

UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR MEN AND WOMEN:  
FREEPORT ME., PLANT OF THE  
KAYSER-ROTH SHOES DIVISION OF THE  
KAYSER-ROTH CORP., NEW YORK, N. Y.

Report to the President  
on Worker Investigation No. TEA-W-191  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

Catherine Bedell, *Chairman*

Joseph O. Parker, *Vice Chairman*

Will E. Leonard, Jr.

George M. Moore

J. Banks Young

Italo H. Ablondi

Kenneth R. Mason, *Secretary*

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Address all communications to

United States Tariff Commission

Washington, D. C. 20436

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Note.--The whole of the Commission's report to the President may not be made public since it contains 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,  
May 15, 1973.

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 March 16, 1973, the Commission received a petition filed on behalf of the workers of the Freeport, Maine plant of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., New York, N.Y., for a determination of eligibility to apply for adjustment assistance under said act. On March 22, 1973, the Commission instituted an investigation (TEA-W-191) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men and women (of the types provided for in items 700.26, 700.27, 700.29, 700.35, 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 or an appropriate subdivision thereof.

Public notice of the investigation was published in the Federal Register (38 F.R. 8024) on March 27, 1973. No public hearing was requested, and none was held.

The information in this report was obtained from the petitioning workers, officials of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., and the Commission's files.

#### Finding of the Commission

On the basis of its investigation, the Commission unanimously finds that articles like or directly competitive with footwear for men and women (of the types provided for in items 700.26, 700.27, 700.29, 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Kayser-Roth Corporation, New York, N.Y., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

## Considerations Supporting the Commission's Finding

Views of Chairman Bedell, Vice Chairman Parker and  
Commissioner Moore 1/

Our determination in this investigation is in the negative because the criteria established by section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) have not been met. Before an affirmative determination can be made, the Commission must find that each of the following conditions has been satisfied.

- (1) Articles like or directly competitive with those produced by the workers' firm are being imported in increased quantities;
- (2) The increased imports are in major part the result of concessions granted under trade agreements;
- (3) A significant number or proportion of the firm's workers are unemployed or underemployed, or threatened therewith and;
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the unemployment or underemployment of the workers.

In the instant case, we find that condition (4) has not been satisfied; namely, increased imports resulting from trade-agreement concessions of articles like or directly competitive with the footwear produced by the Freeport, Me., plant of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., have not been the major factor causing, or threatening to cause, the unemployment or underemployment of its workers. Under the circumstances, it is not necessary to reach a conclusion respecting the first three conditions. Our determination is based on the following considerations.

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1/ Commissioner Ablondi concurs in the result.

The Freeport plant specialized in the production of high quality handsewn moccasins, a type of slip-on footwear generally known as loafers, for both men and women. In 1972, this footwear retailed for \$24 to \$38 a pair.

Loafers, which were popular casual shoes in the 1950's, have declined in popularity since the mid-1960's. The market for loafers has been largely replaced by a variety of casual shoes. As consumption declined, domestic production of men's soled moccasins fell markedly from 16 million pairs in 1967 to 2 million pairs in 1972. Official data are not available for the production of soled moccasins for women, but it is believed to have followed the same trend as men's soled moccasins. Thus, in our view, the decline in sales of soled moccasins in the period under review occurred not as a result of increased imports, but because the demand for loafers was contracting while other types of casual shoes were becoming increasingly more popular with the consumer.

An official of the Kayser-Roth Shoes Division stated that production of handsewn moccasins at the Freeport plant was discontinued in April 1973 due to a tremendous decline in the popularity of handsewn shoes. He further stated that the factory did not lend itself to being satisfactorily converted to production of footwear of other types of construction.

Conclusion

Based on the information available to the Commission, we conclude that imports were not the major factor causing, or threatening to cause, the unemployment or underemployment of the petitioning workers and have, therefore, made a negative determination.

