

UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR MEN:  
FORMER WORKERS OF WALL-STREETER SHOE CO.  
NORTH ADAMS, MASS.

Report to the President  
on Investigation No. TEA-W-224  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 659  
Washington, D. C.  
April 1974

**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,  
April 2, 1974.

To the President:

In accordance with sections 301(f)(1) and (f)(3) 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-224 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 (of the types provided for in items 700.29, 700.35 and 700.55 of the Tariff Schedules of the United States) produced by Wall-Streeter Shoe Co., North Adams, 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 February 6, 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 firm.

Public notice of the investigation was published in the Federal Register (39 F.R. 5821) on February 15, 1974. No public hearing was requested and none was held.

In the course of its investigation, the Commission obtained information from officials of Wall-Streeter Shoe Co., former workers

and former customers of Wall-Streeter Shoe Co., officials of the Massachusetts State Employment Service, work by the Commission's staff, official Government statistics, and its own files.

#### Finding of the Commission

On the basis of its investigation, the Commission finds unanimously that articles like or directly competitive with footwear for men (of the types provided for in items 700.29, 700.35 and 700.55 of the Tariff Schedules of the United States) produced by Wall-Streeter Shoe Co., North Adams, 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 underemployment of a significant number or portion of the workers of such firm, or an appropriate subdivision thereof.

Views of Chairman Bedell, Vice Chairman Parker,  
and Commissioner Ablondi 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 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 footwear produced by the Wall-Streeter Shoe Co., North Adams, Mass., have not been the major factor causing, or threatening to cause, the unemployment or underemployment of the Wall-Streeter Shoe Co. 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 Moore concurs in the result.

Wall-Streeter Shoe Company produced men's dress shoes which retailed in the range of \$35-\$45 a pair. Although in recent years a negligible part of the output was constructed by the cement process, nearly all of the output was comprised of the traditional types of men's shoes made by the more expensive welt process.

Wall-Streeter marketed its output at the wholesale level to distributors and retailers under its own brand name and that of its customers, and did not control any retail outlets. As costs of raw material, labor, etc. increased, these increased costs were passed on to customers. As a result of customer resistance to the increased prices and a shift in demand away from the traditional types of shoes made by Wall-Streeter, sales declined, causing further increased unit costs. The reduced volume caused the firm to become unprofitable in 1972 and ultimately led to the closing of the plant and the unemployment of the workers in late 1973.

Although Wall-Streeter ceased production on November 30, 1973, the Florsheim Shoe Co. announced on February 26, 1974, that a letter of intent had been executed to purchase the production facilities of Wall-Streeter and to utilize those facilities to produce footwear similar to that formerly made by Wall-Streeter. Florsheim has offered to recall substantially all of the former workers of Wall-Streeter. The Florsheim Shoe Co. has a strong marketing organization with many sales outlets and, as a result, apparently believes that it has the ability to market an expensive line of men's footwear.

There is no evidence that import competition had a significant impact on Wall-Streeter's operations or the unemployment of the workers. In fact, imports of men's welt footwear valued over \$6.80 per pair--the type most like those produced by Wall-Streeter--have actually declined since 1971, and in 1973 were at the lowest level since 1968. Moreover, a survey of the principal customers of Wall-Streeter indicated that the reasons for their decline in purchases were the style shift away from the types of shoes made by Wall-Streeter and consumer resistance to high prices and did not result from their shift to imports nor import competition from the types of shoes produced by Wall-Streeter.

#### 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 statement.

## 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 Wall-Streeter Shoe Co., North Adams, Mass., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in a statement 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, 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, 1972, pp. 11-25.

## INFORMATION OBTAINED IN THE INVESTIGATION

### Description of Articles Under Investigation

The Wall-Streeter Shoe Co., North Adams, Mass., which ceased production of footwear on November 30, 1973, manufactured various styles of men's dress shoes with uppers of leather, virtually all of which was constructed by the Goodyear welt process. In recent years a negligible number of shoes were constructed by the cement process. At the time of the plant closing, the shoes produced by Wall-Streeter Shoe retailed at \$35 to \$45 a pair.

