

**UNITED STATES TARIFF COMMISSION**

**FOOTWEAR FOR WOMEN:  
WISE SHOE COMPANY, INC.  
EXETER, N. H.**

**Report to the President  
on Worker Investigation No. TEA-W-161  
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 533  
Washington, D. C.  
December 1972**

UNITED STATES TARIFF COMMISSION

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



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
December 29, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation, made under section 301(c)(2) of the act in response to a petition filed on behalf of a group of workers.

On the basis of a petition filed under section 301(a)(2) of the Trade Expansion Act of 1962, on behalf of the former workers of the Wise Shoe Co., Inc., Exeter, N.H., the United States Tariff Commission, on November 8, 1972, instituted an investigation under section 301(c)(2) of the act to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for women (of the types provided for in items 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm.

Public notice of the investigation was published in the Federal Register (37 F.R. 24057) on November 11, 1972. No public hearing was requested, and none was held.

The information in this report was obtained principally from the petitioners, from officials of the Wise Shoe Co., Inc., and from the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission finds 1/ (Commissioners Young and Ablondi dissenting) that articles like or directly competitive with footwear for women (of the types provided for in items 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by the Wise Shoe Company, Exeter, New Hampshire, are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause unemployment or underemployment of a significant number or proportion of the workers of such firm.

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1/ Commissioner Leonard did not participate in the decision.

## Considerations Supporting the Commission's Finding

This investigation relates to a petition filed on behalf of workers formerly employed by the Wise Shoe Co., Exeter, N.H., for a determination under section 301(c)(2) of the Trade Expansion Act of 1962 as to the eligibility of those workers to apply for adjustment assistance. Wise Shoe produced women's dress and casual shoes of cement construction that retailed from about \$11 to \$14 a pair. Most of the footwear was constructed with uppers of vinyl.

Under section 301(c)(2) of the Trade Expansion Act, four requirements must be met before the Commission may make an affirmative determination:

- (1) Imports of articles like or directly competitive with articles produced by the petitioning workers must be increasing;
- (2) The increase in imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting in major part from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

We find that each of these requirements has been met in the instant case, and therefore we have made an affirmative determination.

Increased imports are a result in major part of trade-agreement concessions

The footwear produced by Wise Shoe was similar in type, construction, and price to that involved in other recent investigations conducted by the Commission under the provisions of the Trade Expansion Act. We concluded in those investigations that, within the meaning of

the statute, like or directly competitive footwear was being imported in increased quantities and that the increased quantities were in major part the result of trade-agreement concessions. The considerations in support of those determinations, which are equally applicable in the instant case, are set forth in the statements of our views in those investigations. 1/

The workers are unemployed

Employment at the Wise Shoe plant declined by about 40 percent during the period 1967-71. The firm ceased operations in August 1972, and the workers employed at that time were laid off.

The increased imports resulting in major part from trade-agreement concessions are the major factor causing unemployment

The health of the women's domestic nonrubber shoe industry (dress and casual footwear) has declined as imports of women's footwear into the United States has increased. Foreign producers shipped 180 million pairs of women's nonrubber footwear to the United States in 1971 compared with 67 million pairs in 1965. Imports supplied about half of apparent U.S. consumption of such footwear during the first half of 1972 but only about a fifth in 1965.

The growth in imports was even more pronounced for women's dress shoes. Imports of women's dress shoes totaled an estimated 43 million pairs in 1971 contrasted with an estimated 4 million pairs in 1965.

1/Women's Dress and Casual Shoes: Duchess Footwear Corp., Salem, Mass., Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139 . . . , TC Publication 491, 1972 and Women's Dress and Casual Shoes: Welpro Incorporated, Seabrook, N.H., Report to the President on Firm Investigation No. TEA-W-156 . . . , TC Publication 519, 1972.

The share of apparent annual U.S. consumption of women's dress shoes supplied by imports was an estimated 26 percent in the first half of 1972 compared with 2 percent in 1965.

