

UNITED STATES TARIFF COMMISSION

RUBBER-SOLED FOOTWEAR WITH FABRIC UPPER:
FORMER WORKERS OF CRANBAR, CORP., PONCE, P. R.,
SUBSIDIARY OF UNIROYAL, INC., NEW YORK, N. Y.

Report to the President
on Investigation No. TEA-W-226
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 663
Washington, D. C.
April 1974

UNITED STATES TARIFF COMMISSION

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

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
April 19, 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. 1801), the U.S. Tariff Commission herein reports the results of investigation No. TEA-W-226 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 (of the types provided for in item 700.60 of the Tariff Schedules of the United States (TSUS)) produced by the Cranbar Corp., Ponce, P.R., a wholly owned subsidiary of Uniroyal, Inc., New York, N.Y., 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 22, 1974, on the basis of a petition for adjustment assistance filed on February 20, 1974, under section 301(a)(2) of the act on behalf of the former workers of the Cranbar Corp., a wholly owned subsidiary of Uniroyal, Inc., New York, N.Y.

Public notice of the investigation was published in the Federal Register (39 F.R. 7969) on March 1, 1974. No public hearing was requested, and none was held.

In the course of its investigation, the Commission obtained information from officials of Uniroyal, former workers of the firm; fieldwork 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 1/ that articles like or directly competitive with the footwear (of the types provided for in item 700.60 of the Tariff Schedules of the United States (TSUS)) produced by Cranbar Corp., Ponce, P.R., a wholly owned subsidiary of Uniroyal, Inc., 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.

1/ Commissioners Leonard and Young did not participate in the finding.

Consideration Supporting the Commission's Findings

Views of Chairman Bedell, Vice Chairman Parker
and Commissioners Moore and Ablondi

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 under-employment 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 Cranbar Corp., Ponce, P.R., have not been the major factor causing, or threatening to cause, the unemployment or under-employment of the Cranbar Corp. workers. Our determination is based on the following considerations.

The Cranbar Corp., Ponce, P.R., a wholly owned subsidiary of Uniroyal, Inc., New York, N.Y., ceased production in July, 1973. It manufactured footwear with fabric uppers and soles of vulcanized rubber commonly known as sneakers which it sold at prices ranging from \$3.00 to \$4.50 per pair.

The evidence gathered during the investigation disclosed that the operations of the plant of Cranbar Corp. in Ponce, P.R., was unprofitable and Uniroyal's management did not expect that the profitability the plant had enjoyed in earlier years could be restored. Production cost per pair of canvas footwear had become greater than the prevailing selling price in the U.S. mainland market, so that Cranbar was unable to compete profitably with foreign or domestic suppliers. As this type of canvas footwear (sneakers) was a low-priced item in the market, competitive factors kept the selling price down while productivity declined and production costs steadily continued to rise. Less than * * * percent of Cranbar's production was purchased for consumption in Puerto Rico.

Uniroyal management reported that * * * adversely affected production and costs.

Other important considerations in the Cranbar plant closing were the high cost of transporting raw materials to Puerto Rico from the mainland, the expense of shipping the finished products back to the

mainland, and excessive administrative and management expenses required in the management of a plant so widely separated from Uniroyal's other operations.

* * *. A substantial investment of new working capital would have been required to provide new equipment, raw materials, process inventories, financial, and other requirements; * * *.

Conclusion

On the basis of the foregoing we conclude that as a result in major part of tariff concessions granted under trade agreements, an article like or directly competitive with that produced by the workers of Cranbar Corp., is not being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of the petitioning workers and, therefore, we have made a negative determination.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

The output of the Cranbar Corp., Ponce, P.R., which ceased production in July 1973, consisted of footwear with fabric uppers and soles of vulcanized rubber, generally referred to as canvas footwear or sneakers. The bulk of the output consisted of such footwear for men, boys, and youths; the remainder was for women, misses, and children. The canvas footwear produced by the Cranbar Corp. retailed in its later years, at \$3.00 to \$4.50 a pair.

The canvas footwear formerly produced by the Cranbar Corp. consisted of the traditional styles of sneakers (e.g., tennis oxfords), which are worn for exercise, recreation, and ordinary use.

All the footwear produced at the Cranbar plant was made by the compression-molded process. Sneakers are also made by the injection-molded process and by the conventional method of construction (sometimes referred to as the handmade process). At the present time, the injection-molded process and the compression-molded process account for an estimated two-thirds of the total domestic output; the conventional method of construction accounts for the remainder. Virtually all the imported sneakers are made by the conventional method.

