40 percent, and the number of establishments, by about 30 percent; these downward trends, however, began considerably before imports began to increase appreciably. Nearly all of the decline in the number of establishments occurred in those employing fewer than 250 workers.

New England and the Middle Atlantic States are the major producing areas for nonrubber footwear, although the output in the South and West has been on an upward trend in recent years, increasing by about 10 percent from 1965 to 1969 (table 10). In 1969, producers in New England accounted for 29 percent of the total output; those in the Middle Atlantic States, 27 percent; and those in the South and West, 23 percent.

Contrary to the trend on the U.S. mainland, the number of establishments producing nonrubber footwear in Puerto Rico has increased considerably in recent years. Forty-seven establishments produced such footwear in Puerto Rico in 1969, compared with 43 in 1967 and 24 in 1964. In 1969 all but seven of the 47 plants were affiliated with mainland producers. Data relating to the production of nonrubber footwear in Puerto Rico, which are not included in the official statistics on U.S. output of such footwear, are included in this report only where noted.

Data measuring U.S. capacity to produce nonrubber footwear are not readily available. One method of estimating such capacity--used

by the American Footwear Manufacturers Association--is to multiply the highest monthly output of the various types of nonrubber footwear during the most recent 36-month period by 12 and total the results. On the basis of this method of computing annual capacity, domestic producers operated at 82.7 percent of capacity in 1968 and 77.4 percent in 1969; it is estimated that the corresponding figure for 1970 will be 76.4 percent. 1/

Size groups

The annual output of companies producing nonrubber footwear in 1969 ranged from less than 1,000 pairs to about 30 million pairs. In that year 53 companies, each of which produced at least 2 million pairs, accounted for half of the domestic output of such footwear; 93 companies, each producing from 1 million to 2 million pairs, accounted for about a fourth; and the remaining 451 companies, each producing less than a million pairs, accounted for a fourth of the domestic output (table 11). The following tabulation shows the number of companies producing nonrubber footwear and their share of the total output, by size-of-output group, in 1967 and 1969:

1/ Transcript of the hearing, p. 73.

<u>Size-of-output group</u> (number of pairs each)	<u>Number of</u> <u>companies</u>		<u>Percent of</u> <u>total output</u>	
	<u>1967</u>	<u>1969</u>	<u>1967</u>	<u>1969</u>
Less than 200,000-----	226	192	2	2
200,000 to 499,999-----	170	146	10	8
500,000 to 999,999-----	121	113	14	14
1,000,000 to 1,999,999-----	100	93	24	24
2,000,000 to 3,999,999-----	42	32	19	15
4,000,000 or more-----	16	21	31	37
All groups-----	675	597	100	100

Product specialization

As noted earlier in this report, the term "nonrubber footwear" covers a wide variety of footwear, including dress, casual, work, and athletic shoes, as well as sandals, slippers, slipper socks, moccasins, and boots. Although some companies produce a full line of footwear, many companies specialize in footwear for particular categories of consumers (viz, women, men, or children); those that produce for various categories of consumers usually have separate facilities for making footwear for each of the categories. Moreover, among the producers of women's (or men's) footwear are firms concentrating on a particular style (viz, casual or dress) and, frequently, on a rather narrow price range. Some producers specialize in footwear for active sports (i.e., athletic footwear for men and/or women) or in work shoes (usually for men). In 1969, 283 companies (nearly half of the total number of companies) reported production of nonrubber footwear for women, and 201 companies (including some of the foregoing) reported production of such footwear for men (table 11).

The data obtained from the 157 firms in the Commission's sample of nonrubber footwear producers indicate that there is a rather high degree of specialization among firms in all size-of-output groups. The smaller the annual output, however, the higher is the degree of specialization. The following tabulation shows, by size-of-output group, the number of firms in that sample with 75 percent or more of their 1967 output in particular types of footwear:

Size-of-output group (number of pairs each)	: Total : Number with 75 percent or more of 1967 produc- : : number of : tion of footwear consisting of-- : : companies : Women's: Men's : : : : : All : in sample : and : and : Chil- : Athletic:Slippers: Work : other : : misses' : boys' : dren's : : : : : :							
Less than 200,000-----:	35 :	10 :	6 :	8 :	1 :	6 :	2 :	2
200,000 to 499,999-----:	32 :	11 :	6 :	4 :	1 :	3 :	0 :	7
500,000 to 999,999-----:	31 :	13 :	4 :	4 :	0 :	6 :	1 :	3
1,000,000 to	:	:	:	:	:	:	:	:
1,999,999-----:	26 :	11 :	0 :	1 :	0 :	8 :	1 :	5
2,000,000 to	:	:	:	:	:	:	:	:
3,999,999-----:	17 :	9 :	0 :	1 :	0 :	2 :	1 :	5
4,000,000 pairs or	:	:	:	:	:	:	:	:
more-----:	16 :	4 :	1 :	0 :	0 :	2 :	0 :	9
Total-----:	157 :	58 :	17 :	18 :	2 :	27 :	5 :	30
	:	:	:	:	:	:	:	:

Entries and exits

Comprehensive data on the number of firms beginning and ceasing the manufacture of nonrubber footwear during the past decade are not available. However, a representative of the domestic footwear industry testified at the recent hearing that during 1960-70 there were 471 footwear plant closings and 358 new entries, which resulted in a net reduction of 113 plants. 1/

According to data supplied by the Bureau of the Census, the number of companies producing nonrubber footwear declined from 675 in 1967 to 597 in 1969--representing a loss of 78 companies. A comparison showing the number of companies producing such footwear in those 2 years, by type of footwear, is shown in the following tabulation:

<u>Type</u>	<u>1967</u>	<u>1969</u>
Shoes and slippers, total <u>1/</u> -----	675	597
Shoes, total-----	569	503
Men's work-----	94	79
Athletic <u>2/</u> -----	91	81
Other:		
Men's-----	135	122
Youths' and boys'-----	101	80
Women's-----	324	283
Misses'-----	110	86
Children's-----	126	109
Infants' and babies'-----	113	98
Slippers, total-----	169	147

1/ The sum of the number of companies shown for each type of footwear is greater than the total number of companies because a single company may produce more than one type of footwear and would, therefore, appear in the count of each type which it produces.

2/ Includes companies producing miscellaneous footwear reported under SIC class 3141798.

1/ Transcript of the hearing, p. 72.

Technological developments

Because nonrubber footwear is produced in a wide range of sizes and styles, automation does not yet play as dominant a role in this industry as it does in many others. Nevertheless, considerable progress has been made in recent years in the use of automated and conveyORIZED material-handling equipment and in the use of semiautomatic machinery that performs several operations formerly done on separate machines. The injection-molding process of constructing footwear, by which the sole and heel are formed and attached to the upper in one operation, has been used increasingly by domestic producers; the use of this process reduces production time and labor costs. Also, heat setting of the uppers during lasting operations reduces the time required for a shoe to be on the form (last) on which the shoe is made.

Since 1963, manmade materials have been used increasingly in making uppers. As these materials are uniform in weight, quality, and dimension, several layers may be cut in one operation, reducing both the labor time required and material waste.

U.S. Production and Shipments

Volume

Annual U.S. production of nonrubber footwear averaged 569 million pairs in 1954-56, 609 million pairs in 1960-62, and 606 million pairs in 1967-69. The annual average output of such footwear in 1967-69 was about 7 percent greater than that in 1954-56, and slightly less than the output in 1960-62.

During the period 1963-66 the annual production of nonrubber footwear rose from 604 million pairs to 642 million pairs (table 4). Since that time, however, domestic production of nonrubber footwear has fluctuated, amounting to 600 million pairs in 1967, 642 million pairs in 1968, and 577 million pairs in 1969. In the first 6 months of 1970, domestic production of nonrubber footwear was about 3 percent smaller than that in the corresponding period of 1969--290 million pairs compared with 298 million pairs.

As indicated in the section on U.S. producers, the facilities to produce nonrubber footwear in Puerto Rico, which is part of the U.S. customs territory, have expanded in recent years. The production of such footwear in Puerto Rico, which is not included in the data reported above, is estimated to have amounted to about 13 million pairs in 1969. About 90 percent of the Puerto Rican output is consumed in mainland United States.

Annual shipments of nonrubber footwear produced in the continental United States, which approximate production, increased from 601 million pairs in 1963 to 639 million pairs in 1966 (table 12). Shipments declined to 604 million pairs in 1967, rose to 639 million pairs in 1968, and then declined to 584 million pairs in 1969. During the first 6 months of 1970, shipments of nonrubber footwear amounted to 286 million

pairs, compared with 295 million pairs during the same period in 1969.

The wholesale value of annual U.S. shipments of nonrubber footwear increased from \$2.3 billion in 1963 to \$3.0 billion in 1968 (table 12); the value of such shipments was \$2.9 billion in 1969. In the first 6 months of 1970, the value of U.S. shipments of nonrubber footwear was \$1.5 billion, or about 1 percent greater than that in the corresponding period of 1969. During 1963-69, the average value per pair of shoes shipped increased from \$3.86 to \$4.94; in January-June 1970, it was \$5.10 per pair.

Composition

In 1969, nonrubber footwear for women and misses accounted for nearly half of the annual output; footwear for men, youths, and boys accounted for nearly a fifth; slippers accounted for about a fifth; footwear for children and infants, a tenth; and work and athletic footwear accounted for the remainder (table 5). In that year, about 70 percent of the nonrubber footwear produced had uppers of leather, an estimated 20 percent had uppers of supported vinyl, and 10 percent had uppers of other materials. In contrast, about 50 percent of the footwear imported in 1969 had uppers of leather and 50 percent had uppers of plastics, principally supported vinyl.

Footwear for women.--U.S. production of women's and misses' shoes, 1/ including dress, service, and play shoes (as reported

1/ The terms "women" and "misses" are used here, as in the TSUS, to differentiate size categories of footwear, not age of wearer, as follows: "women" refers to footwear in American women's sizes 4 and larger and "misses" refers to American misses' sizes 12-1/2 and larger but not as large as American women's size 4. In the remainder of this report, the term "women's" will be used in general to refer to footwear intended for both women and misses.

in official statistics 1/) amounted to 320 million pairs in both 1960 and 1966, fluctuated between 308 million and 325 million in the intervening years, and after 1966 declined irregularly to 267 million pairs in 1969, as shown in the following tabulation (in million of pairs):

<u>Period</u>	<u>Production</u>	<u>Period</u>	<u>Production</u>
1960-----	320	1967-----	286
1961-----	313	1968-----	317
1962-----	325	1969-----	267
1963-----	311	Jan.-June:	
1964-----	308	1969-----	143
1965-----	316	1970-----	134
1966-----	320		

As noted in the Commission's report of January 1969, 2/ the decline in production in 1967 was attributable in part to the drastic style changes in women's and misses' shoes that occurred in that year. Retailers delayed placing orders for the new styles and producers were late in "retooling," which caused a backlog of orders. Increasing consumer acceptance of the new styling in 1968 was undoubtedly a major factor in the increased production in that year. In 1969, production again declined as there were no new styles in wearing apparel to require new shoe styling, and the shoe styles that were available were not readily acceptable to a large segment of consumers. Trade sources reported that at least 50 footwear manufacturing plants that produced women's and misses' shoes discontinued operations in 1969, thereby accounting for some of the loss in production in that year and the first half of 1970.

1/ In SIC No. 3141 (footwear, except house slippers and rubber footwear).

2/ Nonrubber Footwear, TC Publication 276, p. 35.

Dress shoes, which are not separately reported in official statistics, probably account for at least two-thirds of the annual output of women's footwear; the remainder consists of various styles of footwear more suitable for leisure activities than for business and social activities, such as hand-sewn moccasin types, loafers, and the styles described in the statistical headnotes to part 1A of schedule 7 of the TSUS as casual footwear. Since 1965, separate data have been available on the domestic production of women's "casual footwear," i.e., footwear constructed either with a wedge heel or with an open toe and a heel of not over 1 inch in height. Such shoes accounted for about 11 percent of the output of women's nonrubber footwear in 1969 when they totaled 28 million pairs. Included in this category of footwear, however, are women's heavy duty, wedge-heel shoes of the type commonly worn by nurses, waitresses, and others engaged in activities requiring considerable standing or walking. For many years, especially during the 1930's and 1940's, shoes of such construction were also popular for leisure activities. As a variety of new styles became available, footwear of wedge-heel construction lost favor first to closed toe and closed heel flats (including hand-sewn moccasin types) 1/ and later to sandals, which began to be imported in significant volume beginning in the mid-1960's. Sandals having heels of not over 1 inch in height are estimated to have accounted for about half of the 28 million pairs of casual footwear produced domestically in 1969. During 1969 and 1970,

1/ Although many styles of women's slip-on, closed-toe, and closed-heel shoes with heels of less than 1 inch are worn for casual (rather than dress) occasions, these so-called flats are not reported in official production or import statistics as casual footwear.

sandals having higher heels have become increasingly popular, but neither the domestic output nor the imports of such sandals are reported in the category for casual footwear. 1/

Footwear for men.--U.S. production of footwear for men, youths, and boys 2/ averaged 112 million pairs annually during the period 1964-68. Production then declined to 105 million pairs in 1969, as shown in the following tabulation (in millions of pairs):

<u>Period</u>	<u>Production</u>	<u>Period</u>	<u>Production</u>
1960-----	101	1967-----	110
1961-----	102	1968-----	114
1962-----	109	1969-----	105
1963-----	107	January-June--	
1964-----	113	1969-----	54
1965-----	111	1970-----	55
1966-----	113		

1/ A representative of a firm manufacturing shoe machinery estimated the domestic output of sandals of all heel heights in 1969 at about 30 million to 40 million pairs.

2/ The terms "men" and "youths" and "boys" are used here, as in the TSUS, to differentiate size categories of footwear for males (not including footwear commonly worn by both sexes) as follows: "men" refers to footwear of American men's size 6 and larger and "youths and boys" to American youths' size 11-1/2 and larger but not as large as American men's size 6. In the remainder of this report, the term "men's" will be used in general to refer to footwear intended for youths and boys as well as for men.

Footwear for children and infants.--Annual production of footwear for children and infants (and also footwear not specified by kind) ranged between 70 and 76 million pairs during 1960-66 but declined to 59 million pairs in 1969, as shown (in millions of pairs):

<u>Period</u>	<u>Production</u>	<u>Period</u>	<u>Production</u>
1960-----	76	1967-----	62
1961-----	73	1968-----	62
1962-----	76	1969-----	59
1963-----	70	Jan.-June--	
1964-----	74	1969-----	31
1965-----	70	1970-----	25
1966-----	70		

Slippers, and athletic and work shoes.--U.S. production of slippers, and athletic and work shoes during the past decade is shown in the following tabulation (in millions of pairs):

<u>Period</u>	<u>Slippers</u>	<u>Athletic</u>	<u>Work</u>
1960-----	73	7	23
1961-----	73	7	25
1962-----	83	10	30
1963-----	78	10	28
1964-----	79	7	32
1965-----	90	7	32
1966-----	94	7	38
1967-----	96	7	39
1968-----	105	8	36
1969-----	101	9	36
Jan.-June--			
1969-----	48	4	18
1970-----	53	5	18

U.S. Exports

The volume of U.S. exports of nonrubber footwear has decreased almost every year since the mid-1950's. U.S. exports of such footwear, equivalent to less than 1 percent of annual domestic production, declined from 4.6 million pairs, valued at \$14.4 million, in 1955 to 2.3 million pairs, valued at \$8.2 million, in 1969.

Most of the U.S. exports of nonrubber footwear have consisted of footwear with uppers of leather. In terms of quantity, footwear for women and misses has accounted for nearly a half, and footwear for men, youths, and boys, for nearly a fourth, of the total U.S. exports of nonrubber footwear in recent years. The following tabulation, compiled from official statistics of the U.S. Department of Commerce, shows U.S. exports of nonrubber footwear by types, in 1969:

<u>Type of footwear</u>	<u>Quantity</u> <u>(1,000</u> <u>pairs)</u>	<u>Value</u> <u>(1,000</u> <u>dollars)</u>	<u>Unit</u> <u>value</u> <u>(per</u> <u>pair)</u>
For men, youths, and boys-----	510	3,143	\$6.16
For women and misses-----	1,073	2,673	2.50
For children and infants-----	97	214	2.22
House slippers-----	222	434	1.96
Other footwear <u>1/</u> -----	<u>422</u>	<u>1,712</u>	<u>4.04</u>
Total or average-----	2,324	8,181	3.52

1/ This category includes athletic footwear, boots, and other footwear not classified by the age and sex of the wearer for which designed.

During the period 1965-69 about 50 percent of the U.S. exports of nonrubber footwear (based on quantity) were shipped to markets in the Western Hemisphere, principally Canada, the Bahamas, Mexico, and the Netherlands Antilles (table 13). The footwear exported to these four markets consisted chiefly (in terms of quantity) of footwear

for women--believed to be largely "brand name" shoes. U.S. brand-name footwear, whether exported from the United States or produced abroad by foreign subsidiaries or licensees, competes in foreign markets primarily on the basis of fit and quality.

U.S. Imports

U.S. imports of nonrubber footwear rose from an annual average of 10 million pairs in 1954-56 to 57 million pairs in 1960-62 (table 4). Thereafter, they increased to 102 million pairs, valued at \$155 million, in 1966 and to 202 million pairs, valued at \$436 million, in 1969. In the first 6 months of 1970, U.S. imports of nonrubber footwear amounted to 137 million pairs, valued at \$275 million, compared with 112 million pairs, valued at \$210 million, in the corresponding period of 1969.

Imports were 31 percent greater in 1967 than in 1966 (in terms of quantity); they were 36 percent greater in 1968 than in 1967, and 11 percent greater in 1969 than in 1968. In the first 6 months of 1970, imports were 22 percent greater than in the corresponding period of 1969.

As noted in the section on U.S. consumption, the share of the market for nonrubber footwear supplied by imports has increased markedly since the mid-1950's. U.S. imports of nonrubber footwear accounted for 2 percent of apparent domestic consumption of such footwear in 1954-56, 9 percent in 1960-62, 14 percent in 1966, 26 percent in 1969, and 32 percent in the first half of 1970 (table 4).

In terms of quantity, Japan, Italy, the Republic of China (Taiwan), and Spain have been the principal suppliers of nonrubber footwear (table 14). In 1969 Japan supplied nearly 35 percent of the total imports; Italy supplied 30 percent; Taiwan, 13 percent; and Spain, 10 percent. U.S. imports from Japan and Taiwan consisted

principally of footwear of plastics (supported vinyl), while imports from Italy and Spain consisted principally of footwear of leather (tables 15 to 17).

Composition

In 1969, imports of footwear of leather accounted for 48 percent of the total imports of nonrubber footwear, compared with 36 percent in 1965; footwear of plastics accounted for 48 percent of the total in 1969 and 57 percent in 1965. The unit value of imported footwear with uppers of plastics averaged much lower than that of imported footwear of leather. U.S. imports of nonrubber footwear in 1969, by type of material, are shown in the following tabulation:

Type	Quantity	Value	Value per pair	Percent of total	
				Quantity	Value
	<u>1,000</u>	<u>1,000</u>			
	<u>pairs</u>	<u>dollars</u>			
Footwear of leather---	96,851	345,040	\$3.56	48	79
Footwear of plastics--	96,909	81,158	.84	48	18
Other nonrubber					
footwear <u>1/</u> -----	8,448	9,772	1.16	4	3
Total or average--	202,208	435,970	2.16	100	100

1/ Principally footwear with uppers of fibers.

