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**UNITED STATES TARIFF COMMISSION**

**NONRUBBER FOOTWEAR**

**Report to the President on Investigation  
No. 332-56 Under Section 332 of the  
Tariff Act of 1930**



**TC Publication 276  
Washington, D. C.  
January 1969**

**UNITED STATES TARIFF COMMISSION**

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# C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Summary-----	3
U.S. consumption-----	3
U.S. production-----	4
U.S. exports-----	5
U.S. imports-----	5
U.S. producers-----	7
Price trends-----	8
Employment and wages-----	8
Profit-and-loss experience of domestic producers-----	9
Projections-----	10
Description of products-----	11
U.S. customs treatment-----	15
U.S. consumption-----	19
Factors affecting U.S. consumption-----	21
Population-----	21
Disposable personal income-----	23
Consumer preferences-----	25
Role of imports-----	27
U.S. producers-----	29
Size groups-----	30
Entries and exits-----	33
Technological developments-----	34
U.S. production and shipments-----	34
By type of footwear-----	36
By price ranges-----	37
Market outlets-----	38
U.S. exports-----	39
U.S. imports:	
Volume-----	41
Composition-----	42
Footwear of leather-----	44
Moccasins (TSUS item 700.15)-----	45
Turn or turned footwear (TSUS item 700.20)-----	46
Welt footwear valued over \$2 but not over \$6.80 per pair (TSUS item 700.26)-----	46
Welt footwear valued over \$6.80 per pair (TSUS item 700.27)-----	46
"Other" footwear for men, youths, and boys (TSUS item 700.35)-----	47
"Other" footwear for women, misses, infants, and children (TSUS item 700.40)-----	48
Footwear having uppers of rubber or plastics (TSUS item 700.55)-----	48
"Other" nonrubber footwear (TSUS items 700.65-700.85)-----	50
Sales of imported nonrubber footwear, by wholesale price ranges-----	50
Marketing channels-----	51

## CONTENTS

	<u>Page</u>
Report to the President--Continued	
Prices received by U.S. producers:	
Pricing practices and markups-----	53
Price trends-----	54
Employment and wages:	
Trend of employment-----	55
Wages paid-----	58
Profit-and-loss experience of domestic producers-----	59
World production-----	61
Projections-----	63
Appendix A. Headnotes (including statistical headnotes) to part 1A of schedule 7 of the TSUS-----	66
Appendix B. Tables-----	69

## TABLES

	<u>Page</u>
1. Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963, to Dec. 31, 1968, and final stage of Kennedy Round concessions-----	70
2. Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, during the period Jan. 1, 1946-Aug. 30, 1963-----	72
3. Apparent U.S. consumption of specified types of footwear, total and per capita, 3-year averages 1954-62, annual 1963-67-----	74
4. Nonrubber footwear: U.S. production, imports for con- sumption, exports of domestic merchandise, and apparent consumption, 3-year averages 1954-62, annual 1963-67, January-August 1967, and January-August 1968-----	75
5. Nonrubber footwear: Apparent U.S. consumption, by types, 1965-67, January-August 1967, and January-August 1968-----	76
6. U.S. population and disposable personal income per capita, annual 1955-67, and quarterly January 1967 - September 1968-----	77
7. Nonrubber footwear: Apparent U.S. consumption and shares thereof supplied by domestic production and imports, by types, and wholesale price ranges, 1967-----	78
8. Number of U.S. establishments producing nonrubber foot- wear, by number of employees, specified years 1956 to 1966-----	79