The injection-molded process and the compression-molded process became commercially significant in the early 1960's. In the injection-molded process, an assembled upper is positioned on a footlike mold of a multiple-station machine; at the proper time a molten charge of polyvinyl chloride (PVC) is forced into a cavity to mold the sole and heel and simultaneously attach them to the upper. In the compression molded process, rubber compound in the form of blanks, plugs, or crumbs is placed in an electrically heated mold; the shoe upper is attached to a last which fits tightly into the mold block. Under pressure and heat the rubber compound is formed into a sole which adheres to the upper; the curing takes place in the mold, thus eliminating the need for a vulcanizer. In the conventional method of construction, the assembly of the components is largely a hand operation. The shoe upper is pulled over a last (the form on which the shoe is made) and then attached to the insole; the rubber outsole is cemented in place, and then foxing (a narrow strip of rubber) is wrapped around the shoe at the sole so that it overlaps the upper. The assembled shoe is then vulcanized.

Most of the domestically produced sneakers made by the injection-molded process are sold at retail for less than \$3 a pair; domestically produced sneakers made by the compression-molded process are sold for about \$3 a pair. Domestically produced sneakers made by the conventional method of construction, which are generally considered to be of

better quality than so-called machine-made sneakers, are sold at retail principally in the range of \$4 to \$9 a pair; some are marketed at higher prices. Thus, about two-thirds of the domestic output of sneakers is currently sold at retail at \$3 a pair or less. It is estimated that most of the imported sneakers retail at \$3 a pair or less.

The canvas footwear formerly produced by the Cranbar Corp., if imported, would be dutiable under TSUS item 700.60. Substantial quantities of other types of imported casual footwear are entered under TSUS items 700.35, 700.43, 700.45, and 700.55.

The various types of footwear admitted under these TSUS items are described briefly in the following paragraphs.

The footwear admitted under TSUS item 700.60 is subject to valuation for duty purposes on the basis of the American selling price (ASP) of the "like or similar" domestic footwear. 1/ If there is no "like or similar" domestic footwear, the imports admitted under TSUS item 700.60 are subject to valuation on the usual basis of "export" or "foreign" value.

Nearly all the imports entered under TSUS item 700.60 and valued by the U.S. Customs Service on the ASP basis have consisted of footwear with uppers of fibers (canvas) and soles of rubber or plastics, in traditional styles of sneakers, such as those produced by the Cranbar Corp. Specialties of sneakerlike construction have

1/ See following section on tariff treatment.

also been included in the imported footwear valued on the ASP basis. Virtually all the imported ASP footwear has been made by the conventional or handmade process.

Footwear of the types imported under items 700.35, 700.43, and 700.45 is in chief value of leather. Such footwear ranges in style from sandals and more sturdy types made in limited sizes for sale at self-service counters to high fashion types made in the same detailed sizes and sold in the same outlets as domestic shoes. The footwear admitted under item 700.35 is for men, youths, and boys.

The women's and misses' footwear of the type admitted under TSUS item 700.43 consists of leather sandals ^{1/} and dress, and casual shoes having a foreign value not over \$2.50 a pair. Produced principally by the cement process, imports of such footwear have soles of leather, rubber, or plastics.

The women's and misses' footwear of the type imported under TSUS item 700.45 consists of leather sandals and dress, and casual shoes having a foreign value over \$2.50 a pair.

The footwear admitted under TSUS item 700.55 consists predominantly of shoes with uppers of supported vinyl that are produced one width to a length and are usually sold at self-service counters in variety stores, and department-store basements.

^{1/} The term "sandals" is used to refer to footwear with uppers consisting wholly or predominantly of straps or thongs, regardless of the height of the heel or other constructional features.

U.S. Tariff Treatment

Canvas footwear

In the Tariff Act of 1930, canvas footwear of the types produced by the Cranbar Corp. was originally dutiable at the rate of 35 percent ad valorem under paragraph 1530(e). The President, acting on the basis of an investigation made by the Tariff Commission under section 336 of that act, increased the duty on such footwear "with soles composed wholly or in chief value of india rubber or substitutes for rubber" by changing the basis for assessing the statutory rate (35 percent ad valorem) from foreign (or export) value to the "American selling price" (as defined in sec. 402(g) of the 1930 Act) of like or similar articles produced in the United States (T.D. 46158, effective March 3, 1933). Pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade (GATT), the rate of duty on canvas footwear was reduced to 20 percent ad valorem of the American selling price, effective September 10, 1955.