The great bulk of the imports of nonrubber footwear are entered under three TSUS item numbers--700.35, 700.40, and 700.55 (table 18). In 1969, imports of certain footwear of leather for men, youths, and boys, entered under item 700.35, accounted for 12 percent of the total

imports; certain footwear of leather for women, misses, infants, and children, entered under item 700.40, 1/ accounted for 31 percent of the total imports; and imports of footwear of plastics, entered under item 700.55, 48 percent. Table 19 shows imports of nonrubber footwear in 1968, 1969, and January-June 1970, by quantity, value, and unit value for each TSUSA item number.

In recent years, footwear for women has accounted for about seven-tenths of the total imports of nonrubber footwear; footwear for men, about a fifth of the total; footwear for children and infants, about a tenth; and slippers, athletic, and work shoes, for the remainder.

Footwear for women.--U.S. imports of nonrubber footwear for women have been in an upward trend for a number of years. Such imports increased from about 67 million pairs in 1965 to 96 million pairs in 1967, and to 139 million pairs in 1969 (table 5). In the first 6 months of 1970, imports of nonrubber footwear for women rose by nearly a fourth compared with imports in the same period of 1969.

While U.S. imports of nonrubber footwear for women supplied about a fifth of apparent domestic consumption of such footwear in 1965, they supplied a fourth of the market in 1967 and a third in 1969 (table 5). With the increased imports in the first 6 months of 1970 and a decline in domestic production, imports supplied about two-fifths of the market in that period.

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

In 1969, imports of nonrubber footwear for women consisted of an estimated 59 million pairs of footwear of leather, 77 million pairs of footwear of plastics, and about 3 million pairs of other nonrubber footwear. About half of the imports of footwear of leather consisted of leather sandals, nearly all of which were from Italy ^{1/}; the remainder of the imported footwear for women ranged from utilitarian articles made in limited sizes for sale in discount stores and self-service stores to highly styled footwear made in the same detailed sizes--and sold in the same outlets--as domestically produced leather shoes. Imported leather shoes for women come principally from Italy and Spain.

The imported footwear of plastics for women consists predominantly of footwear with supported vinyl uppers. Most of this footwear, nearly all from the Orient, is produced in one width for each length, for sale at discount stores, variety stores, self-service stores, and department store basements. In 1969, slippers and sandals made up about one-third of the total imports; these articles are generally sold at retail for less than \$1 a pair. The rest of the imports were shoes of sturdy construction, in dress and casual styles, resembling shoes of leather. Some boots were also imported.

Imports of "other" nonrubber footwear for women in 1969 accounted for a very small part (3 million pairs) of the total imported. About half of the imports consisted of footwear of wood, and the remainder, of footwear with uppers of fibers. Wooden clogs have
^{1/} The official export data of Italy indicated that 29.6 million pairs of sandals were shipped to the United States from Italy in 1969.

been fashion items since 1969. Imports of footwear of wood increased from 231,000 pairs in 1968 to 1.5 million pairs in 1969 and to 2.3 million pairs in the first 6 months of 1970.

Footwear for men.--U.S. imports of nonrubber footwear for men increased from an annual average of about 20 million pairs in 1965-67 to 38 million pairs in 1969 (table 5). In the first 6 months of 1970, such imports amounted to 26 million pairs--representing an increase of 30 percent over like entries in the comparable period of 1969. Annual imports of footwear for men were equivalent to 15 percent of apparent domestic consumption in 1965-67, 27 percent in 1969, and 32 percent in the first half of 1970.

In 1969, imports of nonrubber footwear for men consisted of an estimated 27 million pairs of footwear of leather, 11 million pairs of footwear of plastics, and a negligible amount--about 0.4 million pairs--of "other" nonrubber footwear. A very large part of the imports of footwear of leather consisted of "fashion" dress shoes from Italy and Spain. Sandals also accounted for an appreciable part of the total imports.

Imports of footwear of plastics for men in 1969 consisted principally of dress and casual shoes having supported vinyl uppers. These shoes, which resemble shoes of leather, are sold in self-service stores, discount stores, and department store basements at \$2.99 to \$4.99 a pair. Imports of "other" nonrubber footwear for men consisted principally of inexpensive footwear with fabric uppers.

Footwear for children and infants.--U.S. imports of nonrubber footwear for children and infants increased from an estimated 12 million pairs in 1967 to 20 million pairs in 1969. During the first 6 months of 1970, such imports amounted to 12 million pairs, the same as in 1969. The share of the market supplied by imports

increased from 16 percent in 1967 to 25 percent in 1969, and 32 percent in the first 6 months of 1970.

In 1969, imports of nonrubber footwear for children and infants consisted of an estimated 6 million pairs of footwear of leather, 9 million pairs of footwear of plastics, and 5 million pairs of other nonrubber footwear. Leather sandals, nearly all from Italy, accounted for a significant part of the imports of footwear of leather in that year; dress shoes from Italy and Spain accounted for most of the remainder.

Imports of footwear of plastics for children and infants in 1969 consisted of sandals, slippers, and dress shoes. Imports of "other" nonrubber footwear for children and infants in 1969 consisted principally of infants' footwear with uppers of woven fabric, from Japan.

Slippers, and athletic and work shoes. -- U.S. imports of slippers entered under TSUS item 700.32 have been negligible in recent years. However, it is known that imports of the type of slippers produced by the domestic footwear industry (SIC No. 3142) are entered under various TSUS item numbers. The bulk of the imports are probably entered under item 700.55 (footwear of plastics); imports of slippers entered under that item number in 1969 were estimated at about 10 million pairs.

Imports of athletic shoes amounted to 1 million pairs in 1967 and to 2 million pairs in 1969. A small proportion of imported athletic shoes are probably not reported as such in official statistics. In 1969, 532,000 pairs of ski boots were imported; the remaining imports of athletic shoes consisted principally of soccer, football, and track shoes.

U.S. imports of work shoes (as defined in subpart A statistical headnote 1(b) of part 1 of schedule 7 of the TSUSA), which amounted to an average of 1 million pairs a year in 1965-67, increased to 2 million pairs in 1969 (table 5). Data are unavailable on the volume of imports of footwear not conforming to the definition of work shoes in the TSUSA but known in the trade as work shoes.

Sales of imported nonrubber footwear, by wholesale price ranges

Data on importers' selling prices of nonrubber footwear were supplied to the Commission by 95 importers whose sales in 1969 amounted to 131 million pairs, or 65 percent of the nonrubber footwear imported in that year. Of their total sales, footwear of leather accounted for 45 percent and footwear of plastics accounted for 54 percent, as shown in the following tabulation (in percent of total reported imports):

Item	Nonrubber footwear for--			Total
	Men, youths, and boys	Women and misses	Children and infants	
Footwear of leather:				
Work-----	1.0	1/	1/	1.0
Sandals-----	3.1	19.3	2.7	25.1
Other-----	8.4	10.6	.2	19.2
Total-----	12.5	29.9	2.9	45.3
Footwear of plastics:				
Packables-----	1/	5.2	.1	5.3
Sandals-----	1/	11.7	1.7	13.4
Other-----	7.4	24.0	4.2	35.6
Total-----	7.4	40.9	6.0	54.3
Other nonrubber footwear-----	1/	1/	1/	.4
Total, all nonrubber footwear-----	19.9	78.8	8.9	100.0

1/ Not reported separately.

The foregoing tabulation shows that sandals accounted for more than half of the sales of imported leather footwear. In 1969, as in 1967, the great bulk of the leather sandals for men were sold at less than \$4.21 a pair (table 20). However, the concentration of sales of sandals for men as well as those for women shifted from the range of \$1.21 to \$2.40 a pair in 1967 to that of \$1.81 to \$3.00 a pair in 1969. Simultaneously the greatest concentration of sales of children's leather sandals shifted from less than \$1.21 a pair to the range of \$1.21 to \$1.80 a pair.

Imported leather footwear other than sandals was sold in appreciable volume in the United States at a wide range of wholesale prices. In 1969, as in 1967, sales of such footwear for men, youths, and boys were distributed among the price ranges beginning above \$3.00 a pair. For women's and misses' leather footwear other than sandals, the greatest volume in 1969 was in the price ranges beginning above \$4.20 a pair, with only one-tenth being wholesaled at prices under \$4.20 a pair. This is in contrast to the situation in 1967, when two-fifths of such footwear was wholesaled at less than \$4.20 a pair. In 1969, a fourth of the sales of children's and infants' leather footwear other than sandals were in the price ranges below \$1.81 a pair, whereas in 1967 no sales of such footwear were reported at less than \$1.81 a pair.

Imported footwear with uppers of plastics consisted almost entirely of inexpensive footwear. In 1969, as in 1967, almost all packables (folding slippers) were sold at wholesale at less than \$1.21 a

pair; in fact, from the more detailed information available in 1969, it is known that the major part of them were sold at wholesale in that year at less than 61 cents a pair. The great bulk of the sandals of plastics were sold at less than \$1.80 a pair. More than nine-tenths of the footwear with uppers of plastics (exclusive of packables and sandals), consisting primarily of dress and service shoes of various types, sold at wholesale at \$2.40 a pair or less in 1969.

Sales of "other" nonrubber footwear (TSUS items 700.66 to 700.85) reported by importers replying to the Commission's questionnaire amounted to less than one-half of 1 percent of the total reported sales of nonrubber footwear, and sales were unevenly distributed over the various wholesale price ranges.

Prices in the U.S. Market

Pricing practices and markups

As noted in the Commission's previous investigations, nonrubber footwear is often produced and marketed with a specific retail price in mind. A given shoe will be wholesaled at a price that will give the retailer a certain percentage markup if retailed at a projected price--for example, \$7.99. Each season most producers seek to offer footwear in their customary price lines. When production costs increase, producers may introduce changes in style or construction in order to continue supplying their customers with footwear in the usual price categories. Obviously, however, the ability of producers to achieve this objective is limited, since increasing production costs eventually force producers to raise prices or discontinue low-end price categories. 1/

Although statistical data on retail markups are not available, representatives of the footwear industry generally agree that the retail markup on domestically produced nonrubber footwear currently averages about 50 percent of the retail price. 2/ It is often maintained by domestic producers that an important incentive for retailers to favor imported over domestic nonrubber footwear results from the

1/ Price increases are usually announced in the fall to apply to deliveries in the following spring--e.g., in the fall of 1968 a rise of 2 to 5 percent was announced for the 1969 spring deliveries of most lines.

2/ The Commission's investigation No. 332-56, the report on which was published in January 1969, found that markups ranged from 40 to 50 percent of the retail price and that the percentage of markup varied directly with the price of the footwear. Since that time, retail markups have generally trended upward, and there are indications of possible additional increases in the future.

common retail practice of taking a larger markup on the less costly, imported footwear and selling it at or near the same price as its domestic counterpart. Incentives for increasing retail markups whenever possible undoubtedly exist (e.g., rising retailing costs and the greater uncertainty, risk, and delay in handling imported merchandise). The testimony, in this investigation, of a representative of a retail division of one of the large producers of nonrubber footwear reaffirmed information received previously that on high-fashion, expensive shoes, on which there is risk of enormous end-of-season markdowns, the markups are generally higher than on very low-priced footwear. 1/ The latter (largely imported footwear), on which markups are low, becomes, he stated, a price leader (sometimes called a loss leader) to attract customers not only to the shoes of "special value" but also to other footwear. Inasmuch as competition among retailers is very keen, it is unlikely that retailers could maintain exceptionally high markups on the medium-priced footwear that accounts for the great bulk of the imports.

Price trends

Wholesale and retail prices for footwear have increased sharply since 1965, and at a rate considerably greater than that of prices of most other products. The following tabulation shows for 1969 certain

1/ Transcript of the hearing, p. 325 ff.

wholesale price indexes computed by the Bureau of Labor Statistics (BLS):

<u>Item</u>	<u>Index</u> <u>(1957-59=100)</u>
All commodities-----	113
Nondurable manufactured goods-----	110
Wearing apparel-----	115
Footwear (except rubber), total-----	133
Women's and misses'-----	131
Men's and boys'-----	136
Children's and infants'-----	135

From 1960 to 1964, wholesale prices for footwear changed but little; between 1965 and 1969, however, the BLS wholesale price index increased 20 percent, or almost 5 percent a year (table 21). ^{1/} By comparison, the percentage increases during the 1965-69 period for the other items shown above were as follows: All commodities--11 percent, nondurable manufactures--8 percent, and wearing apparel--11 percent. The wholesale price index for footwear continued to move upward during the first half of 1970, averaging 138 during the second quarter.

BLS consumer price indexes show a similar trend, although prices of most items increased somewhat more rapidly than those at the wholesale level (table 22). Various consumer price indexes for 1969 were as follows: All items--128, all commodities less food--118, apparel less

^{1/} During the 1960's, the sample of items from which the wholesale price index for footwear (BLS code 043) was computed consisted of certain styles of leather shoes and slippers. Beginning in January 1970, girls' strap-style shoes with vinyl uppers were added to the sample, and two styles of women's leather shoes were deleted.

footwear--124, and footwear--140. Similar to wholesale prices, consumer prices for footwear remained relatively stable during 1960-64 but increased by more than 20 percent during 1965-69. 1/ The index for footwear reached 147 during the second quarter of 1970.

The rapid increase since 1965 in the wholesale prices of nonrubber footwear appears to have resulted in large measure from the following causes of increasing unit production costs:

(1) Hourly wages for production workers engaged in the manufacture of nonrubber footwear increased by an average of 6.1 percent per year during 1965-69; the corresponding increase in wages for all manufacturing production workers was 5.1 percent per year.

(2) Whereas hourly wages have risen more rapidly than the average in manufacturing, physical output of nonrubber footwear, both per production worker and per production worker man-hour, remained virtually unchanged between 1962 and 1969 (tabulation on p. 58).

(3) Wholesale prices of hides, skins, and leather--important components of nonrubber footwear costs--have increased substantially in recent years; the BLS wholesale price index for leather reached 120 in 1969, 11 percent higher than in 1965.

(4) With an increased emphasis on style in recent years and with more rapid style changes, costs of lasts, dies, and patterns have risen, since they must be changed more frequently.

1/ The sample of items on which the BLS consumer price index for footwear is based, however, differs from the sample of items used to compute the BLS wholesale price index for footwear discussed above.

Wholesale price ranges

Table 20, which is discussed on page 47 of this report, shows the percentage distribution of importers' sales, by types and price ranges, for 1967 and 1969, and table 23 shows comparable data relating to domestic producers' sales in the same years.

Although the prices of both imported and domestically produced nonrubber footwear have risen considerably since 1967 (as indicated above by the BLS price indexes), the overall price structure has probably not changed appreciably. In general, the lower the price range, the higher the share of U.S. consumption of nonrubber footwear supplied by imports (table 7).

Employment

Trend of employment

Since the mid-1950's, total employment in establishments producing nonrubber footwear has declined slowly and irregularly (table 24). Whereas total employment in all manufacturing increased 19.2 percent from 1955 to 1969, employment in the production of nonrubber footwear declined 8.7 percent during the same period. The latter currently accounts for 1.1 percent of all manufacturing employment in the United States. The average number of all employees in establishments producing nonrubber footwear in 1969 was 226,800--4.1 percent below the average for 1968 and the lowest number employed in many years. Employment continued to decline during the first half of 1970, averaging 221,300 during the second quarter.

The trend in the average number of production workers engaged in the manufacture of nonrubber footwear has been similar to that in the total number of employees, although the decline has proceeded at a somewhat faster rate. The average number of such workers in 1969 was 197,600--representing a decline of 11.5 percent from 1955 and 4.4 percent from 1968. Although employment of production workers has declined more rapidly than total employment, production workers still make up by far the largest segment of total employment. In 1969, production workers constituted 87 percent of all nonrubber footwear employees; by comparison, the corresponding average for all manufacturing was 73 percent.

The trend of slowly declining total employment in the nonrubber footwear industry has tended to obscure a significant shift in its geographical distribution. Employment in those States which have historically accounted for most of the U.S. production of nonrubber footwear has declined relatively rapidly, while employment in several other States has actually increased. In 1960, eight States 1-- Massachusetts, Maine, New Hampshire, New York, Pennsylvania, Missouri, Illinois, and Wisconsin--accounted for four-fifths of the total U.S. employment in the production of nonrubber footwear (table 25). By 1969, however, these same States accounted for only two-thirds of the total employment. The two aforementioned trends in employment in the production of nonrubber footwear--i.e., declining total employment and geographical redistribution--are indicated, for the 1960's, in the following tabulation:

<u>Year</u>	<u>U.S. total</u>	<u>8 States named above</u>	<u>All other States</u>
1960-----	242,600	188,700	53,900
1965-----	234,500	170,500	64,000
1969-----	226,800	151,500	75,300
Percentage change, 1960 to 1969-----	-6.5	-19.7	+39.7

The average number of hours worked each week by production workers in nonrubber footwear establishments declined from 38.2 in 1968 to 36.9 in 1969 but increased slightly to 37.2 during the second quarter of 1970 (table 26). By comparison, the average number of

1/ Nonrubber footwear is produced in some 30 States in addition to those listed, principally Tennessee, Arkansas, Ohio, and Kentucky.

weekly hours worked by production workers in all manufacturing declined only slightly from 1968 to 1969--from 40.7 to 40.6--but declined further to 39.8 in the second quarter of 1970. As shown in table 26, which covers 1950-69 and January-June 1970, production workers in non-rubber footwear customarily work not only fewer total hours per week but also fewer overtime hours per week than the average for all manufacturing.

Earnings

About seven-tenths of the production workers employed in establishments producing nonrubber footwear are paid on the basis of an incentive wage system, usually based on individual piecework. The remainder are time-rated workers (i.e., those paid hourly wages), most of whom are paid under informal systems which determine rates primarily according to an individual's qualifications. 1/

During 1965-69, hourly earnings of production workers in non-rubber footwear establishments increased by an average of 6.1 percent a year--from \$1.82 in 1965 to \$2.31 in 1969 (table 27). Because of a slight decline in the average number of weekly hours worked, weekly earnings during the same period increased slightly less--by an average of 5.5 percent a year, or from \$68.80 to \$85.24. Hourly and weekly earnings of production workers in nonrubber footwear continued to increase during the first half of 1970, averaging \$2.43 and \$90.28, respectively, during the second quarter.

1/ U.S. Department of Labor, Bureau of Labor Statistics, Industry Wage Survey, Footwear, March 1968, Bulletin No. 1634, July 1969, p. 3.

Earnings in establishments producing nonrubber footwear have historically been among the lowest in manufacturing. Although the average annual rate of increase in earnings (both hourly and weekly) of production workers in nonrubber footwear exceeded the average in all manufacturing during the 1960's, the absolute difference in earnings increased. In 1960, for example, the average weekly earnings in non-rubber footwear were \$31.68 below the average for all manufacturing, while by 1969 the difference had increased to \$44.27.

A survey of straight-time hourly earnings of production workers in establishments producing nonrubber footwear was conducted by the Bureau of Labor Statistics in March 1968. Earnings of workers covered by the survey averaged \$2.10 an hour; men averaged \$2.37 an hour, while women received an average of \$1.93 an hour. The survey showed that 26 percent of the workers earned between \$1.60 and \$1.65 an hour, barely exceeding the national minimum wage of \$1.60 an hour. The survey also revealed certain geographical differences in earnings. Workers in New England, where one-third of total nonrubber footwear employment is located, earned the highest wage--\$2.24 an hour, while workers in the "border States" 1/ earned the least--\$1.88 an hour.

