

22
2

UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR MEN: STETSON PLANT,
SOUTH WEYMOUTH, MASS. , 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-195
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 586
Washington, D. C.
June 1973

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*

Address all communications to
United States Tariff Commission
Washington, D. C. 20436

C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	3
Considerations supporting the Commission's Finding:	
Views of Chairman Bedell, Vice Chairman Parker, and Commissioner Moore-----	4
Views of Commissioner Leonard-----	7
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment-----	A-3
U.S. consumption, production, and imports-----	A-4
U.S. and foreign wage rates-----	A-7
Data relating to the Stetson plant, South Weymouth, Mass., of the Kayser-Roth Shoes Division:	
* * * * * * *	
Appendix A. Statistical tables-----	A-17
Appendix B. Letter from an official of the Kayser-Roth Shoes Division and letter from Stetson Shoe Co. to its employees-----	* * *

Appendix Tables

1. U.S. rates of duty applicable to leather footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972-----	A-18
2. Leather footwear of welt construction other than work or athletic, for men: U.S. rates of duty and imports for consumption, by specified TSUS items, 1966-72-----	A-19
3. Leather footwear made principally by the cement process for men (item 700.35): U.S. rates of duty and imports for consumption, 1939 and 1950-72-----	A-20
4. Leather footwear for men (item 700.35): U.S. imports for consumption, by type of construction, 1967-72-----	A-21

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,
June 18, 1973.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (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 April 18, 1973, the Commission received a petition filed on behalf of the workers of the Stetson plant, South Weymouth, Mass., 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 April 20, 1973, the Commission instituted an investigation (TEA-W-195) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men (of the types provided for in items 700.26, 700.27, 700.29, and 700.35 of the Tariff Schedules of the United States (TSUS)), 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.

Notice of the investigation was published in the Federal Register (38 F.R. 10339) on April 26, 1973. No public hearing was requested, and none was held.

The Commission has conducted two other investigations under the Trade Expansion Act with respect to plants of the Kayser-Roth Shoes Division of the Kayser-Roth Corp. In July 1971 the Commission issued a report to the President regarding investigation No. TEA-W-95 on men's dress shoes produced by the Whitman, Mass., plant of Commonwealth Shoe & Leather Co., Inc., of the Kayser-Roth Shoes Division; and in May 1973, the Commission issued a report to the President with respect to investigation No. TEA-W-191 on footwear for men and women produced by the workers of the Freeport, Maine, plant of the Kayser-Roth Shoes Division. In each of these cases, the Commission found that articles like or directly competitive with the footwear produced at these plants were 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, the unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof. 1/ In both cases, the negative findings of the Commission were unanimous.

In addition to the information obtained from the petitioning workers, information in this report was also obtained through field investigation, from officials of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., and the Commission's files.

1/ Men's Dress Shoes: Workers of the Brockton, Mass., Plant of Knapp King-Size Corp. and the Whitman, Mass., Plant of Commonwealth Shoe & Leather Co., Inc., Report to the President, Worker Investigations Nos. TEA-W-93 and TEA-W-95 . . . , TC Publication 403, 1971, and Footwear for Men and Women: Freeport, Maine, 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 . . . , TC Publication 579. 1973.

Finding of the Commission

On the basis of its investigation, the Commission finds unanimously 1/ that articles like or directly competitive with footwear for men (of the types provided for in items 700.26, 700.27, 700.29, and 700.35 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.

1/ Commissioner Young did not participate in the decision.

Considerations Supporting the Commission's Finding

Views of Chairman Bedell, Vice Chairman Parker
and Commissioner Moore

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 the result in major part 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 Stetson plant, South Weymouth, Mass., 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 the Stetson plant's 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.

The Stetson plant produced high-quality leather shoes for men, of both welt and cement construction. Approximately half of the footwear was marketed under the trade name "Bostonian," and the remainder under the "Stetson" label. Such footwear sold under the "Bostonian" label retailed from \$35 to \$45 a pair; the "Stetson" shoes retailed for \$50 and over.

The shoes produced at the Stetson plant were dress shoes, the type of footwear intended principally for business and social activities. In recent years men's footwear has become more responsive to fashion changes, and the distinction between dress and casual shoes has diminished as men have increasingly used a greater variety of shoes for leisure wear and dress occasions, including the multi-hued styles of manmade materials favored by the young. This shift in consumer preference has produced a resultant decline in demand for dress shoes of the more conservative type made at the Stetson plant and has adversely affected the firm's sales of such shoes.