In the TSUS, footwear of the types produced at the Cranbar plant considered in this investigation was provided for in item 700.60 at the column 1 rate of 20 percent of the ASP valuation, ^{1/} which is the

^{1/} In the Commission's report to the Special Representative for Trade Negotiations on investigation No. 332-47, Products Subject to Duty on the American Selling Price Basis of Valuation; . . . TC Publication 181, published in July 1966, it was estimated that on the footwear dutiable in 1965 on the basis of the ASP guidelines adopted in February 1966 the duties assessed would have averaged 60 percent of the export values.

current rate. As previously indicated, imports of rubber or plastic-soled footwear with fabric uppers which the Customs Service finds is not like or similar to domestic articles are also admitted under item 700.60; such footwear is dutiable at 20 percent of the export value in the country of exportation. ^{1/}

Other casual footwear

As indicated earlier, other imported casual footwear is entered under TSUS items 700.35, 700.43, 700.45, 700.55, as well as under item 700.60 discussed above. Accordingly, in the following paragraphs, the U.S. tariff treatment of footwear of the types provided for in items 700.35, 700.43, 700.45, and 700.55 is discussed.

The rate of duty originally applicable under paragraph 1530(e) for footwear of the types now included in TSUS items 700.35, 700.43, and 700.45 was 20 percent ad valorem. From 1930 until January 1, 1948, the effective date of the earliest concessions granted by the United States under the GATT, only one tariff concession was granted on these types of footwear; effective January 30, 1943, the rate on

^{1/} Rubber-soled fabric upper footwear is on the "final list" published by the Secretary of the Treasury pursuant to sec. 6(a), Public Law 927, 84th Cong. (T.D. 54521). Such footwear is therefore subject to valuation under sec. 402(a), Tariff Act of 1930, as amended. Generally speaking, in the absence of an ASP valuation, the valuation would be based on the export value.

footwear for men, youths, and boys (now in item 700.35) was reduced from 20 percent to 10 percent pursuant to the bilateral agreement with Mexico which was terminated effective December 31, 1950. The 10-percent rate, however, was restored, effective June 6, 1951, pursuant to GATT concession. Currently, the footwear admitted under TSUS item 700.35 is dutiable at 8.5 percent ad valorem, the rate reflecting the last reduction pursuant to concessions granted during the Kennedy Round of negotiations. The first reduction (to 9.5 percent ad valorem) became effective on January 1, 1968. The rates of duty on footwear provided for in TSUS items 700.43 and 700.45 were reduced for the first time on January 1, 1968, pursuant to the Kennedy Round concessions. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent.

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

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e) for women and 10 percent for men's footwear. 1/

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

- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

In the TSUS a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. ^{1/} The current rate on footwear with supported vinyl uppers is 6 percent ad valorem.

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.35, 700.43, 700.45, 700.55, and 700.60. Tables 2 through 7 show U.S. imports of footwear admitted under the TSUS items mentioned above and the applicable rates of duty.

^{1/} The col. 2 rate of duty for item 700.55 is 35 percent.

U.S. Consumption, Production, and Imports

Canvas footwear

Prior to 1965, apparent annual U.S. consumption of canvas footwear increased steadily. In addition to the rise in population, factors that caused the sales boom of canvas shoes in that period were the economy of such shoes, their washable qualities, and the rising demand for shoes designed for sports and leisure-time activities. However, trade sources have reported that since 1965 there has been a noticeable shift from canvas footwear to thong and strap sandals and various styles of nonrubber footwear. This trend, which has continued into the seventies, caused a moderate decline in the apparent consumption of canvas footwear in the years 1972-73.

During the period 1968-73, U.S. consumption of canvas footwear, which includes "sneakers" of the type formerly produced by the Cranbar Corp., declined from 194 million pairs in 1968 to 169 million pairs in 1970, increased to 199 million pairs in 1971, but again declined in 1972 (to 187 million pairs) and remained unchanged in 1973. Domestic production of such footwear declined from 170 million pairs in 1968 to 163 million pairs in 1973, as shown in the following table.

Canvas footwear: U.S. production, imports for consumption,
and apparent consumption, 1968-73

Year	U.S. production			Imports ^{3/}	Apparent consumption ^{4/}	Ratio of imports to apparent consumption
	Main-land ^{1/}	Puerto Rico ^{2/}	Total			
	Million pairs	Million pairs	Million pairs	Million pairs	Million pairs	Percent
1968----	155	15	170	24	194	12
1969----	141	15	156	19	175	11
1970----	137	14	151	18	169	11
1971----	158	13	171	28	199	14
1972----	153	14	167	20	187	11
1973----	151	^{5/} 12	163	24	187	13

^{1/} Data reported by the Bureau of the Census (SIC Code No. 3021).