Characteristics of the work force

Employment in establishments engaged in the production of non-rubber footwear has the following characteristics:

1/ Ibid., p. 8. The "border States," as defined in the survey, included Delaware, Kentucky, West Virginia, Virginia, Maryland, and the District of Columbia.

(1) As previously noted, production workers constitute one of the highest proportions of all employees among manufacturing industries--87 percent in 1969, compared with an average of 73 percent for all manufacturing.

(2) Women comprise a substantially greater proportion of all employees than the average among manufacturing industries. About 63 percent of all nonrubber footwear employees in 1969 were women, compared with 28 percent in all manufacturing and 39 percent in nondurable goods. As may be noted from table 24, while total employment in nonrubber footwear declined by 10 percent during 1950-69, the number of women employees increased by an equal percentage.

(3) About 73 percent of total employment in nonrubber footwear consists of semiskilled job classifications; 1/ for all manufacturing, less than half of all employees are classified as semiskilled operatives and kindred workers.

(4) Nonrubber footwear workers are concentrated more heavily in the under-25 and over-60 age brackets than are workers in most other industries. The proportion of workers 30 to 50 years of age is among the lowest in manufacturing industries. 2/

(5) The turnover of employees in nonrubber footwear is higher than the average for all manufacturing and has risen in recent years (table 28). During the 1960's, the voluntary quit rate in nonrubber footwear was consistently greater than that in all manufacturing, while the layoff rate exceeded the average for all manufacturing only in 1969. 3/

1/ The percentage given is for the leather and leather products industry (SIC No. 31); employment in establishments producing nonrubber footwear comprises about two-thirds of the employment in this larger industrial classification.

2/ The interagency task force mentioned in the President's letter requesting this investigation noted in its report that the concentration of workers in the under-25 and over-60 age brackets results primarily from the large proportion of women in total employment (Report of the Task Force on Nonrubber Footwear, June 1970). A typical work pattern involves leaving the work force at an early age, and returning after families have been raised.

3/ The less stable employment record in nonrubber footwear during the 1960's probably resulted in large part from the ready availability of alternative employment opportunities in industries with higher wage rates and greater employment security.

Productivity

In contrast to the rapid increase in earnings of production workers in recent years, the average annual output of nonrubber footwear per production worker, as well as average output per man-hour worked by such employees, increased only slightly between 1962 and 1969, as indicated in the following tabulation (1957-59=100 for the indexes):

<u>Year</u>	<u>Output per--</u>			
	<u>Production worker</u>		<u>Man-hour</u>	
	<u>Pairs</u>	<u>Index</u>	<u>Pairs</u>	<u>Index</u>
1962-----	2,944	105.7	1.52	104.8
1963-----	2,929	105.1	1.52	104.8
1964-----	2,992	107.4	1.53	105.5
1965-----	2,999	107.6	1.53	105.5
1966-----	2,995	107.5	1.50	103.4
1967-----	2,955	106.1	1.50	103.4
1968-----	3,106	111.5	1.56	107.6
1969-----	2,940	105.5	1.53	105.5

Data compiled by the U.S. Department of Labor indicate that during 1947-67, output per man-hour worked by production workers in nonrubber footwear increased at an average of 1.8 percent a year, but during 1957-67 such output increased at an average of only 0.9 percent a year. By comparison, the corresponding average annual increase in all manufacturing during 1957-67 was 3.5 percent, about 20 percent higher than for the entire 20-year period covered. 1/

Value added per employee--often used as an alternative measure of productivity--in the production of nonrubber footwear is about half the average for all manufacturing--\$7,723 and \$14,162, respectively, in 1967 (the latest year for which data are available). Table 29 shows

1/ U.S. Department of Labor, Bureau of Labor Statistics, Indexes of Output Per Man-Hour, Selected Industries, 1939 and 1947-68, Bulletin No. 1652, December 1969.

that, although value added per employee in nonrubber footwear is below the average for all manufacturing, its percentage increase from 1960 to 1967 was approximately the same as that for all manufacturing. Part of the increase in value added was undoubtedly due to increasing productivity, but most of it resulted from the previously mentioned trend after 1964 of rapidly increasing wholesale prices for nonrubber footwear. 1/ The comparatively low value added per employee in nonrubber footwear, which has traditionally been regarded as a labor-intensive industry, may have resulted in part from the industry's low investment record. Table 30 shows that while expenditures per production worker for new plant and equipment in 1967 averaged \$1,534 for all manufacturing, they averaged only \$127 for nonrubber footwear. 2/

Unemployment

Published data pertaining to unemployment in nonrubber footwear are not available. Probably the closest relevant measure of the general trend of unemployment in nonrubber footwear is the data compiled

1/ The BLS wholesale price index for footwear (code 043), which measures the changes in prices of the same styles of shoes from the base period, was 133 in 1969, whereas an index of the average unit value of domestic shipments of nonrubber footwear (see table 12), would be 141 for the same year (1957-59=100 for both indexes). The higher index for domestic shipments indicates that some upgrading of product lines took place during the 1960's, a fact that is not reflected in the BLS wholesale price index. At any rate, the average output of nonrubber footwear per worker varies widely depending upon the type being produced. Obviously, the index of output per worker (or per man-hour) shown on the preceding page cannot accurately assess the extent of changes occurring in the composition of that output.

2/ It should be noted, however, that many establishments producing nonrubber footwear lease machinery and equipment, rather than purchasing it outright. In addition, many firms follow the practice of expensing, rather than capitalizing, the costs of new lasts, dies, and patterns.

by the U.S. Department of Labor on the number of insured unemployed persons whose last employment was in establishments producing leather and leather products (SIC No. 31). ^{1/} In recent years, unemployment for this broader industrial classification--about two-thirds of which is estimated to consist of footwear--has been greater than the average for all manufacturing. The total number of insured unemployed in leather and leather products trended irregularly downward during 1960-66, from 33,700 to 16,100, increased to 19,400 in 1967, declined to 14,600 in 1968, but then increased sharply to 21,800 in 1969. In 1969, leather and leather products workers accounted for 4.4 percent of the total number of insured unemployed persons in manufacturing.

Table 31 shows that during January 1969-June 1970 the rate of unemployment in leather and leather products--as measured by the number of insured unemployed expressed as a percentage of the average number of insured workers--ranged between 5.3 percent and 7.9 percent, while the corresponding rate in all manufacturing was considerably lower, ranging between 2.0 percent and 4.6 percent. The percent of insured unemployed persons in leather and leather products claiming over 14 weeks of unemployment compensation was generally lower during

^{1/} Insured unemployment represents the number of persons reporting a week of unemployment under an unemployment insurance program. Excluded are persons who have exhausted their benefits and workers who have not yet earned rights to unemployment insurance. Thus such statistics probably understate to some extent the actual number of unemployed persons. Moreover, no information is available concerning the number of persons who leave an industry for other jobs or who voluntarily withdraw from the labor force and do not collect unemployment compensation. About two-thirds of the U.S. labor force is covered by unemployment insurance.

the period shown than the corresponding figure for all manufacturing. During the first 6 months of 1970, the number of insured unemployed, as well as the percent claiming over 14 weeks of compensation, was generally greater than in the corresponding months of 1969--both for leather and leather products and for all manufacturing.

The report of the interagency task force included a study of employment trends during 1965-69 in 22 metropolitan labor areas in which leather and shoe manufacturing provides a significant source of total employment. 1/ The 22 areas together accounted for about 40 percent of all employment in leather and leather products, the remaining 60 percent being widely scattered throughout other areas for which labor force data on footwear are not normally assembled. The principal conclusions drawn from the data in the task force's study were these:

(1) During 1965-69, total employment in the 22 areas rose, while unemployment declined. However, employment in leather and leather products in these areas declined, both absolutely and relative to total U.S. employment in leather and leather products--from 144,600 (41.0 percent) in 1965 to 131,100 (37.9 percent) in 1969. Employment in leather and leather products declined from 3.3 percent of the areas' aggregate manufacturing employment in 1965 to 2.9 percent in 1969.

(2) The rising trend of total employment and the declining trend of unemployment during 1965-69 generally overshadowed the decline of employment in leather and leather products. In each of the years included, about half of the areas had unemployment rates lower than the national average. None of the areas were classified in either 1968 or 1969 as areas of substantial or persistent unemployment (more than 6 percent unemployment over an extended period).

1/ Report of the Task Force on Nonrubber Footwear, pp. 41-47. In 1969 the 22 areas accounted for 22 percent of all manufacturing employment in the United States and for 38 percent of all employment in establishments producing leather and leather products.

(3) Many of the traditional footwear-producing centers experienced greater than average declines in leather and leather products employment, especially in 1969. In most of the 22 areas, employment prospects for laid-off footwear employees were plentiful. However, some areas--particularly those in Massachusetts and Pennsylvania--had above average rates of unemployment in at least 4 of the 5 years studied; such areas experienced greater than average increases in rates of unemployment during the latter part of 1969 and the first half of 1970, as the national rate of unemployment increased. 1/

1/ Areas with rates of unemployment greater than the national average in at least 4 years during 1965-69 were Brockton, Lawrence-Haverhill, Lowell, and Worcester in Massachusetts; Newark and Paterson-Clifton-Passaic in New Jersey; Utica-Rome in New York; and Altoona, Scranton, and Wilkes-Barre-Hazleton in Pennsylvania.

Profit-and-Loss Experience of Domestic Producers

In the report on nonrubber footwear submitted to the President in January 1969, the information relating to the financial experience of domestic producers during the years 1963-67 was based on data reported to the Commission by 157 firms that had been selected by a stratified random sampling procedure. ^{1/} These financial data related almost entirely to the nonrubber footwear produced by the responding firms; only the firms for which the sales value of nonrubber footwear accounted for more than 90 percent of the sales value of all products did not report separate data respecting their output of nonrubber footwear.

The financial information for 1968 and 1969 contained in this

^{1/} Initially, information in a 1968 directory issued by Shoe Trades Publishing Co. was used to compile a grouping of footwear-producing companies into five categories (strata) according to their annual output of nonrubber footwear. The companies to be sent questionnaires were selected by drawing a stratified random sample of 200 firms from the universe of 760 firms, the number of firms drawn from each stratum being determined principally on the basis of its estimated share of the total 1967 production of nonrubber footwear. Usable data were obtained from 177 of the 200 firms. Of the 23 firms for which data were not obtained, 12 were not manufacturers; the data for six were included with the data obtained from their parent firms, which were among the 177; three were out of business; and two began operations in 1968. Twenty of the 177 firms from which usable data were obtained, having begun manufacturing after 1963, were excluded from the sample. Thus, the sample consisted of 157 firms that were in business throughout 1963-67.

Inasmuch as the data available from the trade directory respecting the output of nonrubber footwear by the individual firms from which completed questionnaires were received turned out to be inaccurate, the 157 firms were rearranged, on the basis of their actual output, into the six size-of-output groups used in a tabulation showing the number of U.S. producing companies and their aggregate output in 1967, which was prepared by the U.S. Bureau of the Census at the Commission's request. The distribution of the 157 sample firms in these six size-of-output groups was then tested for representativeness of the universe and found satisfactory. Finally, the financial data reported by the sample firms in each size-of-output group were "blown up" to represent the data for all firms in that particular group by using as a factor the ratio of the total number of firms in the group (i.e., the Census Bureau figure) to the number of sample firms.

report is based on data relating to the same 157 firms used earlier. The 1968 and 1969 data relating to the sample firms were "blown up" to indicate the experience of all firms in each size-of-output group by using the same factors as those used for the years 1963-67 and described in footnote 1 on the preceding page. Through 1969, 139 of the 157 firms were still producing nonrubber footwear and provided usable financial data for both 1968 and 1969. The 18 firms for which 1968 and 1969 data could not be obtained were in various size-of-output groups and consisted principally of bankrupt or liquidated firms, as shown in the tabulation below:

Size-of-output group (number of pairs each)	Number of firms for which 1968 and 1969 data are not available because of--			
	firms in sample	Bankruptcy or liqui- dation	Merger with firm in sample	Purchase by firm not in sample
Less than 200,000-----	35	5	-	-
200,000 to 499,999-----	32	2	2	-
500,000 to 999,999-----	31	3	-	1
1,000,000 to 1,999,999-----	26	4	-	-
2,000,000 to 3,999,999-----	17	-	1	-
4,000,000 or more-----	16	-	-	-

The Commission did not request the companies to report data for part of 1970; however, data for accounting years ending between January 1 and June 30, 1970, are included in the 1969 data.

From 1963 to 1968, producers' annual sales of nonrubber footwear and net operating profits increased without interruption; in 1969, however, sales continued to rise but profits declined, as shown in charts 1 and 2. The annual net operating profits earned by domestic

Chart 1.--Sales by U.S. producers of nonrubber footwear, 1963-69

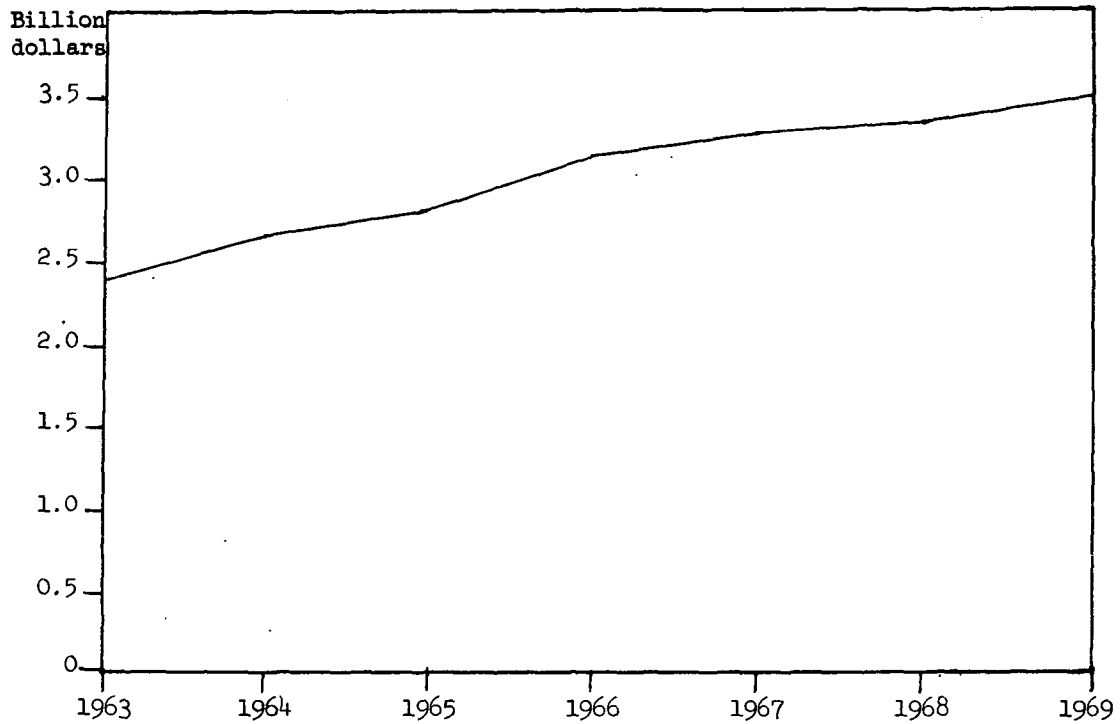


Chart 22.--Net operating profits of U.S. producers of nonrubber footwear, 1963-69



producers from sales of nonrubber footwear produced by them 1/ rose from about \$118 million in 1963 to about \$251 million in 1968 and then declined to about \$192 million in 1969; aggregate sales rose from \$2.4 billion in 1963 to \$3.4 billion in 1969; and the ratio of profits to sales increased from 4.9 percent in 1963 to 7.6 percent in 1968 and then declined to 5.7 percent in 1969 (table 32).

The foregoing trend in earnings of domestic producers of non-rubber footwear during 1963-69 was evident in the financial experience of producers in each of the six size-of-output groups for which data were compiled. For producers in each size-of-output group, the ratio of profits to sales generally rose from 1963 through 1968 and then declined in 1969.

Throughout the 7-year period, the ratio of profits to sales was generally higher for the larger companies than for the smaller. The profit experience of the firms that produced less than 200,000 pairs and those that produced 1,000,000 to 1,999,999 pairs was worse in 1969 than in any of the 6 preceding years. The group that produced 2,000,000 to 3,999,999 pairs consistently showed a better profit experience during the 7-year period than any other size-of-output group, and its profit ratio was higher in 1969 than in any preceding year of the period except 1968.

1/ Profits before "other income and expense" and Federal and State income taxes.

Table 33 shows that the profit experience of firms with 75 percent or more specialization in women's and misses' footwear was generally not as favorable as that of all firms in the same size-of-output groups. It also shows that the profit experience of firms with 75 percent or more specialization in men's, youths', and boys' footwear was frequently more favorable than that of the producers of women's and misses' footwear in the same size-of-output groups, and sometimes more favorable than that of all firms. Throughout the 7-year period 1963-69 the ratio of profits to sales was generally higher for the larger producers of women's and men's footwear than for the smaller. Firms specializing in either women's or men's footwear and having 1969 operating profits in excess of 5 percent of sales, however, were present in each of the six size-of-output groups. Such operating profits were experienced by 22 of the 65 firms specializing in women's or men's footwear for which 1969 data are included in table 33; 16 of these 22 produced women's or misses' footwear and six produced men's, youths', or boys'.

In each of the size-of-output groups, the financial experience of the individual producers of women's and men's nonrubber footwear included in table 33 generally varied considerably. In an attempt to ascertain the factors contributing to such varied financial experience of firms of like size and of like type of product, all the data available to the Commission respecting the domestic producers of women's and men's footwear in its sample (including that obtained from questionnaires,

fieldwork, and various trade journals) were examined. Among the factors considered were the share of 1969 output having leather uppers, the wholesale price lines, and product description. The information respecting the use of leather uppers and the share of sales above \$4.20 a pair at wholesale (and at \$4.20 or less) is summarized, by size-of-output groups, in table 34.

Few generalizations can be made respecting the effect of the use of substitutes for leather on the financial experience of the producers of women's nonrubber footwear in the Commission's sample. In the group producing 4 million or more pairs each, for example, the two firms whose 1969 output consisted almost entirely (90 percent or more) of footwear with other than leather uppers had higher profit ratios (based on sales) than the other two firms; one of the latter firms, with only about 35 percent of its output having leather uppers, suffered a loss in that year, whereas the other firm, with about 40 percent of its output having leather uppers, had profits. In the group producing 2,000,000 to 3,999,999 pairs (in 1967), moreover, the two firms with 25 percent or less of the 1969 output consisting of footwear with leather uppers suffered losses in that year, while four firms with 100 percent of their output consisting of footwear with leather uppers had profits.

With respect to wholesale-price levels, the Commission's investigation shows that the producers with a large share of their output in a few price lines generally had a better profit experience than those producing a wider range of price lines. In almost every size-of-output group, however, some firms with sales in a narrow price range had

operating losses in 1969. The Commission's inquiry also shows that the smaller companies generally concentrate on the higher price lines. With very few exceptions, the firms in the Commission's sample that specialize in women's shoes at a wholesale price of more than \$10.20 a pair (i.e., 75 percent or more of 1969 sales) are in the groups producing less than 1 million pairs a year, and those that specialize in women's shoes at a wholesale price of \$4.20 or less a pair are in the groups producing 1 million pairs or more. With respect to footwear for men, youths, and boys, the great bulk is sold at wholesale in the \$4.21-\$10.20 price range, so that very few firms appear to specialize in such footwear selling at \$4.20 or less a pair; the firms specializing in such footwear selling at \$10.21 or more are concentrated in the groups producing less than 500,000 pairs a year.

