

UNITED STATES TARIFF COMMISSION

MEN'S, WOMEN'S, CHILDREN'S AND INFANTS' SLIPPERS:  
FORMER WORKERS OF THE DOLLY NOVELTY SHOE CO., INC.,  
CLIFTON, N. J.

Report to the President  
on Investigation No. TEA-W-229  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 666  
Washington, D. C.  
April 1974

**UNITED STATES TARIFF COMMISSION**

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**COMMISSIONERS**

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George M. Moore  
J. Banks Young  
Italo H. Ablondi**

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

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



REPORT TO THE PRESIDENT

U.S. Tariff Commission  
April 26, 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-229 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 slippers (of the types provided for in items 700.35, 700.43, 1/ 700.55, 700.70, and 700.80 of the Tariff Schedules of the United States) produced by Dolly Novelty Shoe Co., Inc., Clifton, New Jersey, 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 March 5, 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. 9585) on March 12, 1974. No public hearing was requested and none was held.

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1/ Although item numbers 700.35 and 700.43 of the Tariff Schedules of the United States were included in the notice of investigation, it was established during the course of the Commission's investigation that Dolly Novelty Shoe Co., Inc., did not produce articles of the types provided for in those item numbers.

In the course of its investigation, the Commission obtained information from the petitioners, officials and former customers of Dolly Novelty Shoe Co., Inc., official government statistics, and the Commission's files.

#### Finding of the Commission

On the basis of its investigation, the Commission unanimously finds that articles like or directly competitive with slippers (of the types provided for in items 700.55, 700.60, 1/ 700.70, and 700.80 of the Tariff Schedules of the United States) produced by Dolly Novelty Shoe Co., Inc., Clifton, New Jersey, are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof.

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1/ Item number 700.60 of the Tariff Schedules of the United States (TSUS) was not included in the Commission's notice of investigation. During the course of the Commission's investigation, however, it was established that Dolly Novelty Shoe Co., Inc., produced slippers of the types provided for in item 700.60 of the TSUS. Although formal notice was not given of item 700.60, relevant information was obtained with respect to the firm's production and imports of like or directly competitive articles and was used to reach a decision on the merits.

Views of Chairman Bedell, Vice Chariman 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 considerations 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 Dolly Novelty Shoe Co., Inc., Clifton, N.J. have not been the major factor causing, or threatening to cause, the unemployment or underemployment of the Dolly Novelty Shoe Co., Inc., workers. Our determination is based on the following considerations:

The Dolly Novelty Shoe Co., Inc., Clifton, N.J., ceased production in February, 1973. It manufactured soft soled slippers for men, women, children, and infants which it sold at prices ranging from \$0.90 to \$2.35 per pair.

The Commission's investigation disclosed that the company had become unprofitable for causes other than concession generated increased imports and that the co-owners, who founded the business in 1933, were not inclined to continue in business.

Several factors contributed to the firm's losses. Increases in raw material costs in face of a declining market for the traditional soft soled house slippers, the type made by the Dolly Novelty Shoe Co., added to the losses.

The slipper market of today is considerably different than the house slipper market of 25 years ago. Consumers no longer draw a sharp line between slippers and shoes; the slipper is not confined to indoor use. The emphasis is now upon leisure and consumers generally want an easy relaxed casual look in footwear. For some uses, shoes have come to represent slippers to many people and vice versa. In other words, casual shoes have walked indoors to become house slippers. Conversely, many slippers sold for indoor wear have "walked out of the house, onto the patio, and onto city and suburban streets."

With the blurring of the distinction between slippers and casual footwear, the term "house slipper" has declined in populari-

ty since it does not convey to the consumer the conception of slippers as leisure footwear. A variety of terms, e.g., furries, paddies, wedgies, scuffs, moccasins, fluffies, barebacks, clogs, at home footwear, espadrilles, slip-ons, and leisure shoes, are being used to describe the footwear of the slipper market.

The use and styles of slippers have increased as a result of new materials, technological developments in production, and new fashions in wearing apparel.