	<u>Page</u>
9. Nonrubber footwear: Number of U.S. producing companies, and their aggregate output, by U.S. Bureau of Census (SIC) product classes and by size of output, 1967-----	80
10. Nonrubber footwear: Number of U.S. producing companies and their aggregate output, by size of output, 1959-66-----	81
11. Number of U.S. companies producing nonrubber footwear, total value of their shipments, and percent of total accounted for by selected groups of companies, specified years 1947 to 1963-----	82
12. Failures of U.S. companies producing nonrubber footwear and their liabilities, specified years 1954-1967-----	83
13. Nonrubber footwear: U.S. production, by geographic areas, 1965-67-----	84
14. Nonrubber footwear: U.S. production and shipments, 1958-67, January-August 1967, and January-August 1968-----	85
15. Nonrubber footwear: U.S. production, by types, 1964-67, January-August 1967, and January-August 1968-----	86
16. Nonrubber footwear: U.S. production, by type of construction, 1967-----	87.
17. Nonrubber footwear: Percentage distribution of U.S. production, by types and price ranges, 1959, 1962, and 1965-----	88
18. Nonrubber footwear: Percentage distribution of domestic producers' sales, by types and price ranges, 1967-----	91
19. Nonrubber footwear: U.S. exports of domestic merchandise, by principal markets, 1964-67 and January-August 1968-----	92
20. Nonrubber footwear: U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968-----	93
21. Nonrubber footwear: U.S. imports for consumption, by types, 1964-67, January-August 1967, and January-August 1968-----	94
22. Footwear of leather: U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968-----	95
23. Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1964-67, January-August 1967, and January-August 1968-----	96
24. Certain footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics: U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968-----	98
25. Other nonrubber footwear: U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968-----	99
26. Nonrubber footwear: Percentage distribution of importers' sales, by types and price ranges, 1967-----	100

	<u>Page</u>
27. U.S. wholesale price indexes for leather footwear, wearing apparel, and nondurable manufactured goods, 3 year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968 -----	102
28. Average number of production and other workers in U.S. establishments producing nonrubber footwear and aggregate hours worked per week by production workers, 3-year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968 -----	103
29. Average gross hourly earnings of production workers in U.S. establishments producing nonrubber footwear, and average hours (total and overtime) worked per week by such workers, 3-year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968 -----	104
30. Percentage distribution of average straight-time hourly earnings of production workers in U.S. establishments producing nonrubber footwear (except house slippers), total and for specified regions, March 1968 -----	105
31. Financial experience of domestic producers of nonrubber footwear by size-of-output groups, accounting years 1963-67 -----	106
32. Nonrubber footwear: Producing firms reporting losses as a percent of total number of firms, by size-of-output groups, accounting years 1963-67 -----	107
33. Investment in new plant, machinery, and equipment by domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1964-67 -----	108
34. Selected financial data from income-tax returns of corporations producing nonrubber footwear, 3-year averages 1957-62, annual 1963-65 -----	109
35. Nonrubber footwear: Annual production in selected countries and areas, 1954, 1960, and 1963-67 -----	110

(TC29062)

REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
January 15, 1969

To the President:

In accordance with the request contained in your letter of April 29, 1968, the U.S. Tariff Commission reports herein the results of its investigation of the economic condition of the domestic producers of non-rubber footwear.<sup>1/</sup> Representative Wilbur D. Mills, Chairman of the Committee on Ways and Means, House of Representatives, informed the Commission on April 29, 1968, that he wished to join in your request to the Commission. The full text of your letter is as follows:

Dear Mr. Chairman:

Pursuant to the authority vested in me by section 332 of the Tariff Act of 1930, I hereby request a comprehensive investigation of the economic condition of the domestic producers of non-rubber footwear, and a report to me on the results of this investigation at the earliest opportunity.

The Commission is requested to report on all factors which, in its judgment, relate to the economic condition of such producers, including, but not limited to, production, sales, investment, employment, prices, profits, exports, imports, United States tariff treatment, the participation of such producers in international trade, and, in particular, the effect of imports upon such producers, including the competitive relationship between imports and their products.

Sincerely,

(Signed) LYNDON B. JOHNSON

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<sup>1/</sup> Commissioners Leonard and Newsom did not participate in this investigation.

