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UNITED STATES INTERNATIONAL TRADE COMMISSION

**FOOTWEAR FOR WOMEN:
FORMER WORKERS OF THE SHAER SHOE CORP.,
MANCHESTER, N. H.**

**Report to the President
on Investigation No. TEA-W-260
Under Section 301(c)(2) of the Trade Expansion Act of 1962**

UNITED STATES INTERNATIONAL TRADE COMMISSION

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

REPORT TO THE PRESIDENT

U.S. International Trade Commission,
March 17, 1975.

To the President:

In accordance with section 301 of the Trade Expansion Act of 1962 (TEA) (19 U.S.C. 1901), the U.S. International Trade Commission herein reports the result of investigation No. TEA-W-260 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 700.45, 700.55, and 700.70 of the Tariff Schedules of the United States (TSUS)) produced by the Shaer Shoe Corp., Manchester, 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 January 21, 1975, on the basis of a petition for adjustment assistance filed on behalf of the former workers of the Manchester, N.H., plant of the Shaer Shoe Corp. The petition was received on January 14, 1975.

Notice of the investigation was published in the Federal Register (40 F.R. 4048) on January 27, 1975. No public hearing was requested, and none was held.

The information in this report was obtained principally from officials and customers of Shaer Shoe Corp., officials of the United Shoe Workers of America, official Government statistics, the Securities and Exchange Commission, and the Commission's files.

This is the second investigation conducted by the Commission with respect to the Shaer Shoe Corp. On October 29, 1974, an investigation (TEA-W-252) was instituted on the basis of a petition for adjustment assistance filed on behalf of the former workers of the firm's Milford, Mass., plant. In that investigation the Commission (Commissioners Leonard and Ablondi dissenting) made an affirmative determination. 1/ On January 21, 1975, the Department of Labor certified that the workers of the Milford, Mass., plant of Shaer Shoe Corp., that were unemployed or underemployed since July 5, 1970, were eligible to apply for adjustment assistance benefits.

Finding of the Commission

On the basis of its investigation, the Commission, being equally divided, 2/ makes no finding under section 301(c)(2) of the Trade Expansion Act of 1962 with respect to whether articles like or directly competitive with footwear for women (of the types provided for in items 700.45, 700.55, and 700.70 of the Tariff Schedules of the United States,) produced by the Manchester, N.H., plant of the Shaer Shoe Corp., are, as a result in major part of concessions granted under trade agreements, being imported in to 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.

1/ Footwear for Women: Former Workers of the Shaer Shoe Corp., Manchester, N.H., Report to the President on Investigation No. TEA-W-252 . . . , TC Publication 707, December 1974.

2/ Chairman Bedell, and Commissioners Moore and Minchew found in the affirmative. Vice Chairman Parker and Commissioners Leonard and Ablondi found in the negative.

Views of Chairman Bedell and Commissioner Moore

This investigation relates to a petition filed on behalf of the former workers of the Manchester, N.H., plant of the Shaer Shoe Corp. for a determination of their eligibility to apply for adjustment assistance under section 301(a)(2) of the Trade Expansion Act of 1962 (TEA). The output of the Manchester plant, which is still in operation consists of women's dress shoes with uppers of urethane. In 1973 and 1974 such shoes retailed from about \$14 to \$18 a pair.

As we have observed 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, including the type produced by the Manchester plant, have increased sharply in recent years. Such imports increased from 133 million pairs in 1968 to 185 million pairs in 1974. The share of U.S. consumption supplied by imports during this period increased from 29 percent to 52 percent. This substantial growth of imports which started in 1968 coincides with the first trade-agreement concession of the Kennedy Round. Thus, we have determined that the increased imports cited above have resulted in major part from trade-agreement concessions within the meaning of the statute.

The workers are unemployed. -- During 1969-71, the annual average number of workers employed at the Manchester plant declined from 325 to 220. Employment increased during the next 2 years, but then dropped from an annual average of 302 workers in 1973 to 169 workers in 1974. Thus, there is substantial unemployment.