The slippers produced by Dolly Novelty were the traditional style house or bedroom slipper, that is, a loose fitting slip-on not held to the foot by laces or straps and not intended for outdoor use. The market for consumption for this type of slipper has progressively declined for a number of years. Despite the possible opportunities for increased sales in the more modern slipper market, the firm stayed with its traditional styling and sales declined.

### Conclusion

On the basis of the foregoing, we conclude that imports were not the major factor causing, or threatening to cause, the unemployment or underemployment of the petitioning workers and therefore we have made a negative determination.

## Views of Commissioners Leonard and Young

Our determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear like or directly competitive with that produced by Dolly Novelty Shoe Co., Clifton, N.J., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 1/

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1/ Commissioners 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

Dolly Novelty Shoe Co., Inc., Clifton, N.J., which ceased production in February 1973, produced men's, women's, children's, and infants' soft-soled slippers. The slippers had uppers of vinyl or fabric; the soles were made of vinyl or composition material. Dolly Novelty also formerly produced slippers with leather uppers, but because of increases in leather prices in recent years, the firm discontinued the production of leather slippers about 1970. Women's slippers accounted for about 50 percent of the total output; men's slippers, for about 30 percent; and children's and infants' slippers, for the remainder. In recent years the bulk of the slippers produced by Dolly Novelty were sold at retail prices ranging from \$0.99 to \$3.99 a pair.

The slippers produced by Dolly Novelty were the traditional style house or bedroom slippers, that is, loose-fitting slip-ons not held to the foot by laces or straps and not intended for outdoor use. The slippers were constructed primarily by the soft-sole method, in which the upper and outsole are stitched together while inside out. The cement process was also used by Dolly Novelty, but to a much lesser degree. The cement process of slipper or shoe construction involves holding the outsole in place by means of an adhesive without stitching or tacking in the bottom assembly. Most domestic and imported slippers similar to the types once produced by Dolly Novelty are made by the soft-sole or cement method of construction.

The slipper market of today is considerably broader than the house-slipper market of 25 years ago. Consumers no longer draw a sharp line between slippers and shoes; the slipper is not confined to indoor use. The emphasis is now upon leisure, and consumers generally want an easy, relaxed, casual look in footwear. For some uses, to many people shoes have come to represent slippers and vice versa. In other words, casual shoes have walked indoors to become house slippers. Conversely, many slippers sold for indoor wear have walked out of the house, onto the patio, and onto city and suburban streets.

With the blurring of the distinction between slippers and casual footwear, the term "house slipper" has declined in popularity, since it does not convey to the consumer the conception of slippers as leisure footwear. A variety of terms, e.g., "furries," "paddies," "wedgies," "scuffs," "moccasins," "fluffies," "barebacks," "clogs," "at-home footwear," "espadrilles," "slip-ons," and "leisure shoes," are being used to describe the footwear of the slipper market.

The uses and styles of slippers have increased as a result of new materials, technological developments in production, and new fashions in wearing apparel. Simultaneously, consumer interest in a wide variety of footwear (as well as clothing) has increased, reflecting the changing age structure of the population, increasing per capita income, and a greater amount of time for leisure activities.

## U.S. Tariff Treatment

Applicable TSUS items

In the Tariff Schedules of the United States (TSUS) the term "slippers" (item 700.32) is defined as "footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto." In recent years only about 10 percent of the output of the domestic house-slipper industry (SIC product code 3142) has consisted of leather slippers of the types provided for in TSUS item 700.32. Currently, the great bulk of the domestic output of slippers consists of types of footwear described in various other TSUS items, e.g., 700.35, 700.43, 700.45, 700.55, and 700.60. 1/ The first three of these items (as well as item 700.32) provide for leather footwear; as indicated previously, Dolly Novelty Shoe Co., Inc., discontinued producing slippers with uppers of leather about 1970. Imported slippers that most closely resemble those produced by Dolly Novelty during the last few years of the firm's operations enter predominantly under TSUS items 700.55 and 700.60.