The share of estimated consumption of men's leather dress shoes supplied by imports declined from 27 percent in 1971 to 25 percent in 1972. In addition, the average unit value of leather footwear entering under item 700.35 of the Tariff Schedules of the United States was \$6.12 in 1972; the average unit value of men's leather footwear of welt construction entering under item 700.29 was \$11.48 in 1972. It is unlikely that imports of such shoes seriously affected sales of the footwear produced at the Stetson plant, which sold at retail in a much higher price segment of the market than did most of the imports.

From the evidence available to the Commission, it appears that the closing of the Stetson plant was a management decision. According to an official of the Kayser-Roth Shoes Division, the physical structure of the Stetson plant resulted in production inefficiency, which coupled with increasing leather costs, made its continued operation too costly. The relative inefficiency of the Stetson plant and the decline in sales resulting from reduced consumer demand for men's shoes of the types produced at the Stetson plant led to the decision to close that plant and to shift and consolidate the production of "Bostonian" shoes and the production of Stetson shoes to its two plants at Gardiner and Lewiston, Me., where greater production efficiencies could be obtained. There is no evidence that competition from imports had a major impact on sales of footwear produced at the Stetson plant.

Conclusion

On the basis of 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 Commissioner Leonard 1/

My determination in the instant case is negative because the increase in imports of any footwear like or directly competitive with that produced by the Stetson plant, South Weymouth, Mass., of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., New York, N.Y., is not the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in the statement of my views in the Commission's report on non-rubber footwear submitted to the President on January 15, 1971. 2/

1/ Commissioner Ablondi concurs in the result.

2/ Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . . , TC Publication 359, January 1971, pp. 31-47.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Until its closing on April 27, 1973, the Stetson plant, South Weymouth, Mass., of the Kayser-Roth Shoes Division of the Kayser-Roth Corp., produced leather dress shoes for men. This footwear was of high quality and of both cement process and welt types of construction. Approximately half of the footwear produced at this plant was marketed under the name "Bostonian" and retailed for \$35 to \$45 a pair. Footwear produced under the name "Stetson" accounted for the other half and retailed for more than \$50 a pair.

In general or commercial usage the term "dress shoes" refers to footwear intended principally for business and social activities; usually it does not refer to footwear suitable for hazardous or strenuous occupations, active sports, beach wear, or other leisure activities. The term "casual shoes" refers to footwear designed especially for informal occasions. In recent years, however, men's footwear has become more responsive to fashion changes, and the distinction between dress and casual shoes has diminished. Male consumers have followed the lead of women in increasingly using a greater variety of shoes for leisure wear and dress occasions. Currently, many styles of boots, slip-ons, buckled oxfords, and two-tone oxfords with the higher heel heights are selling in large volume. According to the trade, there has been a shift from lightweight styling of men's dress and casual footwear to the heavy, bulky, and more flamboyant fashions.

Most men's dress shoes are made by one of four types of construction--welt, stitchdown, cement process, and injection-molded. In the welt process a narrow strip of supple leather or manmade material, called the welt, is sewed to the shoe upper and to a lip on the surface of the insole; the outsole is then sewed and/or cemented to the welt. Welt shoes are generally heavier in weight and appearance than those made by other processes. The stitchdown process involves a mock-welt ornamentation. The "welt" is secured to the upper but not to the insole and only serves the function of improving the shoe's appearance. The stitchdown shoe is made by flanging the upper out over the top of the sole extension and fastening the sole to the upper by stitching through this outflanged margin.

In the cement process of construction, the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. The cement process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes used for men's footwear. In the injection-molded process of construction, the sole and heel of polyvinyl chloride or an elastomer resin compound are simultaneously molded and attached to the upper, thus reducing production time and labor costs by eliminating a number of the steps required to attach the sole to the upper. Leather shoes constructed by the stitchdown, cement, or other miscellaneous processes do not differ significantly from those of welt construction in styling and appearance.

In 1971 about 40 percent of the men's shoes produced in the United States were made by the welt process; about 35 percent, by the cement process; and most of the remainder, by the injection-molded process. With respect to men's imported leather shoes, it is estimated that about 15 percent were made by the welt process; 50 percent, by the cement process; 25 percent, by the stitchdown method; and the remainder, by the injection-molded and miscellaneous processes.

