

**UNITED STATES TARIFF COMMISSION**

**FOOTWEAR FOR WOMEN AND MISSES:  
FORMER WORKERS OF WEISS-LAWRENCE, INC.,  
DOVER, N. H.**

**Report to the President  
on Investigation No. TEA-W-246  
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 699  
Washington, D. C.  
November 1974**

**UNITED STATES TARIFF COMMISSION**

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

## C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	2
Views of Chairman Bedell, Vice Chairman Parker, and Commissioner Moore-----	3
Views of Commissioner Minchew-----	6
Dissenting Views of Commissioner Leonard-----	10
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment:	
Applicable TSUS items-----	A-4
Rates of duty-----	A-5
U.S. consumption, production, and imports-----	A-8
Prices-----	A-11
U.S. and foreign wage rates-----	A-13
Data relating to Weiss-Lawrence, Inc.:	
Corporate structure, plant, and equipment-----	***
Product and prices-----	***
Production and sales-----	***
Financial experience-----	***
Material costs-----	***
Employment and wages-----	***
Distribution-----	***
Comments from customers-----	***
Comments by a company official-----	***
Comments by former workers of Weiss-Lawrence, Inc-----	***
Appendix A. Statistical tables-----	A-39
Appendix B. Newspaper articles relating to Weiss-Lawrence, Inc-----	A-45
Appendix C. Arrangements submitted for confirmation by the bankruptcy court under chapter XI-----	***

### Figures

1. U.S. consumption, production, and imports of women's non- rubber footwear, 1967-73-----	A-10
2. Weiss-Lawrence, Inc.: Production of footwear, fiscal years ended Aug. 31, 1967-74-----	A-10
3. Weiss-Lawrence, Inc.: Average number of production workers and total hours worked, 1970-74-----	***

## CONTENTS

## Appendix Tables

	<u>Page</u>
1. U.S. rates of duty applicable to women's and misses' footwear of the types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972-----	A-40
2. Women's and misses' leather footwear made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-73, January-June 1973, and January-June 1974-----	A-41
3. Women's or misses' leather footwear 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, January-June 1973, and January-June 1974-----	A-42
4. Women's and misses' footwear with supported-vinyl uppers (TSUS item 700.55): U.S. rates of duty and imports for consumption, 1966-73, January-June 1973, and January-June 1974-----	A-43
5. Nonrubber footwear for women and misses: U.S. imports, by selected TSUS items, 1968-73, January-June 1973, and January-June 1974-----	A-44

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,  
November 8, 1974.

To the President:

In accordance with section 301 of the Trade Expansion Act of 1962 (TEA) (19 U.S.C. 1901), the U.S. Tariff Commission herein reports the results of investigation No. TEA-W-246 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 women, misses, and children (of the types provided for in items 700.45 and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Weiss-Lawrence, Inc., Dover, N.H., 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 September 13, 1974, on the basis of a petition for adjustment assistance filed on behalf of the former workers of Weiss-Lawrence, Inc. The petition was received on September 9, 1974.

Notice of the investigation was published in the Federal Register (39 F.R. 33752) on September 19, 1974. No public hearing was requested, and none was held.

The information in this report was obtained principally from the petitioners, the officials and customers of Weiss-Lawrence, Inc., official Government statistics, and the Commission's files.

### Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioners Leonard and Ablondi dissenting) that articles like or directly competitive with footwear for women, misses, and children (of the types provided for in items 700.45 and 700.55 of the Tariff Schedules of the United States) produced by Weiss-Lawrence, Inc., Dover, N.H., are, 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 the unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof.

Views of Chairman Bedell, Vice Chairman Parker,  
and Commissioner Moore

This investigation was made in response to a petition filed on behalf of the former workers of Weiss-Lawrence, Inc., Dover, N.H., for a determination of their eligibility to apply for adjustment assistance under section 301(a)(2) of the Trade Expansion Act of 1962 (TEA). Weiss-Lawrence ceased production of footwear in its two Dover plants in August 1974. The petitioning workers produced women's and misses' casual shoes. These shoes were constructed by the cement process, mostly with leather uppers, and they retailed from about \$8 to \$16 a pair.

As we have stated in previous cases, the Commission, in order to make an affirmative determination under section 301(c)(2) of the TEA must find that the following four criteria are met:

- (1) Articles like or directly competitive with those produced by the workers' firm are being imported in increased quantities;
- (2) The increased imports are a 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 with unemployment or underemployment; 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.

Our judgment is that each of the four criteria listed above has been met; hence we have made an affirmative determination. Our determination is based on the following considerations.