Views of Commissioners Leonard and Young

Our determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear like or directly competitive with that produced by the Freeport, Me., plant of the Kayser-Roth Shoes Division is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 1/

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1/ Commissioner Leonard's views are given in Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . . , TC Publication 359, January 1971, pp. 31-47, and Commissioner Young's views are given in Women's Dress and Casual Shoes: Duchess Footwear Corp. . . . , Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139 . . . , TC Publication 491, June 1972, pp. 11-25 and Men's Dress and Casual Footwear: Bates Shoe Division, Wolverine World Wide, Inc. . . . , Report to the President on Worker Investigation No. TEA-W-175 . . . , TC Publication 558, March 1973, pp. 8-13.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

From 1954 through April 1973, the Freeport, Maine, plant of what is now known as the Kayser-Roth Shoes Division of the Kayser-Roth Corp. produced a type of slip-on footwear generally known as loafers. This footwear--of true moccasin construction with handsewn upper and sole attached by the Littleway process 1/--was of high quality, suitable for dress wear as well as for leisure-time activities. In recent years, men's shoes have accounted for the bulk of the output at the plant; women's shoes have accounted for the remainder. Most uppers and soles were of leather. The men's footwear wholesaled for \* \* \* and the women's footwear for \* \* \*. This footwear retailed for \$24 to \$38 a pair under the "Bostonian" and "Lady Bostonian" labels.

The term "loafers" refers to a type of slip-on footwear, the upper part of which resembles a moccasin. It is one of the most traditional of the growing variety of footwear styles for casual and leisure wear both for outdoor as well as for indoor activities. The original loafer, the so-called "penny" loafer, was simple and youthful in design. It attained its greatest popularity as campus footwear in the fifties after the saddle oxford lost favor. Since that period, however, the plain "penny" loafer has given way to a more sophisticated type of loafer that approaches in use, styling and construction the dress shoe. Today it is hard to distinguish between an up-dated loafer and a well-designed slip-on.

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1/ In the Littleway process, the sole is attached to the moccasin bottom with one or two rows of lockstitches which are sewn in grooves.

Both for men and women, these shoes now have a wide variety of ornamental details--particularly high over the instep--such as straps, buckles, chains, and long rounded tongues. The wide variety in styling is matched by a great range in quality and price. The retail price of a leather loafer, without modern trim, ranges from \$7.50 for the old-fashioned, machine-made, campus standby to over \$50 for the classic model made of the finest leather and in large part by handcraft methods.

Male consumers have followed the women in increasingly using a greater variety of shoes for leisure wear and semidress occasions. Currently many styles of slip-ons are popular, including those with and without moc-toes, with adjustable straps or gores, with high tongues and metal buckles. Boots of a wide variety of styles, materials, and heights are selling in large volume. Among popular boots for casual and everyday wear are: Chukka boots, including the desert type with brushed suede uppers (some of a combination of colors); the moc-toe boot with adjustable strap and buckle; and the hiking boot which looks like and is constructed like a work shoe.

In making handsewn moccasins--the type produced at Freeport--a piece of leather (called a plug) that covers the forepart of the foot is hand-stitched to a single piece of leather which cradles the bottom of the foot and extends upward to form the back, sides, and the extreme front of the toe portion. An outsole is then attached by the Littleway process.

In 1971 about 40 percent of the men's shoes produced in the United States were made by the true Goodyear Welt process, about 35 percent by the cement process, and most of the remainder by miscellaneous processes including the injection-molded, and pre-welt, and the stitch-out. With respect to imported men's shoes, it is estimated that about 15 percent were made by the Goodyear Welt process, about 65 percent by the cement process, and the remainder by the injection-molded and miscellaneous processes.

The major part of all men's shoes sold in the United States is made with uppers of leather. In recent years, the U.S. output of men's shoes with uppers of leather has accounted for about 85 to 90 percent of the total output.

#### U.S. Tariff Treatment

##### Men's footwear

Since August 31, 1963, the effective date of the Tariff Schedules of the United States (TSUS), men's handsewn-leather moccasins of the type produced at the Freeport plant of the Kayser-Roth Shoe Division have been dutiable under item 700.35. Men's leather footwear of welt construction, is imported under items 700.26, 700.27, and 700.29. <sup>1/</sup>

Footwear in chief value of leather (except with uppers in chief value of fibers) was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). From 1930 until

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<sup>1/</sup> Imports of footwear of welt construction classified under item 700.25 (valued not over \$2 a pair) are of types less expensive than those made by Freeport plant; imports under this item have been negligible in recent years.

January 1, 1948, the effective date of the earliest concessions granted by the United States under the General Agreement on Tariffs and Trade (GATT), the tariff rates on the footwear here discussed were reduced pursuant to the following two pre-GATT concessions: (1) Effective January 1, 1939, the rate on welt footwear with a dutiable value of over \$2.50 a pair (now TSUS items 700.26, 700.27, and 700.29) was reduced to 50 cents a pair, but not less than 10 percent ad valorem; and (2) effective January 30, 1943, the rate on footwear made by cement and miscellaneous processes (now TSUS item 700.35) was reduced to 10 percent ad valorem.