The evidence shows that this increased market penetration by imports of dress and casual footwear adversely affected the operations of Wise Shoe. As its customers turned increasingly to imports, sales of women's footwear by the firm declined from \* \* \* pairs, with a value of \*\*\* million, in 1968, to \* \* \* pairs, valued at \*\*\* million, in 1971, the last full year of operation. In the five-year period 1967-71, the value of sales by Wise Shoe to eight of its largest customers declined by \* \* \* as four of these customers reduced their purchases of footwear from Wise Shoe and substituted imports, completely or in part. Attempts on the part of management to improve its sales volume by substituting a larger number of small customers for larger accounts proved unsuccessful. Despite the adoption of new styles and the increasing use of vinyl in lieu of leather for upper materials, the firm was unable to sell its footwear profitably in competition with imports. Faced with declining sales and financial reverses in a market dominated by imports, a decision was made to close the plant, resulting in the unemployment of the workers.

### Conclusion

In light of the above facts, we conclude that increased imports resulting in major part from trade-agreement concessions were the major factor causing the unemployment of the workers of Wise Shoe Company, and therefore we have made an affirmative determination.

Dissenting Views of Commissioner Young 1/

Except for a special situation in this case, my statement of reasons for my determination would have been limited to the fact that the increase in imports of footwear like or directly competitive with that produced by Wise Shoe Co. is not a result in major part of trade-agreement concessions as I have determined in other cases involving this type of footwear. 2/ However, since the information obtained in this investigation is so overwhelming and convincing that increased imports were not the major factor causing unemployment, my negative determination in this case is based on both of these criteria of the Trade Expansion Act.

The Wise Shoe plant closed in early September 1972 resulting in the unemployment of the workers. The output of this company consisted in the main of women's dress shoes. The basic shoe in its line which accounted for more than half of its sales from 1967-72 was of a strap type with a medium heel. Other shoes falling in the dress category were an evening sandal with a medium heel and spike heel pumps. The only shoe produced by Wise which might be considered casual footwear was a high-heel platform shoe with an imitation suede upper which accounted for an increasing but relatively small percentage of its total output. Most of the shoes were made with uppers of vinyl. Wise shoes were characterized in the main as being of the dress type by both company representatives and the principal customers.

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1/ Commissioner Ablondi concurs in the result.

2/ Women's Dress and Casual Shoes: Duchess Footwear Corp., Salem, Mass., and Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139 . . . , TC Publication 491, 1972, pp. 11-25.

Based on the information developed in the investigation, 5 of the 6 principal customers of Wise indicated they reduced their purchases of Wise shoes because of the decline in the popularity of the types of shoes produced by Wise. Some stated that they had not changed their source of supply for dress shoes, but curtailed their purchases of Wise shoes as demand for such footwear declined. Wise's largest customer who accounted for about \* \* \* of Wise's sales indicated that the reduced purchases from Wise were caused by a shift in demand away from dress shoes and into the more popular casual-type shoes. The second largest customer indicated that the demand for the plain pump which was a Wise specialty had dropped out of sight and had been replaced in large measure by women's casual heavy-soled shoes, causing the customer to change to other domestic sources for the casual styles in greatest demand. Another substantial customer was lost due to his own financial difficulties.

The principal official of the Wise Shoe Co. stated that the "monster" shoe had destroyed the demand for the traditional dress lines of footwear produced by Wise. Information available to the Commission indicates that substantial quantities of the "monster" type shoe were imported. It is not significant whether Wise customers shifted from Wise produced dress shoes to imported or domestic "monster" shoes. The reason for the shift was Wise's failure to produce shoes that were in greatest demand.

Thus sales were lost to styles of footwear not produced by Wise causing Wise Shoe to cease production. Therefore, it seems abundantly clear that increased imports resulting from trade-agreement concessions were not the major factor causing the unemployment of the workers at Wise Shoe.



## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of articles under Investigation

The Wise Shoe Co., Inc., of Exeter, N.H., which ceased production in August 1972, produced women's dress shoes selling at retail from \$11 to \$14 a pair. The product line included a wide variety of up-to-date styles with various types and heights of heels. In recent years the company had placed some emphasis on fashion items designed primarily for the over-30 generation. Wise shoes were constructed by the cement process; most of the output had uppers of vinyl.