Imports have increased and are a result in major part of trade-agreement concessions.--U.S. imports of nonrubber footwear for women and misses increased from 133 million pairs in 1968 to 212 million pairs in 1973. The share of U.S. consumption accounted for by such imports increased from 29 percent to 53 percent during the same period.

The great bulk of the footwear produced by Weiss-Lawrence, if imported would be dutiable under TSUS item 700.45, which provides for leather footwear with a foreign (export) value of over \$2.50 a pair. Imports entered under this item have more than tripled during the period 1968-73, increasing from about 20 million pairs in 1968 to about 69 million pairs in 1973. As a result of concessions granted in the Kennedy Round of trade negotiations, the rate of duty for TSUS item 700.45 was reduced by 50 percent during 1968-72, from 20 percent ad valorem in 1967 to 10 percent ad valorem in 1972. Thus the substantial increase in imports of footwear most like that produced by Weiss-Lawrence coincided with the relevant trade-agreement concessions.

The workers are unemployed.--Weiss-Lawrence ceased operations on August 23, 1974, and the workers employed at that time were laid off.

Imports are the major factor causing the unemployment.--The increase in concession-generated imports of footwear like or directly competitive with that produced by Weiss-Lawrence caused a marked decline in the

firm's shipments in recent years, culminating in the decision to lay off its workers and terminate production in August 1974. The value of women's and misses' footwear produced by the firm dropped from \* \* \* in fiscal 1970 to \* \* \* in fiscal 1974.

After making small profits in fiscal 1971 and fiscal 1972, Weiss-Lawrence sustained a substantial loss in 1973, and an even larger loss in 1974. The firm's principal customers, accounting for about three-fourths of its total sales, advised the Commission that they increasingly turned to foreign sources for their requirements because of the price advantage offered by imported shoes.

Conclusion.--We conclude that, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with those produced by the workers of Weiss-Lawrence, Inc., are being imported into the United States in such increased quantities as to cause the unemployment of a significant number of the workers of such firm and such workers have, therefore, met the statutory requirements for eligibility to apply for adjustment assistance as authorized by the Trade Expansion Act of 1962.

## Views of Commissioner Minchew

In response to the petition filed on behalf of the former workers of Weiss-Lawrence, Inc. (a bankrupt former manufacturer of women's and misses' casual footwear), Dover, N.H., for a determination of their eligibility to apply for adjustment assistance under section 301(c)(2) of the Trade Expansion Act of 1962 (TEA), I have concluded that the statutory requirements set forth in section 301(c) of that act are met and, accordingly, I have made an affirmative determination.

The TEA sections 301(c)(2) and (3) state that--

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is 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 subdivision.

(3) For purposes of paragraph . . . (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

The relevant facts are as follows:

- (1) A petition was received by the Commission on September 9, 1974, on behalf of the workers.
- (2) The Commission instituted an investigation on September 13, 1974.
- (3) The investigation indicated that the imported articles most nearly like those produced by the workers' firm (i.e., women's and misses' casual leather footwear) are entered

under TSUS item 700.45, and imports of these articles increased from 20 million pairs in 1968 to 69 million pairs in 1973.

- (4) The investigation established that a five-stage trade-agreement tariff reduction for TSUS item 700.45 took place between 1968 and 1972 (i.e., the concessions negotiated in the Kennedy Round of multilateral tariff bargaining), reducing the tariff applicable to imports entered under TSUS item 700.45 from a rate of 20 percent ad valorem to a rate of 10 percent ad valorem over the 5-year period.
- (5) The investigation showed that in the 5 years preceding the initial concession in 1968, imports entered under TSUS item 700.45 increased 26 million pairs over the quantity entered in 1962, and in the 5 years following the initial concession, imports increased by 49 million pairs over the quantity entered in 1968.
- (6) The investigation showed that in the 5 years preceding the initial concession in 1968, domestic shipments of all women's and misses' nonrubber footwear decreased 39 million pairs from the quantity entered in 1962, and in the 5 years following the initial concession in 1968, such shipments decreased by 132 million pairs.
- (7) The investigation indicated that while Weiss-Lawrence's management and styling may not have been perfect, customers turned to imports rather than other domestically made footwear to replace articles formerly bought from the workers' firm.
- (8) The investigation established that the workers' firm filed a bankruptcy petition in December 1973 and ceased operations completely in August 1974, resulting in the unemployment of all workers.

In my judgment, each investigation presents two types of facts, which I will term the "straightforward" and the "inferential." The straightforward facts are clearly evident in terms of the statute, and the inferential facts are established by the interrelationships of various factors, causes, and elements as they impinge on the facts to bring about the results evident in the investigation. In order that a standard of sufficient quality be maintained, an inferential fact will have to be more than

merely coincident. This approach gives the opportunity of developing inferential facts, thus giving the degree of flexibility of judgment that in my opinion the Congress intended in framing the language of the statute, and at the same time establishes a predictable standard against which petitions must be judged.

