

**UNITED STATES TARIFF COMMISSION**

**FOOTWEAR FOR MEN AND WOMEN  
FORMER WORKERS OF THE EAST CORINTH, MAINE,  
PLANT OF THE MILFORD SHOE CO., INC.**

**Report to the President  
on Investigation No. TEA-W-221  
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 655  
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**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 above mentioned information has been omitted. Such omissions are indicated by asterisks.



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
March 11, 1974.

To the President:

In accordance with section 301 of the Trade Expansion Act of 1962 (19 U.S.C. 1901), the U.S. Tariff Commission herein reports the results of investigation No. TEA-W-221 made 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 men and women (of the types provided for in items 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by the Milford Shoe Co., Inc., Milford, Mass., a wholly-owned subsidiary of Morse Shoe Co., Inc., Canton, Mass., 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.

The investigation was instituted on January 9, 1974, on the basis of a petition for adjustment assistance filed under section 301(a)(2) of the Act on behalf of the former workers of the East Corinth, Maine, plant of Milford Shoe, Inc. The original petition was received on December 26, 1973, but because it lacked certain pertinent data, the Commission instituted a preliminary investigation. Upon receipt of the additional information, the Commission instituted the investigation.

Public notice of the investigation was published in the Federal Register (39 F.R. 2160) on January 17, 1974. No public hearing was requested and none was held.

In the course of its investigation, the Commission obtained information from officials of Morse Shoe Co., Inc. and Milford Shoe Co., Inc.; former customers of Milford Shoe Co., Inc.; fieldwork by the Commission's staff; official government statistics; and the Tariff Commission's files.

#### Finding of the Commission 1/

On the basis of its investigation, the Commission finds unani-  
mously that articles like or directly competitive with the footwear  
for men and women (of the types provided for in items 700.35, 700.43,  
700.45, and 700.55 of the Tariff Schedules of the United States) pro-  
duced by the Milford Shoe Co., Inc., 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, the unemployment or underemployment of a significant number or  
proportion of the workers of such firm or an appropriate subdivision  
thereof.

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1/ Commissioners Leonard and Young did not participate in the decision  
for reasons set forth in their statement.

### Considerations Supporting the Commission's Finding

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) for an affirmative finding have not been met.

In the instant case, we find that increased imports resulting from trade-agreement concessions of articles like or directly competitive with the men's and women's footwear produced by Milford Shoe Co., Inc., have not been the major factor causing, or threatening to cause, the unemployment or underemployment of its workers; therefore, under the statutory criteria a negative decision is required.

Milford Shoe Co., Inc., a wholly-owned subsidiary of Morse Shoe Co., Inc., operated a plant in East Corinth, Maine for cutting and stitching footwear uppers which were shipped to the company's plants in Milford, Mass. for assembly into complete shoes. In October 1973, Milford discontinued production of shoe uppers at the East Corinth plant, resulting in the unemployment of the workers at that location.

Officials of Milford Shoe stated the additional costs of maintaining overhead on a separate plant for cutting and stitching at East Corinth and shipping materials between that location and the Milford, Mass. plants could not be justified. The company considered establishing a new plant in East Corinth for the manufacture of complete footwear but this too was not economically feasible. All of the evidence shows that the decision by Milford Shoe Co., Inc. to terminate operations of the East Corinth, Maine plant was a management decision, and that imports were not the major factor in making that decision.

At about the same time the decision was made to terminate operations at the East Corinth plant, Morse Shoe acquired the Limerick Shoe plant, Limerick, Maine. The acquisition of the Limerick plant, a facility for manufacturing finished footwear, enabled Milford Shoe to offset its loss of capacity to produce footwear uppers at East Corinth.

Based on the foregoing considerations, we have made a negative determination.

Statement of Commissioners Leonard and Young

The following statement was filed by Commissioners Will E. Leonard, Jr., and J. Banks Young on February 25, 1974, with the Office of the Secretary, United States Tariff Commission:

United States Tariff Commission  
February 25, 1974

To the President:

In accordance with section 301(f)(1) and section 301(f)(3) of the Trade Expansion Act of 1962 (76 Stat. 885), Commissioners Will E. Leonard, Jr., and J. Banks Young herein report their determinations in an investigation made under section 301(c)(2) of that act.