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1/ Leather slippers made by the turn process are entered under TSUS item 700.20, and certain slippers with uppers of fibers are entered under items 700.66 to 700.80. However, imports of such slippers are believed to be small.

TSUS item 700.55 provides for various types of footwear of rubber or plastics, including soft-sole footwear, the type of slippers produced by Dolly Novelty. Imports under this item consist predominantly of shoes, sandals, and other casual footwear with uppers of supported vinyl that are produced one width to a length for sale at self-service counters in variety stores, so-called discount stores, and department-store basements. Folding slippers, scuffs, and other inexpensive slippers account for a significant part of the total annual imports under this item; such slippers generally retail at \$2 to \$3 per pair.

TSUS item 700.60 provides for various types of footwear of fibers and rubber or plastics. The footwear admitted under 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. If there is no "like or similar" domestic footwear, the imports admitted under this item are subject to valuation under the regular valuation provisions of the U.S. tariff schedules. Nearly all of 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 the traditional styles of sneakers. The imported footwear admitted under item 700.60 for which the Customs Service has found no "like or similar" domestic product has included a large volume of slippers, scuffs, sandals, and other types of inexpensive casual footwear, as well as some sneakers. The slippers entered under TSUS item 700.60, which have fabric uppers with rubber or plastic soles, have generally retailed for less than \$3 per pair.

Imports entered under TSUS items 700.35, 700.43, and 700.45

consist of leather footwear in a wide range of styles, types, and prices. Produced principally by the cement process, these imports range 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 leather shoes. The footwear admitted under TSUS item 700.35 is for men, youths, and boys; and that under TSUS items 700.43 and 700.45 is for women, misses, children, and infants. Item 700.43 provides for footwear having a foreign (export) value not over \$2.50 per pair; item 700.45, for more expensive footwear. Although exact data are not available, it is believed that imports of leather slippers entered under these three item numbers have been small.

#### Rates of duty

The original schedules of the Tariff Act of 1930 did not specifically provide for the types of footwear of rubber or plastics that now constitute the bulk of the imports admitted under TSUS item 700.55. Prior to the effective date of the TSUS, imports of such footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/
- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

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1/ The principal kinds of footwear with 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.

- (4) In the early 1960's increasing quantities of plastic folding slippers of types now included in item 700.55 were dutiable under paragraph 1530(e), by similitude to leather slippers for housewear, at 10 percent ad valorem (a trade-agreement rate).

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 entered under item 700.55 is 6 percent ad valorem, reflecting the final stage of a five-stage Kennedy Round concession.

Canvas footwear (tennis shoes and sneakers), which is provided for in item 700.60, was originally dutiable at the rate of 35 percent ad valorem under paragraph 1530(e). Effective March 3, 1933 (T.D. 46158), the basis for assessing the statutory rate was changed from foreign (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. Pursuant to a concession granted under the General Agreement on Tariffs and Trade (GATT), the rate of duty on canvas footwear was reduced to 20 percent of the American selling price, effective September 10, 1955; the rate of duty is the same at the present time. Footwear entered under item 700.60 that is not like or similar to domestic articles, and therefore not subject to ASP valuation, is dutiable at 20 percent of the export value. 2/ Such footwear includes a substantial quantity of inexpensive slippers.

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

2/ 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., 2d sess.) (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.

The rate of duty originally applicable under paragraph 1530(e) of the 1930 Tariff Act to leather footwear of the types now included in TSUS items 700.32, 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 the footwear for men, youths, and boys (now in item 700.35) was reduced from 20 percent to 10 percent pursuant to a bilateral agreement with Mexico, which was terminated effective December 31, 1950. The 10-percent rate was restored, however, effective June 6, 1951, pursuant to a GATT concession. Currently, the footwear admitted under item 700.35 is dutiable at 8.5 percent ad valorem, the rate reflecting the final reduction pursuant to a three-stage Kennedy Round concession.