In recent years men's footwear, like women's footwear, has become more responsive to fashion changes and the distinction between men's dress and casual shoes has diminished. Male consumers have followed the lead of women in using a greater variety of shoes for leisure wear and semidress occasions. There has been a shift from lightweight styling of men's dress and casual footwear to the heavy, bulky, and more flamboyant fashions. Currently, many styles of slip-ons are popular, including those with and without moccasins, with adjustable straps or gores, with high tongues and metal buckles.

Moccasin types, whether handsewn or machine sewn, are one of the most traditional of the growing variety of footwear styles for dress and casual wear. Such footwear attained its greatest popularity in the fifties, but has suffered a marked decline in consumer acceptance since the mid-1960's. In the 1960's dress type moccasins accounted for about one-fourth of Wall-Streeter Shoe production.

In recent years, however, the manufacture of such footwear by the firm was negligible or nil.

Boots of a wide variety of styles, materials, and heights have become increasingly popular and are selling in large volume. Among popular boots for casual and everyday wear are chukka boots (such as those formerly produced in negligible quantities by Wall-Streeter Shoe); the moc-toe boot with adjustable strap and buckle; hiking boots which are similar in appearance to a work shoe; and calf-height boots, such as the harness boot, with a square toe ornamented with leather straps and hardware such as buckles or metal rings. Men's plain toe boots in various heights, usually of fine leather and constructed with side zippers, have become appropriate wear for dress as well as casual wear.

As mentioned earlier, prior to December 1973, Wall Streeter Shoe made a variety of men's footwear, utilizing principally the welt process. 1/

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 the remainder by miscellaneous processes, including the injection-molded and the stitchdown. With respect to imported shoes for men, it is estimated that about 15 percent were made by the welt process, about 65 percent by the cement process, and the remainder by miscellaneous processes.

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1/ In the welt process a narrow strip of supple leather or man-made material, called the welt, is sewn 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.

The dress type moccasins, generally known as loafers, were produced in negligible quantities by Wall-Streeter Shoe in recent years. This footwear is a true moccasin construction with hand-sewn upper and sole attached by the Littleway process. 1/

The major part of all men's nonrubber footwear sold in the United States is made with uppers of leather. In 1972, the U.S. output of men's footwear with uppers of leather accounted for about 75 percent of total output, whereas approximately 55 percent of imported footwear for men had leather uppers.

The American Footwear Industry Association (AFIA) indicated that owing to the recent shortage of hides and the consequent increases in prices of leather, prices of leather footwear have continued to rise. The president of the AFIA has indicated that, as the price of leather footwear increased, shoes made from sophisticated man-made materials--polyurethane, polymerics and nylon velvets--gained a larger percentage of the U.S. market. Footwear of man-made materials lends itself not only to the multihued new platform styles favored by young people, but also to the more conservative styles. The following AFIA data show the share of the market supplied by footwear of manmade materials and that supplied by footwear of leather:

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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.

Percentages of total U.S. output of nonrubber footwear accounted for by leather and by manmade materials, specified years 1950 to 1975

Year	Leather	Manmade Materials
1950-----	85	15
1960-----	76	24
1972-----	60	40
1973-----	54	46
1975 <u>1/</u> -----	50	50

1/ Estimated projection.

Industry sources, however, report that owing to recent and possibly worsening shortages of petrochemically derived materials, the trend toward more manmade materials may be reversed.

## U. S. Tariff Treatment

Men's welt footwear, the principal type produced by Wall-Streeter Shoe, is dutiable under TSUS item 700.29. Men's leather footwear of cement, stitchdown, or other miscellaneous construction is dutiable under TSUS item 700.35. Men's vinyl footwear is dutiable under TSUS item 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 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 nor more than 20 percent ad valorem. It was further reduced to 36 cents a pair but not less than 5 percent ad valorem--if the footwear was valued over \$6.80 a pair--in subsequent trade agreements, and ultimately, to the present rate of 5 percent ad valorem, effective June 30, 1958. Effective January 30, 1943, the rate on leather footwear of cement and miscellaneous processes (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, 1969, and finally to 8.5 percent ad valorem on January 1, 1971.