Information concerning recent changes in the product lines of the firms in the Commission's sample is fragmentary. The available information, partly from data reported to the Commission by individual firms and partly from trade journals, relates primarily to producers of women's footwear. Several firms are known to have successfully changed their product lines. Generally, these are firms with modern plants; they are situated in New England as well as in other areas; and they are in various size-of-output groups. Some firms that have attempted to introduce new styles, however, have not been successful in terms of profits-to-sales ratios. A notable example of such a firm is Andrew Geller, Inc., whose experience was discussed in the October 15, 1970, issue of Forbes (exhibit No. 32 and appendix 11 of exhibit No. 35). The

1968 and 1969 profit (or loss) ratios in table 33 for the group of firms producing 1,000,000 to 1,999,999 pairs of women's footwear reflect primarily the experience of this company, which had exceptionally high profits in 1968 and an extraordinary loss in 1969.

While less than a tenth of the firms in the Commission's sample reported operating losses in 1967 and 1968, nearly a fifth reported losses in 1969 (table 35). In 1969, as in 1963-65, losses were reported by firms in each of the six size-of-output groups. The share of the firms reporting losses was larger in 1969 than in any of the 6 preceding years except 1963.

The domestic producers of nonrubber footwear have invested increasing annual amounts in new plants and equipment in recent years (table 36). The 16 firms in the group producing 4 million pairs or more accounted for half of the total investment made by domestic producers in the 6 years 1964-69. These 16 producers together manufactured 36 percent of the U.S. output of nonrubber footwear in 1969.

APPENDIX A

Part 1A of Schedule 7 of the Tariff Schedules
of the United States Annotated (1970)

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Page 411

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

7 - 1 - A

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p>PART 1. - FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS</p> <p>Subpart A. - Footwear</p> <p><u>Subpart A headnotes:</u></p> <p>1. This subpart covers boots, shoes, slippers, sandals, moccasins, slipper socks (socks with applied soles of leather or other material), scuffs, overshoes, rubbers, arctics, galoshes, and all allied footwear (including athletic or sporting boots and shoes) of whatever material composed, and by whatever method constructed, all the foregoing designed for human wear except --</p> <p>(i) footwear with permanently attached skates or snowshoes (see part 5D of this schedule),</p> <p>(ii) hosiery (see part 6C of schedule 3), and</p> <p>(iii) infants' knit footwear (see part 6F of schedule 3).</p> <p>2. For the purposes of this subpart --</p> <p>(a) the term "huaraches" (item 700.05) means a type of leather-soled sandal having a woven-leather upper laced to the insole, with the insole machine-stitched to the outsole, and having a heel which is nailed on;</p> <p>(b) the term "McKay-sewed footwear" (item 700.10) means footwear the soles of which are sewed to the upper by means of a McKay chainstitch, with the stitching passing through the outsole, upper, lining, and insole;</p> <p>(c) the term "moccasins" (item 700.15) means footwear of the American Indian handicraft type, having no line of demarcation between the soles and the uppers;</p> <p>(d) the term "welt footwear" (items 700.25 through 700.29) means footwear constructed with a welt, which extends around the edge of the tread portion of the sole, and in which the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole of which is sewed or cemented to the welt;</p> <p>(e) the term "slippers" (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto;</p> <p>(f) the term "footwear for men, youths, and boys" (item 700.35) covers footwear of American youths' size 11-1/2 and larger for males, and does not include footwear commonly worn by both sexes; and</p> <p>(g) the term "fibers" means unspun fibrous vegetable materials, vegetable fibers, wool, silk, or other animal fibers, man-made fibers, paper yarns, or any combination thereof.</p>			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

Page 412

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

7 - 1 - A

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p>3.(a) For the purposes of items 700.51 through 700.55, the rubber or plastics forming the exterior surface area specified, if supported by fabric or other material, must coat or fill the supporting material with a quantity of rubber or plastics sufficient to visibly and significantly affect the surface otherwise than by change in color, whether or not the color has been changed thereby.</p> <p>(b) Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States.</p> <p><u>Subpart A statistical headnote:</u></p> <p>1. For the purposes of this subpart --</p> <p>(a) the term "athletic footwear" covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games, or sports;</p> <p>(b) the term "work footwear" covers footwear having outsoles 1/4 inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle;</p> <p>(c) the term "soled 'moccasins'" covers footwear in which the vamp extends completely under the foot, whether or not seamed, forming both the bottom and the sides to which an outsole is attached;</p> <p>(d) the term "cement footwear" covers footwear in which the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing, but not including footwear having vulcanized soles or injection molded soles;</p> <p>(e) the term "soft sole footwear" covers footwear in which the upper and the tread sole are sewn together in such manner that both are folded inward with their outer surfaces in contact inside the footwear at the seam;</p> <p>(f) the term "casual footwear" covers footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot;</p> <p>(g) the term "boots" covers footwear (other than footwear of oxford height) designed to be worn next to the sock rather than over the shoe;</p> <p>(h) the term "footwear for men" covers footwear of American men's size 6 and larger for males, and does not include footwear commonly worn by both sexes;</p> <p>(i) the term "footwear for youths and boys" covers footwear of American youths' size 11-1/2 and larger but not as large as American men's size 6, and does not include footwear commonly worn by both sexes;</p> <p>(j) the term "footwear for women" covers footwear of American women's size 4 and larger, whether for females or of types commonly worn by both sexes;</p> <p>(k) the term "footwear for misses" covers footwear of American misses' size 12-1/2 and larger but not as large as American women's size 4, whether for females or of types commonly worn by both sexes;</p> <p>(l) the term "footwear for children" covers footwear of American children's size 8-1/2 and larger but not as large as the footwear described in statistical headnotes (i) and (k);</p> <p>(m) the term "footwear for infants" covers all footwear not included in the foregoing statistical headnotes (h), (i), (j), (k), and (l); and</p> <p>(n) the term "oxford height" covers footwear the upper of which does not extend above the ankle.</p>			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

Page 413

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Part 1. - Footwear; Headwear and Hat Brails; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

7 - 1 - A

700.05 - 700.41

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
		Footwear, of leather (except footwear with uppers of fibers):			
700.05	00	Huaraches.....	Prs.....	20% ad val.	20% ad val.
700.10	00	McKay-sewed footwear.....	Prs.....	14% ad val.	30% ad val.
700.15	00	Moccasins.....	Prs.....	10% ad val.	20% ad val.
700.20		Turn or turned footwear.....	Prs.....	3% ad val.	10% ad val.
	20	For men, youths, and boys.....	Prs.....		
	40	For women and misses.....	Prs.....		
	60	For children and infants.....	Prs.....		
		Welt footwear:			
700.25	00	Valued not over \$2 per pair.....	Prs.....	17% ad val.	20% ad val.
700.26		Valued over \$2 but not over \$5 per pair.....	Prs.....	23¢ per pair	20% ad val.
	10	Work footwear.....	Prs.....		
		Other:			
	30	For men.....	Prs.....		
	50	Other.....	Prs.....		
700.27		Valued over \$5 but not over \$6.80 per pair....	Prs.....	5.5% ad val., but not more than 34¢ per pair	20% ad val.
	18	Work footwear.....	Prs.....		
		Other:			
	38	For men.....	Prs.....		
	48	Other.....	Prs.....		
		Valued over \$6.80 per pair:			
700.28	00	Ski boots.....	Prs.....	2% ad val.	20% ad val.
700.29		Other.....	Prs.....	5% ad val.	20% ad val.
	20	Athletic footwear other than ski boots.....	Prs.....		
	40	Work footwear.....	Prs.....		
		Other:			
	60	For men.....	Prs.....		
	80	Other.....	Prs.....		
700.30	00	Footwear with molded soles laced to uppers.....	Prs.....	7% ad val.	20% ad val.
700.32	00	Slippers.....	Prs.....	7% ad val.	20% ad val.
		Other:			
700.35		For men, youths, and boys.....	Prs.....	9% ad val.	20% ad val.
		Athletic footwear:			
	05	Ski boots.....	Prs.....		
	15	Other athletic footwear.....	Prs.....		
	25	Work footwear.....	Prs.....		
		Soled "moccasins":			
	30	For men.....	Prs.....		
	35	For youths and boys.....	Prs.....		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	40	For men.....	Prs.....		
	45	For youths and boys.....	Prs.....		
		Cement footwear:			
	50	For men.....	Prs.....		
	55	For youths and boys.....	Prs.....		
		Other:			
	75	For men.....	Prs.....		
	80	For youths and boys.....	Prs.....		
		For other persons:			
700.41	00	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe.....	Prs.....	14% ad val.	20% ad val.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

Page 414

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

7 - 1 - A

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

700.43 - 700.51

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
700.43		Footwear, of leather, etc. (con.):			
		Other (con.):			
		For other persons (con.):			
		Other:			
		Valued not over \$2.50 per pair.....	.....	17% ad val.	20% ad val.
	05	Athletic footwear.....	Prs.		
		Casual footwear:			
	10	For women.....	Prs.		
	15	Other.....	Prs.		
		Soled "moccasins":			
	20	For women.....	Prs.		
	25	Other.....	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women.....	Prs.		
	35	Other.....	Prs.		
		Cement footwear:			
	40	For women.....	Prs.		
	45	For misses.....	Prs.		
	50	For children.....	Prs.		
	55	For infants.....	Prs.		
700.45		Other:			
	60	For women.....	Prs.		
	65	For misses.....	Prs.		
	70	For children.....	Prs.		
	75	For infants.....	Prs.		
		Valued over \$2.50 per pair.....	.....	14% ad val.	20% ad val.
	35	Athletic footwear.....	Prs.		
		Casual footwear:			
	10	For women.....	Prs.		
	15	Other.....	Prs.		
		Soled "moccasins":			
	20	For women.....	Prs.		
	25	Other.....	Prs.		
		Other:			
		With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
	30	For women.....	Prs.		
	35	Other.....	Prs.		
		Cement footwear:			
	40	For women.....	Prs.		
	45	For misses.....	Prs.		
	50	For children.....	Prs.		
	55	For infants.....	Prs.		
700.51		Other:			
	60	For women.....	Prs.		
	65	For misses.....	Prs.		
	70	For children.....	Prs.		
	75	For infants.....	Prs.		
		Footwear (whether or not described elsewhere in this subpart) which is over 50 percent by weight of rubber or plastics or over 50 percent by weight of fibers and rubber or plastics with at least 10 percent by weight being rubber or plastics:			
		Hunting boots, galoshes, rainwear, and other foot- wear 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 the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except foot- wear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substan- tial portion of functional stitching):			
	00	Having soles and uppers of which over 90 percent of the exterior surface area is polyvinyl chloride, whether or not sup- ported or lined with polyvinyl chloride but not otherwise supported or lined.....	Prs.....	12.5% ad val.	25% ad val.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

Page 415

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

7 - 1 - A

700.52 - 700.85

Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
				1	2
700.52	00	Footwear (whether or not described elsewhere in this subpart), etc. (con.): Hunting boots, galoshes, rainwear, etc. (con.): Footwear (except footwear provided for in item 700.51), the uppers of which do not extend above the ankle, designed for use without closures, whether or not supported or lined.....	Prs....	25% ad val.	50% ad val.
700.53		Other.....	.....	37.5% ad val.	75% ad val.
	20	Boots.....	Pre.		
	40	Other.....	Pre.		
700.55		Other footwear (except footwear having uppers of which over 50 percent of the exterior surface area is leather): Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing-like band applied or molded at the sole and overlapping the upper).....	.....	8.5% ad val.	35% ad val.
	20	Zoris (thonged sandals).....	Pre.		
	23	Soft sole footwear.....	Pre.		
		Footwear having supported vinyl uppers:			
	35	For men, youths, and boys.....	Pre.		
	45	For women and misses.....	Pre.		
	55	For children and infants.....	Pre.		
	75	Other.....	Pre.		
700.60		Other.....	.....	20% ad val.	35% ad val.
		Like or similar to U.S. footwear:			
		Oxford height:			
	05	For men, youths, and boys.....	Pre.		
	15	For women and misses.....	Pre.		
	25	For children and infants.....	Pre.		
	30	Other.....	Pre.		
		Not like or similar to U.S. footwear:			
		Oxford height:			
	35	For men, youths, and boys.....	Pre.		
	45	For women and misses.....	Pre.		
	55	For children and infants.....	Pre.		
	60	Other.....	Pre.		
700.66		Footwear, with uppers of fibers: With soles of leather:			
		Valued not over \$2.50 per pair.....	.....	17% ad val.	35% ad val.
	20	Slipper socks.....	Pre.		
		Other:			
	40	For men, youths, and boys.....	Pre.		
	60	Other.....	Pre.		
700.68		Valued over \$2.50 per pair.....	.....	14% ad val.	35% ad val.
	20	Slipper socks.....	Pre.		
		Other:			
	40	For men, youths, and boys.....	Pre.		
	60	Other.....	Pre.		
700.70		With soles of material other than leather: With uppers of vegetable fibers.....	.....	10% ad val.	35% ad val.
	20	For men, youths, and boys.....	Pre.		
	50	Other.....	Pre.		
700.75	00	With soles and uppers of wool felt.....	Prs....	9.5% ad val.	35% ad val.
700.80		Other.....	.....	17% ad val.	35% ad val.
	20	For men, youths, and boys.....	Pre.		
	50	Other.....	Pre.		
700.83	00	Other footwear: Of wood.....	Prs....	11.5% ad val.	33-1/3% ad val.
700.85		Other.....	.....	17% ad val.	35% ad val.
	20	For men, youths, and boys.....	Pre.		
	50	Other.....	Pre.		

A-77

APPENDIX B

Tables

Table 1.--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, 1970, and final stage of Kennedy Round concessions

TSUS item No.	Reference No. (key to table 3)	Description	Rate of duty <u>1/</u>			
			Column 1 rate			Column 2 rate
			Aug. 31, 1963 - Dec. 31, 1967	Kennedy Round		
				Third stage (effective Jan. 1- Dec. 31, 1970)	Final stage (effective Jan. 1, 1972, except as noted)	
		Footwear of leather (except footwear with uppers of fibers):				
700.05	1	Huaraches-----	20% ad val.	2/	--	20% ad val.
700.10	2	McKay-sewed-----	20% ad val.	14% ad val.	10% ad val.	30% ad val.
700.15	3	Moccasins-----	10% ad val.	2/	--	20% ad val.
700.20	4	Turn or turned-----	5% ad val.	3% ad val.	2.5% ad val.	10% ad val.
		Welt, valued per pair--				
700.25	5	Not over \$2-----	17% ad val.	2/	--	20% ad val.
700.26 <u>3/</u>	6	Over \$2 but not over \$5-----	34¢ per pair	23¢ per pair	17¢ per pair	20% ad val.
700.27 <u>3/</u>	7	Over \$5 but not over \$6.80-----	34¢ per pair	5.5% ad val. but not more than 34¢ per pair	5% ad val. <u>4/</u>	20% ad val.
		Over \$6.80:				
700.28 <u>3/</u>	8	Ski boots-----	5% ad val.	2% ad val.	Free	20% ad val.
700.29 <u>3/</u>	8	Other-----	5% ad val.	2/	--	20% ad val.
700.30	9	With molded soles laced to uppers-----	10% ad val.	7% ad val.	5% ad val.	20% ad val.
700.32	10	Slippers-----	10% ad val.	7% ad val.	5% ad val.	20% ad val.
		Other:				
700.35	11	For men, youths, and boys-----	10% ad val.	9% ad val.	8.5% ad val. <u>4/</u>	20% ad val.
		For other persons:				
700.41 <u>5/</u>	12	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe.	20% ad val.	14% ad val.	10% ad val.	20% ad val.
		Other, valued per pair--				
700.43 <u>5/</u>	12	Not over \$2.50-----	20% ad val.	17% ad val.	15% ad val.	20% ad val.
700.45 <u>5/</u>	12	Over \$2.50-----	20% ad val.	14% ad val.	10% ad val.	20% ad val.
		Footwear (whether or not described elsewhere in this subpart) which, by weight, is over 50 percent of rubber or plastics or over 50 per- cent of fibers and rubber or plastics with at least 10 percent being rubber or plastics:				
700.55	<u>6/</u>	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 <u>7/</u> and (2) footwear having foxing or foxing-like band applied or molded at the sole: and overlapping the upper).	12.5% ad val.	8.5% ad val.	6% ad val.	35% ad val.

See footnotes at end of table.

Table 1.--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, 1970, and final stage of Kennedy Round concessions--Continued

TSUS item No.	Reference No. (key to table 3)	Description	Rate of duty <u>1/</u>			
			Column 1 rate			Column 2 rate
			Aug. 31, 1963 - Dec. 31, 1967	Kennedy Round		
				Third stage (effective Jan. 1- Dec. 31, 1970)	Final stage (effective Jan. 1, 1972, except as noted)	
		Footwear with uppers of fibers:				
		With soles of leather, valued per pair--				
700.66 <u>8/</u>	13	Not over \$2.50-----	20% ad val.	17% ad val.	15% ad val.	35% ad val.
700.68 <u>8/</u>	13	Over \$2.50-----	20% ad val.	14% ad val.	10% ad val.	35% ad val.
		With soles of other material--				
700.70	14	With uppers of vegetable fibers-----	15% ad val.	10% ad val.	7.5% ad val.	35% ad val.
700.75	15	With soles and uppers of wool felt-----	14% ad val.	9.5% ad val.	7% ad val.	35% ad val.
700.80	16	Other-----	25% ad val.	17% ad val.	12.5% ad val.	35% ad val.
		Other footwear:				
700.83	17	Of wood-----	16-2/3% ad val.	11.5% ad val.	8% ad val.	33-1/3% ad val.
700.85	<u>9/</u>	Other-----	25% ad val.	17% 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(1) 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 1970 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 3. Such footwear (exclusive of rubber soles, 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(c).

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 of 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 3.

Table 2.--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, 1964-69, January-June 1969, and January-June 1970

Period	Total, all nonrubber footwear	Total, leather footwear	Certain footwear of leather				
			For men, youths, and boys (700.35)		For other people (700.40 1/)		
			Tariff rate	Quantity	Tariff rate	Quantity	
						Total	For women and misses 2/
						Million pairs	Million pairs
1964-----	81	31	10	6	20	20	19
1965-----	96	35	10	8	20	22	21
1966-----	102	46	10	10	20	30	28
1967-----	133	62	10	14	20	41	38
1968-----	181	86	9.5	20	19	37	34
					18	21	20
1969-----	202	97	9	25	18	34	29
January-June--					16	28	27
1969-----	112	56	9	14	18	24	20
					16	14	13
1970-----	137	69	9	16	17	30	25
					14	18	18
Certain footwear with uppers of rubber or plastics (700.55)							
	Tariff rate	Total	Quantity				
			Total	With supported vinyl uppers			
				For men, youths, and boys		For women and misses	
				Million pairs		Million pairs	
	Percent ad val.	Million pairs	Million pairs				
1964-----	12.5	40	37		7		29
1965-----	12.5	55	48		9		35
1966-----	12.5	51	44		6		33
1967-----	12.5	67	62		7		50
1968-----	3/ 11	90	83		7		69
1969-----	3/ 10	97	89		9		71
January-June--							
1969-----	3/ 10	53	48		5		39
1970-----	8.5	62	58		8		45

1/ Effective Jan. 1, 1968, item 700.40 was replaced by items 700.41, 700.43, and 700.45.

2/ Partly estimated.