On women's, misses', children's, and infants' leather footwear of the types now provided for in TSUS items 700.43 and 700.45, the rate of duty remained at 20 percent ad valorem until January 1, 1968, when the first stage of the five-stage Kennedy Round concessions granted under the GATT became effective. These concessions provided for annual reductions of 1 percentage point in the rate applicable to such footwear valued not over \$2.50 per pair. The corresponding reductions in the rate applicable to the more expensive footwear were 2 percentage points. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent.

The rate of duty on leather slippers entered under TSUS item 700.32 was reduced to 10 percent ad valorem pursuant to a concession granted by the United States in the GATT, effective January 1, 1948. As a result of a concession granted in the Kennedy Round of negotiations under the GATT,

the rate was further reduced in five annual stages to the current 5 percent ad valorem.

The current rates of duty on slippers and other footwear with fabric uppers, dutiable under items 700.66 to 700.80, range from 7 percent to 15 percent ad valorem. Table 1 in the appendix shows the reduction in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under specified TSUS items, including 700.32, 700.35, 700.43, 700.45, 700.55, 700.60, and 700.66 to 700.80. Tables 2 and 3 show U.S. rates of duty and imports admitted under the two principal TSUS items--700.55 and 700.60--that provide for slippers of the types formerly produced by Dolly Novelty Shoe Co., Inc.

#### U.S. Consumption, Production, and Foreign Trade

Official data with respect to U.S. consumption of slippers are not available. Data on production and exports by the domestic house-slipper industry (SIC code 3142) are available, but U.S. imports of such slippers are not separately reported in official statistics. Imports of the restrictive category of leather slippers entered under TSUS item 700.32 are small, and imports of slippers entered under other TSUS item numbers account for an unknown portion of the total annual imports admitted under such item numbers.

U.S. production of slippers increased without interruption from 79 million pairs in 1964 to 105 million pairs in 1968, declined to 96 million pairs in 1970, and again increased, to 98 million pairs

in 1971 and 1972 to an estimated 99 million pairs in 1973. Women's slippers account for about two-thirds of the total domestic output; only about a tenth of the total corresponds to the types of leather slippers imported under TSUS item 700.32 (table 4). The graph on the following page shows that total annual production of slippers was fairly stable during the 1969-73 period. 1/

U.S. exports of house slippers have been quite small in recent years, averaging about 220,000 pairs annually during 1969-73. Such exports were equivalent to 0.2 percent of annual production in each of these years.

As stated previously, imports of leather slippers entered under TSUS item 700.32 are small; such imports declined without interruption from 357,000 pairs in 1969 to 85,000 pairs in 1973. Imports of leather slippers entered under items 700.35, 700.43, and 700.45 are believed to account for a very small portion of the total annual imports admitted under each of these item numbers.