^{2/} Shipments from Puerto Rico to the United States.

^{3/} Data shown are for the ASP footwear entered under TSUSA items 700.6005-700.6030; do not include footwear dutiable on the non-ASP-basis valuation.

^{4/} Production plus shipments from Puerto Rico to the United States plus imports. No allowance was made for exports, which are estimated to have amounted to about 600,000 pairs in 1973.

^{5/} Estimated on basis of data for 8 months.

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

During 1968-73, U.S. imports of canvas footwear, dutiable on the basis of the American selling price under TSUSA items 700.6005-700.6030, fluctuated between 18 million pairs and 28 million pairs. Korea, Taiwan, and Japan have been the principal suppliers of canvas footwear. In recent years, such footwear has had an average export value ranging from 80 cents to \$1 a pair.

Other footwear

Precise data are not available on U.S. consumption, production, and imports of nonrubber footwear that would retail in the same price range as the footwear produced by the Cranbar Corp. It is believed, however, that only a negligible part of domestic production of such footwear would retail for less than \$3 a pair; a small part would probably retail for less than \$6 a pair.

As stated previously, the footwear admitted under TSUS item 700.35 is for men, youths, and boys. About one fourth of the imports entered under this TSUS item in 1973 consisted of footwear which retailed at less than \$10.

In 1972 an estimated three-fourths of women's and misses' footwear entered under TSUS item 700.43 retailed at about \$3 to \$6 a pair. During the period 1968 to 1973 imports of such footwear fluctuated between a high of 37 million pairs in 1970 and a low of 17 million pairs in 1973 (table 3). The decline in imports is attributed both to increased manufacturing costs and to changes in demand for certain types of footwear.

Women's and misses' footwear entered under TSUS item 700.45 retailed principally from about \$8 to \$20 a pair. Imports of such shoes have increased steadily from 20 million pairs in 1968 to 69 million pairs in 1973 (table 3).

TSUS item 700.55 which provides for various types of footwear of rubber or plastics consists, in major part, of zoris (thonged sandals suitable for beach and other casual wear), folding slippers, sandals and other casual shoes, which generally sell at retail for less than \$3 a pair. U.S. imports of zoris admitted under TSUSA item 700.5520 declined from 30 million pairs in 1968 to 23 million pairs in 1973. Imports of men's, youths', and boys' footwear having supported-vinyl uppers admitted under TSUSA item 700.5535 have increased from 7.7 million pairs in 1968 to 20.8 million pairs in 1972, and then declined slightly to 18.7 million pairs in 1973 (table 4). Imports of such footwear for women (TSUSA item 700.5545) increased without interruption from 68.6 million pairs in 1968 to 96.9 million pairs in 1973 (table 5).

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 (including Puerto Rico), 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 eight countries, 1970, 1971, and 1972

(In U.S. dollars)

Country	Industry	Published average hourly earnings ^{1/}			Estimated compensation per hour worked ^{2/}		
		1970	1971	1972	1970	1971	1972
Brazil	Clothing and footwear	^{3/} \$0.28	^{4/}	^{4/} \$0.41	^{4/} \$0.32	^{4/} \$0.37	^{4/} \$0.44
Hong Kong	Rubber footwear	^{5/} .30	\$0.35	\$0.41	^{5/} \$0.32	^{5/} \$0.37	\$0.44
Italy	Footwear ^{6/}	.60	.80	.93	1.09	1.42	1.62
Japan	Rubber products, including plastic footwear ^{7/}	.88	1.08	1.49	1.00	1.23	1.69
Korea	Rubber and plastic products ^{7/} ^{8/}	.18	.18	.18	.22	.22	.22
Spain	Clothing and footwear ^{8/}	.38	.43	.53	^{2/} .55	^{2/} .62	^{2/} .76
Taiwan	Rubber and plastic products ^{7/}	^{4/}	^{4/}	^{10/} .19	^{4/}	^{4/}	^{10/} .23
United States	Footwear, excluding rubber	2.43	2.53	2.63	2.95	3.09	3.24
	Rubber footwear	2.70	2.78	2.88	3.48	3.61	3.77
Puerto Rico	Nonrubber footwear	1.45	1.45	1.45	1.60	1.62	^{11/} 1.68

^{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 percentage 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.