The principal features of women's shoes that determine the activities for which a particular pair is suitable--and thus the trade designations such as "dress," "casual," and "slippers"--are the cut of the uppers, the style and height of the heels, the material used for the uppers, the kind of ornamentation, and the material and construction of the sole. In general or commercial usage, however, these descriptive terms for footwear may have various meanings. Some of them are specifically defined for tariff purposes in the headnotes (including the statistical headnotes) to part 1A of schedule 7 of the Tariff Schedules of the United States (TSUS). 1/

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 footwear for women and misses. The term "dress shoes," originally limited

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1/ For further discussion of these descriptive terms plus additional information in regard to nonrubber footwear (e.g., factors affecting U.S. consumption and marketing channels), see U.S. Tariff Commission, Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . ., TC Publication 359, 1971.

only to shoes worn on formal occasions, is now used to describe footwear of the types generally worn for street wear and for business and social activities. Women's shoes intended for formal wear, which are also regarded here as dress shoes, are now frequently referred to as evening shoes, slippers, or sandals. Generally the term "dress shoes" does not refer to footwear especially made for athletic, occupational, and leisure activities, such as sneakers, wedge-heeled shoes, loafers, desert boots and moccasins.

For many years the principal type of dress shoe worn by women in the United States was the classic pump--a closed-toe, closed-back, slip-on shoe without fasteners, with lightweight soles, and with heels of 2 inches or higher. Depending upon fashion changes, dress shoes may be open- or closed-heel shoes with straps, laces, or tongues over the instep and may include high-heeled sandals with open toes, open heels, and uppers of narrow strips of leather or other material. The pump declined in popularity in the late 1960's with the advent of new fashions in wearing apparel. The chunky style (monster) shoe appeared on the fashion scene in 1967 and was very popular in 1968. Clogs were popular fashion items in 1969, 1970, and 1972, and platform-soles were popular items in 1971 and 1972.

The range of styles in and quality of footwear increased greatly during the 1960's as a result of new materials, technological developments in production, and new fashions in wearing apparel. Simultaneously, consumer interest in this wide variety of footwear (as well as of clothing) also increased, reflecting the changing age structure

of the population, increasing per capita income, and a growth in time for leisure activities. Following these developments the distinction between dress and casual shoes and attire diminished.

The materials used for the uppers of dress shoes are usually finer (i.e., less sturdy), and the soles lighter in weight, than those of footwear intended for athletic and certain occupational and leisure uses. Uppers may be of calf, kid, or reptile leathers; of silk, rayon, linen, or metallic fabrics such as peau de soie, satin, brocade, or velvet; or of supported vinyls or other plastics. Soles are of leather or plastics.

Sandals, which were also produced by Wise, have been a popular fashion item since the early 1960's, particularly in the last 5 years. The term "sandals" refers to footwear with uppers consisting wholly or predominantly of straps or thongs, regardless of the height of the heel or other constructional features. Such footwear, which is generally worn for casual or leisure wear, has also become popular in recent years in the dress-shoe category. (The sandals produced by Wise were of this type.) Sandals are sold in a wide retail-price range, depending on the material, style, and/or ornamentation. Some sandals with uppers of vinyl are sold at discount stores and similar outlets for as low as \$1 a pair, while high-fashion sandals with uppers of leather are sold at department stores and specialty shops for \$30 or more a pair. It is believed that most sandals are sold at retail for about \$2 to \$9 a pair. Those produced by Wise retailed at \$11.

For several decades the principal method of attaching the outsole to women's shoes has been the cement process (the method used by Wise Shoe Co., Inc.), whereby the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. An estimated 80 percent of total U.S. output of women's shoes in recent years (and probably an even higher percentage of the domestic output of dress shoes) has been made by the cement process. This process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes except the turn (or turned) process. In the turn process, which is currently used in very minor degree in the United States to produce dress shoes, 1/ the footwear is initially lasted inside out and then turned right side out for the finishing operations.

The great bulk of the imported women's dress and casual shoes are entered under TSUS items 700.20, 700.43, 700.45, and 700.55. As explained briefly in the following paragraphs, the footwear classifiable under these four TSUS items varies with respect to materials, method of construction, price line, and/or style.

Imports entered under TSUS item 700.43, which provides for leather footwear having a foreign (export) value of not over \$2.50 a pair, as well as those entered under TSUS item 700.45, which provides for leather footwear valued over \$2.50 a pair, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, about half of the combined imports under these two

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1/ The turn process has been used in the United States in recent years principally to produce footwear of the types reported in official U.S. production statistics as slippers for housewear (SIC product code 3142). Slippers are also produced by the cement process.

items in recent years have consisted of women's sandals having a retail selling price of about \$3 to \$9 a pair. The remainder probably consisted predominantly of women's cement-process dress shoes of moderate prices (i.e., in the retail-price range of \$8 to \$20 a pair) but also included sturdy types with vulcanized or injection-molded soles, lightweight slippers suitable principally for house-wear, and expensive high-fashion types. Imported women's leather footwear made by the turn process and dutiable under TSUS item 700.20 does not differ significantly in appearance from the leather dress shoes entered under items 700.43 and 700.45.