3/ In table 2 of TC Publication 330 of July 1970 (Protective Footwear of Rubber or Plastics and Rubber- or Plastic-soled Footwear . . . Investigation Nos. TEA-W-23 . . . TEA-W-26), the corresponding rates were incorrectly stated. The correct rates (shown here, as well as in table 1 of this report) were shown in table 1 of TC Publication 330.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Note.--Combined imports reported under the TSUS items for which column 1 tariff rates are shown accounted for 91 percent of the total imports of nonrubber footwear in 1969. Included in the reported imports, however, are negligible quantities of imports dutiable at the column 2 rates. See footnote 1 to table 1.

Table 3.--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 1)
	Jan. 1, 1934 ^{1/}	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.	1
		20% ad val. Statutory rate restored, eff. Jan. 1, 1951.	
McKay-sewed (except if at- tached to ice skates): ^{2/}			
Boots and shoes:			
For men, youths, or boys--	30% ad val. ^{3/}	20% ad val. ^{4/} GATT concession, eff. Apr. 21, 1948:)	2
For other persons-----	30% ad val. ^{3/}	20% ad val. ^{4/} GATT concession, eff. Apr. 21, 1948:)	
		19% ad val.)	
		18% ad val.) GATT concession, eff. in 3 annual	
		17% ad val.) stages, the first on June 30, 1956:)	
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;	3
		GATT concession, eff. Jan. 1, 1948.	
For other persons-----	20% ad val.	GATT concession, eff. Jan. 1, 1948	
Turn or turned:			
Boots and shoes:			
For women and misses-----	10% ad val. ^{5/}	5% ad val. GATT concession, eff. May 30, 1950 :)	4
For other persons-----	10% ad val. ^{5/}	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	
		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	5
		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	6
		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, :)	7
		but not more eff. Jan. 1, 1939.	
		than 20% ad :	
		val.	
		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, :)	7
		eff. Jan. 1, 1939.	
		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)	

See footnotes at end of table.

Table 3.--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			Refer- ence No. (see table 1)
	Jan. 1, 1934 ^{1/}	Changes through Aug. 30, 1963		
		Rate	Comment	
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.	8
		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.		
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;	9
			GATT concession, eff. Jan. 1, 1948	
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;	10
			GATT concession, eff. Jan. 1, 1948	
Other:				
For men, youths, or boys----	20% ad val.	10% ad val.	Concession to Mexico, eff. Jan. 30, 1943-Dec. 31, 1950.	11
		20% ad val.	Statutory rate restored Jan. 1- June 5, 1951.	
		10% ad val.	GATT concession, eff. June 6, 1951	
For other persons-----	20% ad val.		No change	12
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.	13
		20% ad val.	GATT concession, eff. Apr. 21, 1948	
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.	14
		16.5% ad val.	GATT concession, eff. in 3 annual	
		15.5% ad val.	stages, the first on June 30, 1956	
		15% ad val.		
		17.5% ad val. ^{7/}	GATT concession, eff. Jan. 1, 1950	
With uppers of vegetable fibers other than cotton.	35% ad val.	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
		15.5% ad val.	GATT concession, eff. in 2 annual	
		14% ad val.	stages, the first on July 1, 1962	
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	17
		16-2/3% ad	GATT concession, eff. May 30, 1950	
		val.		

^{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(i) to that subpart) and therefore is not subject to this investigation (No. TEA-I-18).

^{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 4.--Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 3-year averages 1954-62, annual 1963-69, January-June 1969, and January-June 1970

Period	Production	Imports ^{1/}	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>Percent</u>
3-year average:					
1954-56-----	569,164	10,000	4,640	574,524	2
1957-59-----	607,376	27,000	4,043	630,333	4
1960-62-----	608,729	57,000	3,049	662,680	9
Annual:					
1963-----	604,328	67,000	2,843	668,485	10
1964-----	612,790	80,661	2,835	690,616	12
1965-----	626,229	95,991	2,491	719,729	13
1966-----	641,696	101,746	2,737	740,705	14
1967-----	599,964	133,259	2,217	731,006	18
1968-----	642,427	181,492	2,417	821,502	22
1969-----	576,961	202,208	2,324	776,845	26
January-June--					
1969-----	298,267	112,214	1,144	409,337	27
1970-----	289,753	136,616	1,037	425,332	32

^{1/} Data for 1954-63 are partly estimated. Data on zoris have been excluded from the import figures in this and subsequent tables, unless otherwise noted. Imports of zoris, chiefly from Japan, declined from an estimated 70 million pairs in 1959 to 32 million pairs in 1963, and then to 25 million pairs in 1969; the dutiable value of the 1969 imports averaged 12 cents per pair.

Source: . Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 5.--Nonrubber footwear: U.S. production, imports for consumption, and apparent consumption, by types, 1965-69, January-June 1969, and January-June 1970

(Quantity figures in millions of pairs)							
Period and item	Athletic	Slippers ^{1/}	Work	All other			Total
				For men and boys	For women and misses	For children and infants ^{2/}	
1965:							
Production-----	7	90	32	111	316	70	626
Imports-----	1	3/	1	19	67	8	96
Apparent consumption-----	8	90	33	130	383	78	722
Ratio (percent) of imports to consumption-----	13	4/	3	15	17	10	13
1966:							
Production-----	7	94	38	113	320	70	642
Imports-----	1	1	1	18	70	11	102
Apparent consumption-----	8	95	39	131	390	81	744
Ratio (percent) of imports to consumption-----	13	1	3	14	18	14	14
1967:							
Production-----	7	96	39	110	286	62	600
Imports-----	1	1	1	22	96	12	133
Apparent consumption-----	8	97	40	132	382	74	733
Ratio (percent) of imports to consumption-----	13	1	3	17	25	16	18
1968:							
Production-----	8	105	36	114	317	62	642
Imports-----	2	3/	2	30	133	14	181
Apparent consumption-----	10	105	38	144	450	76	823
Ratio (percent) of imports to consumption-----	20	4/	5	21	30	18	22
1969:							
Production-----	9	101	36	105	267	59	577
Imports-----	2	1	2	38	139	20	202
Apparent consumption-----	11	102	38	143	406	79	779
Ratio (percent) of imports to consumption-----	18	1	5	27	34	25	26
January-June--							
1969:							
Production-----	4	48	18	54	143	31	298
Imports-----	2	3/	3/	20	78	12	112
Apparent consumption-----	6	48	18	74	221	43	410
Ratio (percent) of imports to consumption-----	33	4/	2	27	35	28	27
1970:							
Production-----	5	53	18	55	134	25	290
Imports-----	2	3/	1	26	96	12	137
Apparent consumption-----	7	53	19	81	230	37	427
Ratio (percent) of imports to consumption-----	29	4/	5	32	42	32	32

^{1/} Import data relate only to the type of leather slippers reported under TSUS item 700.32; imported nonrubber slippers of other construction and material are included in the import figures relating to "All other" footwear.

^{2/} Production data include the output of footwear not specified by kind, which amounted to 3.6 million pairs in 1969, as well as footwear for children and infants.

^{3/} Less than 500,000 pairs.

^{4/} Less than 0.5 percent.

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

Note.--In this table apparent consumption figures represent production plus imports without an allowance for exports and therefore differ slightly from the apparent consumption figures shown in table 4. Ratios of imports to consumption, however, are the same in this table as in table 4.

Table 6.--U.S. population and disposable personal income per capita, 1955-69 and, by quarters, January-June 1970

Period	Total U.S. popula- tion <u>1/</u>	Disposable personal income, per capita <u>2/</u>	
		In current dollars	In constant (1958) dollars
	<u>Thousands</u>		
1955-----	165,931	1,666	1,795
1956-----	168,903	1,743	1,839
1957-----	171,984	1,801	1,844
1958-----	174,882	1,831	1,831
1959-----	177,830	1,905	1,881
1960-----	180,684	1,937	1,883
1961-----	183,756	1,983	1,909
1962-----	186,656	2,064	1,968
1963-----	189,417	2,136	2,013
1964-----	192,120	2,280	2,123
1965-----	194,592	2,432	2,235
1966-----	196,907	2,599	2,331
1967-----	199,119	2,744	2,398
1968-----	201,177	2,939	2,480
1969-----	203,213	3,108	2,517
1970:			
January-March-----	204,351	3,252	2,556
April-June-----	204,844	3,335	2,593

1/ Total population of the United States, including Alaska and Hawaii in all years. Annual data are estimates as of July 1; quarterly data are estimates as of the first day of the quarter.

2/ Quarterly data are seasonally adjusted at annual rates.

Sources: U.S. Department of Commerce. Current Population Reports, series P-25, No. 447, July 21, 1970, and Survey of Current Business, July 1970.

Table 7.--Nonrubber footwear: Apparent U.S. consumption ^{1/} and shares thereof supplied by domestic production, and imports, by types and wholesale price ranges, 1969

Wholesale price ^{2/}	All nonrubber footwear				Men's, youths' and boys' ^{3/}			
	Consumption		Share of consumption supplied by--		Consumption		Share of consumption supplied by--	
	Quantity	Percent	Domestic	Imports	Quantity	Percent	Domestic	Imports
	: of total:		production		: of total:		production	
	Million				Million			
	pairs		Percent	Percent	pairs		Percent	Percent
Less than \$1.80-----	175	22	49	51	8	4	6	94
\$1.81 to \$2.40-----	72	9	53	47	9	5	32	68
\$2.41 to \$3.00-----	37	5	66	34	7	4	34	66
\$3.01 to \$4.20-----	131	17	90	10	11	6	65	35
\$4.21 to \$6.00-----	131	17	83	17	39	22	83	17
\$6.01 to \$7.80-----	100	13	87	13	46	26	95	5
\$7.81 to \$10.20-----	70	9	85	15	31	17	85	15
\$10.21 and over-----	63	8	87	13	29	16	83	17
Total-----	779	100	74	26	182	100	77	23
	Women's and misses' ^{3/}				Children's and infants' ^{3/}			
	Consumption		Share of consumption supplied by--		Consumption		Share of consumption supplied by--	
	Quantity	Percent	Domestic	Imports	Quantity	Percent	Domestic	Imports
	: of total:		production		: of total:		production	
	Million				Million			
	pairs		Percent	Percent	pairs		Percent	Percent
Less than \$1.80-----	66	17	13	87	28	38	56	44
\$1.81 to \$2.40-----	42	11	38	62	10	15	84	16
\$2.41 to \$3.00-----	18	5	62	38	3	5	81	19
\$3.01 to \$4.20-----	94	24	91	9	11	15	93	7
\$4.21 to \$6.00-----	61	15	75	25	17	24	98	2
\$6.01 to \$7.80-----	45	11	90	10	2	3	95	5
\$7.81 to \$10.20-----	37	9	85	15	4/	5/	-	-
\$10.21 and over-----	31	8	89	11	-	-	-	-
Total-----	394	100	68	32	71	100	78	22

^{1/} Production plus imports. Data respecting the distribution of U.S. exports by wholesale price ranges are not available.

^{2/} Manufacturers' and importers' selling price, f.o.b. point of shipment.

^{3/} Excludes most athletic footwear and slippers.

^{4/} Less than 500,000.

^{5/} Less than 0.5 percent.

Source: Estimated by the U.S. Tariff Commission from data submitted by U.S. producers and importers of nonrubber footwear and data of the U.S. Bureau of the Census.

Table 8.--Estimated retail sales (value) of footwear in the United States, by type of outlet, 1958, 1963, and 1968

Type of retail outlet ^{1/}	Estimated retail sales				Share of market			
	1968	1963	1958	Change, 1958 to 1968	1968	1963	1958	
	Million dollars	Million dollars	Million dollars	Percent	Percent	Percent	Percent	
	:	:	:	:	:	:	:	
Shoe stores, total-----	3,290	2,390	2,130	54.5	50.6	49.4	52.2	
Chains-----	1,600	1,062	890	79.8	24.6	21.9	21.8	
Others-----	1,690	1,328	1,240	36.3	26.0	27.5	30.4	
Department stores, total-----	1,520	1,084	670	126.9	23.4	22.4	16.4	
Chains-----	1,180	763	413	185.7	18.2	15.8	10.1	
Others-----	340	321	257	32.3	5.2	6.6	6.3	
Apparel stores, total-----	980	834	719	36.3	15.1	17.2	17.6	
Chains-----	335	233	172	94.8	5.2	4.8	4.2	
Others-----	645	601	547	17.8	9.9	12.4	13.4	
General merchandise stores, total-----	220	212	231	-4.8	3.4	4.4	5.7	
Chains-----	160	139	130	23.1	2.5	2.9	3.2	
Others-----	60	73	101	-40.6	0.9	1.5	2.5	
Limited price variety stores, total-----	220	144	24	780.0	3.4	3.0	0.6	
Chains-----	170	113	19	794.7	2.6	2.3	0.6	
Others-----	50	31	5	900.0	0.8	0.7	0.1	
Mail order-----	170	133	113	50.4	2.6	2.7	2.8	
Miscellaneous other outlets-----	100	42	189	-47.1	1.5	0.9	4.7	
Total-----	6,500	4,839	4,076	59.4	100.0	100.0	100.0	
Summary:	:	:	:	:	:	:	:	
Chains-----	3,445	2,310	1,624	112.1	53.0	47.7	39.8	
Others-----	2,785	2,354	2,150	29.5	42.8	48.7	52.8	
Mail order and miscellaneous-----	270	175	302	-10.6	4.2	3.6	7.4	
Total-----	6,500	4,839	4,076	59.4	100.0	100.0	100.0	
	:	:	:	:	:	:	:	

^{1/} Chains are defined as firms owning or leasing 11 or more retail outlets.

Source: Chain Shoe Stores and Leased Shoe Departments Operators, 1970, RUMPF Publishing Co.

Table 9:--Nonrubber footwear: Percentage distribution of domestic producers' sales, by size-of-output group and type of market outlet, 1969

Size-of-output group	Retail outlets		Jobbers	Other outlets	Total
	Discount	Other	or whole- salers		
Less than 200,000					
pairs each-----	15.1	52.0	28.5	4.4	100.0
200,000 to 499,999					
pairs each-----	17.2	53.6	26.6	2.6	100.0
500,000 to 999,999					
pairs each-----	14.3	62.7	19.0	4.0	100.0
1,000,000 to 1,999,999					
pairs each-----	21.7	49.4	22.9	6.0	100.0
2,000,000 to 3,999,999					
pairs each-----	25.1	64.9	5.8	4.2	100.0
4,000,000 pairs or					
more each-----	8.5	82.7	8.8	-	100.0
Average, all groups-----	13.3	73.9	11.1	1.7	100.0

Source: Calculated by the U.S. Tariff Commission from data supplied by domestic producers of nonrubber footwear.

Table 10.--Nonrubber footwear: U.S. production, by geographic areas, 1965-69

(In thousands of pairs)					
Geographic area	1965	1966	1967	1968	1969
United States,					
total-----	626,229	641,696	599,964	642,427	576,961
New England, total----	200,515	202,972	189,494	198,441	167,795
Maine-----	62,048	62,854	57,499	58,364	50,406
Massachusetts-----	83,639	85,368	79,190	85,210	71,167
New Hampshire-----	45,442	46,052	44,698	46,369	38,618
Other States-----	9,386	8,698	8,107	8,498	7,604
Middle Atlantic,					
total-----	177,723	179,293	163,077	178,067	156,201
New Jersey-----	15,846	16,355	16,508	16,386	15,529
New York-----	74,326	74,101	66,366	76,598	62,627
Pennsylvania-----	87,551	88,837	80,203	85,083	78,045
North Central,					
total-----	126,067	126,357	117,049	122,688	117,776
Illinois-----	23,655	22,967	19,164	19,393	19,271
Indiana-----	4,726	4,515	4,194	4,590	3,746
Michigan-----	8,536	7,943	7,347	8,134	9,895
Minnesota-----	2,311	2,188	2,294	2,730	2,917
Missouri-----	53,643	54,227	50,572	56,528	49,525
Ohio-----	19,068	19,716	19,453	16,920	17,916
Wisconsin-----	14,057	14,695	13,859	14,250	14,303
Other States-----	71	106	166	143	203
South and West,					
total-----	121,924	133,074	130,344	143,231	135,189
Arkansas-----	20,454	21,641	20,929	21,180	19,402
California-----	5,418	5,407	5,919	5,869	5,726
Florida-----	1,587	2,722	2,859	1,447	1,083
Georgia-----	10,029	10,985	11,198	13,351	12,875
Kentucky-----	6,093	6,476	6,799	10,682	10,809
Maryland-----	7,670	8,407	8,936	9,605	8,046
Mississippi-----	10,355	11,191	10,381	12,059	8,608
Oregon-----	59	59	52	46	42
Tennessee-----	37,645	41,641	39,539	40,857	38,432
Texas-----	4,371	4,648	5,399	5,427	5,540
Virginia-----	8,426	9,520	8,225	8,433	7,523
Washington-----	21	20	16	18	18
Other States-----	9,794	10,357	10,092	14,257	17,085

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

Table 11.--Nonrubber footwear: Number of U.S. producing companies and their aggregate output, by U.S. Bureau of the Census (SIC) product classes and by size of output, 1969

SIC product class	Companies producing in 1969 (thousand pairs)--						
	Total	Less than 200	200 to 499	500 to 999	1,000 to 1,999	2,000 to 3,999	4,000 and over
	Number of companies						
Shoes and slippers, except rubber-----	597	192	146	113	93	32	21
Shoes, total-----	503	158	130	91	81	26	17
Athletic 1/-----	81	36	21	8	8	2	6
Other than athletic:-----							
Men's work-----	79	25	15	14	13	3	9
Men's (except work)-----	122	29	28	22	23	8	12
Youths' and boys'-----	80	14	19	13	15	8	11
Women's-----	283	65	72	56	54	21	15
Misses'-----	86	12	27	10	15	8	14
Children's-----	109	21	35	15	16	8	14
Infants and babies'-----	98	30	29	10	13	5	11
Slippers-----	147	58	21	33	20	7	8
	Aggregate output (1,000 pairs)						
Shoes and slippers, except rubber-----	576,961	12,971	47,926	79,194	134,676	89,141	213,053
Shoes, total-----	476,018	10,026	42,016	60,152	109,398	70,003	184,423
Athletic 1/-----	12,630	1,537	3,875	2,845	2/	2/	1,122
Other than athletic:-----							
Men's work-----	35,559	970	2,625	4,663	2/	2/	11,781
Men's (except work)-----	81,604	1,265	4,800	10,815	13,071	8,138	43,515
Youths' and boys'-----	23,123	484	1,432	2,221	3,571	4,644	10,771
Women's-----	238,273	3,495	18,854	31,687	63,282	38,650	82,305
Misses'-----	29,109	261	2,747	1,731	6,408	6,037	11,925
Children's-----	28,318	448	3,404	2,588	4,033	4,915	12,930
Infants and babies'-----	27,402	1,566	4,279	3,602	5,589	2,292	10,074
Slippers-----	100,943	2,945	5,910	19,042	25,278	19,138	28,630

1/ Includes miscellaneous footwear reported under SIC class 3141798.

2/ Data withheld by the Bureau of the Census to avoid disclosing the operations of individual companies.

Source: Compiled by the U.S. Bureau of the Census.

Note.--The sum of companies for each product class is greater than the total number of producing companies because a single company may produce more than one class of product and would appear in the count of each product class for which it has production.