On December 26, 1973, the Commission received a petition filed on behalf of the former workers of the East Corinth, Maine, plant of Milford Shoe, Inc., Milford, Mass., for a determination of eligibility to apply for adjustment assistance under the said act. On December 27, 1973, the Commission voted (Commissioner Young dissenting, Vice Chairman Parker and Commissioner Leonard not present) to conduct a preliminary investigation for the purpose of obtaining certain additional information.

The preliminary investigation was concluded and a full investigation instituted by the Commission on January 9, 1974. Public notice of the investigation was published in the Federal Register of January 17, 1974 (39 F.R. 2160). The investigation was 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 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Milford Shoe, Inc., 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.

Once again <sup>1/</sup> we are precluded from participating in the determination of the majority of the Commission because a majority will

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1/ For other instances, see Footwear for Women and Misses: Moxees Shoe Corp. . . . Report to the President on Firm Investigation No. TEA-F-55 . . . TC Publication 626, November 1973; Footwear for Women, Misses, and Children: Young Ones, Inc. . . . Report to the President on Investigation No. TEA-W-204 . . . TC Publication 604, August 1973; Electronic Receiving Tube Mounts: . . . Erskine Industries, Inc., Report to the President on Investigation No. TEA-W-203 . . . TC Publication 600, August 1973; Footwear for Men and Women: Hubbard Shoe Co., Inc. . . . Report to the President on Worker Investigation No. TEA-W-202 . . . TC Publication 598, August 1973; Footwear for Women and Protective Footwear for Men, Women, Boys, and Infants, and Parts of Such Footwear: BGS Shoe Corp. . . . Report to the President on Worker Investigation No. TEA-W-193 . . . TC Publication 592, July 1973; Women's Dress Shoes: Erving Shoe Co., Inc. . . . Report to the President on Worker Investigation No. TEA-W-200 . . . TC Publication 590, July 1973.

not report its determination in the instant investigation until after the deadline we believe the statute requires for such a report. <sup>1/</sup> In the instant case, the last date we believe the statute permits the Commission to make its report is February 24, 1974. Therefore, we are submitting our report on this twenty-fifth day of February to the Office of the Secretary of the Tariff Commission, since February 24 was Sunday.

As we have reiterated, when the Commission receives a petition under section 301(a)(2) of the Trade Expansion Act of 1962, the Commission must determine whether the petition is a proper one, that is, meets the rules of the Commission for a valid petition. If it is a proper petition, then an investigation should be instituted as soon as possible, for the date of the filing of the petition governs the date 60 days hence by which time the Commission must report its determination in the case. If the petition is not a proper one, that is, it does not substantially comply with the

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<sup>1/</sup> Sec. 301(f)(3), Trade Expansion Act of 1962, as amended, reads "The report of the Tariff Commission of its determination under subsection (c)(1) or (c)(2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed."

Commission's Rules of Practice and Procedure, then the Commission should dismiss it as not properly filed and inform the petitioner(s) as to its deficiencies so that the petitioner(s) may correct such deficiencies and file a proper petition. In the instant investigation, a majority of the Commission, as it has in a number of cases in the past, refused to come to grips with the two alternatives listed above. It did not accept the petition as properly filed. Instead, it extended the date when the 60 days would begin to run by instituting a preliminary investigation in order to obtain information which it felt would cure the defects of the original petition and convert that original defective petition into a proper petition.

Thus a preliminary investigation was ordered December 27, 1973, and, when the majority of the Commission felt it had enough information accumulated during the course of the preliminary investigation, it instituted an investigation January 9, 1974, and decreed that the 60 days began January 9, even though no amendment had been filed to the original petition by the petitioners and even though the only petition which the Commission had received was filed on December 26. Thus, the majority of the Commission established as the deadline for submitting its report of its determination March 10, 1974, 60 days from January 9. We believe that to be 14 days past the deadline of February 24, 1974 (60 days after the petition was filed).