Women's footwear with supported vinyl uppers that has entered under TSUS item 700.55 in recent years has consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length and for sale mostly at \$3 to \$6 a pair at self-service counters in variety stores, discount stores, and department-store basements and (2) folding slippers and sandals, usually selling at retail for less than \$2 a pair. It is believed that before 1970 only a negligible portion of the annual imports of women's dress shoes and boots admitted under item 700.55 retailed at more than \$10 a pair. It is estimated that, in 1971, imports of such footwear retailing at more than \$10 a pair (mostly just over that price) totaled about 2 million to 5 million pairs.

## U.S. Tariff Treatment

In the Tariff Act of 1930, women's leather footwear of the type produced at Wise Shoe Co., Inc., was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Such footwear is provided for in the TSUS, which became effective on August 31, 1963, in items 700.43 and 700.45. The rate of duty was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of negotiations. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent. Prior to the Kennedy Round, the rate of duty on turn or turned shoes (now TSUS item 700.20) was first reduced, pursuant to section 336 of the Tariff Act of 1930, from 20 percent ad valorem to 10 percent, effective January 1, 1932. The 10-percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent in a concession, effective May 30, 1950, granted under the General Agreements on Tariffs and Trade (GATT). The current rate for item 700.20 is 2.5 percent.

Supported vinyl was not used for uppers until the late 1940's or early 1950's. Prior to the effective date of the TSUS, imports of women's supported-vinyl-upper footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/
- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21¢ per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

In the TSUS a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. The current rate on footwear with supported vinyl uppers is 6 percent ad valorem.

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.20, 700.43, 700.45, and 700.55. Tables 2 through 4 show estimated U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable rates of duty. Table 5 shows the amount of duty collected,

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1/ The principal kinds of footwear with supported vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision at a rate of 20 percent ad valorem.

based on specified values, on women's footwear entered under items 700.43, 700.45, and 700.55, on the effective dates of the Tariff Act of 1930, the TSUS, and the Kennedy Round of trade concessions.

#### U.S. Consumption, Production, and Imports

During the period 1965-71, apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from an estimated 386 million pairs to 417 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 237 million pairs. As annual imports almost tripled during this period, their share of the market increased from 17 percent to 43 percent. Imports accounted for 48 percent of the market in the first half of 1972, as shown in the following table.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, January-June 1971, and January-June 1972

Period	Production <u>1/</u>	Im-ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
January-June--				
1971-----	127	112	239	47
1972-----	118	111	229	48

1/ Production represents the output of women's and misses' footwear as reported by the U.S. Bureau of the Census, plus shipments to the U.S. mainland from Puerto Rico.

2/ Partly estimated from the official statistics for footwear of the kinds described in pt. 1A of schedule 7 of the TSUS except imports described in items 700.32, 700.51, 700.52, 700.53, and 700.60 and except zoris (very inexpensive thonged sandals of rubber or plastics), dutiable under item 700.55. Includes imports of misses' footwear, which have been negligible compared with those of women's.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1971 amounted to about 1 million pairs.

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

U.S. imports of women's footwear entered under TSUS items 700.20, 700.43, 700.45, and 700.55 in the aggregate accounted for 92 percent of the imports of nonrubber footwear in 1971. A negligible part of the imports were entered under item 700.20; about a fifth, under item 700.43; a fourth, under item 700.45; and about half, under item 700.55. Table 6 shows U.S. imports of women's footwear under five TSUSA classifications that account for the bulk of the imports. Italy and Spain have been the principal suppliers of women's leather shoes; Japan and the Republic of China (Taiwan), the principal suppliers of women's vinyl shoes.

Data on U.S. consumption of women's dress shoes are not reported in official statistics. It is estimated, however, that during 1965-71 apparent annual U.S. consumption (production plus imports) of such shoes followed an irregular trend, rising from about 204 million pairs in 1965 to about 231 million in 1968 but declining to 199 million in 1971. Estimated domestic production of women's dress shoes during this period reached a peak of about 210 million pairs in 1968 and then declined to 156 million pairs in 1971. Imports rose from an estimated 4 million pairs in 1965 to 43 million pairs in 1971. Of the estimated imports in 1971, about 2 million pairs (entered under TSUS item 700.20) had an average dutiable value of about \$6 a pair. About 5 million pairs (entered under item 700.43) had an average dutiable value of about \$2 a pair, while an estimated 28 million pairs (entered under item 700.45) had an average value of about \$5 a pair.