Imports are the major factor causing the unemployment. -- The increase in concession-generated imports of footwear like or directly competitive with that produced by the workers of the Manchester Plant caused a marked decline in the sales of that plant during the period 1969-74. Sales of women's footwear by the Manchester plant declined from * * * pairs in 1969 to * * * pairs in 1974, or by * * * .

Evidence secured during the investigation showed that most of the principal customers of the Manchester plant of the Shaer Shoe Co. , to whom most of the plant's sales were made turned increasingly to foreign imports for their requirements because of a minimal price advantage offered by such imports.

Conclusion. --In light of the above facts, we conclude that increased imports resulting in major part from trade-agreement concessions are the major factor causing the unemployment of the workers of the Manchester, N.H. , plant of the Shaer Shoe Corp. , and therefore, we have made an affirmative decision.

View of Commissioner Minchew

In response to the petition filed on behalf of the former workers of the Manchester, N.H., plant of the Shaer Shoe Corp., Manchester, N.H., for a determination of their eligibility to apply for adjustment assistance under section 301(c)(2) and (3) of the Trade Expansion Act of 1962 (TEA), I have concluded that the statutory requirements are met and, accordingly, I have made an affirmative decision.

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 United States International Trade 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 United States International Trade Commission finds that such increased imports have been the major factor in causing or threatening to cause, such injury or unemployment or underemployment.

The investigation revealed the following relevant facts:

- (1) A petition was received by the Commission on January 14, 1975.
- (2) The Commission instituted an investigation on January 21, 1975.
- (3) The imported articles most nearly like those produced by the workers' plant are entered under TSUS items 700.45, 700.55, and 700.70, which are footwear for women.

- (4) Imports for these items increased between 1968 and 1973 as follows: Item 700.45, from 20 million pairs in 1968 to 68 million pairs in 1973 and item 700.55, from 69 million pairs in 1968 to 97 million pairs in 1973. Women's, misses', infants', and children's footwear under item 700.70 increased from 1.4 million pairs in 1968 to 4.1 million pairs in 1973.
- (5) A five-stage trade agreement tariff reduction 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 as follows:
Item 700.45, from 18 percent in 1968 to 10 percent in 1972;
item 700.55, from 12.5 percent in 1968 to 6 percent in 1972;
item 700.70 from 13 percent in 1968 to 7.5 percent in 1972.
- (6) Sales in quantity and in value terms dropped significantly after the first stage of the tariff reduction and have continued irregularly in a downward direction.
- (7) A substantial number of customers of the workers' establishment turned to imports in preference to other domestically manufactured footwear to replace articles formerly bought from the workers' plant.
- (8) Employment at the petitioning workers' plant declined from 325 employees working 524,000 hours in 1969 to 169 employees working 234,000 hours in 1974.

The above facts, in my opinion, meet the statutory requirements for an affirmative determination in this case.

Views of Vice Chairman Parker

My 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 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, I find that concession-generated increased imports were not the major factor causing, or threatening to cause, the unemployment or underemployment of the petitioning workers. My determination is based on the following considerations.

In an earlier case regarding other workers of the Shaer Shoe Corp. at the Milford plant 1/ I found in the affirmative. The Milford plant ceased production in June 1974. During the period 1969-73, sales declined sharply as imports rose. Several of the Milford plant's

1/ Footwear for Women, Report to the President on Investigation No. TEA-W-252 . . . , TC Publication 707, pp. 3-5.

principal customers, accounting for a large part of the plant's sales, reported to the Commission that they turned increasingly to foreign sources of shoes. The facts in this case are substantially different.

