

UNITED STATES TARIFF COMMISSION

**FOOTWEAR FOR WOMEN:
FORMER WORKERS OF PATIO SHOES, INC.
SOUTH NORWALK, CONN.**

**Report to the President
on Investigation No. TEA-W-251
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 704
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December 1974**

UNITED STATES TARIFF COMMISSION

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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operation of an individual firm. 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,
December 9, 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-251 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 (of the types provided for in items 700.55 and 700.70 of the Tariff Schedules of the United States (TSUS)) produced by Patio Shoes, Inc., South Norwalk, Conn. 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 October 18, 1974, on the basis of a petition for adjustment assistance, received on October 10, 1974, filed under section 301(a)(2) of the TEA on behalf of the former workers of Patio Shoes, Inc.

Notice of the investigation was published in the Federal Register (39 F.R. 37836) on October 24, 1974. No public hearing was requested, and none was held.

The information in this report was obtained principally from the petitioners, former officials and customers of Patio Shoes, 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 footwear for women (of the types provided for in items 700.55 and 700.70 of the Tariff Schedules of the United States) produced by Patio Shoes, Inc., South Norwalk, Conn., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

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

Our determination in this investigation is in the negative because not all of the criteria established by section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) have 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 a result in major part of concessions granted under trade agreements;
- (3) A significant number or proportion of the workers of the firm, or an appropriate subdivision thereof, are unemployed or underemployed or threatened with unemployment or underemployment; and
- (4) The increased imports resulting in major part from trade-agreement concessions are the major factor in causing or threatening to cause the unemployment or underemployment of the workers.

In this case we find that concession-generated increased imports like or directly competitive with footwear produced by petitioning workers' firms were not the major factor causing the unemployment or underemployment of the petitioning workers.

Patio Shoes, Inc., which was located at South Norwalk, Conn. (hereafter referred to as Patio), produced women's dress and casual footwear that sold at retail in the range of \$5 to \$18 a pair. Sales by Patio increased from 1969 to 1971, its peak year. Beginning in 1972, Patio's sales began to decline. A company official attributed this decline to the relocation of the plant in that year from New York

City to South Norwalk, Conn. In addition to the disruption in its operations caused by the move, the firm had difficulty in recruiting and retaining skilled workers at the new location.

Patio's loss of sales in 1972 was due to its inability, in part, to make timely deliveries of women's footwear ordered by its customers. Also, Patio's customers found the quality of such footwear to be inferior and unacceptable.

In 1973 Patio made an exclusive sales agreement with Futura, Inc., a footwear jobber that discontinued its sales of imported footwear in order to purchase and market the footwear produced by Patio. Patio was unable, however, to supply Futura's customers with the quantity and quality of shoes ordered, and experienced a high rate of returns because of construction defects in those that were shipped. Several customers that were introduced by Futura to Patio Shoes substantially reduced their purchases when they became dissatisfied with the inferior quality of Patio's footwear.

In 1974, production and sales of Patio continued to decline until May 6, 1974 when following the death of the principal stockholder, the firm filed a petition for voluntary bankruptcy under chapter XI of the Bankruptcy Act, and the South Norwalk plant was closed.

Conclusion

In view of the foregoing, we conclude that concession-generated increased imports were not the major factor causing the unemployment or underemployment of the petitioning workers, and therefore we have made a negative determination.

View of Commissioner Leonard

My determination in the instant case is negative because one of the criteria has not been met, i. e., that the increase in imports of footwear for women like or directly competitive with that produced by Patio Shoes, Inc., South Norwalk, Conn., 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. 1/

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

View of Commissioner Minchew

In response to the petition filed on behalf of the former workers of the Patio Shoes, Inc., of South Norwalk, Conn., 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 not met and, accordingly, I have made a negative 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.

I have concluded that factors other than increased imports of competitive footwear have constituted the major factor in causing unemployment or underemployment. Specifically, the inability of the firm to supply its customers with the quality and quantity of

footwear ordered seems to have been the major factor in resulting in lost sales. The move of the firm's plant from New York City to South Norwalk, Conn., seems to have caused enough internal disruption that the aforementioned difficulties of company performance seem to have been magnified.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Patio Shoes, Inc., South Norwalk, Conn., produced women's dress and casual shoes, using the cement process of construction. Footwear with vinyl uppers accounted for about 95 percent of the total production; the remainder had uppers of fabrics. The footwear produced at Patio retailed at prices ranging from \$5 to \$18 a pair, but the bulk retailed at about \$10 a pair. Production ceased on May 6, 1974.