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

^{4/} Not available.

^{5/} 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.

^{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 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 plastics shoe industry are home workers who are paid at a lower rate than the factory workers in that industry.

^{8/} Including salaried employees.

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

^{10/} 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 include annual bonuses and employer contributions to national insurance.

^{11/} August 1973.

Source: Based on data provided by U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labor Statistics 1973, International Labor 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--Yearbook of Labor Statistics, various issues, Ministry of Labour, Tokyo; Korea--Monthly Statistics of Korea, various issues, Economic Planning Board, Seoul; Spain--Yearbook 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

Uniroyal, Inc.

The corporation

Uniroyal was incorporated initially as the U.S. Rubber Co. in New Jersey, on March 30, 1892. The present corporate name was adopted on February 27, 1967. As of January 1, 1973, the corporation had a total of 108 plants, wholly or partly owned, of which 32 are situated in the United States, and 76, in various foreign countries. These plants are engaged in the manufacture of such products as footwear; pneumatic tires, tubes, and tire-repair and retreading materials; accessories for passenger cars, trucks, and airplanes, and for military, industrial, and recreational vehicles; farm implements; and accessories for mobile homes and for heavy construction, mining, and logging machinery.

Uniroyal, Inc., is the third largest rubber fabricator in the United States, with net sales of \$2.1 billion in 1973, \$1.8 billion in 1972, \$1.7 billion in 1971, and \$1.6 billion both in 1970 and in 1969. In 1973, the distribution of net sales by leading product lines was as follows: Tires and related products, 58 percent; industrial products, 16 percent; chemicals, rubber and plastics, 11 percent; and all other products, including footwear, 15 percent.

In 1973 the average number of all employees of Uniroyal was in excess of 64,000. At the same time, Uniroyal stockholders numbered

more than 68,000 (nearly of whom were 62,000 holders of common stock). The general offices of the corporation are located in Rockefeller Center, New York City.

Net operating profit for Uniroyal for 1972 (the latest year for which data were available at the time of this report), was \$96 million; this represented an increase over the corresponding figures for 1971 (\$93 million) and 1970 (\$64 million), but was below the corresponding figures for 1969 (\$103 million) and 1968 (\$121 million). Wages, salaries and employees' benefits paid by Uniroyal reached a record \$713 million in 1973, compared with \$655 million in 1972, \$603 million in 1971, and \$551 million in 1970. Capital expenditures by Uniroyal amounted to \$111 million in 1973, compared with \$88 million in 1972 and \$60 million in 1971.

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APPENDIX
STATISTICAL TABLES

Table 1.--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 ^{1/}	GATT concession ^{2/}	
			Rate	Effective date
		Percent ad val.	Percent ad val.	
700.35	Leather footwear:			
	"Other" footwear (including 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.
	"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 ^{3/}	10	Jan. 1-Dec. 31, 1969.
			8.5	Jan. 1-Dec. 31, 1970.
			7	Jan. 1-Dec. 31, 1971.
			6	Jan. 1, 1972.
700.60	Other footwear with uppers of fabric and soles of rubber or plastics.	35 ^{5/}	^{5/} 20	Sept. 10, 1955.

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

^{2/} For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows staged rates that became effective up to and including Jan. 1, 1972.

^{3/} 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 or 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 col. 2 rate for item 700.55 is 35 percent.

^{4/} 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.

^{5/} Effective Mar. 3, 1933, the basis for assessing the ad valorem rate of duty was changed from foreign (export) value to the "American selling price" of the "like or similar" domestic product (T.D. 46158).

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

Table 2.--Leather footwear for 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	Imports		
		Quantity <u>2/</u>	Value <u>2/</u>	Unit value
	Percent ad valorem	<u>1,000</u> pairs	<u>1,000</u> dollars	Per pair
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 shoes of the kinds reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575. These consist, in addition to cement process shoes, of 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 was restored Jan. 1, 1951, to June 5, 1951; effective June 6, 1951, the rate of duty was again lowered to 10 percent ad valorem pursuant to a GATT concession.