Table 1 in the appendix shows the 1930 rates of duty and the concession rates granted under the GATT (including all stages of the Kennedy Round reductions) for items 700.26, 700.27, 700.29, and 700.35, the four TSUS items under which men's leather shoes of the types under review have been admitted in recent years. Tables 2 and 3 show the imports of such shoes admitted under each of the four TSUS items and the applicable rates of duty.

#### Women's footwear

In the Tariff Act of 1930, women's leather footwear was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Women's footwear similar to that produced at the Freeport plant 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.

Although the Freeport plant produced leather footwear, women's footwear in general has tended increasingly toward the use of supported-vinyl uppers. Support 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 cents 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. 2/ The current rate of footwear with supported-vinyl-uppers is 6 percent ad valorem.

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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.

2/ The column 2 rate of duty for item 700.55 is 35 percent.

Table 5 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 700.43, 700.45 and 700.55. Tables 6 and 7 show U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable rates of duty.

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

##### Footwear for men

During the period 1966-72, apparent annual U.S. consumption of men's shoes (other than work and athletic) increased from 104 million pairs to 142 million pairs. Average annual U.S. production of such footwear declined from 88 million pairs during the period 1966-68 to 82 million pairs during 1969-71; production then increased to 91 million pairs in 1972. Trade sources indicate that the increase in production in 1972 resulted from increased demand for new men's styles. As imports of similar footwear more than tripled during 1966-72, their share of the domestic market rose from 14 percent to 36 percent as shown in the following table.

Men's footwear with uppers of leather and of vinyl (other than work and athletic): U.S. production, imports for consumption, and apparent consumption, 1966-72

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	89	15	104	14
1967-----	85	19	104	18
1968-----	89	26	115	23
1969-----	82	33	115	29
1970-----	83	41	124	33
1971-----	80	49	129	38
1972-----	91	51	142	36

1/ Includes U.S. production of men's footwear having vinyl uppers, which is estimated to account for 10 to 15 percent of total annual output.

2/ Includes men's leather footwear (other than work and athletic) entered under TSUS items 700.26, 700.27, 700.29, 700.35, and 700.55.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1972 amounted for less than 0.5 million pairs.

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

In 1972 shoes entered under TSUS item 700.35 accounted for approximately 90 percent of total leather shoe imports; shoes made by the welt process, entered under TSUS items 700.26, 700.27, and 700.29, accounted for the remainder.

The Tariff Schedules of the United States Annotated (TSUSA) show statistical subclasses for the purpose of reporting different types of articles within a tariff class. In addition to the cement process types of men's leather shoes entered under TSUSA item 700.3550, which accounted for 67 percent of such imports in 1972, men's shoes constructed by the stitchdown process (TSUSA 700.3575) made up 24 percent

of the imports; those utilizing the vulcanized sole and injection-molded method (TSUSA 700.3540), 7 percent and soled moccasins (TSUSA 700.3530), the type produced at Freeport, the remainder. The volume of imports of men's shoes entered under item 700.35, along with their average unit values, by type of construction, are shown in table 4.

Imported men's footwear having supported-vinyl uppers are included in the data shown above. As indicated earlier, Freeport produces loafers with leather uppers retailing between \$24 and \$38 a pair. Domestically produced men's footwear having supported-vinyl uppers amount to about 10 to 15 percent of the total annual output, some of which probably retail at a price competitive with the Freeport loafers. With respect to imported footwear having supported-vinyl uppers for men, youths, and boys (TSUSA item 700.5535), it is estimated that about 90 percent of the volume has an import unit value of less than \$2 a pair, about 9 percent has a unit value of from \$2 to \$2.99 a pair, and less than 1 percent has a unit value of \$3 and over a pair. Imports of supported-vinyl footwear for men, which totaled 5.9 million pairs in 1966 increased to 21 million pairs in 1972.

Spain and Italy have been principal suppliers of men's leather footwear imports in recent years, and the Republic of China (Taiwan) has been the principal supplier of vinyl footwear.

During the period 1966-72, apparent annual U.S. consumption of soled moccasins for men decreased from a high of 16.2 million pairs in 1967 to a low of 2.9 million pairs in 1972. The annual U.S. production of such footwear declined from 16 million pairs in 1967 to 2 million pairs in 1972. Imports, however, increased from 200,000 pairs in 1968 to 900,000 pairs in 1972; consequently, as consumption steadily declined during this period, the share of the market supplied by imports increased from 1.5 percent to 31.0 percent.