The term "dress shoes," originally limited to shoes worn on formal occasions, is now used to describe footwear of the types generally worn for street wear and for business and social activities. Depending upon fashion designs, dress shoes may have open or closed heels and straps, laces, or tongues over the instep; they may include high-heeled sandals with open toes, open heels, and uppers of narrow strips of leather or other materials. Women's shoes intended for formal wear, which are also regarded as dress shoes, are sometimes referred to as evening shoes, slippers, or sandals. The term "dress shoes" does not include footwear especially made for athletic, occupational, or leisure activities.

Women today wear shoes suitable to their lifestyles. With footwear an important accessory to fashion, footwear styles change rapidly. As changes have occurred in dress lengths and as trousers and other casual attire have become increasingly acceptable as appropriate women's wear for almost every occasion, the distinction between dress and casual shoes has diminished.

In the 1970's, footwear designs took a new direction. The footwear bottom (sole and heel) treatment became the main interest in shoe design. Footwear styles with 1-inch soles or even higher platforms, a type of footwear produced by Patio, became popular. A variety of materials--crepe (plantation), "marshmallow" (pliable synthetic), leather combinations, and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom assemblies were colored, painted, or sculptured. During 1970-72, such platform styles dominated most women's footwear. Although platforms have become less extreme in the past 2 years, bottoms continue to be a key interest in shoe design. However, industry sources report that styles featuring both high heels (about 3 inches) and lower heels have been popular this fall and are expected to be next spring.

U.S. Tariff Treatment

Applicable TSUS items

The great bulk of women's and misses' imported dress and casual shoes are entered under TSUS items 700.43, 700.45, 700.55 and 700.70. As explained briefly in the following paragraphs, the footwear classifiable under these four TSUS items varies with respect to materials, method of construction, price line, and/or style.

Imports entered under TSUS items 700.43 and 700.45--which provide for leather footwear having a foreign (export) value of not over \$2.50 a pair and over \$2.50 a pair, respectively--consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, a substantial part of the combined

imports under these two items in recent years have consisted of women's sandals for both casual and dress wear. The remainder have probably consisted predominantly of women's moderate-priced, cement-process dress and casual shoes (i. e., in the retail price range of \$8 to \$20 a pair).

Women's and misses' imported footwear with supported-vinyl uppers--the type of footwear which accounted for the bulk of output by Patio--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 only a negligible portion of the annual imports of women's dress shoes admitted under item 700.55 retailed at more than \$10 a pair; in the period 1971 through 1973, the annual imports of such footwear retailing at more than \$10 a pair (mostly just over that price) probably accounted for less than 10 percent of the total imports.

TSUS item 700.70 provides for certain footwear with uppers of vegetable fibers and soles of materials other than leather. The footwear admitted under TSUSA item 700.7050, which provides for footwear for women, misses, infants, and children, had an average dutiable value of \$0.29 in 1971, \$0.45 in 1972, and \$1.09 in 1973. The sharp increase in average unit value in 1973 reflects increased imports of footwear of the Espadrille type with uppers of vegetable fibers.

Rates of duty

In the Tariff Act of 1930, women's 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.

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.

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.

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, reflecting the final stage, effective January 1, 1972, of a five-stage concession granted in the Kennedy Round.

The rate of duty originally applicable under paragraph 1530(e) of the Tariff Act of 1930 to footwear of the type now included in TSUS item 700.70 was 35 percent ad valorem. On January 1, 1950, the duty was reduced, for the first time, to 17.5 percent ad valorem. From January 1, 1950, through January 1, 1972, eight duty reductions were made; the current rate is 7.5 percent ad valorem.