In cases where there has been available to us sufficient results of the investigation on which we can base a determination prior to the expiration of the 60-day deadline, we have done so and filed our determination within that time period in the Office of the Secretary of the Tariff Commission. We have sufficient information in this case and are following the above procedure.

#### Findings of Commissioners Leonard and Young

On the basis of the Commission's investigation, Commissioners Leonard and Young find that articles like or directly competitive with footwear for men and women (of the types provided for in items 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Milford Shoe, Inc., Milford, Mass., 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 under-employment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

#### 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 men's and women's footwear like or directly competitive

with that produced by Milford Shoe, Inc., Milford, Mass., 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. <sup>1/</sup>

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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.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

The Milford Shoe Co., Inc., Milford, Mass., produces a variety of men's up-to-date dress and casual footwear of both vinyl and leather. In addition, approximately \* \* \* percent of production is composed of bowling shoes with leather (suede) uppers for men and women. Footwear manufactured by Milford Shoe is constructed by either the cement process or stitchdown process and retails in the \$7 to \$15 price range. The petitioning workers were employed in East Corinth, Me., where they performed the operations of cutting and stitching uppers for Milford Shoe. The vinyl and leather uppers produced in the East Corinth plant were then shipped to the main plant in Milford, Mass., for final assembling.

The shoe upper, that part produced by the East Corinth plant, is all of the upper parts of a shoe stitched together and ready for lasting and bottoming; it includes both the outside and lining of the shoe.

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, and injection-molded. In the welt process a narrow strip of supple leather and 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 serves only to improve 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 footwear construction, a process used by Milford Shoe, 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 shoe 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 75 to 80 percent of the total output. Slightly more than half of the men's footwear imported in 1973 had uppers of leather.

U.S. Tariff TreatmentFootwear uppers

Imported vinyl uppers for footwear are dutiable under TSUS item 722.30, which provides for wearing apparel, not specially provided for, of rubber or plastics. Leather uppers are dutiable under items 791.20 (patent leather) and 791.25 (other leather) as leather cut or wholly or partly manufactured into forms or shapes suitable for conversion into footwear (table 1).

General headnote 10(h); of the TSUS provides that, unless the context requires otherwise, a tariff description for an article covers such articles whether assembled or not assembled, and whether finished or not finished. The U.S. Customs Service considers shoe uppers to be parts of footwear and not unfinished footwear. Vinyl uppers would probably have been dutiable in the Tariff Act of 1930 at 25 percent ad valorem. <sup>1/</sup> In 1951, pursuant to a concession granted in the GATT, the rate was reduced to 12.5 percent, which is also the rate presently in effect (item 772.30). Most leather cut stock for footwear uppers has been made from bovine leather, the duty on which was 15 percent ad valorem in the Tariff Act of 1930. The duty was subsequently reduced to 12.5 percent in the trade agreement with the United Kingdom, effective January 1, 1939. Pursuant to the Kennedy Round, that rate was further reduced in 5 annual stages to 5 percent ad valorem effective Jan. 1, 1972.

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<sup>1/</sup> Vinyl did not become an article of commerce for shoe uppers until the early 1950's.

Cut stock of patent leather which was also dutiable at 15 percent ad valorem in the Tariff Act of 1930 was reduced to 10 percent, effective January 1, 1936, and to 7 1/2 percent, effective January 1, 1939, in trade agreements with Canada. The duty was further reduced, pursuant to the Kennedy Round of negotiations, in 5 stages (effective January 1 of each year) to 3 1/2 percent ad valorem in 1972.

### Men's footwear

Men's leather footwear of cement, stitchdown, or miscellaneous construction is dutiable under TSUS item 700.35. Men's vinyl footwear of the types produced by Milford Shoe, is dutiable under TSUS item 700.55.

Table 2 in appendix A shows the 1930 and concession rates under the General Agreement on Tariffs and Trade (GATT), including all stages of the Kennedy Round reductions for TSUS items 700.35 and 700.55. Men's imported footwear in chief value of leather was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Effective January 30, 1943, the rate on leather footwear of cement and miscellaneous construction (now TSUS item 700.35) was reduced to 10 percent ad valorem. It was further reduced to 9.5 percent ad valorem effective January 1, 1968, to 9 percent effective on January 1, 1969, and finally to 8.5 percent on January 1, 1971.