The share of apparent annual U.S. consumption of women's dress shoes supplied by imports increased from 2 percent in 1965 to 26 percent in the first half of 1972, as shown in the following table.

Dress shoes for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, and January-June 1971 and 1972

Period	Production <u>1/</u>	Im-ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	200	4	204	2
1966-----	206	7	213	3
1967-----	188	11	199	6
1968-----	210	21	231	9
1969-----	177	28	205	14
1970-----	165	36	201	18
1971-----	156	43	199	22
January-June:				
1971-----	85	28	113	25
1972-----	80	28	108	26

1/ Dress shoes are believed to account for about 2/3 of the total annual output of nonrubber footwear for women and misses.

2/ Data represent estimated imports of dress shoes entered under TSUS items 700.20, 700.43, 700.45, and 700.55.

3/ Data represent estimated production plus estimated imports without an allowance for exports, which in 1971 amounted to less than 1 million pairs.

Source: Estimated by the U.S. Tariff Commission based on official statistics of the U.S. Department of Commerce.

## U.S. and Foreign Wage Rates

The table on the following page shows the published average hourly earnings and the estimated compensation per hour received by shoe workers in six countries in 1964 and 1970-71. It should be noted, however, that there are several difficulties involved in comparing these data accurately. First, the definition for "shoe industry" varies among nations; in only two countries--Italy and the United States--are shoes specifically broken out from more encompassing industry classifications. This definitional problem makes it difficult to isolate the "shoe industry" in each country. Second, as footnote 1 to the table indicates, published hourly earnings in the various nations differ in composition. Third, total compensation for workers includes varying factors in the six countries.

Hourly earnings of production workers and estimated total compensation per hour worked by them in specified industries related to footwear in 6 countries, 1964, 1970 and 1971

(In U.S. dollars)

Country	Industry	Published average hourly earnings 1/			Estimated compensation per hour worked 2/		
		1964	1970	1971	1964	1970	1971
Brazil-----	Clothing and shoes-----	3/ \$0.23	4/ \$0.28	5/ :	5/ :	5/ :	5/ :
Italy-----	Shoes 6/-----	.42	.65	\$0.90	\$0.71	\$1.19	\$1.67
Japan-----	Leather products 7/-----	.37	.78	1.04	.41	.88	1.18
Spain-----	Shoes, leather, and clothing--	.23	.38	.46	5/	8/ .57	8/ .68
Taiwan-----	Leather and leather products 7/-----	.12	.18	5/	9/ .14	9/ .21	5/
United States---	Footwear, excluding rubber----	1.77	2.43	2.53	2.10	2.96	3.09

1/ Published earnings do not represent the same items of labor compensation in each country because of differences in the treatment of various supplementary benefits. Earnings generally refer to gross cash payments to wage workers before deductions for taxes and social security, and include overtime pay, shift differentials, regular bonuses and premiums, and cost-of-living adjustments. Holiday, vacation, and sick leave pay, bonuses not paid regularly each pay period, and other supplementary benefits are included by some countries and excluded by others. The earnings data are per paid hour for some countries and per hour worked for other countries.

2/ Compensation refers to all payments made by employers directly to their workers before deductions of any kind, plus employer contributions to legally required insurance programs and private welfare plans for the benefit of employees. The figures on additional compensation per hour worked as a percent of published earnings are the best estimates currently available to the Bureau of Labor Statistics. The estimates are based primarily on labor cost or labor compensation surveys adjusted to the listed years on the basis of other available data.

3/ Average for 1966.

4/ Average for 1969; monthly earnings of 211.60 cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

5/ Not available.

6/ Approximately 15 percent of the workers in the Italian shoe industry are home workers who are paid at a lower wage rate than the factory workers in the industry.

7/ The shoes shipped from Japan and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industries of these two countries. Approximately half of the workers in the Japanese plastic shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastic shoe industry are home workers.

8/ The compensation factor included in this figure is employer social security payments, which range from 40 to 50 percent of payroll.

9/ The published earnings data are computed per hour worked and include overtime pay, regular premiums, and bonuses; family allowances; the market value of payments in kind; and wages paid to persons absent from work. Compensation figure also includes annual bonuses.