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

Table 3.--Leather footwear for women and misses, made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, specified years, 1939 to 1973

Year	Rate of duty <u>1/</u>		Imports	
	Item 700.43	Item 700.45	Item 700.43	Item 700.45
	<u>Percent</u> <u>ad valorem</u>	<u>Percent</u> <u>ad valorem</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968-----	19 :	18 :	34 :	20
1969-----	18 :	16 :	29 :	27
1970-----	17 :	14 :	37 :	35
1971-----	16 :	12 :	33 :	44
1972-----	15 :	10 :	25 :	61
1973 <u>2/</u> -----	15 :	10 :	17 :	69

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

2/ U.S. imports of sandals under item 700.41 amounted to about 2 million pairs in this year.

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

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 1/

Year	Rate of duty	Imports		
		Quantity	Value	Unit value
	<u>Percent</u>	<u>1,000</u>	<u>1,000</u>	
	<u>ad valorem</u>	<u>pairs</u>	<u>dollars</u>	<u>Per pair</u>
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 provisions 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 col. 2 rate for item 700.55 is 35 percent.

Table 5.--Footwear having supported-vinyl uppers for women and misses (item 700.5545): U.S. rates of duty and imports for consumption, 1964-73 1/

Year	Rate of duty	Imports		
		Quantity	Value	Unit value
	<u>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
1964 <u>2/</u> -----	<u>3/12.5</u>	27,574	12,429	\$0.45
1965 <u>2/</u> -----	12.5	29,579	13,564	.46
1966-----	12.5	33,239	17,024	.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
1972-----	6	89,776	104,907	1.22
1973-----	6	96,942	136,036	1.40

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

2/ Data are partly estimated.

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

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

Table 6.--Men's, youths', and boys' footwear having uppers of fabric and soles of rubber or plastic (item 700.60):
U.S. rates of duty and imports for consumption, 1965-73

Year	Rate of duty	Imports								
		700.6005 (ASP footwear)			700.6035 (Non-ASP footwear)			Total		
		Quantity	Value	Unit	Quantity	Value	Unit	Quantity	Value	Unit
		<u>1,000</u>	<u>1,000</u>	<u>Per</u>	<u>1,000</u>	<u>1,000</u>	<u>Per</u>	<u>1,000</u>	<u>1,000</u>	<u>Per</u>
<u>ad valorem</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>	
1965	20	4,248	3,395	\$0.80	1,468	1,051	\$0.72	5,716	4,446	\$0.78
1966	20	4,116	3,626	.88	2,058	1,372	.67	6,174	4,998	.81
1967	20	5,780	5,313	.92	2,861	1,871	.65	8,641	7,184	.83
1968	20	6,753	7,126	1.06	3,772	2,763	.73	10,525	9,889	.94
1969	20	6,401	7,875	1.23	4,234	3,203	.76	10,635	11,078	1.04
1970	20	7,220	8,544	1.18	6,029	8,280	1.37	13,249	16,824	1.27
1971	20	13,876	16,887	1.22	5,635	10,218	1.81	19,511	27,105	1.39
1972	20	9,383	13,750	1.47	5,230	7,462	1.43	14,613	21,212	1.45
1973	20	13,679	24,050	1.76	4,079	8,021	1.97	17,758	32,071	1.81

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

Table 7.--Women's and misses' footwear having uppers of fabric and soles of rubber or plastics (item 700.60):
U.S. rates of duty and imports for consumption, 1965-73

Year	Rate of duty	Imports								
		700.6015 (ASP footwear)			700.6045 (Non-ASP footwear)			Total		
		Quantity	Value	Unit	Quantity	Value	Unit	Quantity	Value	Unit
				value			value			value
	<u>Percent</u>	<u>1,000</u>	<u>1,000</u>	<u>Per</u>	<u>1,000</u>	<u>1,000</u>	<u>Per</u>	<u>1,000</u>	<u>1,000</u>	<u>Per</u>
	<u>ad valorem</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>
1965	20	8,223	4,658	\$0.57	8,207	3,227	\$0.39	16,430	7,885	\$0.48
1966	20	7,564	4,479	.59	8,960	3,476	.39	16,524	7,955	.48
1967	20	11,104	6,729	.61	10,323	4,131	.40	21,427	10,860	.51
1968	20	9,967	6,801	.68	11,885	5,401	.45	21,852	12,202	.56
1969	20	7,473	5,999	.80	10,992	5,402	.49	18,465	11,401	.62
1970	20	6,315	4,785	.76	13,006	7,712	.59	19,321	12,497	.65
1971	20	9,358	7,688	.82	14,821	9,328	.63	24,179	17,016	.70
1972	20	6,490	5,786	.89	16,330	11,499	.70	22,820	17,285	.76
1973	20	4,962	5,258	1.06	17,672	15,431	.87	22,634	20,689	.91

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