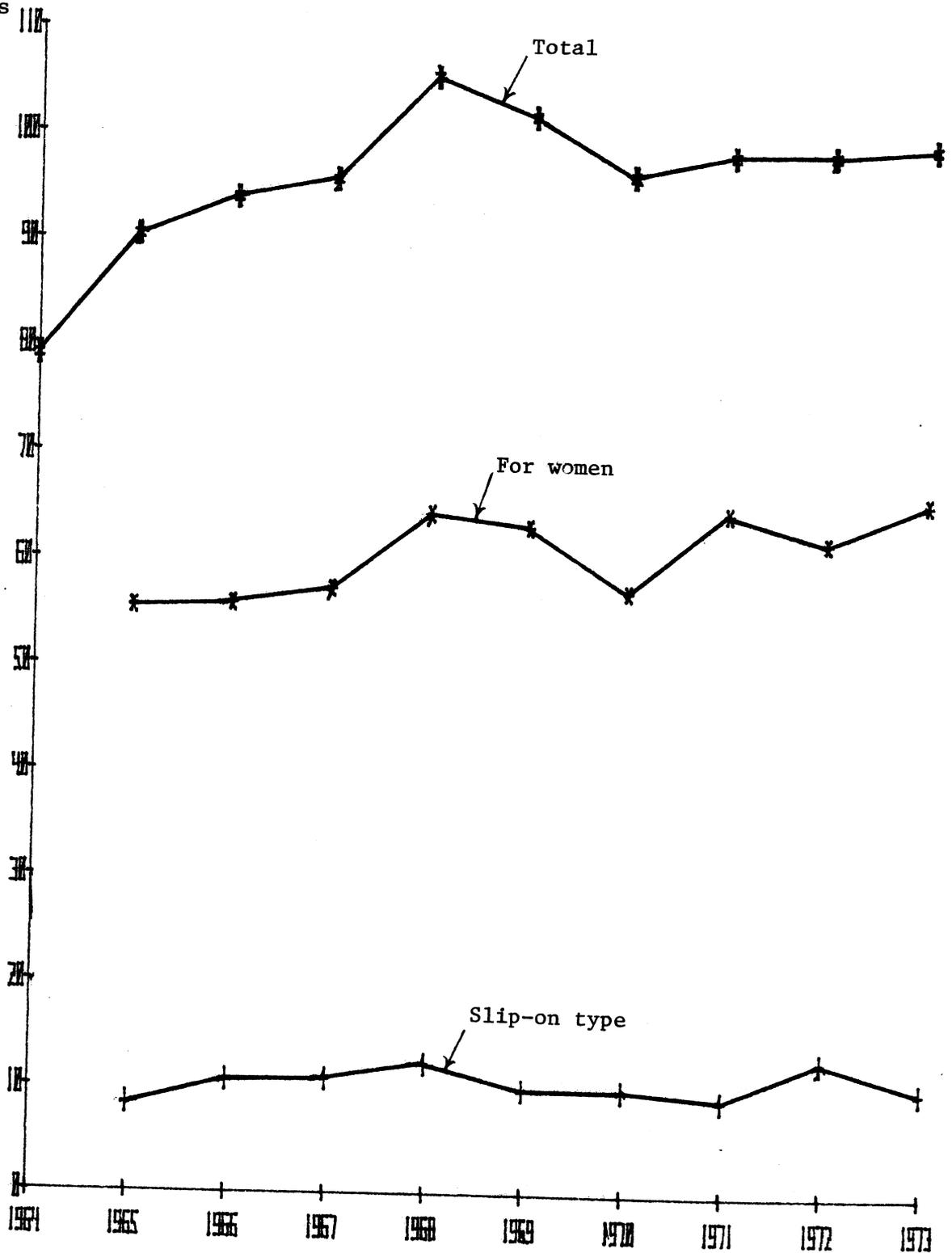
Annual imports of soft-sole footwear (similar to the slippers produced by Dolly Novelty) entered under TSUSA item 700.5523 averaged about 1.6 million pairs in 1969-73. Such footwear had an average dutiable value of \$1.19 per pair in 1973. In contrast to the imports of other footwear admitted under TSUS item 700.55, those of soft-sole footwear have not increased in the last decade (table 2). 2/ It should be noted, however,

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1/ Monthly production of slippers generally peaks during October and reaches its low point in December. Except in July, which appears to be a vacation month, production usually increases regularly during January-October.

2/ Imports of "other" footwear shown in table 2 increased at an average annual rate of almost 16 percent during 1964-73.

Million  
pairs



U.S. production of house slippers, by types, 1964-73.

Source: Official statistics of the U.S. Department of Commerce.

that item 700.55 includes imports of other inexpensive slippers of plastics (but without soft soles). According to a customs officer in New York City, slippers (of all types) account for an estimated 5 to 10 percent of the total imports admitted under this item number.

Slippers with uppers of fabrics and not dutiable on the ASP basis of valuation are believed to account for a significant part of the total annual imports entered under TSUS item 700.60. According to the same customs officer in New York, slippers (including scuffs, espadrilles, and the like) account for an estimated 40 to 45 percent of the total imports admitted under item 700.60. Total imports of footwear entered under item 700.60 have more than doubled in the last decade, rising from 29 million pairs in 1964 to 66 million pairs in 1973. As shown in table 3, almost all of the increase occurred in footwear not subject to ASP valuation. Non-ASP footwear entered under item 700.60 had an average unit value of \$1.00 in 1973.