Applying the above standard to this case, I feel that all parts of the statute are met by straightforward facts, with two exceptions. Clearly, imports of footwear like or directly competitive with the footwear produced by the workers' firm are being imported in increased quantities. It is also quite evident that a significant number or proportion of the workers are unemployed. By my inferential test I conclude that the other requirements of the statute are met because they are supported by facts other than merely coincident. 1/ First, the "as a result in major part" phrase is met in my opinion because of the apparent causal relationship between the fact of the concession followed by increased imports followed by drastic reductions in domestic shipments of similar products (items 4, 5, and 6 above). Second, the "that increased imports have been the major factor" phrase is established inferentially from the fact that when major customers turned to alternate suppliers, they substituted imported footwear rather than footwear of other domestic firms whose styling and management might have been better than that of Weiss-Lawrence (items 7 and 8 above).

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1/ However, I can imagine other cases where facts which are straightforward in this case might have to be determined inferentially, and vice versa.

On the basis of the foregoing considerations, I have concluded that the statutory requirements are met for an affirmative determination in this case.

Dissenting Views of Commissioner Leonard 1/

My 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 for women, misses, and children like or directly competitive with that produced by Weiss-Lawrence, Inc., Dover, N.H., is the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in a statement of my views in an earlier Commission investigation under the Trade Expansion Act. 2/

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1/ Commissioner Ablondi concurs in the result.

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

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The output of Weiss-Lawrence, Inc., of Dover, N.H., prior to cessation of operations on August 23, 1974, consisted of women's and misses' 1/ casual shoes. (At one time the firm produced children's shoes, but such production was terminated in 1964.) The great bulk of these shoes had uppers of leather; a very small part had uppers of manmade materials or a combination of leather and manmade material. The soles were made of crepe (rubber) or composition material; the heels, of crepe or plastics. The shoes were constructed by the cement process, in which the outsole is attached to the upper by an adhesive without sewing. The retail price range of Weiss-Lawrence shoes gradually increased during 1970-74 from \$8 to \$12 per pair to \$12 to \$16 per pair.

In general, the principal features of women's and misses' shoes that determine the occasion or activity for which a particular pair is suitable--and thus the trade designations such as "casual" or "dress"--are the cut of the uppers, the style and height of the heels, the material used for the uppers, the kind of ornamentation, and the material and construction of the soles. In commercial usage, however, these descriptive terms for footwear may have various meanings. Some of them are specifically defined for tariff purposes in the headnotes (including the statistical headnotes) to part 1, subpart A of schedule 7 of the Tariff Schedules of the United States Annotated (TSUSA).

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1/ In this report, as in the Tariff Schedules of the United States, the terms "women's" and "misses'" are used to differentiate size categories of footwear, not age of wearer, as follows: "Women's" refers to U.S. women's sizes 4 and larger, and "misses'" refers to U.S. misses' sizes 12-1/2 and larger but not as large as U.S. women's size 4.

The distinction between women's and misses' casual and dress shoes has diminished. Women today wear shoes suitable to their lifestyles, and footwear has become the most important fashion accessory. As changes have occurred in dress lengths and as trousers and other casual attire have become increasingly acceptable for almost every occasion, footwear styles have changed accordingly. In the 1970's, footwear styles with 1-inch soles and even higher platforms became popular. A variety of materials--crepe rubber, "marshmallow" (pliable synthetic), leather combinations, and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom assemblies were even colored, painted or sculptured. During 1970-72, such platform styles dominated most women's and misses' footwear. In 1973, platforms became less extreme, but, although that trend has continued into 1974, bottoms continue to be a key interest in shoe design. Women's and misses' footwear for casual wear includes certain sandals, espadrilles, indoor-outdoor slippers, clogs, oxfords, desert boots, moccasins, and sneakers.

It is estimated that about 50 percent of the women's and misses' non-rubber shoes produced in the United States in 1973 had leather uppers, compared with nearly 70 percent in 1970. The American Footwear Industries Association (AFIA) indicates that, owing to the recent shortage of hides and the consequent increases in prices of leather, prices of women's and misses' leather footwear have risen steadily. The president of the AFIA has further indicated that, as the prices of leather footwear increased, shoes made from manmade materials--polyurethane, polymeric, and nylon velvets--gained a larger percentage of the U.S. market.

Footwear of manmade 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 illustrate the changes in the shares of the total U.S. nonrubber footwear market supplied by leather and by manmade materials.