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.

Table 1 in appendix A shows the 1930 rates, and concession rates under the General Agreement on Tariffs and Trade (GATT), for the above-mentioned TSUS items. Tables 2 through 5 show imports of men's footwear entered under the TSUSA 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 under par. 1530(e).

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

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

During the period 1966-73, apparent annual U.S. consumption of men's nonrubber footwear (other than work and athletic), which includes dress shoes, boots, and moccasins of the types produced by the Wall-Streeter Shoe Co., 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. Trade sources indicate that the increase in production in 1972 resulted largely from increased demand for the new styles that were introduced that year. As imports of similar footwear almost quadrupled during 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 <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
1973-----	89	50	139	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 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 leather 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 believed to account for about 3/4 of the total annual output of nonrubber footwear for men.

2/ Dress shoes are estimated to account for about 3/4 of the total annual imports of men's leather footwear and about 1/5 of the annual imports of men's footwear having supported-vinyl uppers.

3/ Represents estimated production plus estimated imports without an allowance 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 made by the welt process, entered under TSUS items 700.26, 200.27, and 700.29, accounted for about 10 percent of U.S. imports of men's leather shoes (table 2). During the same year, 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, is shown in tables 3 and 4.

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

U.S. imports of footwear having supported-vinyl uppers for men, youths, and boys, during the period 1964-73 are shown in table 5. It should be noted, however, that Wall-Streeter Shoe never produced more than 1 percent of its total output of footwear with uppers of vinyl.

## U. S. and Foreign Wage Rates

The table on the following page shows the average hourly earnings and the estimated compensation per hour received by shoe workers in eight countries in 1970, 1971, and 1972. While of some use in comparing the labor costs of the shoe industries in the various countries listed, the table has several shortcomings that make such comparisons inexact. First, in only the United States, Italy, and Hong Kong is the industry definition limited exclusively to footwear. In the other countries, the industry classifications are more encompassing. Second, as footnote 1 to the table indicates, published hourly earnings in the various countries differ in composition. Third, total compensation for workers includes varying factors in the eight countries.

Hourly earnings of production workers and estimated total compensation per hour worked  
in specified industries related to footwear in 8 countries, 1970, 1971, and 1972

(In U.S. dollars)

Country	Industry	Published average hourly earnings <sup>1/</sup>			Estimated compensation per hour worked <sup>2/</sup>		
		1970	1971	1972	1970	1971	1972
Brazil-----	Clothing and footwear-----	<sup>3/</sup> \$0.28	<sup>4/</sup> .30	<sup>4/</sup> .41	<sup>4/</sup> \$0.32	<sup>4/</sup> \$0.37	<sup>4/</sup> \$0.44
Hong Kong-----	Rubber footwear-----	<sup>5/</sup> .60	.80	.93	<sup>5/</sup> 1.09	<sup>5/</sup> 1.42	1.62
Italy-----	Footwear <sup>6/</sup> -----						
Japan-----	Rubber products, including plastic footwear <sup>7/</sup> -----	.88	1.08	1.49	1.00	1.23	1.69
Korea-----	Rubber and plastic products <sup>7/ 8/</sup> -----	.18	.18	.18	.22	.22	.22
Spain-----	Clothing and footwear <sup>8/</sup> -----	.38	.43	.53	<sup>9/</sup> .55	<sup>9/</sup> .62	<sup>9/</sup> .76
Taiwan-----	Rubber and plastic products <sup>7/</sup> -----	<sup>4/</sup> 2.43	<sup>4/</sup> 2.53	<sup>10/</sup> 2.63	<sup>4/</sup> 2.95	<sup>4/</sup> 3.09	<sup>10/</sup> 3.24
United States-----	Footwear, excluding rubber-----	2.70	2.78	2.88	3.48	3.61	3.77
	Rubber footwear-----						

<sup>1/</sup> 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.

<sup>2/</sup> 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 costs or labor compensation surveys adjusted to the listed years on the basis of other available data.