Men's soled moccasins: U.S. production, imports for consumption and apparent consumption, 1966-1972

Year	Production <u>1/</u>	Imports <u>1/</u>	Apparent <u>2/</u> consumption	Ratio of imports to consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
1966-----	14	0.2	14.2	1.4
1967-----	16	0.2	16.2	1.2
1968-----	13	0.2	13.2	1.5
1969-----	10	0.3	10.3	2.9
1970-----	7	0.6	7.6	7.9
1971-----	5	0.5	5.5	9.1
1972-----	2	0.9	2.9	31.0

1/ Production data are from current Industrial Reports (M31-A) which reflects the output of handsewn soled moccasins which are believed to account for virtually all of domestic output; imports reflect entries reported by the Bureau of Customs under TSUSA item 700.3530.

2/ Represents U.S. production plus imports without an allowance for exports, which were estimated to be insignificant.

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

Footwear for women

During the period 1965-72, apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from an estimated 386 million pairs to 421 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 223 million pairs. Annual imports almost tripled during this period, and their share of the market increased from 17 percent to 47 percent as shown in the following tabulation.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-72

Period	Production <u>1/</u>	Imports <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
1972-----	223	198	421	47

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 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 imports of women's footwear.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1972 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 700.43, 700.45, and 700.55 in the aggregate accounted for 90 percent of the imports of nonrubber footwear in 1972. About 15 percent of the imports were entered under item 700.43; 30 percent under item 700.45; and about 45 percent, item 700.55. As shown in table 8, about 22 million pairs of imported footwear of leather, with an average dutiable value of about \$1.70 a pair, were entered under TSUSA items 700.4310 and 700.4340 in 1972; about 51 million pairs of imported footwear of leather, with an average dutiable value of \$5.12 a pair, were entered under item 700.4540; and nearly 90 million pairs of imported footwear of vinyl, with an average dutiable value of \$1.22 a pair, were entered under item 700.5545. Although precise data are not available, it is believed that the major part of the imported footwear of leather, with an average dutiable value of \$1.70 a pair, and the imported footwear of vinyl consists of casual shoes; with respect to the imported footwear of leather having an average dutiable value of \$5.12 a pair, it is believed that a sizeable share of these imports consists of dress shoes. Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan) and Japan, the principal suppliers of women's vinyl footwear.

Data on production of soled moccasins for women are not available. During the period 1968-1972, imports of women's soled moccasins, valued less than \$2.50 a pair (TSUSA 700.4320), fluctuated between a high of 370,000 pairs in 1970 and a low of 123,000 pairs in 1972; imports of women's soled moccasins, valued at more than \$2.50 a pair (TSUSA 700.4520), fluctuated between 151,000 pairs in 1969 and 112,000 pairs in 1968.

## 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	.92	.41	.88	1.03
Spain-----	Shoes, leather, and clothing--	.23	.38	.46	5/	8/ .57	8/ .68
Taiwan-----	Leather and leather products 7/-----	.12	.18	5/	2/ .14	2/ .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 rates used to convert other currencies into U.S. dollars for 1971 are the average rates of exchange during 1971. Part of the increases in wages for Italy and Japan in 1971 is attributable to the change in the rates in 1971.

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Data Relating to the Freeport, Me., plant  
of the Kayser-Roth Shoes Division

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APPENDIX A

Table 1.--U.S. rates of duty applicable to footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	1930 rate	GATT concessions	
			Rate	Effective dates
		Percent ad val.	Percent ad val. or cents per pair	
	Leather footwear: Welt, valued per pair--			
700.26 <sup>1/</sup>	Over \$2 but not over \$5--	20%	40¢ 38¢ 36¢ 34¢ 30¢ 27¢ 23¢ 20¢ 17¢	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.
700.27 <sup>1/</sup>	Over \$5 but not over \$6.80.	20%	40¢ 38¢ 36¢ 34¢ 6% but not more than 34¢. 5.5% but not more than 34¢ 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1, 1971.
700.29 <sup>1/</sup>	Over \$6.80 (except ski boots).	20%	40¢ but not less than 5% 38¢ but not less than 5% 36¢ but not less than 5% 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958, to date.
700.35	"Other" footwear (including cement process) for men, youths and boys.	20%	10% 9.5% 9.0% 8.5%	June 6, 1951-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1970. Jan. 1, 1971.
700.55	Footwear having uppers of supported vinyl.	Principally 20% <sup>2/</sup>	12.5% <sup>3/</sup> 11% 10% 8.5% 7% 6%	Aug. 31, 1963-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1969. Jan. 1, 1970-Dec. 31, 1970. Jan. 1, 1971-Dec. 31, 1971. Jan. 1, 1972.