Percentages of total U.S. output of nonrubber footwear accounted for by uppers of leather and by uppers of 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.

Source: Compiled from data supplied by the American Footwear Industries Association.

Industry sources report that, owing to recent and possibly worsening shortages of petrochemically derived materials, however, a reversal is possible in the trend indicated above.

## U.S. Tariff Treatment

Applicable TSUS items

About 95 percent of the footwear produced by Weiss-Lawrence, if imported into the United States, would be dutiable under TSUS item 700.45. This item provides for imported leather footwear having a foreign (export) value of over \$2.50 a pair. Such imports--which account for most of those with leather uppers constructed by the cement process--consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, a substantial part of the imports under this item in recent years have consisted of women's inexpensive sandals for both casual and dress wear. The remainder have probably consisted chiefly of women's and misses' cement-process casual and dress shoes of moderate price (i.e., in the retail range of \$8 to \$20 a pair).

Women's and misses' imported footwear with supported-vinyl uppers--the type of footwear which accounted for about 5 percent of annual output by Weiss-Lawrence, Inc.--dutiable under TSUS item 700.55, has in recent years consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length, for sale at self-service counters in variety stores, discount stores, and department-store basements, and (2) folding slippers, sandals, and other inexpensive footwear. It is believed that before 1970 a negligible portion of the imports of women's and misses' casual and dress shoes admitted under item 700.55 retailed (like the Weiss-Lawrence shoes) at about \$10 a pair, and that in 1971-73 less than 10 percent did so.

Other TSUS items under which women's and misses' casual footwear like or directly competitive with that produced by Weiss-Lawrence may be imported are items 700.20 and 700.43. Footwear entered under item 700.20-- of leather uppers and constructed by the turn process--does not differ significantly in appearance from footwear entered under items 700.45 and 700.55. Imports of turned footwear under item 700.20 have been relatively small. Footwear entered under item 700.43-- which provides for leather footwear having a foreign (export) value of \$2.50 or less--has essentially the same range of styles and types as that entered under items 700.45 and 700.55. A small quantity of footwear produced by Weiss-Lawrence in 1970-71 would have been dutiable under item 700.43 if imported into the United States.

#### Rates of duty

In the Tariff Act of 1930, women's and misses' leather footwear of cement-process construction was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Such footwear is provided for in the TSUS, which became effective on August 31, 1963, under items 700.43 and 700.45. The rate of duty was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade (GATT). The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent.

Prior to the Kennedy Round, the rate of duty on leather turn or turned footwear (now provided for under TSUS item 700.20) was first

reduced on January 1, 1932, from 20 percent ad valorem to 10 percent, pursuant to section 336 of the Tariff Act of 1930. The 10-percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent pursuant to a concession, effective May 30, 1950, granted under the GATT. The current rate for item 700.20 is 2.5 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 women's and misses' 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). 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.

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. 2/ The current rate on footwear with supported-vinyl uppers

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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) at a rate of 20 percent ad valorem.

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

is 6 percent ad valorem, reflecting the final stage, effective January 1, 1972, of a five-stage concession granted in the Kennedy Round.

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 700.20, 700.43, 700.45, and 700.55. Tables 2 through 5 show U.S. imports of women's and misses' shoes admitted under the TSUS items mentioned above and the applicable rates of duty.

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

During the period 1965-73, apparent annual U.S. consumption of women's and misses' nonrubber footwear (including dress and casual) rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968 and then declined to 402 million pairs in 1973. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 190 million pairs in 1973. Annual U.S. imports tripled during this period, and their share of the market increased without interruption from 17 percent to 53 percent, as shown in the table and figure on the following pages.

In January-June 1974, apparent consumption of women's and misses' nonrubber footwear was about 10 percent lower than in the same period of 1973. U.S. production for this period dropped from 104 million to 98 million pairs, or by about 6 percent, while imports declined from 127 million to 110 million pairs, or by about 13 percent.

Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan), the principal supplier of women's vinyl footwear.

Nonrubber footwear for women and misses: U.S. production, imports for consumption, and apparent consumption, 1965-73, January-June 1973, and January-June 1974

Period	Produ-	Imports	Apparent	Ratio of
	tion <u>1/</u>	<u>2/</u>	consump-	imports to
	tion <u>1/</u>	<u>2/</u>	tion <u>3/</u>	apparent
	Million	Million	Million	consumption
	pairs	pairs	pairs	Percent
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
1972-----	223	198	421	47
1973-----	190	212	402	53
January-June--				
1973-----	104	127	231	55
1974-----	<u>4/</u> 98	110	208	53

1/ Production represents the output of women's and misses' footwear as reported by the U.S. Bureau of the Census, plus shipments to the U.S. mainland from Puerto Rico.