The major part of all men's dress shoes sold in the United States are made with uppers of leather. In recent years, U.S. production of men's dress and casual shoes with uppers of leather has accounted for about 85 to 90 percent of the total output. Approximately 56 percent of the men's footwear imported in 1972 had uppers of leather. Only a small portion of these shoes with leather uppers would retail in the same price range as the shoes produced by the Stetson plant.

U.S. Tariff Treatment

Since August 31, 1963, the effective date of the TSUS, men's leather shoes of welt construction of the type produced at the Stetson plant of the Kayser-Roth Shoes Division have been dutiable under items 700.26, 700.27, and 700.29, depending on the value per pair. ^{1/} Men's leather footwear of cement-process, stitchdown, or other miscellaneous construction is dutiable under item 700.35.

^{1/} Imports of footwear of welt construction classified under TSUS item 700.25 (valued not over \$2 a pair) are of types less expensive than those made by the Stetson plant of Kayser-Roth; imports under this item have been negligible in recent years.

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 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 discussed here 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.

U.S. Consumption, Production, and Imports

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 indicated that the increase in production in 1972 resulted largely from increased demand for the new styles that were introduced in that year. As imports of similar footwear more than tripled during 1966-72, their share of the domestic market rose over the period from 14 percent to 36 percent, as shown in the following table:

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

Year	Production ^{1/}	Imports ^{2/}	Apparent consumption ^{3/}	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 and vinyl 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 to less than 0.5 million pairs.

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

During the period 1966-72, estimated production of men's leather dress shoes declined irregularly from a low of 67 million pairs in 1966 to 60 million pairs in 1971 but then moved to a high of 68 million pairs in 1972. Apparent consumption of this type of footwear increased from 75 million pairs in 1966 to 91 million pairs in 1972, as shown in the table below:

Men's leather dress shoes: ^{1/} Estimated U.S. production, imports for consumption, and ^{2/} apparent consumption, 1966-72

Year	Production ^{2/}	Imports	Apparent consumption ^{3/}	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	67	8	75	11
1967-----	64	9	73	12
1968-----	67	13	80	16
1969-----	62	18	80	23
1970-----	63	19	82	23
1971-----	60	22	82	27
1972-----	68	23	91	25

^{1/} Dress shoes are estimated to account for about 3/4 of total annual output and imports of men's leather footwear.

^{2/} Includes data on U.S. production of men's dress footwear having vinyl uppers, which is estimated to account for 10 to 15 percent of total annual output.

^{3/} Represents estimated production plus estimated imports without an allowance for exports, which in 1972 amounted to less than 0.5 million pairs.

Source: Estimated by the U.S. Tariff Commission 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 U.S. imports of men's leather shoes. Cement-process shoes accounted for two-thirds of the men's shoes that entered under this item; stitchdown shoes, for a fourth; and soled moccasins and shoes with vulcanized or injection-molded soles, for 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. Shoes made by the welt process, entered under TSUS items 700.26, 700.27, and 700.29, accounted for about 10 percent of U.S. imports of men's leather shoes.

In recent years, Spain and Italy have been the principal suppliers of men's leather footwear.

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. 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			Estimated compensation		
		hourly earnings 1/			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/	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 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.

A-9 through A-16

Data Relating to the Stetson Plant, South Weymouth, Mass.,
of the Kayser-Roth Shoes Division

* * * * *

APPENDIX A
STATISTICAL TABLES

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:			
700.26 <u>1/</u>	Welt, valued per pair-- 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 <u>1/</u>	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 <u>1/</u>	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 (includ- ing 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.
<u>1/</u> New item effective January 1, 1968.				

Note.--Pursuant to Presidential Proclamation No. 4074, 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 of welt construction, other than work or athletic, for men:
U.S. rates of duty and imports for consumption, by specified TSUS items, 1966-72

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

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 for men made principally by the cement process (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	2,596	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	26,795	3.45
1966-----	10	7,475	20,699	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 in addition to cement process shoes, shoes with injection-molded soles and those made by the stitchout and miscellaneous processes.

2/ Data for 1964 and earlier years include work and athletic footwear and also footwear for youths and boys.

3/ The statutory rate of 20 percent ad valorem 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 (TSUS item 700.35): 1/ U.S. imports for consumption, by type of construction, 1967-72

Year	Soled moccasin	Vulcanized 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	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 and work footwear 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.

APPENDIX B

LETTER FROM AN OFFICIAL OF THE KAYSER-ROTH SHOES
DIVISION AND LETTER FROM STETSON SHOE CO.
TO ITS EMPLOYEES

* * * * *