The investigation (No. 332-56) was conducted by the Commission under the authority of section 332 of the Tariff Act of 1930 (19 U.S.C. 1332). Notice of the institution of the investigation was issued on April 30, 1968, and published in the Federal Register of May 4, 1968 (33 F.R. 6843-4). The Commission announced a public hearing in connection with the investigation to begin on September 16, 1968 (33 F.R. 7136); subsequently, at the request of representatives of the domestic industry, the Commission changed the date on which the hearing would begin to September 9 (33 F.R. 8793), and then to October 28, 1968 (33 F.R. 10769). The public hearing was held on October 28-30, 1968, at which all interested parties were afforded opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and written statements submitted by interested parties in connection with the investigation are attached. 1/

The information for this report was obtained, not only from evidence presented at the hearing and in the briefs filed by interested parties, but also from the Commission's files, other Government agencies, trade associations, individual domestic producers, importers, wholesalers, and retailers of nonrubber footwear.

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1/ The transcript and written statements were attached to the original report to the President.



### Summary

This section presents a summary of the information obtained by the Commission in its investigation of "the economic condition of the domestic producers of non-rubber footwear" and "the effect of imports upon such producers, including the competitive relationship between imports and their products."

#### U.S. consumption

Since 1955 the annual U.S. consumption of nonrubber footwear has grown at an average annual rate slightly greater than that of the U.S. population--about 2 percent compared with 1.5 percent. The upward trend of consumption was interrupted in 1967; after a slight decline in that year, it rose substantially in 1968. On a per-capita basis, the annual consumption of nonrubber footwear rose from 3.5 pairs in 1954-56 to 3.7 pairs in 1965-67--the increase being at an average annual rate of about 0.5 percent.

Since the mid-1950's, U.S. consumption of nonrubber footwear has increased less rapidly than that of other types. Moreover, the absolute increase in annual consumption of other types of footwear (canvas-rubber footwear and zoris) has been significantly larger than that of nonrubber footwear. In terms of quantity, nonrubber footwear accounted for only about three-fourths of apparent U.S. consumption of all footwear in 1965-67, compared with more than nine-tenths in 1954-56.

The annual per capita consumption of all footwear in the United States has risen about 30 percent since the mid-1950's, largely in response to a material increase in disposable personal income. Because

of changes in consumer preferences in response to changes in the age composition of the U.S. population, and the trend toward casual living, however, the increase in per capita consumption of nonrubber footwear was only a fifth of the increase in per capita consumption of all footwear.

#### U.S. production

The annual rate of growth in the U.S. production of non-rubber footwear since the mid-1950's has averaged about 0.8 percent. Thus, the average annual output of such footwear was about a tenth greater in 1965-67 than in 1954-56. The output in 1966--a record year--was about 7 percent larger than that in 1963. Output declined in 1967 to about the 1963 level, but recovered in the first 8 months of 1968 to an annual rate slightly greater than the record level of 1966.

In recent years, footwear for women and misses has accounted for nearly a half of the annual output of nonrubber footwear; that for men, youths, and boys (including men's work shoes) has accounted for nearly a fourth; that for children and infants, for a tenth; and slippers, for most of the remainder. The share of the output accounted for by each of these broad categories has not changed significantly in recent years.

About half of the domestic nonrubber footwear sold in the United States in 1967 was marketed at wholesale at less than \$4 per pair. Footwear for women was sold in appreciable volume in a wide range of wholesale price classes--from less than \$1.81 per pair to more than \$10.20 per pair. Nearly all of the footwear for men, however, was wholesaled at more than \$4.20 per pair.

### U.S. exports

The volume of U.S. exports of nonrubber footwear has decreased almost annually since the mid-1950's. Annual exports of such footwear, which have been equivalent to less than 1 percent of domestic production for some years, declined from 4.6 million pairs in 1955 to 2.2 million pairs in 1967. Exports in 1968 were probably at about the same level as those in 1967.

Most of the U.S. exports of nonrubber footwear have consisted of footwear with uppers of leather. In terms of quantity, footwear for women and misses has accounted for nearly a half, and footwear for men, youths, and boys, for about a fourth.

### U.S. imports

Annual U.S. imports of nonrubber footwear have increased markedly in recent years, and have supplied an increasing share of domestic consumption of such products. In terms of quantity, annual imports in 1967 were double those in 1963 and many times those in the mid-1950's; moreover, imports in 1968 probably were nearly 40 percent greater than those in 1967.