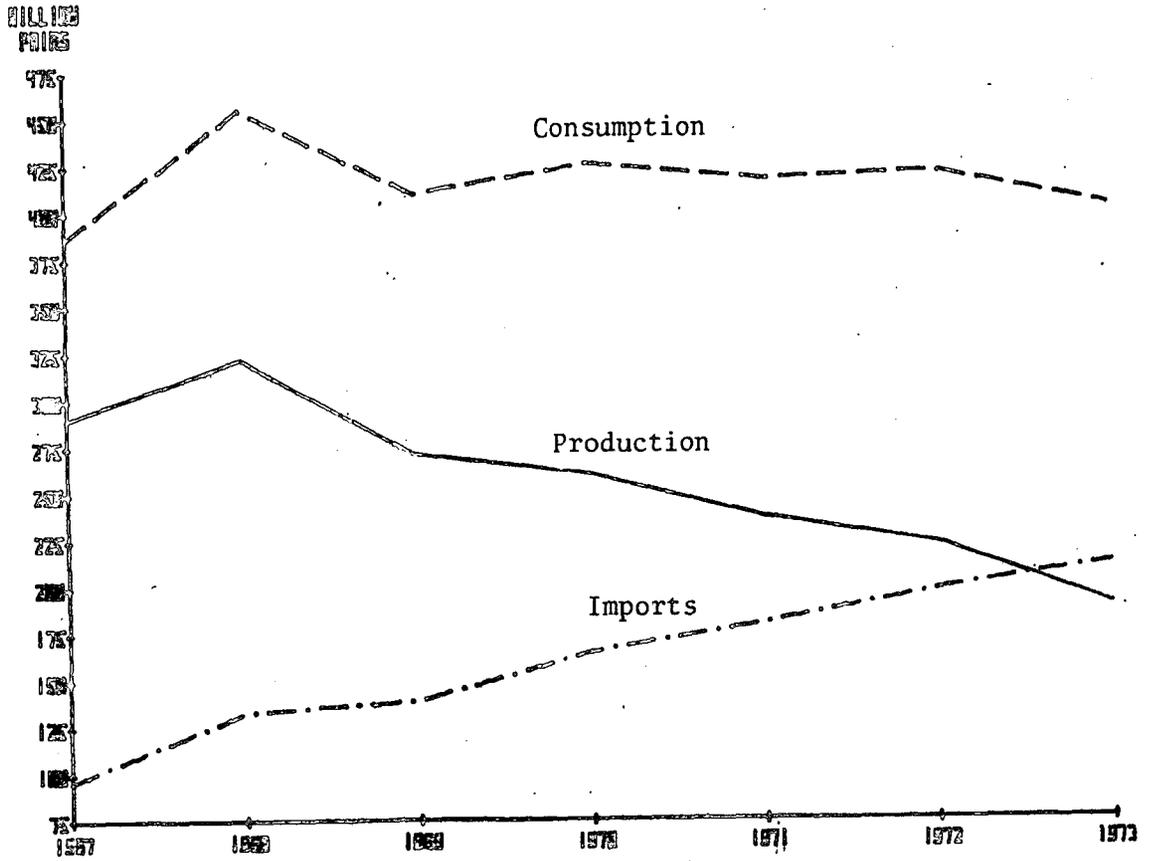
2/ Partly estimated from the official statistics for footwear of the kinds described in pt. 1A of schedule 7 of the TSUSA except imports described in items 700.32, 700.51, 700.52, 700.53, and 700.60 and except zoris (very inexpensive thonged sandals of rubber or plastics), dutiable under item 700.55. Includes imports of misses' footwear, which have been negligible compared with those of women's.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1973 amounted to about 1 million pairs.