Table 1 in appendix A 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 700.43, 700.45, 700.55, and 700.70. Tables 2 through 4 show U.S. imports of women's 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 all women's nonrubber footwear rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968 and then declined irregularly to 402 million pairs in 1973. Consumption in

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

January-June 1974 amounted to 208 million pairs, down from 231 million pairs in January-June 1973, as shown on page A-7. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 190 million pairs in 1973. Annual imports tripled during this period, and their share of the market increased without interruption from 17 to 53 percent. In January-June 1974, imports of women's nonrubber footwear amounted to 110 million pairs, 53 percent of apparent U.S. consumption. Italy and Spain have been the principal suppliers of women's dress and casual leather footwear, the Republic of China (Taiwan), the principal supplier of such footwear made with supported-vinyl uppers.

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	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million 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-----	4/ 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/ Data partly estimated from the official statistics for footwear of the kinds described in pt. 1, subpt. A, 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.

Prices

As indicated earlier in this report, the women's shoes produced by Patio retailed in the range of \$5 to \$18 a pair. As shown in the table below, about 70 percent of domestic production of women's non-rubber footwear in 1972 was sold at estimated retail prices of \$4 to \$18 a pair.

Women's nonrubber footwear: Percentage distribution of domestic production, by estimated retail selling price, 1972 and 1968

Estimated retail selling price	1972	1968
\$4.00 or less-----	0.9	19.2
\$4.01 to \$6.00-----	5.6	
\$6.01 to \$8.00-----	19.9	
\$8.01 to \$10.00-----	16.1	48.7
\$10.01 to \$12.00-----	11.0	
\$12.01 to \$14.00-----	4.5	
\$14.01 to \$16.00-----	7.4	29.3
\$16.01 to \$18.00-----	6.6	
\$18.01 to \$20.00-----	13.3	
\$20.01 to \$24.00-----	11.0	2.8
\$24.01 to \$28.00-----	2.0	
\$28.01 to \$32.00-----	1.2	
\$32.01 to \$36.00-----	.3	2.8
\$36.01 to \$40.00-----	.1	
\$40.01 or more-----	.1	
Total-----	100.0	100.0

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

Data with respect to the estimated retail price of women's imported nonrubber footwear are shown in the table below.

Women's nonrubber footwear: Percentage distribution of imported footwear, by estimated retail selling price, 1972

Estimated retail selling price	Percent of total
\$3.00 or less-----	33
\$3.01 to \$6.00-----	23
\$6.01 to \$10.00-----	13
\$10.01 to \$16.00-----	18
\$16.01 to \$22.00-----	8
\$22.01 to \$28.00-----	3
\$28.01 or more-----	2
Total-----	100

Source: Estimated by the U.S. Tariff Commission on the basis of imports entered under items 700.4310, 700.4340, 700.4540, and 700.5545 in 1972. Such imports accounted for about 82 percent of the 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 1971-73. 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 broader. 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, 1971-73

		(In U.S. dollars)					
Country	Industry	Published average			Estimated compensation		
		hourly earnings 1/			per hour worked 2/		
		1971	1972	1973	1971	1972	1973
Brazil-----	Clothing and footwear 3/ 4/-----	\$0.32	\$0.34	\$0.38	\$0.41-\$0.45	\$0.45-\$0.48	\$0.49-\$0.53
Hong Kong-----	Rubber footwear 5/-----	.38	.43	.50	.41-.43	.47-.50	.55-.58
Italy-----	Footwear 6/-----	.80	.93	1.08	1.49	1.70	2.00
Japan-----	Rubber products, including						
	plastic footwear. 7/	1.08	1.57	2.10	1.23	1.78	2.39
Korea-----	Plastic products 7/-----	.22	.20	.32	.25-.29	.25-.27	.38-.41
Spain-----	Clothing and footwear 3/-----	.42	.53	.70	.59-.64	.74-.80	.99-1.06
Taiwan-----	Plastic products 7/-----	8/	9/ .19	.26	8/	.22-.23	.30-.32
United States--	Footwear, excluding rubber-----	2.53	2.63	2.72	3.05	3.19	3.32

1/ Published earnings do not represent the same items of labor compensation in each country because of differences in 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.

3/ All employees.

4/ Wage adjustments in Brazil are governed by an official wage formula. The 1972 and 1973 earnings figures are estimates based on the average wage adjustments granted in the total private sector of the economy.