<sup>1/</sup> New item effective January 1, 1968.

<sup>2/</sup> 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.

<sup>3/</sup> 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 item.

Note.--Pursuant to Presidential Proclamation No. 7074, effective from August 16 to December 20, 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, other than work or athletic, for men: U.S. rates of duty and imports for consumption, by specified TSUS items, 1966-72

Period	Total	Welt, valued per pair--					
		Over \$2, not over \$6.80				Over \$6.80	
		Tariff rate		Quantity		(TSUS item 700.29)	
		TSUS item	TSUS item	TSUS item	TSUS item	Tariff rate	Quantity
	700.26	700.27	700.26	700.27			
	<u>1,000</u>	<u>Cents per</u>	<u>Cents per</u>	<u>1,000</u>	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>
	<u>pairs</u>	<u>pair</u>	<u>pair or</u>	<u>pairs</u>	<u>pairs</u>	<u>ad val.</u>	<u>pairs</u>
			<u>percent ad</u>				
			<u>val.</u>				
1966-----	2,021		<u>1/</u> 34¢		<u>1/</u> 1,406	5	615
1967-----	2,458		<u>1/</u> 34¢		<u>1/</u> 1,645	5	813
1968-----	3,207	30	<u>2/</u> 6%	1,277	1,054	5	876
1969-----	3,824	27	<u>2/</u> 6%	1,083	1,210	5	1,531
1970-----	3,189	23	<u>2/</u> 5.5%	765	830	5	1,594
1971-----	3,916	20	5%	1,137	502	5	2,277
1972-----	3,009	17	5%	791	362	5	1,856

1/ Effective Jan. 1, 1968, replaced by new items 700.26 and 700.27.

2/ But not more than 34 cents a pair.

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

Table 3.--Leather footwear (made principally by the cement process) for men (item 700.35): 1/ U.S. rates of duty and imports for consumption, 1939 and 1950-72

Period	Rate of duty	Quantity <u>2/</u>	Value <u>2/</u>	Unit Value
	<u>Percent ad valorem</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>	<u>Per pair</u>
1939-----	20	148	156	\$1.05
1950-----	10	68	181	2.66
1951-----	<u>3/</u> 20	61	175	2.87
1952-----	10	86	275	3.20
1953-----	10	107	376	3.51
1954-----	10	104	362	3.48
1955-----	10	192	909	4.73
1956-----	10	859	2,536	2.95
1957-----	10	1,252	3,618	2.89
1958-----	10	4,980	7,159	1.44
1959-----	10	3,596	8,692	3.35
1960-----	10	2,678	9,036	3.37
1961-----	10	3,340	10,883	3.26
1962-----	10	5,319	17,743	3.34
1963-----	10	5,771	19,884	3.45
1964-----	10	5,873	20,538	3.50
1965-----	10	6,002	20,699	3.45
1966-----	10	7,475	26,795	3.58
1967-----	10	9,933	36,538	3.68
1968-----	9.5	15,170	56,539	3.73
1969-----	9	18,729	78,925	4.21
1970-----	9	21,801	97,558	4.47
1971-----	8.5	24,730	122,795	4.97
1972-----	8.5	27,298	167,025	6.12

1/ Includes men's leather footwear other than athletic or work of the kinds reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575. These consist of, in addition to cement-process shoes, shoes with injection-molded soles and those made by the stitchdown and miscellaneous processes.

2/ Data for 1964 and earlier years include a small amount of athletic and work footwear and footwear for youths and boys.

3/ The statutory rate of 20 percent ad valorem was restored Jan. 1, 1951 to June 5, 1951; effective June 6, 1951, the rate of duty was again lowered to 10 percent ad valorem pursuant to a GATT concession.