Table 12.--Nonrubber footwear: U.S. production and shipments, 1958-69, January-June 1969, and January-June 1970

Period	Production	Shipments		
		Quantity	Value	Value per pair
	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	
1958-----	587,115	589,120	2,090,524	\$3.55
1959-----	637,364	635,230	2,340,964	3.69
1960-----	600,041	597,494	2,236,901	3.74
1961-----	592,907	594,881	2,221,640	3.73
1962-----	633,238	635,068	2,327,514	3.66
1963-----	604,328	600,813	2,321,883	3.86
1964-----	612,790	618,128	2,446,688	3.96
1965-----	626,229	636,336	2,537,481	3.99
1966-----	641,696	639,033	2,775,413	4.34
1967-----	599,964	604,173	2,764,465	4.58
1968-----	642,427	639,250	3,011,060	4.71
1969-----	576,961	584,217	2,888,250	4.94
January-June--				
1969-----	298,267	294,859	1,440,858	4.89
1970-----	289,753	285,788	1,456,170	5.10

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

Table 13.--Nonrubber footwear: U.S. exports of domestic merchandise, by principal markets, 1965-69

Market	1965	1966	1967	1968	1969
Quantity (1,000 pairs)					
Canada-----	430	676	391	461	340
Bahamas-----	234	280	264	322	312
Mexico-----	286	340	279	516	516
Hong Kong-----	83	83	79	71	77
Japan-----	8	9	15	20	73
Netherlands					
Antilles-----	294	255	195	145	185
Switzerland-----	29	32	40	29	91
Bermuda-----	110	122	98	115	89
Republic of					
South Africa-----	32	20	25	29	41
Panama-----	62	54	73	57	45
Sweden-----	27	33	130	25	27
Honduras-----	19	15	23	21	28
Spain-----	11	14	10	24	22
Nansei Islands-----	17	14	16	19	19
Jamaica-----	18	18	20	29	31
Libya-----	17	12	14	19	15
West Germany-----	30	49	60	91	33
All other-----	784	711	485	424	380
Total-----	2,491	2,737	2,217	2,417	2,324
Value (1,000 dollars)					
Canada-----	1,260	1,954	1,382	1,581	1,635
Bahamas-----	652	846	852	984	1,048
Mexico-----	1,152	1,172	994	1,118	972
Hong Kong-----	433	481	439	422	563
Japan-----	62	74	174	223	483
Netherlands					
Antilles-----	752	746	593	455	453
Switzerland-----	119	149	196	151	352
Bermuda-----	383	419	339	394	300
Republic of					
South Africa-----	141	123	172	196	253
Panama-----	234	173	253	253	212
Sweden-----	72	129	597	124	123
Honduras-----	66	56	79	65	112
Spain-----	67	75	76	104	111
Nansei Islands-----	79	77	95	111	109
Jamaica-----	55	54	64	92	94
Libya-----	90	81	92	155	92
West Germany-----	126	197	157	242	66
All other-----	2,087	2,050	1,673	1,406	1,203
Total-----	7,830	8,856	8,227	8,076	8,181

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

Table 14.--Nonrubber footwear: U.S. imports for consumption, by principal sources, 1965-69

Source	1965	1966	1967	1968	1969
Quantity (1,000 pairs)					
Italy-----	23,397	31,791	41,676	59,284	61,084
Spain-----	2,474	3,470	6,696	14,268	20,728
Japan-----	51,856	48,675	59,933	68,937	66,785
United Kingdom-----	1,611	1,690	1,801	2,785	3,145
Republic of China (Taiwan)---	7,028	2,934	6,885	16,353	25,896
West Germany-----	389	558	822	964	1,944
France-----	1,529	1,961	2,455	2,632	2,521
Switzerland-----	354	365	383	535	604
Canada-----	904	891	1,283	1,732	1,979
Czechoslovakia-----	1,368	1,726	1,977	2,036	2,622
Mexico-----	496	1,142	1,972	2,489	2,450
Austria-----	188	147	143	152	199
Belgium and Luxembourg-----	194	212	312	477	557
Hong Kong-----	1,349	2,397	1,983	2,951	4,323
India-----	660	1,050	1,152	1,924	2,096
Greece-----	19	35	39	83	228
Sweden-----	27	38	29	51	541
Romania-----	184	469	921	740	601
Republic of Korea-----	581	1,064	420	908	880
Brazil-----	62	50	251	23	377
Ireland-----	60	69	63	86	168
Yugoslavia-----	69	68	70	133	185
All other-----	1,192	944	1,993	1,949	2,295
Total-----	95,991	101,746	133,259	181,492	202,208
Value (1,000 dollars)					
Italy-----	54,046	74,388	102,862	157,376	197,130
Spain-----	6,519	10,269	22,966	47,635	73,467
Japan-----	22,997	26,479	35,562	49,424	57,314
United Kingdom-----	9,089	10,281	11,468	16,176	20,836
Republic of China (Taiwan)---	253	1,117	3,221	8,369	14,250
West Germany-----	3,136	4,004	5,199	6,610	11,007
France-----	4,957	5,607	7,082	8,099	9,420
Switzerland-----	4,458	4,752	5,491	7,109	8,291
Canada-----	2,449	2,937	4,206	5,216	6,877
Czechoslovakia-----	2,312	3,443	4,449	4,260	5,730
Mexico-----	723	1,448	2,746	4,321	5,182
Austria-----	2,869	2,689	2,690	2,890	3,701
Belgium and Luxembourg-----	999	1,026	1,617	2,278	3,127
Hong Kong-----	611	701	1,196	2,084	2,776
India-----	671	1,096	1,398	2,014	2,108
Greece-----	134	279	322	636	2,042
Sweden-----	80	106	111	183	3,738
Romania-----	278	736	1,698	1,409	1,349
Republic of Korea-----	142	609	515	1,207	1,225
Brazil-----	103	147	202	209	1,191
Ireland-----	312	392	324	529	1,107
Yugoslavia-----	575	505	452	625	1,100
All other-----	2,095	2,326	3,584	4,041	5,002
Total-----	119,808	155,337	219,361	332,700	435,970

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

Table 15.--Footwear of leather: 1/ U.S. imports for consumption, by principal sources, 1965-69

Source	1965	1966	1967	1968	1969
Quantity (1,000 pairs)					
Italy-----	22,874	31,029	39,841	54,449	56,991
Spain-----	2,314	3,443	6,516	13,905	20,040
United Kingdom-----	1,567	1,645	1,741	2,700	3,054
West Germany-----	382	537	810	835	1,237
France-----	1,487	1,879	2,344	2,579	2,420
Switzerland-----	347	360	378	525	536
Czechoslovakia-----	1,368	1,723	1,977	2,036	2,616
Mexico-----	496	1,139	1,936	2,450	2,375
Canada-----	866	635	648	749	761
Belgium and Luxembourg-----	190	197	292	474	545
Austria-----	187	145	141	148	165
Japan-----	336	583	1,089	1,088	989
India-----	659	1,049	1,152	1,923	2,092
Greece-----	19	35	39	82	223
Romania-----	184	469	921	740	601
Brazil-----	61	48	50	23	369
Ireland-----	60	69	63	86	168
Yugoslavia-----	67	65	69	133	184
All other-----	1,258	987	1,543	1,416	1,485
Total-----	34,722	46,037	61,550	86,341	96,851
Value (1,000 dollars)					
Italy-----	52,995	73,059	100,370	151,273	190,301
Spain-----	6,352	10,235	22,862	47,311	72,438
United Kingdom-----	9,000	10,149	11,185	15,888	20,558
West Germany-----	3,121	3,979	5,167	6,260	8,825
France-----	4,814	5,391	6,762	7,888	8,607
Switzerland-----	4,425	4,706	5,447	7,002	6,666
Czechoslovakia-----	2,312	3,441	4,449	4,260	5,722
Mexico-----	723	1,444	2,724	4,293	5,121
Canada-----	2,363	2,565	3,277	3,839	4,713
Belgium and Luxembourg-----	981	1,002	1,557	2,268	3,086
Austria-----	2,865	2,678	2,658	2,806	2,781
Japan-----	432	885	1,694	2,585	2,595
India-----	670	1,095	1,398	2,013	2,105
Greece-----	133	279	321	626	1,989
Romania-----	278	736	1,698	1,409	1,349
Brazil-----	102	146	186	209	1,170
Ireland-----	311	390	324	529	1,107
Yugoslavia-----	572	501	451	625	1,098
All other-----	2,130	2,547	3,710	4,143	4,809
Total-----	94,579	125,228	176,240	265,227	345,040

1/ The data in this table, which relate to the type of footwear admitted in 1968 and 1969 under TSUS items 700.05-700.45, are included in the data shown in table 14.

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

Table 16.--Footwear having uppers of plastics: 1/ U.S. imports for consumption, by principal sources, 1965-69

Source	1965	1966	1967	1968	1969
Quantity (1,000 pairs)					
Japan-----	47,084	44,764	55,782	64,629	61,082
Republic of China (Taiwan)-----	6,882	2,699	6,603	16,217	25,605
Italy-----	28	199	1,285	4,263	3,799
Hong Kong-----	609	1,854	1,492	2,419	3,505
Switzerland-----	3	-	1	1	50
Austria-----	-	-	2/	3	32
Spain-----	127	22	64	253	627
Canada-----	30	194	444	711	746
Haiti-----	-	12	769	752	777
France-----	29	69	88	40	72
All other-----	134	816	158	573	614
Total-----	54,926	50,629	66,686	89,861	96,909
Value (1,000 dollars)					
Japan-----	21,236	24,601	33,083	45,921	52,551
Republic of China (Taiwan)-----	196	923	2,880	8,223	13,961
Italy-----	23	180	1,288	4,998	6,009
Hong Kong-----	144	330	647	1,593	2,118
Switzerland-----	1	-	7	40	1,524
Austria-----	-	-	9	77	896
Spain-----	117	17	53	266	855
Canada-----	22	176	403	617	807
Haiti-----	-	11	708	746	791
France-----	68	116	127	75	606
All other-----	83	505	177	660	1,040
Total-----	21,890	26,859	39,382	63,216	81,158

1/ The data in this table, which relate to footwear admitted under TSUS item 700.55 (principally footwear having supported vinyl uppers), are included in the data shown in table 14.

2/ Less than 500 pairs.

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

Table 17.--Other nonrubber footwear: 1/ U.S. imports for consumption, by principal sources, 1965-69

Source	1965	1966	1967	1968	1969
	Quantity (1,000 pairs)				
Japan-----	4,437	3,328	3,062	3,220	4,713
West Germany-----	7	20	11	118	659
Canada-----	8	62	191	272	471
Sweden-----	20	29	21	33	422
Italy-----	495	563	550	572	293
Denmark-----	1	5	5	19	249
Hong Kong-----	596	511	380	439	737
France-----	13	14	22	14	29
Spain-----	33	4	116	110	62
United Kingdom-----	14	26	36	29	37
Haiti-----	53	5	2	11	140
Switzerland-----	4	5	3	9	17
All other-----	662	508	624	442	619
Total-----	6,343	5,080	5,023	5,288	8,448
	Value (1,000 dollars)				
Japan-----	1,329	993	785	918	2,168
West Germany-----	14	20	32	320	1,642
Canada-----	64	196	527	760	1,357
Sweden-----	48	63	52	93	1,246
Italy-----	1,028	1,148	1,204	1,104	820
Denmark-----	4	14	18	49	659
Hong Kong-----	354	329	338	328	476
France-----	76	101	193	136	207
Spain-----	50	17	51	58	174
United Kingdom-----	52	102	224	159	171
Haiti-----	59	9	2	12	140
Switzerland-----	32	46	37	66	100
All other-----	229	212	276	254	612
Total-----	3,339	3,250	3,739	4,257	9,772

1/ The data in this table, which relate to the type of footwear admitted in 1968 and 1969 under TSUS items 700.66-700.85, are included in the data shown in table 14.

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

Table 18.--Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1965-69, January-June 1969, and January-June 1970

TSUS item	Description	1965	1966	1967	1968	1969	Jan.-June 1969	Jan.-June 1970
		Quantity (1,000 pairs)						
	Total, all nonrubber footwear-----	95,991	101,746	133,259	181,492	202,208	112,214	136,616
	Footwear of leather (except footwear with uppers of fibers), total-----	34,722	46,037	61,550	86,343	96,851	56,315	68,814
700.05	Huaraches-----	25	37	48	163	73	27	173
700.10	McKay-sewed footwear-----	7	16	27	20	36	14	14
700.15	Moccasins-----	521	963	1,402	590	624	340	300
700.20	Turn or turned footwear-----	1,399	1,389	1,498	2,005	2,599	1,129	1,080
	Welt footwear:							
700.25	Valued not over \$2 per pair-----	138	75	52	45	52	49	18
700.26 1/	Valued over \$2 but not over \$6.80 per pair-----	1,384	1,893	2,423	3,147	3,098	1,715	1,274
700.27 1/	Valued over \$6.80 per pair-----	1,033	1,158	1,233	1,438	2,173	855	948
700.30	Footwear with molded soles laced to uppers-----	9	9	11	649	515	245	519
700.32	Slippers-----	495	556	434	462	357	124	89
	Other:							
700.35	For men, youths, and boys-----	7,826	9,991	13,545	19,922	25,009	14,043	16,262
700.40 2/	For other persons-----	21,885	29,950	40,877	57,902	62,315	37,774	48,137
700.55	Footwear having uppers of plastics, 3/ total-----	54,926	50,629	66,686	89,861	96,909	52,617	62,392
	Other nonrubber footwear, total-----	6,343	5,080	5,023	5,288	8,448	3,282	5,410
	Footwear with uppers of fibers:							
700.65 4/	With soles of leather-----	2,665	1,891	1,385	1,256	694	303	213
	With soles of material other than leather:							
700.70	With uppers of vegetable fibers-----	1,354	969	1,351	1,412	2,007	1,104	1,037
700.75	With soles and uppers of wool felt-----	4	57	182	378	957	174	380
700.80	Other-----	1,384	1,285	1,325	1,513	2,397	970	1,018
700.83	Footwear of wood-----	122	203	198	231	1,524	414	2,308
700.85	Other-----	814	675	582	498	869	316	454

See footnotes at end of table.

Table 18.--Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1965-69, January-June 1969, and January-June 1970--Con.

TSUS item	Description	1965	1966	1967	1968	1969	Jan.-June 1969	Jan.-June 1970
Value (1,000 dollars)								
	Total, all nonrubber footwear-----	119,808	155,337	219,361	332,700	435,970	209,597	275,178
	Footwear of leather (except footwear with uppers of fibers),							
	total-----	94,579	125,228	176,240	265,227	345,040	169,560	217,471
700.05	Huaraches-----	27	36	53	126	118	54	116
700.10	McKay-sewed footwear-----	38	70	72	78	167	55	69
700.15	Moccasins-----	519	1,031	1,571	653	753	424	280
700.20	Turn or turned footwear-----	5,937	6,741	8,542	12,021	15,740	6,691	7,128
	Welt footwear:							
700.25	Valued not over \$2 per pair-----	209	118	74	61	88	84	25
700.26 1/	Valued over \$2 but not over \$6.80 per pair-----	5,883	7,926	9,991	14,292	14,376	7,698	5,798
700.27 1/	Valued over \$6.80 per pair-----	13,895	15,310	15,667	18,423	25,108	9,963	10,741
700.30	Footwear with molded soles laced to uppers-----	72	46	45	690	553	263	600
700.32	Slippers-----	836	1,044	904	915	768	254	228
	Other:							
700.35	For men, youths, and boys-----	26,135	34,335	48,580	71,450	99,359	48,288	61,430
700.40 2/	For other persons-----	41,028	58,571	90,741	146,518	188,010	95,786	131,056
700.55	Footwear having uppers of plastics, 3/ total-----	21,890	26,859	39,382	63,216	81,148	37,080	49,848
	Other nonrubber footwear, total-----	3,339	3,250	3,739	4,257	9,772	2,957	7,852
	Footwear with uppers of fibers:							
700.65 4/	With soles of leather-----	2,014	1,773	2,004	1,673	1,132	507	251
	With soles of material other than leather:							
700.70	With uppers of vegetable fibers-----	400	286	360	393	809	74	316
700.75	With soles and uppers of wool felt-----	15	142	427	820	1,841	784	690
700.80	Other-----	309	326	338	352	1,020	293	329
700.83	Footwear of wood-----	179	303	256	488	3,791	984	5,692
700.85	Other-----	422	420	354	531	1,179	315	581

499

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

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

3/ Principally footwear having supported vinyl uppers. For complete description see appendix A.

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

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

Table 19.--Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970

TSUSA No.	Description 1/	Quantity (1,000 pairs)			Value (1,000 dollars)			Unit value (per pair)		
		1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970
	Total, all nonrubber footwear-----	181,492	202,208	136,616	332,700	435,970	275,178	\$1.83	\$2.16	\$2.01
	Footwear of leather, total-----	86,343	96,852	68,814	265,227	345,040	217,471	3.07	3.56	3.16
700.0500:	Huaraches-----	163	73	173	126	118	116	.77	1.62	.67
700.1000:	McKay-sewed footwear-----	20	36	14	78	167	69	3.90	4.64	4.93
700.1500:	Moccasins-----	590	624	300	653	753	280	1.10	1.21	.93
	Turn or turned footwear:									
700.2020:	For men, youths, and boys-----	78	105	19	320	417	60	4.10	3.97	3.16
700.2040:	For women and misses-----	1,905	2,459	1,054	11,672	15,283	7,049	6.12	6.22	6.69
700.2060:	For children and infants-----	22	35	7	29	40	18	1.31	1.14	2.57
	Welt footwear:									
700.2500:	Valued not over \$2 per pair-----	45	52	18	61	88	25	1.35	1.69	1.39
	Valued over \$2 but not over \$5 per pair:									
700.2610:	Work footwear-----	506	588	275	1,759	1,968	975	3.47	3.35	3.56
	Other:									
700.2630:	For men-----	1,278	1,083	433	4,870	4,058	1,509	3.81	3.75	3.48
700.2650:	Other-----	104	26	23	310	74	91	2.98	2.85	3.96
	Valued over \$5 but not over \$6.80 per pair:									
700.2718:	Work footwear-----	167	164	93	940	940	562	5.62	5.73	6.04
	Other:									
700.2738:	For men-----	1,054	1,210	434	6,200	7,177	2,568	5.88	5.93	5.92
700.2748:	Other-----	38	28	16	214	158	92	5.63	5.64	5.75
	Valued over \$6.80 per pair:									
700.2800:	Ski boots-----	351	354	55	6,372	5,751	990	18.15	16.25	18.33
	Other:									
700.2920:	Athletic footwear other than ski boots-----	57	96	51	643	1,007	562	11.28	10.49	11.02
700.2940:	Work footwear-----	72	71	29	588	606	255	8.16	8.54	8.79
	Other:									
700.2960:	For men-----	876	1,531	740	9,791	16,212	8,011	11.17	10.59	10.83
700.2980:	Other-----	81	121	73	1,028	1,531	923	12.69	12.65	12.64

See footnotes at end of table.