Source: Based on data provided by U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labour Statistics 1971, International Labour Office, Geneva; Italy--Social Statistics (various issues), Statistical Office of the European Communities, Luxembourg and Brussels; Japan--Year Book of Labor Statistics (various issues), Ministry of Labor, Tokyo; Spain--Monthly Bulletin of Statistics (various issues), National Institute of Statistics, Madrid; and Taiwan--Report of Taiwan Labor Statistics 1971, Department of Reconstruction, Provincial Government of Taiwan.

Note.--The exchange rate used to convert other currencies into U.S. dollars for 1971 is the new rate that became effective in December 1971. Part of the large increase in wages for Italy and Japan in 1971 is attributable to use of the new rate, which more accurately reflects present trading conditions.

A-14 through A-26

Data Relating to the Wise Shoe Co., Inc.

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Statistical Appendix

Table 1.--U.S. rates of duty applicable to women's and misses' footwear of the types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	Rate of duty	
		July 1, 1934 <u>1/</u>	GATT concession <u>2/</u>
		Rate	Effective date
		Percent ad val.	Percent ad val.
700.20	Leather footwear: Turn or turned-----	10 <u>3/</u>	5 : May 30, 1950-Dec. 31, 1967. 4 : Jan. 1, 1968-Dec. 31, 1969. 3 : Jan. 1, 1970-Dec. 31, 1971. 2.5 : Jan. 1, 1972.
700.43	"Other" (including cement process): Valued not over \$2.50 per pair----	20	19 : Jan. 1-Dec. 31, 1968. 18 : Jan. 1-Dec. 31, 1969. 17 : Jan. 1-Dec. 31, 1970. 16 : Jan. 1-Dec. 31, 1971. 15 : Jan. 1, 1972.
700.45	Valued over \$2.50 per pair-----	20	18 : Jan. 1-Dec. 31, 1968. 16 : Jan. 1-Dec. 31, 1969. 14 : Jan. 1-Dec. 31, 1970. 12 : Jan. 1-Dec. 31, 1971. 10 : Jan. 1, 1972.
700.55	Footwear having uppers of supported vinyl.	Princi- pally 20 <u>4/</u>	<u>5/</u> 12.5 : Aug. 31, 1963-Dec. 31, 1967. 11 : Jan. 1-Dec. 31, 1968. 10 : Jan. 1-Dec. 31, 1969. 8.5 : Jan. 1-Dec. 31, 1970. 7 : Jan. 1-Dec. 31, 1971. 6 : Jan. 1, 1972.

1/ Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

2/ For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows staged rates scheduled to become effective up to and including Jan. 1, 1972.

3/ Effective Jan. 1, 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

4/ Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

5/ The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide range of rates previously applicable to the various types of footwear provided for in this TSUS item.

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

Table 2.--Leather footwear for women and misses made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, January-June 1971, and January-June 1972

Period	Rate of duty	Quantity
	Percent ad valorem	1,000 pairs
1939-----	<u>1</u> / 10	5
1946-----	10	4
1955-----	<u>2</u> / 5	10
1956-----	5	97
1957-----	5	209
1958-----	5	434
1959-----	5	402
1960-----	5	664
1961-----	5	882
1962-----	5	1,067
1963-----	5	916
1964-----	5	864
1965-----	5	1,053
1966-----	5	1,106
1967-----	5	1,361
1968-----	4	1,905
1969-----	4	2,459
1970-----	3	2,398
1971-----	3	1,604
January-June:		
1971-----	3	1
1972-----	2.5	1

1/ Effective Jan. 1, 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent pursuant to sec. 336 of the Tariff Act of 1930.

2/ GATT concession, effective May 30, 1950.

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

Table 3.--Leather footwear for women and misses made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, January-June 1971, and January-June 1972 1/

Period	Rate of duty		Quantity	
	700.43	700.45	700.43	700.45
	<u>Percent</u> <u>ad valorem</u>	<u>Percent</u> <u>ad valorem</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968 <u>2/</u> -----	19	18	34	20
1969 <u>2/</u> -----	18	16	29	27
1970 <u>2/</u> -----	17	14	37	35
1971 <u>2/</u> -----	16	12	33	44
January-June:				
1971-----	16	12	26	23
1972-----	15	10	19	32

1/ Statutory rate under par. 1530(e) for 1939 and 1946 through Aug. 30, 1963, and under TSUS item 700.40 for Aug. 31, 1963, through 1967. Effective Jan. 1, 1968, new items 700.41 (sandals of buffalo leather), 700.43, and 700.45 replaced item 700.40.