<sup>3/</sup> Average for 1969; monthly earnings of 211.60 cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

<sup>4/</sup> Not available.

<sup>5/</sup> Daily earnings converted to an hourly basis by assuming 9 hours of work per day. The compensation figures include pay for time not worked, bonuses, and the value of pay in kind, but not overtime pay or employer contributions to social insurance funds.

<sup>6/</sup> 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.

<sup>7/</sup> The shoes shipped from Hong Kong, Japan, Korea and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industry, except for Hong Kong. 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.

<sup>8/</sup> Including salaried employees.

<sup>9/</sup> The compensation factor included in this figure is employer social security payments, which range from 40 to 50 percent of payroll.

<sup>10/</sup> July - December 1972. 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 figures also includes annual bonuses and employers contribution to national insurance.

Source: Based on data provided by U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labour Statistics 1973, International Labour Office, Geneva; Hong Kong--Annual Departmental Report, 1970-73, Commissioner of Labour, Hong Kong; Italy--Rassegna di Statistiche del Lavoro, various issues, Confederazione General dell'Industria Italiana, Rome; Japan--Year Book of Labour Statistics, various issues, Ministry of Labour, Tokyo; Korea--Monthly Statistics of Korea, various issues, Economic Planning Board, Seoul; Spain--Year Book of Labour Statistics 1973, International Labour Office, Geneva; and Taiwan--Monthly Bulletin of Labor Statistics, November 1973, Directorate-General of Budget, Accounting, and Statistics, Taipei. Conversion from the currencies of the foreign countries in the table to U.S. dollars was made on the basis of average daily exchange rates for the year as reported by the Federal Reserve Bulletin.

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Data Relating to Wall-Streeter Shoe Co. :

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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 valorem	Percent ad valorem: or cents per pair:	
	Leather footwear:			
	Welt, valued per pair--			
700.26	Over \$3 but not over \$5---	20	40¢	Jan. 1, 1948-June 29, 1956.
			38¢	June 30, 1956-June 29, 1957.
			36¢	June 30, 1957-June 29, 1958.
			34¢	June 30, 1958-Dec. 31, 1967.
			30¢	Jan. 1-Dec. 31, 1968.
			27¢	Jan. 1-Dec. 31, 1969.
			23¢	Jan. 1-Dec. 31, 1970.
			20¢	Jan. 1-Dec. 31, 1971.
			17¢	Jan. 1, 1972.
700.27	Over \$5 but not over \$6.80.	20	40¢	Jan. 1, 1948-June 29, 1956.
			38¢	June 30, 1956-June 29, 1957.
			36¢	June 30, 1957-June 29, 1958.
			34¢	June 30, 1958-Dec. 31, 1967.
			6% but not more than 34¢.	Jan. 1, 1968-Dec. 31, 1969.
			5.5% but not more than 34¢.	Jan. 1-Dec. 31, 1970.
			5%	Jan. 1, 1971.
700.29	Over \$6.80 (except ski boots).	20	40¢ but not less than 5%.	Jan. 1, 1948-June 29, 1956.
			38¢ but not less than 5%.	June 30, 1956-June 29, 1957.
			36¢ but not less than 5%.	June 30, 1957-June 29, 1958.
			5%	June 30, 1958, to date.
700.35	"Other" footwear (includ- ing cement process) for men, youths, and boys.	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.
700.55	Footwear having uppers of supported vinyl.	Principally 20 2/	12.5% 1/ 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.

1/ 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.

2/ 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 provision 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.

Table 2.--Leather footwear of welt construction, other than work or athletic, valued over \$6.80 per pair, for men (item 700.29): U.S. rates of duty and imports for consumption, 1966-73

Year	Rate of duty	Quantity
	<u>Percent</u>	<u>1,000</u>
	<u>ad valorem</u>	<u>pairs</u>
1966-----	5	615
1967-----	5	813
1968-----	5	876
1969-----	5	1,531
1970-----	5	1,594
1971-----	5	2,277
1972-----	5	1,856
1973-----	5	1,490

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): <sup>1/</sup> 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
	Percent	1,000	1,000	
	ad valorem	pairs	dollars	Per pair
1939-----	20	148	156	\$1.05
1950-----	10	68	181	2.66
1951-----	<sup>3/</sup> 20	61	175	2.87
1952-----	10	86	275	3.20
1953-----	10	107	376	3.51
1954-----	10	104	362	3.51
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	3.48
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

<sup>1/</sup> Includes men's leather footwear other than athletic or workshoes, 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.