Table 19.--Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970--Continued

TSUSA No.	Description 1/	Quantity (1,000 pairs)			Value (1,000 dollars)			Unit value (per pair)		
		1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970
	Footwear of leather--Continued									
700.3000:	Footwear with molded soles laced to									
	uppers-----	649	515	519	690	553	600	\$1.06	\$1.07	\$1.16
700.3032:	Slippers-----	462	357	89	915	768	228	1.98	2.15	2.56
	Other:									
	For men, youths, and boys:									
	Athletic footwear:									
700.3505:	Ski boots-----	222	178	10	3,417	2,620	143	15.39	14.72	14.30
700.3515:	Other athletic footwear-----	1,004	1,685	1,495	4,768	8,505	7,406	4.74	5.05	4.95
700.3525:	Work footwear-----	797	1,113	428	2,303	3,435	1,203	2.88	3.09	2.81
	Soled "moccasins":									
700.3530:	For men-----	221	340	255	1,166	1,620	1,410	5.27	4.76	5.53
700.3535:	For youths and boys-----	29	48	15	107	117	30	3.68	2.44	2.00
	Other:									
	With soles vulcanized or molded to									
	uppers:									
700.3540:	For men-----	1,128	1,352	764	3,927	5,418	2,841	3.48	4.01	3.72
700.3545:	For youths and boys-----	95	224	183	233	394	409	2.45	1.76	2.23
	Cement footwear:									
700.3550:	For men-----	8,934	11,769	7,807	32,709	47,984	31,669	3.66	4.08	4.06
700.3555:	For youths and boys-----	1,907	2,168	1,302	3,146	4,064	2,341	1.64	1.87	1.80
	Other:									
700.3575:	For men-----	4,888	5,268	3,043	18,737	23,903	12,772	3.83	4.54	4.20
700.3580:	For youths and boys-----	697	865	960	938	1,299	1,205	1.34	1.50	1.26

See footnotes at end of table.

Table 19.--Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970--Continued

TSUSA No.	Description <u>1/</u>	Quantity (1,000 pairs)			Value (1,000 dollars)			Unit value (per pair)		
		1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970
	Footwear of leather--Continued									
	Other--Continued									
	For other persons:									
700.4100:	Sandals of buffalo leather-----	382	480	546	496	559	633	\$1.29	\$1.16	\$1.16
	Other:									
	Valued not over \$2.50 per pair:									
700.4305:	Athletic footwear-----	20	31	13	16	49	25	.80	1.58	1.92
	Casual footwear:									
700.4310:	For women-----	19,024	12,015	8,323	27,539	17,749	12,575	1.44	1.48	1.51
700.4315:	Other-----	1,304	1,090	900	1,537	1,341	1,059	1.17	1.23	1.18
	Soled "moccasins":									
700.4320:	For women-----	125	169	213	228	308	292	1.82	1.82	1.37
700.4325:	Other-----	7	19	2	8	30	3	1.14	1.58	1.50
	Other:									
	With soles vulcanized or molded									
	to uppers:									
700.4330:	For women-----	255	357	139	416	622	222	1.63	1.74	1.60
700.4335:	Other-----	20	204	118	33	407	175	1.65	2.00	1.48
	Cement footwear:									
700.4340:	For women-----	11,891	13,532	14,459	19,265	22,144	24,359	1.62	1.64	1.68
700.4345:	For misses-----	387	593	382	649	932	539	1.67	1.57	1.41
700.4350:	For children-----	1,375	2,371	2,169	1,820	3,212	2,753	1.32	1.35	1.27
700.4355:	For infants-----	602	934	537	856	1,319	690	1.42	1.41	1.28
	Other:									
700.4360:	For women-----	1,524	1,631	1,115	2,371	2,358	1,669	1.55	1.45	1.50
700.4365:	For misses-----	181	126	69	163	137	77	.90	1.09	1.12
700.4370:	For children-----	568	622	625	500	575	596	.88	.92	.95
700.4375:	For infants-----	105	413	512	120	360	428	1.14	.87	.84

See footnotes at end of table.

Table 19.--Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970--Continued

TSUSA No.	Description 1/	Quantity (1,000 pairs)			Value (1,000 dollars)			Unit value (per pair)		
		1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970
	Footwear of leather--Continued									
	Other--Continued									
	For other persons--Continued									
	Other--Continued									
	Valued over \$2.50 per pair:									
700.4505:	Athletic footwear-----	111	130	50	1,519	1,093	223	\$13.68	\$8.41	\$4.46
	Casual footwear:									
700.4510:	For women-----	1,428	1,922	1,388	5,293	7,899	5,507	3.70	4.11	3.97
700.4515:	Other-----	7	35	29	35	136	158	5.00	3.89	5.45
	Soled "moccasins":									
700.4520:	For women-----	112	151	71	481	800	402	4.29	5.30	5.66
700.4525:	Other-----	3	5	6	9	26	32	3.00	5.20	5.33
	Other:									
	With soles vulcanized or molded									
	to uppers:									
700.4530:	For women-----	105	269	137	561	1,574	733	5.34	5.85	5.35
700.4535:	Other-----	17	38	6	65	132	30	3.82	3.47	5.00
	Cement footwear:									
700.4540:	For women-----	16,884	22,734	14,553	76,236	112,866	69,996	4.51	4.96	4.81
700.4545:	For misses-----	278	231	120	1,047	893	488	3.76	3.87	4.07
700.4550:	For children-----	193	407	199	703	1,762	768	3.64	4.33	3.86
700.4555:	For infants-----	30	80	58	94	250	174	3.13	3.13	3.00
	Other:									
700.4560:	For women-----	919	1,669	1,371	4,268	8,190	6,329	4.64	4.93	4.62
700.4565:	For misses-----	17	33	5	84	202	22	4.94	6.12	4.40
700.4570:	For children-----	27	19	15	96	69	71	3.55	3.63	4.73
700.4575:	For infants-----	2	4	7	9	18	30	4.50	4.50	4.29
	Footwear having uppers of plastics, 2/									
	total-----	89,861	96,909	62,392	63,216	81,158	49,848	\$0.70	\$0.84	\$0.79
700.5523:	Soft sole footwear-----	1,515	1,717	913	775	914	566	.51	.53	.62
	Footwear having supported vinyl uppers:									
700.5535:	For men, youths, and boys-----	7,696	9,744	8,383	7,681	12,294	8,729	.99	1.26	1.04
700.5545:	For women and misses-----	68,579	70,777	44,547	46,603	55,820	34,280	.67	.79	.77
700.5555:	For children and infants-----	6,256	8,111	5,138	4,086	5,753	3,555	.65	.71	.69
700.5575:	Other-----	5,815	6,560	3,411	4,071	6,377	2,718	.70	.97	.80

A-103

See footnotes at end of table.

Table 19.--Nonrubber footwear: U.S. imports for consumption, by types and TSUSA items, 1968, 1969, and January-June 1970--Continued

TSUSA No.	Description ^{1/}	Quantity (1,000 pairs)			Value (1,000 dollars)			Unit value (per pair)		
		1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970	1968	1969	Jan.-June 1970
	Other nonrubber footwear, total-----	5,288	8,447	5,410	4,257	9,772	7,860	.80	1.16	1.45
	Footwear with uppers of fibers:									
	With soles of leather:									
	Valued not over \$2.50 per pair:									
700.6620:	Slipper socks-----	237	167	46	82	79	11	.34	.47	.24
	Other:									
700.6640:	For men, youths, and boys-----	48	18	6	90	18	7	1.87	1.00	1.17
700.6660:	Other-----	884	428	142	850	312	120	.96	.73	.85
	Valued over \$2.50 per pair:									
700.6820:	Slipper socks-----	1	1	3/	4	7	1	4.00	7.00	4/
	Other:									
700.6840:	For men, youths, and boys-----	24	14	2	108	84	18	4.50	6.00	9.00
700.6860:	Other-----	62	66	17	538	632	94	8.67	9.58	5.53
	With soles of material other than leather:									
	With uppers of vegetable fibers:									
700.7020:	For men, youths, and boys-----	40	145	125	29	118	49	.72	.81	.39
700.7050:	Other-----	1,372	1,862	912	364	690	268	.26	.37	.29
700.7500:	With soles and uppers of wool felt----	378	957	380	820	1,841	690	2.16	1.92	1.82
	Other:									
700.8020:	For men, youths, and boys-----	17	137	74	24	168	31	1.41	1.23	.42
700.8050:	Other-----	1,496	2,260	944	329	853	298	.21	.38	.32
	Other footwear:									
700.8300:	Of wood-----	231	1,524	2,308	488	3,791	5,692	2.11	2.49	2.47
	Other:									
700.8520:	For men, youths, and boys-----	68	107	26	168	414	101	2.47	3.87	3.88
700.8550:	Other-----	430	761	428	363	765	480	.84	1.01	1.12

^{1/} For complete descriptions see part 1A of schedule 7, which is reproduced in appendix A to this report.^{2/} Principally footwear having supported vinyl uppers. For complete descriptions see appendix A.^{3/} Fewer than 500 pairs.^{4/} Not available.

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

Table 20.--Nonrubber footwear: Percentage distribution of U.S. importers' sales, by types and price ranges, 1967 and 1969

Importers' selling price per pair, f.o.b. point of shipment	Footwear of leather ^{1/}													
	For men, youths, and boys						For women and misses				For children and infants			
	Work		Sandals ^{2/}		Other		Sandals ^{2/}		Other		Sandals ^{2/}		Other	
	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
Less than \$1.21-----	-	3/	5	4	-	3/	3/	1	-	3/	45	18	-	3
\$1.21 to \$1.80-----	-	1	30	8	3/	3/	28	11	1	3/	25	52	-	23
\$1.81 to \$2.40-----	23	3	36	22	2	9	31	39	15	1	3	9	59	30
\$2.41 to \$3.00-----	-	3	13	42	7	5	17	12	12	2	7	7	21	20
\$3.01 to \$4.20-----	18	11	12	13	14	12	15	16	11	8	-	11	10	3
\$4.21 to \$6.00-----	53	38	1	8	25	23	5	12	19	44	15	2	4	17
\$6.01 to \$7.80-----	5	14	3/	1	17	8	3	6	20	10	4	1	1	2
\$7.81 to \$10.20-----	3/	8	1	2	17	21	1	3	11	20	1	3/	3	2
\$10.21 and over-----	1	22	2	3/	19	22	3/	3/	11	15	-	3/	2	-
Total-----	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Footwear of plastics ^{4/}													
	For men, youths, and boys		For women and misses				For children and infants				Other ^{6/}			
			Packables ^{5/}		Sandals ^{2/}		Other		Packables ^{5/}		Sandals ^{2/}		Other	
	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
Less than \$1.21-----	18	15	99	98	79	67	78	35	100	76	93	81	83	53
\$1.21 to \$1.80-----	66	46	3/	2	1	30	21	35	-	-	-	12	17	28
\$1.81 to \$2.40-----	15	26	1	-	20	2	1	22	-	-	7	7	3/	12
\$2.41 to \$3.00-----	3/	5	-	-	3/	3/	3/	4	-	18	-	3/	-	3
\$3.01 to \$4.20-----	-	2	-	3/	-	3/	3/	1	-	6	-	3/	-	1
\$4.21 to \$6.00-----	-	5	-	-	-	3/	3/	2	-	-	-	-	-	2
\$6.01 to \$7.80-----	1	1	-	-	-	3/	-	1	-	-	-	-	-	1
\$7.81 to \$10.20-----	-	3/	-	-	-	-	3/	3/	-	-	-	-	-	3/
\$10.21 and over-----	3/	3/	-	-	-	-	-	3/	-	-	-	-	-	-
Total-----	100	100	100	100	100	100	100	100	100	100	100	100	100	100

A-135

^{1/} TSUS items 700.05 to 700.45 inclusive.^{2/} Footwear with uppers consisting wholly or predominantly of straps or thongs.^{3/} Less than 0.5 percent.^{4/} TSUS item 700.55, except zoris.^{5/} Footwear with pliant soles and uppers that are generally sold folded in a polyvinyl bag.^{6/} TSUS items 700.66 to 700.85, inclusive.

Source: Calculated from data obtained from importers by the U.S. Tariff Commission.

Table 21.--Indexes of U.S. wholesale prices for leather footwear and other selected commodities, 1960-69
and, by quarters, January-June 1970

(1957-59=100)								
Period	Leather footwear (BLS Code 043) ^{1/}				All commodi- ties	Non- durable manu- factured goods	Wearing apparel	Leather
	Total	Women's	Men's	Children's				
		and misses'	and boys'	and infants'				
1960-----	107	108	107	103	101	100	101	104
1961-----	107	108	107	104	100	100	101	106
1962-----	109	109	109	104	101	100	102	108
1963-----	108	108	109	104	100	100	102	102
1964-----	109	108	110	105	100	100	103	103
1965-----	111	110	113	108	102	102	104	108
1966-----	118	116	122	115	106	105	105	121
1967-----	122	120	126	119	106	105	107	110
1968-----	128	126	131	128	109	107	111	113
1969-----	133	131	136	135	113	110	115	120
1970:								
January-March-----	137	135	140	139	116	113	118	118
April-June-----	138	^{2/}	^{2/}	^{2/}	117	113	118	120

^{1/} During the 1960's, the sample of items from which the index was computed included only leather footwear; beginning in January 1970 the sample also included footwear with vinyl uppers.

^{2/} Not available.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 22.--Indexes of U.S. consumer prices for footwear and other selected commodities, 1960-69 and, by quarters, January-June 1970

(1957-59=100)					
Period	All items	All commodities less food	Apparel less footwear	Footwear ^{1/}	
1960-----	103	102	101		107
1961-----	104	102	102		108
1962-----	105	103	102		109
1963-----	107	104	103		110
1964-----	108	104	104		111
1965-----	110	105	104		113
1966-----	113	106	106		120
1967-----	116	109	110		126
1968-----	121	113	117		132
1969-----	128	118	124		140
1970:					
January-March-----	132	120	126		145
April-June-----	134	122	127		147

^{1/} The consumer price index for footwear includes items of both leather and nonleather.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 23.--Nonrubber footwear: Percentage distributions of domestic producers' sales, by types and price ranges, 1967 and 1969

Manufacturers' selling price per pair, f.o.b. plant or warehouse	Men's				Youths' and boys'		Women's			
	Work		Other		1967	1969	Wedge heel, any height, or open toe, not over 8/8" heel <u>1/</u>		Other	
	1967	1969	1967	1969			1967	1969	1967	1969
	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
Less than \$1.81-----	-	-	<u>2/</u>	<u>2/</u>	3	1	18	1	2	2
\$1.81 to \$2.40-----	-	-	<u>2/</u>	<u>2/</u>	23	8	19	2	6	5
\$2.41 to \$3.00-----	<u>2/</u>	-	1	1	9	6	14	4	14	3
\$3.01 to \$4.20-----	2	2	8	2	21	17	7	41	35	24
\$4.21 to \$6.00-----	13	22	36	18	30	40	16	29	14	13
\$6.01 to \$7.80-----	23	23	24	37	13	25	12	9	16	15
\$7.81 to \$10.20-----	38	34	13	16	1	3	9	5	9	28
\$10.21 and over-----	24	19	18	26	-	<u>2/</u>	5	9	4	10
Total-----	100	100	100	100	100	100	100	100	100	100
	Misses'		Children's and infants'		Slippers					
					Packables <u>3/</u>		Other			
	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
	1967	1969	1967	1969	1967	1969	1967	1969	1967	1969
Less than \$1.81-----	29	5	26	25	52	30	48	71		
\$1.81 to \$2.40-----	9	3	14	17	2	2	11	11		
\$2.41 to \$3.00-----	11	5	15	5	41	5	22	6		
\$3.01 to \$4.20-----	21	48	19	18	3	20	14	9		
\$4.21 to \$6.00-----	22	16	22	33	2	43	4	3		
\$6.01 to \$7.80-----	8	23	4	2	-	-	-	<u>2/</u>		
\$7.81 to \$10.20-----	-	<u>2/</u>	-	<u>2/</u>	-	-	-	<u>2/</u>		
\$10.21 and over-----	-	-	-	-	-	-	-	-		
Total-----	100	100	100	100	100	100	100	100	100	100

1/ Footwear classified in SIC product Code 3141421.

2/ Less than 0.5 percent.

3/ Footwear with pliant soles and uppers that are generally sold folded in a polyvinyl bag.

Source: Calculated from data obtained from domestic producers by the U.S. Tariff Commission.

Table 24.--Total employment in all manufacturing and average number of all employees, production workers, and women employees engaged in the production of nonrubber footwear, 5-year averages 1950-64, annual 1965-69, and, by quarters, January-June 1970

Period	All manufac- turing	Nonrubber footwear					
		All employees		Production workers		Women employees	
		Number	Percent of	Number	Percent	Number	Percent
			all manu- facturing employment		of all footwear employees		of all footwear employees
	Thousands	Thousands		Thousands		Thousands	
5-year average:							
1950-54-----	16,426	247	1.5	223	90.3	132	53.4
1955-59-----	16,784	245	1.5	220	89.8	136	55.7
1960-64-----	16,849	237	1.4	211	89.2	134	56.6
Annual:							
1965-----	18,062	234	1.3	209	89.0	136	58.2
1966-----	19,214	241	1.3	214	88.7	145	60.2
1967-----	19,434	232	1.2	203	87.6	142	61.1
1968-----	19,760	236	1.2	207	87.4	145	61.1
1969-----	20,121	227	1.1	198	87.1	143	62.8
1970:							
January-							
March----	19,758	222	1.1	193	86.9	<u>1/</u>	<u>1/</u>
April-							
June <u>2/</u> --	19,560	221	1.1	193	87.1	<u>1/</u>	<u>1/</u>
Percentage							
increase							
or de-							
crease (-):							
1950-69-----	32.0	-10.1	-	-13.7	-	10.4	-
1960-69-----	19.8	-6.5	-	-8.7	-	4.6	-
1965-69-----	11.4	-3.3	-	-5.4	-	4.5	-

1/ Not available.

2/ Preliminary.

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

Table 25.--Employment in the production of nonrubber footwear,
by principal producing States, 1960-69

Year	State								U.S.
	Massa- chusetts	Maine	New Hampshire	New York	Pennsylvania	Missouri	Illinois	Wisconsin	total
	Number (thousands)								
1960----	40.5	21.2	18.2	28.4	26.2	31.8	12.3	10.1	242.6
1961----	39.7	21.1	17.9	27.6	26.4	29.5	11.8	9.7	239.6
1962----	38.1	21.1	18.2	26.2	27.4	28.7	11.4	9.4	240.6
1963----	35.0	21.8	17.8	23.2	26.8	26.4	11.0	9.1	231.6
1964----	33.6	22.9	17.3	22.9	26.4	26.0	10.3	9.1	230.5
1965----	33.4	24.9	17.7	23.0	26.9	25.3	10.2	9.1	234.5
1966----	32.8	26.3	18.2	22.3	27.3	25.6	9.9	9.1	241.5
1967----	31.0	26.0	17.8	20.6	25.4	24.0	9.1	8.6	231.6
1968----	31.1	26.9	17.8	20.5	25.1	24.1	8.9	8.6	236.5
1969----	28.4	24.6	15.9	19.2	24.1	22.4	8.7	8.2	226.8
	Index (1958-59=100)								
1960----	97	106	99	93	104	95	97	99	100
1961----	95	106	97	91	104	89	93	95	99
1962----	92	106	99	86	108	86	90	92	99
1963----	84	109	97	76	106	79	87	89	96
1964----	81	114	94	75	104	78	81	89	95
1965----	80	124	96	76	106	76	80	89	97
1966----	79	132	99	73	108	77	78	89	100
1967----	74	130	97	68	100	72	72	84	96
1968----	75	134	97	67	99	72	70	84	98
1969----	68	123	86	63	95	67	68	80	94

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

Table 26.--Average hours (total and overtime) worked per week by production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear, 5-year averages 1950-64, annual 1965-69, and, by quarters, January-June 1970

Period	Average total hours per week ^{1/}			Average overtime hours per week		
	All	Non-	Non-	All	Non-	Non-
	manu- facturing	durable goods	rubber footwear	manu- facturing	durable goods	rubber footwear
5-year average:						
1950-54-----	40.4	39.5	36.9	<u>2/</u>	<u>2/</u>	<u>2/</u>
1955-59-----	40.1	39.4	37.0	<u>2/</u>	<u>2/</u>	<u>2/</u>
1960-64-----	40.2	39.5	37.1	2.7	2.7	1.2
Annual:						
1965-----	41.2	40.1	37.8	3.6	3.2	1.6
1966-----	41.3	40.2	38.4	3.9	3.4	1.9
1967-----	40.6	39.7	38.0	3.4	3.1	1.7
1968-----	40.7	39.8	38.2	3.6	3.3	1.9
1969-----	40.6	39.7	36.9	3.6	3.4	1.6
1970:						
Jan.-March-----	40.0	39.2	37.5	3.1	3.0	1.8
Apr.-June <u>3/</u> -----	39.8	39.1	37.2	2.9	2.9	1.7

^{1/} Includes overtime, counted on a straight-time basis.