The production of the Manchester, N.H., plant of Shaer Shoe Corp. consists of women's dress shoes, such as clogs, platforms, and more traditional styles. Sales of the plant rose from 1969 to 1973, and then declined in 1974. The increase in sales occurred despite the steady increase in imports of nonrubber footwear for women and misses during 1969 to 1973. The sales decline experienced by the Manchester plant of the Shaer Shoe Corp. in 1974 occurred despite a decrease in imports both in absolute volume and as a percentage of apparent domestic consumption.

The loss of sales in 1974 was due, in part, to shifts in consumer preferences and to the nationwide economic slowdown. The most significant cause, however, was the loss of sales to its largest accounts. One of these accounts informed the Commission that the types of shoes produced at the Manchester plant did not meet his company's needs, and that imports were in no way a factor in the reduced orders. The company decided to broaden the number of suppliers, reducing the concentration of business formerly enjoyed by the Shaer Shoe Corp. The second substantial customer reduced purchases since it was itself a producer of women's footwear and it recently became a policy of the company to produce for itself many of the styles formerly supplied by outside plants. The loss in sales to these two principal customers account for almost the total decline in sales suffered by the Manchester plant.

Conclusion

In the light of the above facts, I conclude that increased imports resulting in major part from trade-agreement concessions are not the major factor causing the unemployment of the workers of the Manchester, N.H., plant of the Shaer Shoe Corp., and therefore, I have made a negative determination.

View 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 like or directly competitive with that produced by the Shaer Shoe Corp., Manchester, 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/

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 the Manchester, N.H., plant of Shaer Shoe Corp. consists of women's dress shoes, such as clogs, platforms, and more traditional styles. In 1974, clogs that retailed at about \$16 to \$18 a pair accounted for most of the plant's output. Women's styles with platform soles that retailed for about \$14 a pair accounted for most of the remainder. During 1973 the Manchester plant produced principally platform styles, and in 1970-72 the output consisted mainly of more traditional styles. During 1970-74 most of the shoes were produced with uppers of urethane; 1/ however, a small quantity of shoes with uppers of leather or of fabric also were manufactured. Shoes produced by Shaer Shoe are constructed by the cement process, in which the outsole is attached to the upper by an adhesive without sewing.

Shaer Shoe currently operates one other footwear-manufacturing plant, located in Lowell, Mass. During 1970-74, production at the Lowell plant consisted primarily of women's pumps with fabric uppers--a type referred to as dyeables--and women's evening slippers of gold or silver Mylar. 2/ The retail price of these shoes ranges from about \$9 to about \$12 a pair. The Lowell plant produced some clogs and platforms during 1973-74.

In general, the principal features of women's and misses' shoes 3/ that determine the occasion or activity for which a particular pair is

1/ A synthetic thermoplastic of unusual abrasion resistance and resilience. It is more expensive than vinyl but is replacing it in many applications in the footwear industry.

2/ Trade name for a polyester film (that gives the appearance of glitter) produced by E.I. DuPont de Nemours & Co., Inc.

3/ In this report, as in the TSUS, 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 size 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.

suitable--and thus the trade designations such as "casual" or "dress"--are the cut of the uppers, the material used for the uppers, the style and height of the heels, 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).

Footwear for women has become an important accessory to fashion in recent years, resulting in rapid style changes in shoe designs. As modifications 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, and 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, and styles with soles an inch or more in thickness 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 colored, painted, or sculptured. During 1970-72, such platform styles dominated most women's footwear. Although platforms became less extreme in 1973, their importance in shoe design has continued into 1975. Today footwear more traditional in style is also being offered. While most fashion emphasis in recent years has focused on high heels, there has

been a strong rebirth of interest in flats for dress occasions and low-heeled classic moccasins for casual wear. Other casual footwear for women includes sandals, certain clogs, espadrilles, indoor-outdoor slippers, oxfords, desert boots, and sneakers.