5/ Daily earnings converted to an hourly basis by assuming 9 hours of work per day.

6/ Approximately 15 percent of the workers in the Italian shoe industry are home workers, who are paid at a lower wage rate than the factory workers in the industry.

7/ The shoes shipped from Japan Korea, and Taiwan to the United States are principally of plastics. 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/ Not available.

9/ July-December 1972.

Source: Based on data provided by the U.S. Bureau of Labor Statistics from the following: Brazil--Industrias de Transformacao, 1971, Department of Industry, Trade and Services Statistics, Brazil; 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 Labor, 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, June 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.

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Data Relating to Patio Shoes, 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 ^{1/}	GATT concessions ^{2/}	
			Rate	Effective date
		Percent ad val.	Percent ad val.	
	Leather footwear:			
	"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- pally 20 ^{3/}	^{4/} 12.5 11 10 8.5 7 6	Aug. 31, 1963-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.
	Footwear with soles of material other than leather:			
700.70	With uppers of vegetable fibers-----	35	17.5 16.5 15.5 15 13 12 10 9 7.5	Jan. 1, 1950-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.

^{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 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).

^{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.

Table 2.--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>		Imports	
	Item	Item	Item	Item
	700.43	700.45	700.43	700.45
	Percent	Percent	Million	Million
	ad valorem	ad valorem	pairs	pairs
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 3.--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
		<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
	<u>Percent</u> <u>ad valorem</u>			
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	104,907	1.17
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 4.--Women's, misses, infants, and children's footwear with uppers of vegetable fiber and soles of material other than leather (TSUSA item 700.7050): 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
		<u>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>
1966-----	15	918	266	\$0.29
1967-----	15	1,305	318	.24
1968-----	13	1,372	364	.27
1969-----	12	1,862	690	.37
1970-----	10	2,119	583	.28
1971-----	9	2,554	734	.29
1972-----	7.5	3,137	1,422	.45
1973-----	7.5	4,066	4,433	1.09
January-June--				
1973-----	7.5	2,174	2,127	.98
1974 <u>1/</u> -----	7.5	2,378	5,118	2.15

1/ Data shown represent imports of women's and misses' footwear entered under new items 700.7065 and 700.7070. There was a substantial increase in unit value in January-June 1974 over that in the corresponding period of 1973. In 1974, about a third of the imports entered had an average dutiable value of about \$3.65 a pair.

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

APPENDIX B

BALANCE SHEET AS FILED IN PROCEEDINGS UNDER
CHAPTER XI OF THE BANKRUPTCY ACT

PATIO SHOES, INC., a/k/a PATIO SHOES CORP.SUMMARY OF ASSETS & LIABILITIES
AS OF MARCH 31, 1974.

Assets located at its principal place of business at #1 Park Avenue, New York, N. Y. 10016 and has its factory at 21 Ann Street, South Norwalk, Connecticut.

ASSETS:

Cash in Bank	\$ 100.00
Accounts Receivable (Assigned)	145,166.00
" (Unassigned)	186.00
Inventory (Estimated)	100,605.00
Prepaid expenses	79,038.00

Fixed Assets:

Plant machinery and equipment - -	\$95,000.00	
Leasehold improvements-	6,200.00	
Patterns and dies -	79,000.00	
Lasts - -	39,000.00	
Furniture and fixtures-	2,750.00	
Automobile - -	6,380.00	
	<u>228,330.00</u>	
Less accumulated depreciation -	<u>157,000.00</u>	71,330.00

Other Assets:

Loans receivable - -	4,400.00
Security deposits - -	<u>2,300.00</u>

TOTAL ASSETS - - \$403,125.00

LIABILITIES:

Notes payable - bank - -	\$ 85,000.00
Loans payable - factor - -	200,400.00
Mortgage payable - factor - -	46,160.00
Loans payable -others - -	42,000.00
Accounts payable - trade - -	216,000.00
Accrued expenses - -	15,400.00
Taxes payable - -	13,384.00
Loans payable - officer - -	<u>246,000.00</u>

TOTAL LIABILITIES - - \$864,344.00