## Distribution of Slippers by Wholesale Price Range

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Women's slippers accounted for about 50 percent of Dolly Novelty's total production; men's slippers, for about 30 percent; and children's and infants' slippers, for the remainder. As shown in the following table, about 85 percent of domestic production of slippers in 1972 was sold at the wholesale price of \$3 or less per pair.

House slippers: Distribution of domestic production,  
by manufacturer's selling price, 1972

(In percentages)

Manufacturer's selling price <u>1/</u>	Total	Men, youths and boys	Women, misses, children, infants, and babies
\$1.00 or less-----	4.9	<u>2/</u>	5.7
\$1.01 to \$2.00-----	45.7	20.5	51.9
\$2.01 to \$3.00-----	34.2	54.7	29.6
\$3.01 to \$4.00-----	9.5	7.7	12.8
\$4.01 to \$5.00-----	3.4	6.9	<u>3/</u>
\$5.01 to \$6.00-----	1.1	4.4	<u>3/</u>
\$6.01 to \$7.00-----	.8	3.9	<u>3/</u>
\$7.01 or more-----	.4	1.9	<u>3/</u>

1/ The retail selling price is generally about twice the manufacturer's selling price.

2/ Combined with higher price line to avoid disclosing the operations of individual companies.

3/ Combined with lower price line to avoid disclosing the operations of individual companies.

Source: U.S. Bureau of the Census, Footwear Production by Manufacturers' Selling Price, 1972.

## 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, 1970-72

(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	1970	1971	1972
Brazil	Clothing and footwear	3/ \$0.28	4/	4/	4/	4/	4/	4/	4/
Hong Kong	Rubber footwear	5/ .30	\$0.35	\$0.41	5/ \$0.32	5/ \$0.37	5/ \$0.37	5/ \$0.44	5/ \$0.44
Italy	Footwear 6/	.60	.80	.93	1.09	1.42	1.42	1.62	1.62
Japan	Rubber products, including plastic footwear 7/	.88	1.08	1.49	1.00	1.23	1.23	1.69	1.69
Korea	Rubber and plastic products 7/ 8/	.18	.18	.18	.22	.22	.22	.22	.22
Spain	Clothing and footwear 8/	.38	.43	.53	9/ .55	9/ .62	9/ .76	9/ .76	9/ .76
Taiwan	Rubber and plastic products 7/	4/	4/	10/ .19	4/	4/	10/ .23	10/ .23	10/ .23
United States	Footwear, excluding rubber	2.43	2.53	2.63	2.95	3.09	3.09	3.24	3.24
	Rubber footwear	2.70	2.78	2.88	3.48	3.61	3.61	3.77	3.77

<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 percentage 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.

<sup>3/</sup> Average for 1969; monthly earnings of 211.60 new 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 plastics 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 include annual bonuses and employer contributions to national insurance.

Source: Based on data provided by the U.S. Bureau of Labor Statistics from the following: Brazil--Year Book of Labour Statistics, 1973; International Labour Office, Geneva; Hong Kong--Annual Departmental Report, 1970-73, Commissioner of Labour, Hong Kong; Italy--Kassegna di Statistiche del Lavoro, various issues, Confederazione Generale 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.

A-15 through A-23

Data Relating to Dolly Novelty Shoe Co., Inc.