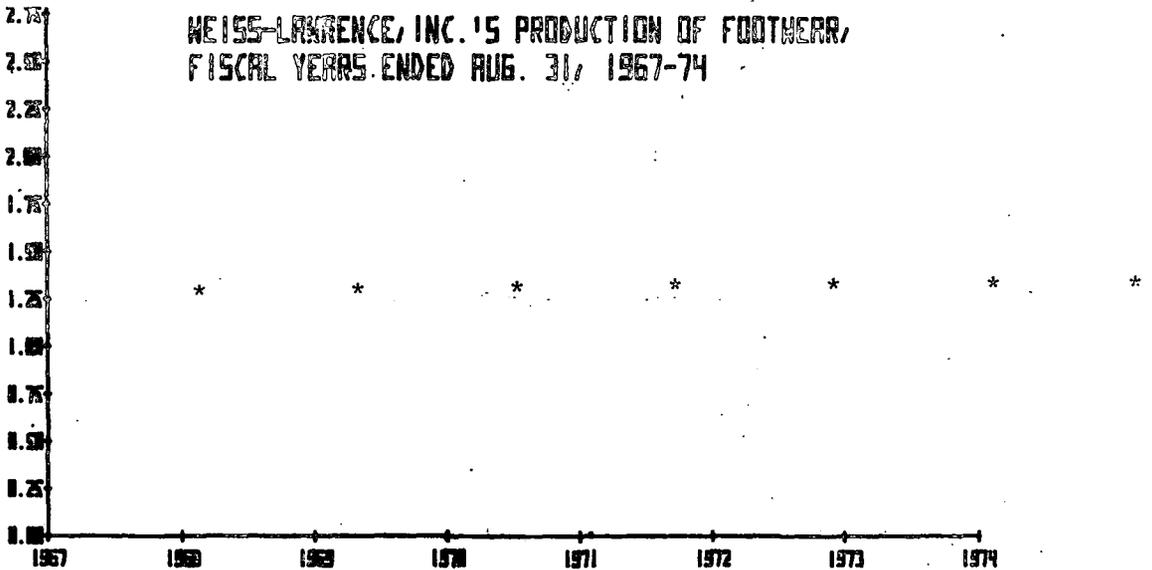
4/ Estimated.

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

U.S. CONSUMPTION, PRODUCTION, AND IMPORTS  
OF WOMEN'S NONRUBBER FOOTWEAR, 1967-73.



WEISS-LAWRENCE, INC.'S PRODUCTION OF FOOTWEAR,  
FISCAL YEARS ENDED AUG. 31, 1967-74



Source: Table on p. 9 and data submitted to the Commission by Weiss-Lawrence, Inc.

Prices

As indicated earlier in this report, the women's and misses' shoes produced by Weiss-Lawrence retailed from about \$8 to \$16 a pair in 1970-74. As shown in the table on the next page, about 59 percent of domestic production and about 31 percent of imports of women's and misses' non-rubber footwear in 1972 retailed in the price range of \$6 to \$16, which encompasses the retail price range of Weiss-Lawrence's output.

In fiscal years 1971-74, 95 percent or more of Weiss-Lawrence's production retailed in the price range of \$10 to \$16 (see p. A-21). The data on page A-12 show that in 1972, imports accounted for about 41 percent of apparent U.S. consumption of women's and misses' footwear in that price range.

Women's and misses' nonrubber footwear: Estimated Distribution of U.S. production, imports for consumption, and apparent consumption, by estimated retail selling price, 1972

Estimated retail selling price	Production	Imports	Apparent consumption	Percent of total--		Ratio of imports to consumption
				Production	Imports	
	Million pairs	Million pairs	Million pairs			Percent
\$3.00 or less-----	2.2	65.3	67.5	1	33	97
\$3.01 to \$6.00-----	13.4	45.6	59.0	6	23	77
\$6.01 to \$10.00-----	80.3	25.7	106.0	36	13	24
\$10.01 to \$16.00-----	51.3	35.7	87.0	23	18	41
\$16.01 to \$22.00-----	55.7	15.8	71.5	25	8	22
\$22.01 to \$28.00-----	15.6	5.9	21.5	7	3	27
\$28.01 or more-----	4.5	4.0	8.5	2	2	47
Total-----	223.0	198.0	421.0	100	100	47

Source: Estimated from official statistics of the U.S. Department of Commerce. Estimated distribution of domestic production from U.S. Bureau of the Census, Footwear Production by Manufacturer's Selling Price, 1972. Distribution of imports on basis of entries under TSUSA items 700.4310, 700.4340, 700.4540, and 700.5545 in 1972. Such imports accounted for about 82 percent of total imports of footwear for women and misses in that year.

## 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 1970-72. 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, only in 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	1972
Brazil-----	Clothing and footwear-----	<sup>3/</sup> \$0.28	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>	<sup>4/</sup>
Hong Kong-----	Rubber footwear-----	<sup>5/</sup> .30	<sup>5/</sup> \$0.35	\$0.41	<sup>5/</sup> \$0.32	<sup>5/</sup> \$0.37	<sup>4/</sup> \$0.44
Italy-----	Footwear <sup>6/</sup> -----	.60	.80	.93	1.09	1.42	1.62
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/</sup> <sup>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>	<sup>4/</sup>	<sup>10/</sup> .19	<sup>4/</sup>	<sup>4/</sup>	<sup>10/</sup> .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

<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 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 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--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 compensation of the...