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

Table 4.--Leather footwear for men (item 700.35): 1/ U.S. imports for consumption, by type of construction, 1967-72

Year	Soled moc- casin	Vul- canized sole	Cement process	Other	Total
Quantity (1,000 pairs)					
1967-----	235	632	6,159	2,907	9,933
1968-----	221	1,128	8,934	4,887	15,170
1969-----	340	1,352	11,769	5,268	18,729
1970-----	553	1,696	13,730	5,822	21,801
1971-----	550	1,965	15,119	7,096	24,730
1972-----	863	1,807	18,184	6,444	27,298
Value (1,000 dollars)					
1967-----	816	2,782	21,765	11,175	36,538
1968-----	1,166	3,927	32,709	18,737	56,539
1969-----	1,620	5,418	47,984	23,903	78,925
1970-----	2,653	7,024	61,318	26,563	97,558
1971-----	2,757 <sup>a</sup>	8,329	76,988	34,721	122,795
1972-----	4,556	9,606	112,762	40,101	167,025
Unit Value (per pair)					
1967-----	\$3.47	\$4.40	\$3.54	\$3.84	\$3.68
1968-----	5.28	3.48	3.66	3.83	3.73
1969-----	4.76	4.01	4.08	4.54	4.21
1970-----	4.80	4.14	4.47	4.56	4.47
1971-----	5.01	4.24	5.09	4.89	4.97
1972-----	5.28	5.32	6.20	6.22	6.12

1/ Includes men's leather footwear other than athletic or work reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575.

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

Table 5.--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 <sup>1/</sup>	GATT concession <sup>2/</sup>	
		Rate	Rate	Effective date
		Percent ad val.	Percent ad val.	
	Leather footwear:			
	"Other" (including cement process):			
700.43	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 <sup>4/</sup>	<sup>5/</sup> 12.5 11 10 8.5 7 6	Aug. 31, 1963-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.

<sup>1/</sup> 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.

<sup>2/</sup> 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.

<sup>3/</sup> 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.

<sup>4/</sup> 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.

<sup>5/</sup> 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 6.--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, 1955-72 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-----	19	18	34	20
1969-----	18	16	29	27
1970-----	17	14	37	35
1971-----	16	12	33	44
1972 <u>2/</u> -----	15	10	25	61

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 2 million pairs in 1972.

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

Table 7.--Footwear having supported-vinyl uppers for women and misses (item 700.55): U.S. rates of duty and imports for consumption, 1934, 1964-72

Period	Rate of duty	Quantity	Value	Unit value
	<u>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
1934-----	<u>1/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
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
1972-----	6	89,776	104,907	1.22

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 (data for 1964-65 are partially estimated).

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 8.--Nonrubber footwear for women: U.S. imports, by selected TSUSA items, 1968-72

TSUSA item No.	Description	1968	1969	1970	1971	1972
		Quantity (1,000 dollars)				
	Footwear of leather:					
	Valued not over \$2.50 per pair:					
	Casual footwear:					
700.4310	For women-----	19,024	12,015	11,905	8,298	4,189
	Cement footwear:					
700.4340	For women-----	11,891	13,532	21,159	20,008	17,685
	Valued over \$2.50 per pair:					
	Casual footwear:					
700.4510	For women-----	1,428	1,922	2,489	3,554	6,348
	Cement footwear:					
700.4540	For women-----	16,884	22,734	28,471	37,563	51,250
	Supported vinyl uppers:					
700.5545	For women and misses-----	68,579	70,777	77,288	86,942	89,776
	Total-----	117,806	120,980	141,312	156,365	169,248
		Value (1,000 dollars)				
	Footwear of leather:					
	Valued not over \$2.50 per pair:					
	Casual footwear:					
700.4310	For women-----	27,539	17,749	18,238	13,256	7,084
	Cement footwear:					
700.4340	For women-----	19,265	22,144	35,614	34,437	30,153
	Valued over \$2.50 per pair:					
	Casual footwear:					
700.4510	For women-----	5,293	7,899	10,007	13,711	24,701
	Cement footwear:					
700.4540	For women-----	76,236	112,866	146,161	193,846	262,403
	Supported vinyl uppers:					
700.5545	For women and misses-----	46,603	55,820	73,757	104,196	109,907
	Total-----	174,936	216,478	283,778	359,446	434,248
		Unit value				
	Footwear of leather:					
	Valued not over \$2.50 per pair:					
	Casual footwear:					
700.4310	For women-----	\$1.44	\$1.48	\$1.53	\$1.60	\$1.69
	Cement footwear:					
700.4340	For women-----	1.62	1.64	1.68	1.72	1.70
	Valued over \$2.50 per pair:					
	Casual footwear:					
700.4510	For women-----	3.70	4.11	4.02	3.86	3.89
	Cement footwear:					
700.4540	For women-----	4.51	4.96	5.13	5.16	5.12
	Supported vinyl uppers:					
700.5545	For women and misses-----	.67	.79	.95	1.20	1.22
	Average-----	1.48	1.79	2.01	2.30	2.57

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

APPENDIX B

\* \* \* \* \*