^{2/} Not available.

^{3/} Preliminary.

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

Table 27.-Average hourly and weekly earnings of production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear, 5-year averages, 1950-64, annual 1965-69, and by quarters January-June 1970

Period	Average hourly earnings			Average weekly earnings		
	All	Non-	Non-	All	Non-	Non-
	manu- facturing	durable goods	rubber footwear	manu- facturing	durable goods	rubber footwear
5-year average:						
1950-54-----	\$1.63	\$1.50	\$1.24	\$65.96	\$59.21	\$45.65
1955-59-----	2.03	1.84	1.45	81.41	72.39	53.82
1960-64-----	2.39	2.17	1.68	96.24	85.61	62.17
Annual:						
1965-----	2.61	2.36	1.82	107.53	94.64	68.80
1966-----	2.72	2.45	1.87	112.34	98.49	71.81
1967-----	2.83	2.57	2.01	114.90	102.03	76.38
1968-----	3.01	2.74	2.18	122.51	109.05	83.28
1969-----	3.19	2.91	2.31	129.51	115.53	85.24
1970: 1/						
Jan.-March-----	3.30	3.02	2.42	131.76	118.53	90.80
Apr.-June 1/-----	3.34	3.05	2.43	133.04	119.15	90.28
Average annual percentage increase:						
1950-69-----	4.3	4.1	3.9	4.3	4.1	3.9
1960-69-----	3.9	4.0	4.2	4.2	4.1	4.4
1965-69-----	5.1	5.4	6.1	4.8	5.1	5.5

1/ Preliminary.

Sources: Compiled from official statistics of the U.S. Department of Labor.

Table 28.--Labor turnover rates per 100 employees in all manufacturing and in the production of nonrubber footwear, 1960-69

Year	All manufacturing						Nonrubber footwear					
	Total	New	Total	Quits	Layoffs		Total	New	Total	Quits	Layoffs	
	acces- sions	hires	sepa- rations				acces- sions	hires	sepa- rations			
1960-----	3.8	2.2	4.3	1.3	2.4		4.6	2.8	4.7	2.3	1.7	
1961-----	4.1	2.2	4.0	1.2	2.2		4.6	2.6	4.6	2.1	1.7	
1962-----	4.1	2.5	4.1	1.4	2.0		4.5	2.9	4.7	2.4	1.5	
1963-----	3.9	2.4	3.9	1.4	1.8		4.5	2.9	4.6	2.3	1.6	
1964-----	4.0	2.6	3.9	1.5	1.7		4.7	3.2	4.6	2.5	1.4	
1965-----	4.3	3.1	4.1	1.9	1.4		5.1	3.7	5.0	3.1	1.1	
1966-----	5.0	3.8	4.6	2.6	1.2		6.0	4.6	6.0	4.2	1.0	
1967-----	4.4	3.3	4.6	2.3	1.4		5.5	3.8	5.9	3.6	1.4	
1968-----	4.6	3.5	4.6	2.5	1.2		6.1	4.5	5.9	3.9	1.0	
1969-----	4.7	3.7	4.9	2.7	1.2		6.0	4.2	6.6	3.9	1.6	

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 29.--Value added by manufacture per employee, in all manufacturing, nondurable goods, and nonrubber footwear, 1960-67

Year	Amount			Index (1957-59=100)		
	All	Non-	Non-	All	Non-	Non-
	manu- facturing	durable goods	rubber footwear	manu- facturing	durable goods	rubber footwear
1960-----	\$10,155	\$10,325	\$5,366	108	110	105
1961-----	10,444	10,699	5,447	111	114	107
1962-----	11,085	11,238	5,635	118	120	110
1963-----	11,833	11,917	6,015	126	127	118
1964-----	12,507	12,540	6,522	133	134	128
1965-----	13,156	13,100	6,525	140	140	128
1966-----	13,785	13,806	6,977	147	147	137
1967-----	14,162	14,566	7,723	151	155	151

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

Table 30.--Expenditures per production worker for new plant and equipment, in all manufacturing, nondurable goods, and nonrubber footwear, 1960-67

Year	Amount			Index (1957-59=100)		
	All	Non-	Non-	All	Non-	Non-
	manu- facturing	durable goods	rubber footwear	manu- facturing	durable goods	rubber footwear
1960-----	\$827	\$857	\$74	99	101	99
1961-----	830	934	109	99	110	145
1962-----	861	980	91	103	115	121
1963-----	930	1,003	102	111	118	136
1964-----	1,072	1,154	112	128	136	149
1965-----	1,271	1,400	118	152	165	157
1966-----	1,464	1,633	145	175	192	193
1967-----	1,534	1,704	127	184	200	169

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

Table 31.--Number of insured unemployed persons in all manufacturing and in the production of leather and leather products (SIC No. 31), total and as a percent of insured employment, by months, January 1969-June 1970

Month	Insured unemployed persons							
	Number		Percent of average insured employment ^{1/}		Percent claiming over 14 weeks unemployment			
	All manu- facturing:	Leather	All manu- facturing:	Leather	All manu- facturing:	Leather	All manu- facturing:	Leather
	Thousands	Thousands						
1969:								
Jan-----	595.7	19.1	3.1	5.3	2/		2/	
Feb-----	588.4	20.0	3.0	5.5	2/		2/	
Mar-----	530.3	21.0	2.7	5.8	2/		2/	
Apr-----	524.4	28.2	2.7	7.8	2/		2/	
May-----	451.7	20.9	2.2	5.6	19.9		15.4	
June-----	412.2	19.9	2.0	5.4	19.0		13.4	
July-----	573.8	29.3	2.9	7.9	13.1		6.2	
Aug-----	486.2	20.2	2.4	5.5	14.0		10.0	
Sept-----	412.1	26.7	2.0	7.2	15.3		9.5	
Oct-----	427.0	23.5	2.1	6.3	15.9		9.5	
Nov-----	493.9	20.3	2.4	5.4	14.8		14.0	
Dec-----	588.4	20.9	2.9	5.6	13.8		16.9	
1970:								
Jan-----	805.5	26.7	4.0	7.2	12.2		15.1	
Feb-----	836.1	23.3	4.1	6.3	13.8		15.7	
Mar-----	809.5	23.9	4.0	6.4	16.6		15.6	
Apr-----	924.1	28.3	4.6	7.6	16.8		15.2	
May-----	895.7	23.6	4.4	6.4	19.2		16.5	
June-----	832.6	20.5	4.1	5.5	20.4		15.6	

^{1/} Insured unemployment as a percent of average covered employment for a 12-month period, usually with a lag of 6-9 months from the week of reference.

^{2/} Not available.

Source: U.S. Department of Labor, Manpower Administration, Unemployment Insurance Statistics, various issues, 1969 and 1970.

Table 32.--Financial experience of domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1963-69

(In thousands of dollars)						
Size-of-output group and accounting year ^{1/}	Sales	Cost of Sales	Gross profit	Selling and adminis- tration expense	Net operating profit	Ratio, net operating profit to sales (percent)
Less than 200,000 pairs each:						
1963-----	92,438	74,707	17,731	16,336	1,395	1.5
1964-----	92,936	74,682	18,254	16,775	1,479	1.6
1965-----	101,394	81,526	19,868	17,673	2,195	2.2
1966-----	107,186	87,337	19,849	18,209	1,640	1.5
1967-----	105,197	85,168	20,029	17,653	2,376	2.3
1968-----	110,796	88,267	22,529	19,965	2,564	2.3
1969-----	107,361	85,523	21,838	20,837	1,001	0.9
200,000 to 499,999 pairs each:						
1963-----	275,511	222,817	52,694	44,300	8,394	3.0
1964-----	308,021	246,831	61,190	48,237	12,953	4.2
1965-----	322,882	259,880	63,002	49,629	13,373	4.1
1966-----	353,681	285,659	68,022	52,407	15,615	4.4
1967-----	359,339	284,607	74,732	54,766	19,966	5.6
1968-----	354,558	278,986	75,572	54,235	21,337	6.0
1969-----	351,923	282,843	69,080	53,672	15,408	4.4
500,000 to 999,999 pairs each:						
1963-----	269,807	228,002	41,805	32,208	9,597	3.6
1964-----	310,125	261,716	48,409	35,568	12,841	4.1
1965-----	307,923	258,363	49,560	37,469	12,091	3.9
1966-----	345,938	287,885	58,053	42,039	16,014	4.6
1967-----	362,202	293,357	68,845	44,522	24,323	6.7
1968-----	390,222	313,270	76,952	46,590	30,362	7.8
1969-----	379,500	309,871	69,629	50,130	19,499	5.1
1,000,000 to 1,999,999 pairs each:						
1963-----	332,017	272,850	59,167	48,552	10,615	3.2
1964-----	360,539	293,688	66,851	52,794	14,057	3.9
1965-----	417,010	342,125	74,885	60,140	14,745	3.5
1966-----	469,039	376,712	92,327	66,713	25,614	5.5
1967-----	513,329	411,106	102,223	71,832	30,391	5.9
1968-----	465,732	368,720	97,012	69,490	27,522	5.9
1969-----	478,531	396,961	81,570	72,059	9,511	2.0
2,000,000 to 3,999,999 pairs each:						
1963-----	307,714	251,182	56,532	34,441	22,091	7.2
1964-----	339,446	277,130	62,316	38,320	23,996	7.1
1965-----	357,887	291,084	66,803	40,895	25,908	7.2
1966-----	415,699	338,584	77,115	46,188	30,927	7.4
1967-----	426,285	347,877	78,408	45,541	32,867	7.7
1968-----	455,751	373,388	82,363	41,893	40,470	8.9
1969-----	467,741	383,680	84,061	46,625	37,436	8.0
4,000,000 pairs or more, each:						
1963-----	1,134,640	874,027	260,613	194,454	66,159	5.8
1964-----	1,218,412	926,681	291,731	214,385	77,346	6.3
1965-----	1,295,689	977,049	318,640	231,672	86,968	6.7
1966-----	1,469,151	1,106,330	362,821	262,501	100,320	6.8
1967-----	1,534,558	1,139,988	394,570	286,743	107,827	7.0
1968-----	1,541,519	1,125,239	416,280	287,307	128,973	8.4
1969-----	1,572,641	1,155,399	417,242	307,973	109,269	6.9
All producing groups:						
1963-----	2,412,127	1,923,585	488,542	370,291	118,251	4.9
1964-----	2,629,479	2,080,728	548,751	406,079	142,672	5.4
1965-----	2,802,785	2,210,027	592,758	437,478	155,280	5.5
1966-----	3,160,694	2,482,507	678,187	488,057	190,130	6.0
1967-----	3,300,910	2,562,103	738,807	521,057	217,750	6.6
1968-----	3,318,578	2,547,870	770,708	519,480	251,228	7.6
1969-----	3,357,697	2,614,277	743,420	551,293	192,127	5.7

^{1/} Domestic producing firms are grouped according to their output in 1967; accounting years end in the period from July 1 of the year shown to June 30 of the following year.

Source: Calculated by the U.S. Tariff Commission from data supplied by domestic producers of non-rubber footwear.

Table 33.--Nonrubber footwear: Ratios of net operating profit (or losses) to sales, for all U.S. producers and for U.S. producers of women's and men's nonrubber footwear, by size-of-output groups, accounting years 1963-69

(In percent)				
Size-of-output group and accounting year 1/	All producers	Producers with 75% or more of 1967 production of footwear consisting of--		
		Women's and misses'	Men's, youths' and boys'	
Less than 200,000 pairs each:				
1963-----	1.5 :	2.0 :		1.7
1964-----	1.6 :	1.0 :		2.5
1965-----	2.2 :	1.2 :		3.5
1966-----	1.5 :	.7 :		2.9
1967-----	2.3 :	1.2 :		4.3
1968-----	2.3 :	2.3 :		1.7
1969-----	.9 :	1.6 :		(2.5)
200,000 to 499,999 pairs each:				
1963-----	3.0 :	2.4 :		4.4
1964-----	4.2 :	3.9 :		5.4
1965-----	4.1 :	3.4 :		5.6
1966-----	4.4 :	4.5 :		5.6
1967-----	5.6 :	5.7 :		5.1
1968-----	6.0 :	6.6 :		6.1
1969-----	4.4 :	3.3 :		5.6
500,000 to 999,999 pairs each:				
1963-----	3.6 :	4.6 :		3.4
1964-----	4.1 :	4.0 :		4.7
1965-----	3.9 :	3.2 :		5.2
1966-----	4.6 :	4.4 :		4.9
1967-----	6.7 :	7.9 :		5.9
1968-----	7.8 :	7.5 :		8.2
1969-----	5.1 :	3.7 :		5.3
1,000,000 to 1,999,999 pairs each:				
1963-----	3.2 :	2.6 :	2/	
1964-----	3.9 :	3.1 :	2/	
1965-----	3.5 :	2.3 :	2/	
1966-----	5.5 :	4.0 :	2/	
1967-----	5.9 :	4.4 :	2/	
1968-----	5.9 :	7.0 :	2/	
1969-----	2.0 :	(.5) :	2/	
2,000,000 to 3,999,999 pairs each:				
1963-----	7.2 :	4.1 :	2/	
1964-----	7.1 :	5.0 :	2/	
1965-----	7.2 :	5.4 :	2/	
1966-----	7.4 :	5.8 :	2/	
1967-----	7.7 :	6.4 :	2/	
1968-----	8.9 :	7.6 :	2/	
1969-----	8.0 :	5.8 :	2/	
4,000,000 pairs or more, each:				
1963-----	5.8 :	2.5 :	3/	
1964-----	6.3 :	2.1 :	3/	
1965-----	6.7 :	2.2 :	3/	
1966-----	6.8 :	3.5 :	3/	
1967-----	7.0 :	1.4 :	3/	
1968-----	8.4 :	6.4 :	3/	
1969-----	6.9 :	4.4 :	3/	

1/ Domestic producing firms are grouped according to their output in 1967; accounting years end in the period from July 1 of the year shown to June 30 of the following year.

2/ Not available; no domestic producers in this category supplied data.

3/ Data may not be shown because publication would disclose the operations of an individual company.

Table 34.--Specified data relating to U.S. producers of women's and men's nonrubber footwear, 1967 and 1969

Size of output group and product specialization ^{1/}	Firms in sample				Share of 1969 output having leather uppers	Share of 1969 sales with a wholesale value per pair of--	
	Number in operation		Number reporting profits			\$4.20 or less	Over \$4.20
	1967	1969	1967	1969			
					Percent	Percent	Percent
Less than 200,000 pairs each, of which 75% or more consisted of--							
Women's and misses'-----	10	8	8	5	90	3	97
Men's-----	6	6	5	3	93	0	100
200,000 to 499,999 pairs each, of which 75% or more consisted of--							
Women's and misses'-----	11	9	10	7	82	1	99
Men's-----	6	6	6	5	96	19	81
500,000 to 999,999 pairs each, of which 75% or more consisted of--							
Women's and misses'-----	13	9	11	6	72	46	54
Men's-----	4	4	4	4	95	6	94
1,000,000 to 1,999,999 pairs each, of which 75% or more consisted of--							
Women's and misses'-----	11	9	11	7	95	46	54
Men's-----	0	0	-	-	-	-	-
2,000,000 to 3,999,999 pairs each, of which 75% or more consisted of--							
Women's and misses'-----	9	9	8	7	72	83	17
Men's-----	0	0	-	-	-	-	-
4,000,000 pairs or more each, of which 75% or more consisted of--							
Women's and misses'-----	4	4	4	3	20	60	40
Men's-----	1	1	1	1	2/	2/	2/

^{1/} Domestic producing firms are grouped according to their output and product specialization in 1967.

^{2/} Data may not be shown because publication would disclose the operations of an individual company.

Source: Calculated from data supplied to the U.S. Tariff Commission by domestic producers.

Table 35.--Nonrubber footwear: U.S. producing firms reporting losses as a percent of total number of firms, by size-of-output groups, accounting years 1963-69 1/

Size-of-output group <u>2/</u>	1963	1964	1965	1966	1967	1968	1969
Less than 200,000 pairs each-----	37	23	23	29	14	13	23
200,000 to 499,999 pairs each-----	25	19	12	16	9	14	14
500,000 to 999,999 pairs each-----	26	19	13	13	6	4	19
1,000,000 to 1,999,999 pairs each--	12	12	8	8	4	14	27
2,000,000 to 3,999,999 pairs each--	12	12	6	6	6	-	13
4,000,000 pairs or more each-----	6	6	6	-	-	-	6
Total, all firms-----	22	17	13	14	8	9	18

1/ Accounting years end in the period from July 1 of the year shown to June 30 of the following year.

2/ Firms are grouped according to their output in 1967.

Source: Calculated from data reported to the U.S. Tariff Commission by domestic producers of nonrubber footwear.

Table 36.--Investment in new plant, machinery, and equipment by domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1964-69

(In thousands of dollars)

Size-of-output group and accounting year ^{1/}	New plant	New machinery and equipment
Less than 200,000 pairs each:		
1964-----	155	672
1965-----	110	814
1966-----	142	794
1967-----	84	1,040
1968-----	252	568
1969-----	220	807
200,000 to 499,999 pairs each:		
1964-----	850	1,589
1965-----	351	1,902
1966-----	468	1,902
1967-----	1,748	3,119
1968-----	3,613	2,726
1969-----	1,743	4,697
500,000 to 999,999 pairs each:		
1964-----	480	1,425
1965-----	1,975	3,083
1966-----	375	1,955
1967-----	2,697	2,564
1968-----	527	3,989
1969-----	320	3,528
1,000,000 to 1,999,999 pairs each:		
1964-----	135	2,823
1965-----	773	3,188
1966-----	1,788	3,392
1967-----	888	3,238
1968-----	1,027	6,592
1969-----	5,184	9,780
2,000,000 to 3,999,999 pairs each:		
1964-----	625	4,245
1965-----	640	3,531
1966-----	927	3,954
1967-----	4,848	4,181
1968-----	2,184	3,538
1969-----	3,064	4,885
4,000,000 pairs or more, each:		
1964-----	3,174	7,966
1965-----	4,091	8,953
1966-----	8,182	10,065
1967-----	6,206	10,453
1968-----	7,016	15,084
1969-----	8,957	16,364
All producing groups:		
1964-----	5,419	18,720
1965-----	7,940	21,471
1966-----	11,882	22,062
1967-----	16,471	24,595
1968-----	14,619	32,497
1969-----	19,488	40,061

^{1/} Domestic producing firms are grouped according to their output in 1967; accounting years end in the period from July 1 of the year shown to June 30 of the following year.