A-15 through A-38

Data Relating to Weiss-Lawrence, Inc.

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APPENDIX A  
STATISTICAL TABLES

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

TSUS item No.	Abbreviated description	Rate of duty		
		July 1, 1934 <sup>1/</sup>	GATT concession <sup>2/</sup>	
		Rate	Effective date	
		Percent ad val.	Percent ad val.	
700.20	Leather footwear: Turn or turned-----	10 <sup>3/</sup>	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.
700.43	"Other" (including cement process): 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-	5/ 12.5	Aug. 31, 1963-Dec. 31, 1967
		pally	11	Jan. 1-Dec. 31, 1968.
		20 <sup>4/</sup>	10	Jan. 1-Dec. 31, 1969.
			8.5	Jan. 1-Dec. 31, 1970.
			7	Jan. 1-Dec. 31, 1971.
		6	Jan. 1, 1972.	

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

<sup>2/</sup> For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows stage rates that became effective up to and including January 1, 1972.

<sup>3/</sup> Effective January 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 was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

<sup>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 TSUS item.

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS. On July 8, 1974, the United States Customs Court held that Presidential Proclamation 4074 was invalid (Yoshida International, Inc. vs. United States, Customs Decisions 4550). This ruling has been appealed to the United States Court of Customs and Patent Appeals.

Table 2.--Women's and misses' leather footwear made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, specified years 1939 to 1973, January-June 1973, and January-June 1974

Period	Rate of duty		Quantity
	Percent		1,000
	ad valorem		pairs
1939-----	1/	10	5
1946-----		10	4
1955-----	2/	5	10
1956-----		5	97
1957-----		5	209
1958-----		5	434
1959-----		5	402
1960-----		5	664
1961-----		5	882
1962-----		5	1,067
1963-----		5	916
1964-----		5	864
1965-----		5	1,053
1966-----		5	1,106
1967-----		5	1,361
1968-----		4	1,905
1969-----		4	2,459
1970-----		3	2,398
1971-----		3	1,604
1972-----		2.5	1,589
1973-----		2.5	1,178
January-June--			
1973-----		2.5	622
1974-----		2.5	277

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

2/ GATT concession, effective May 30, 1950.

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

Table 3.--Women's and misses' leather footwear 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, January-June 1973, and January-June 1974

Period	Rate of duty <u>1/</u>		Quantity	
	Item	Item	Item	Item
	700.43	700.45	700.43	700.45
	Percent	Percent	Million	Million
	<u>ad valorem</u>	<u>ad valorem</u>	<u>pairs</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
January-June--	:	:	:	:
1973-----	15 :	10 :	13 :	41
1974-----	15 :	10 :	7 :	33

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 1973.

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

Table 4.--Women's and misses' footwear with supported-vinyl uppers (TSUS item 700.55): U.S. rates of duty and imports for consumption, 1966-73, January-June 1973, and January-June 1974

Period	Rate of duty	Imports		
		Quantity	Value	Unit value
	Percent ad valorem	1,000 Pairs	1,000 dollars	Per Pair
1966-----	12.5	33,239	17,024	\$0.51
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	109,915	1.22
1973-----	6	96,942	136,036	1.40
January-June--				
1973-----	6	54,317	63,856	1.18
1974-----	6	48,057	80,237	1.67

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

Table 5.--Nonrubber footwear for women and misses: U.S. imports, by selected TSUS items, 1968-73, January-June 1973, and January-June 1974

TSUS number	1968	1969	1970	1971	1972	1973	Jan.-June 1973	Jan.-June 1974
Quantity (1,000 pairs)								
700.20-----	1,905	2,459	2,398	1,604	1,589	1,178	622	277
700.43-----	33,914	28,555	36,728	33,166	25,223	16,691	12,950	7,457
700.45-----	19,770	27,219	34,464	44,159	61,474	68,758	40,731	33,209
700.55-----	68,579	70,777	77,288	86,942	89,776	96,942	54,317	48,057
Total-----	124,168	129,010	150,878	165,871	178,062	183,569	108,620	89,000
Value (1,000 dollars)								
700.20-----	11,672	15,283	16,062	9,886	9,361	6,961	3,433	1,396
700.43-----	50,997	44,428	59,443	68,630	42,014	29,186	22,696	13,293
700.45-----	88,079	132,565	173,597	222,369	305,648	357,794	198,593	194,031
700.55-----	46,603	55,820	73,757	104,196	109,915	136,036	63,856	80,237
Total-----	197,351	248,096	322,859	405,081	466,938	529,977	288,578	288,957
Unit value								
700.20-----	\$6.13	\$6.22	\$6.70	\$6.16	\$5.89	\$5.91	\$5.52	\$5.04
700.43-----	1.50	1.56	1.62	2.07	1.67	1.75	1.75	1.78
700.45-----	4.46	4.87	5.04	5.04	4.97	5.20	4.88	5.84
700.55-----	.68	.79	.95	1.20	1.22	1.40	1.18	1.67
Average-----	1.59	1.92	2.14	2.44	2.62	2.89	2.66	3.25

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

APPENDIX B  
NEWSPAPER ARTICLES RELATING TO  
WEISS-LAWRENCE, INC.