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STATISTICAL APPENDIX



Table 1.--U.S. rates of duty applicable to 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 <u>1/</u>	GATT concessions <u>2/</u>	
			Rate	Effective dates
		Percent ad val.	Percent ad val.	
	Leather footwear (except footwear with uppers of fibers):			
700.15	Moccasins-----	20	10	Jan. 1, 1948.
700.20	Turn or turned-----	10 <u>3/</u>	5	May 30, 1950-Dec. 31, 1967.
			4	Jan. 1, 1968-Dec. 31, 1969.
			3	Jan. 1, 1970-Dec. 31, 1971.
			2.5	Jan. 1, 1972.
700.32	Slippers-----	20	10	Jan. 1, 1948-Dec. 31, 1967.
			9	Jan. 1-Dec. 31, 1968.
			8	Jan. 1-Dec. 31, 1969.
			7	Jan. 1-Dec. 31, 1970.
			6	Jan. 1-Dec. 31, 1971.
			5	Jan. 1, 1972.
	"Other" footwear (including cement process):			
700.35	For men, youths, and boys-----	20	10	June 6, 1951-Dec. 31, 1967.
			9.5	Jan. 1-Dec. 31, 1968.
			9	Jan. 1, 1969-Dec. 31, 1970.
			8.5	Jan. 1, 1971.
	For other persons:			
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 which over 90 percent of the exterior surface area is rubber or plastics (includ- ing supported vinyl)	Princi- pally 20 <u>4/</u>	<u>5/</u> 12.5	Aug. 31, 1963-Dec. 31, 1967.
			11	Jan. 1-Dec. 31, 1968.
			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 fabrics and soles of rubber or plastics.	35 <u>6/</u>	<u>6/</u> 20	Sept. 10, 1955.
	Footwear with uppers of fibers: With soles of leather:			
<u>7/</u> 700.66	Valued not over \$2.50 per pair-----	35	20	Apr. 21, 1948-Dec. 31, 1967.
			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.

See footnotes at end of table.

Table 1.--U.S. rates of duty applicable to footwear of the types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972--Continued

TSUS item No.	Abbreviated description	Rate of duty		
		July 1, 1934 <sup>1/</sup>	GATT concessions <sup>2/</sup>	
			Rate	Effective dates
		Percent ad val.	Percent ad val.	
	Footwear with uppers of fibers--Con- tinued			
	With soles of leather--Continued			
<u>7/</u> 700.68	Valued over \$2.50 per pair-----	35	20	Apr. 21, 1948-Dec. 31, 1967.
			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.
	With soles of other material:			
700.70	With uppers of vegetable fibers----	35	17.5	Jan. 1, 1950-June 29, 1956.
			16.5	June 30, 1956-June 29, 1957.
			15.5	June 30, 1957-June 29, 1958.
			15	June 30, 1958-Dec. 31, 1967.
			13	Jan. 1-Dec. 31, 1968.
			12	Jan. 1-Dec. 31, 1969.
			10	Jan. 1-Dec. 31, 1970.
			9	Jan. 1-Dec. 31, 1971.
			7.5	Jan. 1, 1972.
700.75	With soles and uppers of wool felt.	35	17.5	June 6, 1951-June 30, 1962.
			15.5	July 1, 1962-June 30, 1963.
			14	July 1, 1963-Dec. 31, 1967.
			12.5	Jan. 1-Dec. 31, 1968.
			11	Jan. 1-Dec. 31, 1969.
			9.5	Jan. 1-Dec. 31, 1970.
			8	Jan. 1-Dec. 31, 1971.
			7	Jan. 1, 1972.
700.80	Other-----	35	25	Sept. 10, 1955-Dec. 31, 1967.
			22	Jan. 1-Dec. 31, 1968.
			20	Jan. 1-Dec. 31, 1969.
			17	Jan. 1-Dec. 31, 1970.
			15	Jan. 1-Dec. 31, 1971.
			12.5	Jan. 1, 1972.

<sup>1/</sup> Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

<sup>2/</sup> For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows staged rates scheduled to become effective up to and including Jan. 1, 1972.

<sup>3/</sup> Effective Jan 1., 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

<sup>4/</sup> Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported-vinyl uppers (with soles other than india rubber) 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), principally 20 percent ad valorem. The col. 2 rate for item 700.55 is 35 percent.

<sup>5/</sup> The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456), to replace the wide range of rates previously applicable to the various types of footwear provided for in this item.

<sup>6/</sup> 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).