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

<sup>3/</sup> The statutory rate of 20 percent ad valorem was restored Jan. 1, 1951, and was applicable 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, 1967-73

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
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-shoes, of the kinds 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.--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 ad valorem:	<u>1,000</u> pairs	<u>1,000</u> 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	.89
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.

APPENDIX B

LETTER FROM WALL-STREETER SHOE CO. TO EMPLOYEES;  
WALL-STREETER SHOE CO. PRESS RELEASE ANNOUNCING  
PURCHASE OF FIRM BY FLORSHEIM SHOE CO.

**WALL-STREETER SHOE CO.**

MANUFACTURERS OF

**MEN'S FINE SHOES**NEW YORK SALES OFFICE  
MARBRIDGE BLDG.  
47 WEST 34TH STREET

NORTH ADAMS, MASSACHUSETTS 01247

November 27, 1973

ROBERT E. WALL  
PRES. & TREAS.  
F. VICTOR NISSEN  
VICE PRES.  
JOHN P. KELLEHER  
VICE PRES.*Employees*

After almost 62 years of making some of America's finest men's shoes, we regret to announce that because of economic reasons we have decided to cease manufacturing operations as of November 30, 1973. We feel that it is only right to tell you of this decision immediately.

We greatly appreciate the good service that you have rendered to this company in the past and want you to know that we will be very glad to be of assistance to you in any way in which we can to facilitate your finding a new position.

We are pleased to say that those of you who have been in continuous full time service with this company for the last 60 calendar days from October 1, 1973 through November 30, 1973 will receive the following holiday pays:

Thanksgiving  
Christmas (2 days)

Also, those of you who have been continuous full time employees of this company since October 1, 1973 through November 30, 1973 and who will have completed 15 years of continuous service by November 30, will be paid a third week's vacation pay.

Your coverage under our Metropolitan Group Insurance will be cancelled as of December 30, 1973. Please consult your insurance certificate for any privileges which may be available to you to convert this coverage. Your Blue Cross will be transferred to direct payment and you will be billed from Boston.

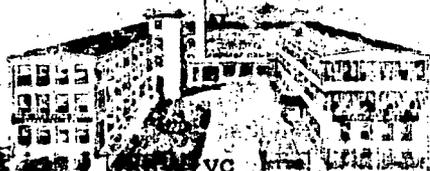
This is a very painful personal decision for me to make. As you know, we have made every effort to continue operations but it is simply not possible to do so. I want you to know that I have always appreciated the friendship and consideration which you have extended to me so generously over the years.

With best wishes,

Sincerely,



Robert E. Wall, President  
Wall-Streeter Shoe Company



February 26, 1974

PRESS RELEASE

The Florsheim Shoe Company, America's largest producers of quality men's and women's shoes, announced today that a letter of intent has been executed between Florsheim and Robert E. Wall, President of Wall-Streeter Shoe Company, for the purchase of all manufacturing facilities owned by Wall-Streeter in North Adams, Massachusetts.

Florsheim reports that extraordinarily heavy demand for Florsheim men's shoes makes additional production facilities mandatory. Continuing growth in the quality men's market for better than 82 years has prompted Florsheim to explore manufacturing capabilities wherever a high caliber of people and know-how exists. The outstanding reputation enjoyed by Wall-Streeter as one of America's preeminent quality men's shoe manufacturers makes the agreement extremely desirable.

In addition, Florsheim is happy to announce that Mr. Robert E. Wall has agreed to join the Florsheim staff to assist in directing and co-ordinating Florsheim production in North Adams.

A target date for the beginning of Production has been set for March 11, 1974.