Faustus Daily Democrat-- Dover,  
N.H., Wednesday, Aug. 14, 1974

Sunday, Aug. 18, 1974

## Weiss-Lawrence To Close Doors

By MARGARET WARNER

DOVER — An owner of the Weiss-Lawrence Shoe Company said this morning his company intends to "phase out" factory operations at its Sixth Street plant within the next week to ten days.

Ted Weiss said the company expects to relocate to its Park Street facility after a "breathing spell of three or four months."

Weiss attributed the phasing-out to economic hardship suffered by the company in the face of foreign shoe imports and shortages of supplies.

Weiss said the company hopes to resume production at the "more compact Park Street facility if conditions

warrant it."

"It depends on supplies and on whether this country imposes additional tariffs so domestic shoe manufacturers can survive," said Weiss.

He said he was not aware of any specific tariff legislation pending before Congress.

The plant on Sixth Street at one time employed 500 to 600 people, Weiss said. Presently the company has 100 or 150 working there, all to be "phased out" shortly.

The Park Street facility would begin production with 100 or 200 workers, said Weiss, and perhaps grow to employ 300.

Weiss said his company hopes to lease its Sixth Street plant as warehouse space.

## Weiss-Lawrence About To Close?

DOVER — Rumor has it that Weiss-Lawrence Shoe Co. is closing.

Once one of the major shoe factories in the Dover area, employing hundreds of people, the Weiss-Lawrence plant on Sixth Street is now almost empty.

A recent candidate's campaign tour through the plant at mid-morning found only 60 workers scattered over three floors, where space indicates work room for over 300.

Sources said employees at the plant have been told to look around for other work.

A Sixth Street merchant said the number of people coming to work at the plant each morning has dropped drastically in recent months.

That same merchant said the interior of the plant has been allowed to deteriorate.

"You used to be able to eat off the floors in that place," he said. "Now it's a mess."

Charlie Lawrence, co-owner of the plant, refused to answer repeated telephone calls this morning and either substantiate or deny the closing rumor.

Co-owner Ted Weiss was also unavailable for comment.

A Department of Employment Security spokesman said his office was not authorized to disclose how many former Weiss-Lawrence employees had come to that office in search of work.

Boston American--Sunday, Aug. 18, 1974

## Shoe Plants Close in NH

DOVER, N.H. (AP) — The Weiss-Lawrence Shoe Co. has announced it will close its two plants in Dover within the next ten days, one permanently and one temporarily.

Ted Weiss, a co-owner, said the sixth street plant, where fewer than 150 workers are now employed, will remain closed. But he said he plans to resume operations at the Park Street plant within four months.

Weiss said from 100 to 200 workers will initially be employed at the Park Street plant, but he added the number could grow to 300.

The shoe manufacturer blamed foreign imports and a shortage of supplies for the closing of the Sixth Street facility, which at one time had from 500 to 600 workers.

Footwear News--Monday, Sept. 2, 1974

### *Weiss-Lawrence closes two plants*

DOVER, N.H. — Weiss-Lawrence Shoe Co. has closed its two factories here, but may reopen one of them in late November or early December.

The women's and misses' shoe manufacturer finished up production Aug. 23, and laid off its 100 employes. "At present, when retail business is so bad, and with foreign competition, we can't keep production up enough to be profitable," Charles Lawrence, vice-president, told FN.

Lawrence said that the firm

plans to reopen one plant in the late fall to produce a new line for late spring and early fall, and employ initially about 100-150 workers. He would not elaborate on what the new line would be, but said that eventually the firm hopes to reach a level of 300 workers.

At its peak period in 1972, the company employed 625 workers and produced over 10,000 pairs a day. When production ceased last week, the factory employed 100 workers making 1,400 pairs per day.

Weiss-Lawrence filed a Chapter XI petition, Dec. 7, 1973.

APPENDIX C

ARRANGEMENTS SUBMITTED FOR CONFIRMATION BY  
THE BANKRUPTCY COURT UNDER CHAPTER XI

A-49 through A-52

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