U.S. Tariff Treatment

Applicable TSUS items

Most of the footwear produced at the Manchester plant (where the petitioning workers were employed) and a portion of the footwear produced at the Lowell plant, if imported into the United States, would be dutiable under TSUS item 700.55. Imported footwear with uppers of leather and similar in appearance, construction, and price to the footwear constructed at the Manchester plant would be entered under item 700.45. Imports of women's fabric dyeables, the principal product at the Lowell plant in recent years, and of shoes with fabric uppers such as the shoes produced at the Manchester plant would be admitted under item 700.70.

U.S. imports dutiable under item 700.55, which consist primarily of footwear with supported-vinyl uppers, have 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 and boots admitted under item 700.55 retailed at more than \$10 a pair; in the period 1971 through 1974, 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 entered under item 700.55.

Imports entered under TSUS item 700.45, which provides for certain footwear of leather having a foreign (export) value of over \$2.50 a pair, 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 entered under this item in recent years have consisted of women's moderate-priced dress and casual shoes that are sold in the retail-price range of about \$8 to \$20 a pair.

TSUS item 700.70 provides for certain footwear with uppers of vegetable fibers and soles of material other than leather. (Women's fabric dyeables are produced at the Lowell plant, and a small amount of footwear with fabric uppers are produced at the Manchester plant.) However, U.S. imports of women's fabric shoes or dyeables are small, and it is believed that the bulk of consumption of such footwear is supplied by domestic production.

Rates of duty

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 footwear having supported-vinyl uppers, 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 the five-stage concessions granted in the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade (GATT)

Under 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, if valued over \$2.50 a pair (item 700.45), was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of negotiations, to 18 percent ad valorem. The current rate of duty for item 700.45 is 10 percent ad valorem.

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, and the current rate is 7.5 percent.

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

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.45, 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 1965-74, 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 an estimated 355 million pairs in 1974. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to an estimated 170 million pairs in 1974. Annual U.S. imports almost tripled during this period, and their share of the market increased without interruption from 17 percent in 1965 to 53 percent in 1973, then declined to an estimated 52 percent in 1974, as shown in the table on the following page.

Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan) has been the principal supplier of women's footwear with manmade uppers.

Nonrubber footwear for women and misses: U.S. production, imports for consumption, and apparent consumption, 1965-74

Year	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
1974 <u>4/</u> -----	170	185	355	52

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. 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 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.

ESTIMATED COMPENSATION PER HOUR WORKED
in specified industries related to footwear in 8 countries, 1971-73

Country	Industry	(In U.S. dollars)						
		Published average hourly earnings 1/		Estimated compensation per hour worked 2/		1971	1972	1973
		1971	1972	1973	1971			
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/	.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 the Shaer Shoe Corp., Manchester, N.H.

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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 concession
		Rate	Effective date
700.45	Leather footwear: "Other" (including cement process) 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 2/	3/ 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.
700.70	With soles of material other than of leather: 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.

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/ 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 ad valorem.

3/ 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 footwear with leather uppers (TSUS item 700.45):
 U.S. rates of duty and imports for consumption, 1968-73, January-
 June 1973, and January-June 1974

Period	Rate of duty	Imports		
		Quantity	Value	Unit value
	<u>Percent</u>	<u>1,000</u>	<u>1,000</u>	
	<u>ad valorem</u>	<u>pairs</u>	<u>dollars</u>	<u>Per pair</u>
1968-----	18	19,742	87,970	\$4.46
1969-----	16	26,745	131,329	4.91
1970-----	14	34,164	172,266	5.04
1971-----	12	43,725	220,504	5.04
1972-----	10	60,912	303,406	4.98
1973-----	10	68,248	355,406	5.21
January-June--				
1973-----	10	40,707	198,464	4.88
1974-----	10	33,192	173,380	5.22

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

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>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>Pair</u>
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 4.--Women's, misses', infants', and children's footwear with uppers of vegetable fibers 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>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
	Percent ad valorem:			
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. Which accounts, in part, for the substantial increase in unit value in 1974 over that for 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.

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