2/ U.S. imports of sandals under item 700.41 amounted to 1 million pairs during each of the years 1968-71.

Source: Compiled from official statistics of the U.S. Department of Commerce; data shown for the years prior to 1964 are partly estimated.

Table 4.--Footwear having supported vinyl uppers for women and misses (item 700.55): U.S. rates of duty and imports for consumption, 1934, 1964-71, January-June 1971, and January-June 1972

Period	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1934-----	1/	2/	2/	2/
1964-----	<u>3/</u> 12.5	27,574	12,429	\$0.45
1965-----	12.5	29,579	13,564	.46
1966-----	12.5	33,239	17,024	.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
January-June:				
1971-----	7	54,340	54,047	.99
1972-----	6	49,382	53,625	1.09

1/ During the period before the TSUS became effective, footwear with supported vinyl uppers (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 20 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

2/ Not available.

3/ Rate established in the TSUS, effective Aug. 31, 1963.

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

Note.--Data are not available on U.S. imports of footwear with supported vinyl uppers for the years prior to 1964. Such imports were probably negligible in the mid-1950's.

Table 5.--U.S. rates of duty applicable to women's footwear entered under certain TSUS items and duty collected based on specified values, June 18, 1930, Aug. 31, 1963, and GATT concessions

Effective date	Item 700.43		Rate of duty	Item 700.45				Rate of duty	Item 700.55 <sup>1/</sup>			
	Rate of duty	Duty collected based on value of		Duty collected based on value of--					Rate of duty	Duty collected based on value of--		
		\$2.25 a pair		\$3.00 a pair	\$4.00 a pair	\$5.00 a pair	\$6.00 a pair			\$2.00 a pair	\$2.50 a pair	\$3.00 a pair
	Percent ad val.		Percent ad val.					Percent ad val.				
June 18, 1930----	20	\$0.45	20	\$0.60	\$0.80	\$1.00	\$1.20	<sup>1/</sup>	\$0.70	\$0.88	\$1.05	
Aug. 31, 1963----	20	.45	20	.60	.80	1.00	1.20	12.5	.25	.31	.38	
Jan. 1, 1968----	19	.43	18	.54	.72	.90	1.08	11	.22	.28	.33	
Jan. 1, 1969----	18	.41	16	.48	.64	.80	.96	10	.20	.25	.30	
Jan. 1, 1970----	17	.38	14	.42	.56	.70	.84	8.5	.17	.21	.26	
Jan. 1, 1971----	16	.36	12	.36	.48	.60	.72	7	.14	.18	.21	
Jan. 1, 1972----	15	.34	10	.30	.40	.50	.60	6	.12	.15	.18	

<sup>1/</sup> Certain footwear having uppers of vinyl (or supported vinyl) are dutiable under item 700.55. During the period before the TSUS became effective (Aug. 31, 1963), such footwear (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 20 percent. The column 2 rate established in the TSUS is 35 percent.

Table 6.--Nonrubber footwear for women: U.S. imports, by specified TSUSA items, 1969-71

TSUSA item No.	Description	Quantity			Value			Unit value		
		1969	1970	1971	1969	1970	1971	1969	1970	1971
		<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>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Per pair</u>	<u>Per pair</u>	<u>Per pair</u>
	Footwear of leather:									
	Valued not over \$2.50									
	per pair:									
	Casual footwear:									
700.4310	For women-----	12,015	11,905	8,298	\$17,749	\$18,238	\$13,256	\$1.48	\$1.53	\$1.60
	Cement footwear:									
700.4340	For women-----	13,532	21,159	20,008	22,144	35,614	34,437	1.64	1.68	1.72
	Valued over \$2.50 per pair:									
	Casual footwear:									
<del>700.4310</del>	For women-----	1,922	2,489	3,554	7,899	10,007	13,711	4.11	4.02	3.86
	Cement footwear:									
700.4540	For women-----	22,734	28,471	37,563	112,866	146,161	193,846	4.96	5.13	5.16
	Supported vinyl uppers:									
700.5545	For women and misses-----	70,777	77,288	86,942	55,820	73,757	104,196	.79	.95	1.20
	Total or average-----	120,980	141,312	156,365	216,478	283,777	369,446	1.79	2.01	2.30

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