Imported footwear with supported-vinyl uppers is dutiable under TSUS item 700.55. 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 men'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 10 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.

On August 31, 1963, the effective date of 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 on footwear with supported-vinyl uppers is 6 percent ad valorem

Tables 3 and 4 show imports of men's footwear entered under the TSUS items under review and applicable rates of duty.

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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 10 percent ad valorem.

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

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

Footwear uppers

Data on U.S. consumption and production of vinyl and leather uppers for men's footwear are not available.

Inasmuch as virtually all uppers are used in the production of footwear and, as indicated later, imports of footwear uppers are known to be small, data on the apparent U.S. consumption and production of men's dress and casual shoes are indicative of the U.S. production and use of such uppers.

Imports of leather shoe uppers enter under TSUS items 791.20 and 791.25, provisions that include leather cut into forms or shapes suitable for conversion into footwear, are shown in the table below. The imports of such articles, which include various leather shapes or forms for all types of footwear but most of which are shoe uppers, increased without interruption from about \$2.8 million in 1969 to about \$6.1 million in 1973. Imports of vinyl uppers are not separately available but are known to be small both in absolute amounts and to be insignificant in relation to U.S. consumption.

Leather cut into forms or shapes suitable for conversion into footwear: U.S. imports, 1/ by types of leather, 1969-73

Type	1969	1970	1971	1972	1973
Value (dollars)					
Of patent leather--:	-	8,153	10,344	29,317	19,019
Of other leather---:	2,754,381	2,708,639	2,812,963	3,768,491	6,092,630
Total-----:	2,754,281	2,716,792	2,823,307	3,797,808	6,111,649

1/ Principal sources are Mexico, India, Haiti, and Argentina.

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

#### Men's footwear

During the period 1966-73, apparent annual U.S. consumption of men's nonrubber footwear (other than work and athletic) increased from 104 million pairs to 139 million pairs. Average annual U.S. production of such footwear declined slightly from 88 million pairs during the period 1966-68 to 87 million pairs during 1971-73. As imports of similar footwear almost quadrupled during period 1966-73, their share of the domestic market rose 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, 1966-73

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
1973-----	89	50	139	60

1/ The data shown also includes men's footwear having vinyl uppers, which in 1973, is estimated by the Tariff Commission staff to have accounted for about 20 to 25 percent of the total.

2/ Includes men's leather footwear (including a small amount of athletic footwear) entered under TSUS items 700.26, 700.27, 700.29, and 700.35, and men's, youths', and boys' footwear having supported vinyl uppers (including a small amount of athletic and work footwear) entered under item 700.55.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1973 amounted to less than 0.5 million pairs.

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

During the period 1966-73, estimated production of men's dress shoes declined irregularly from 67 million pairs in 1966 to 60 million pairs in 1971, and in 1973 increased to 67 million pairs. Apparent consumption of this type of footwear increased from 76 million pairs in 1966 to 94 million pairs in 1973, as shown in the following table.

Men's dress shoes: Estimated U.S. production, imports for consumption and apparent consumption, 1966-73

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-----	67	9	76	12
1967-----	64	10	74	14
1968-----	67	14	81	17
1969-----	62	20	82	24
1970-----	63	23	86	27
1971-----	60	26	86	30
1972-----	68	27	95	28
1973-----	67	27	94	29

1/ Dress shoes are estimated to account for about three-fourths of total annual output of nonrubber footwear for men.

2/ Dress shoes are estimated to account for about three-fourths of the total annual imports of men's leather footwear and about one-fifth of the annual imports of men's footwear having supported vinyl uppers.

3/ Represents estimated production plus estimated imports without an allowances for exports, which in 1973 amounted to less than 0.5 million pairs.

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

In 1973 shoes entered under TSUS item 700.35 (men's leather footwear) 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 5.

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 supplier of men's leather footwear.