<sup>7/</sup> Effective Jan. 1, 1968, new items 700.66 and 700.68 replaced item 700.65.

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.--Certain footwear with uppers of rubber or plastics (item 700.55): 1/  
U.S. rates of duty and imports for consumption, 1964-73

Year	Rate of duty	Imports													
		Soft-sole footwear						Other <u>1/</u>						Total <u>1/</u>	
		Quantity: 1,000 pairs	Value: 1,000 dollars	Unit value: Per pair											
1964--	12.5	1,792	507	\$0.28	37,851	17,965	\$0.47	39,643	18,472	\$0.46					
1965--	12.5	7,930	1,166	.15	46,996	20,724	.44	54,926	21,890	.40					
1966--	12.5	1,994	537	.27	48,634	26,322	.54	50,628	26,859	.53					
1967--	12.5	1,120	553	.49	65,566	38,829	.59	66,686	39,382	.59					
1968--	11	1,515	775	.51	88,346	62,441	.71	89,861	63,216	.70					
1969--	10	1,717	914	.53	95,192	80,244	.84	96,909	81,158	.84					
1970--	8.5	1,585	1,118	.70	107,777	112,281	1.04	109,362	113,399	1.04					
1971--	7	1,516	1,098	.72	124,590	155,862	1.25	126,106	156,960	1.24					
1972--	6	1,645	1,251	.76	132,755	172,276	1.30	134,400	173,527	1.29					
1973--	6	1,445	1,718	1.19	141,242	215,194	1.52	142,687	216,912	1.52					

1/ Excludes zories.

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

Table 3.--Rubber-or plastic-soled footwear with fabric uppers (item 700.60):  
U.S. rates of duty and imports for consumption, 1964-73

Year	Rate of duty	Imports											
		ASP Footwear					Non-ASP Footwear					Total	
		Quantity: 1,000 pairs	Value: 1,000 dollars	Unit value: Per pair									
1964--	20	21,346	13,416	\$0.63	7,717	3,768	\$0.49	29,063	17,184	\$0.59			
1965--	20	17,576	10,521	.60	15,787	7,093	.45	33,363	17,614	.53			
1966--	20	16,888	11,068	.66	18,172	7,950	.44	35,060	19,018	.54			
1967--	20	23,253	15,485	.67	21,406	9,904	.46	44,659	25,389	.57			
1968--	20	23,729	18,105	.76	25,471	13,241	.52	49,200	31,346	.64			
1969--	20	18,775	17,339	.92	25,688	15,840	.62	44,463	33,179	.75			
1970--	20	18,156	17,193	.95	31,570	27,495	.87	49,726	44,688	.90			
1971--	20	28,474	28,965	1.02	34,398	33,008	.96	62,872	61,973	.98			
1972--	20	20,139	24,307	1.21	37,881	33,413	.88	58,020	57,720	.99			
1973--	20	24,184	36,647	1.52	42,056	41,913	1.00	66,240	78,560	1.19			

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

Table 4.--U.S. production of house slippers, by types, 1964-73

Year	(In thousands of pairs)					
	Total	Slip-on: type 1/ and boys:	For men, youths, and boys:	For women and babies	For misses, children, infants, and babies	
1964	78,906	2/	2/	2/	2/	
1965	90,231	8,365	14,296	55,426	12,144	
1966	93,823	10,695	13,833	55,812	13,483	
1967	95,620	10,861	14,859	57,247	12,653	
1968	105,437	12,363	17,037	64,353	11,684	
1969	101,735	9,949	16,764	63,162	11,860	
1970	96,181	9,986	17,942	57,103	11,150	
1971	98,147	9,122	14,670	64,520	9,835	
1972	98,272	12,812	13,227	61,862	10,371	
1973 3/	99,054	10,025	14,139	65,670	9,220	

1/ All slippers of the slip-on type with underwedge heel or blown sponge-rubber midsole.

2/ Not available.

3/ Data for the last 2 months were estimated, with data for those months assumed to be the same as for the corresponding period of 1972.

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