Data are not separately available on U.S. consumption, production, and imports of bowling shoes of the type produced by Milford Shoe. Imports of bowling shoes have been small, and the bulk of those that have been imported have had vinyl uppers--unlike those produced by Milford Shoe which were all leather--and retailed at prices below those of Milford Shoe.

#### 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/			Estimate 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/	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 are attributable to the change in the rates in 1971.

A-13 through A-23

Data Relating to Milford Shoe Co., Inc.:

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Statistical Appendix

Table 1.--U.S. rates of duty applicable to certain footwear uppers of the types provided for in specified TSUS items, June 18, 1930 to Jan. 1, 1972

TSUS item No.	Abbreviated description	Rate of duty		
		June 18, 1930	Trade agreement concessions	
		Percent ad val.	Percent ad val.	
'72.30	Wearing apparel (including rain- wear) not spe- cially provided for, of rubber or plastics.	25	12.5	Sept. 10, 1955
91.20	Patent leather cut or wholly or partially manu- factured into forms or shapes suitable for con- version into footwear.	15	10 7.5 6.5 6.0 5.0 4.0 3.5	Jan. 1, 1936 Jan. 1, 1948 Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972
'91.25	"Other" leather cut or wholly or partly manu- factured into forms or shapes suitable for conversion into footwear.	15	12.5 10 9 8 7 6 5	Jan. 1, 1939 Jan. 1, 1948 Jan. 1, 1968 Jan. 1, 1969 Jan. 1, 1970 Jan. 1, 1971 Jan. 1, 1972

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.--U.S. rates of duty applicable to certain 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	Effective date
		Percent ad val.	Percent ad val.	
	Leather footwear:			
700.35	"Other" footwear (including cement process) for men, youths, and boy's.	20	10	June 6, 1951-Dec. 31, 1967.
			9.5	Jan. 1-Dec. 31, 1968.
			9.0	Jan. 1, 1969-Dec. 31, 1970.
			8.5	Jan. 1, 1971.
	"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-	4/ 12.5	Aug. 31, 1963-Dec. 31, 1967.
		pally	11	Jan. 1-Dec. 31, 1968.
		20 <sup>3/</sup>	10	Jan. 1-Dec. 31, 1969.
			8.5	Jan. 1-Dec. 31, 1970.
			7	Jan. 1-Dec. 31, 1971.
			6	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 that became effective up to and including Jan. 1, 1972.

<sup>3/</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>4/</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 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 1950-73

Year	Rate of duty	Quantity <sup>2/</sup>	Value <sup>2/</sup>	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 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
1973-----	8.5	28,190	197,141	6.99

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.--Footwear having supported-vinyl uppers for men, youths, and boys (item 700.5535): U.S. rates of duty and imports for consumption, 1964-73

Year	Rate of duty	Quantity	Value	Unit value
	Percent	1,000	1,000	
	ad valorem:	pairs	dollars	Per pair
1964-----	<u>1/</u> 12.5	<u>2/</u> 6,217	<u>2/</u> 4,183	\$0.67
1965-----	12.5	<u>2/</u> 7,753	<u>2/</u> 4,835	.58
1966-----	12.5	5,915	5,285	.89
1967-----	12.5	6,531	6,025	.92
1968-----	11	7,696	7,681	1.00
1969-----	10	9,744	12,294	1.26
1970-----	8.5	16,264	21,590	1.33
1971-----	7	20,478	29,362	1.43
1972-----	6	20,780	34,553	1.66
1973-----	6	18,654	40,244	2.16

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

2/ Partly estimated.

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

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. During the period before the TSUS became effective, footwear with supported-vinyl uppers (with soles other than india rubber) for men, youths, and boys was generally dutiable by virtue of the similitude provision of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 10 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

Table 5.--Leather footwear for men (item 700.35): 1/ U.S. imports for consumption, by type of construction, 1967-73

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
1973-----	1,191	1,488	19,796	5,715	28,190
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
1973-----	6,834	9,562	141,871	38,874	197,141
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
1973-----	5.74	6.43	7.17	6.80	6.99

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.