In the aggregate, the imported footwear accounted for 12 percent of the quantity of nonrubber footwear sold in the United States in 1964 and 18 percent in 1967; it probably accounted for 22 percent in 1968. The corresponding ratios computed on the basis of estimated wholesale values are 5 percent, 10 percent, and 14 percent, respectively. In general, the lower the price range of nonrubber footwear, the higher the share of U.S. consumption supplied by imports. In 1967, for example, imports probably supplied about a fourth of the pairs of nonrubber footwear wholesaling at less than \$4 per pair, but considerably less than a tenth of those selling at \$4 per pair or higher.

Imports generally supply a larger share of the women's and misses' nonrubber footwear marketed in the United States than they do of either men's, youths' and boys' or children's and infants'--23 percent compared to 11 percent and 10 percent, respectively, in 1967.

The nonrubber footwear currently being imported into the United States consists roughly of four types: Vinyl footwear; leather sandals; other leather footwear, and miscellaneous footwear.

In terms of pairs, half of the U.S. imports consist of vinyl footwear, predominantly footwear having uppers of supported vinyl. The great bulk of this footwear is sold in the United States at very low prices. About 15 percent of the total imports of vinyl footwear in 1967 consisted of packables (folding slippers), which are generally retailed at less than \$1.00 per pair (some as low as 50 cents per pair); other supported vinyl footwear (including sandals), which accounted for most of the remainder of such imports, is sold mostly at less than \$3.00 per pair. Vinyl footwear is marketed largely through retail outlets that offer very inexpensive footwear to the consumer; these outlets include the discount chains, dime-store chains, drug stores, and other stores featuring low-priced merchandise.

About a fifth of total U.S. imports of nonrubber footwear consist of leather sandals, chiefly for women and misses. Sandals have had increasingly wide acceptance in recent years, and sales of such footwear in the United States have expanded greatly. The lack of need for close fit have made them an ideal type of footwear to import in volume. Few sandals

have been produced in the United States, the market being supplied almost entirely by sandals from abroad. Most leather sandals have been sold at retail at moderate prices from \$4.00 to \$8.00 per pair.

U.S. imports of leather footwear other than sandals--comprising another fifth of total U.S. imports of nonrubber footwear--consist of many types and styles of footwear for men, women, and children, sold in a wide range of retail price lines. Such imported and domestic products of a particular type and price range generally compete on the basis of style, material, brand, and price. The buying decisions of consumers are influenced in some instances principally by style and brand; they are affected in other instances principally by price.

U.S. imports of miscellaneous nonrubber footwear, principally footwear with uppers of fibers, are small. The great bulk consists of very inexpensive footwear.

#### U.S. producers

The number of domestic firms producing nonrubber footwear, as well as the number of individual plants manufacturing such footwear, have decreased materially since the mid-1950's. These developments, however, began considerably before nonrubber footwear was imported in appreciable volume; they resulted, in part, from a substantial number of mergers. Most of the establishments ceasing to produce nonrubber footwear were small plants that employed less than 250 workers. Consequently, the share of U.S. output concentrated in firms producing more than 2 million pairs each is moderately larger currently than a decade ago.

Because nonrubber footwear is produced in a wide range of sizes and styles, automation does not yet play as dominant a role in this industry as it does in many others. Nevertheless, considerable progress has been made in recent years in the use of automated and conveyORIZED material-handling equipment, and in the use of semi-automatic machinery that performs several operations formerly done on separate machines. Since 1963, manmade materials have been used increasingly in making uppers. As these materials are uniform in weight, quality, and dimension, several layers may be cut in one operation, with a minimum of both labor time and material waste.

#### Price trends

After several consecutive years of little price change, the domestic manufacturers effected several general price increases in 1965-68. U.S. wholesale prices of leather footwear in the third quarter of 1968 averaged nearly a fifth higher than those in 1964 and nearly two-fifths higher than those in 1954-56. Since the mid-1950's, moreover, the wholesale prices of leather footwear have increased more sharply than those of nondurable manufactures and of wearing apparel. Rising wholesale prices have stimulated retailers' interest in imports; retailers, like producers, are reluctant to alter their price lines.

#### Employment and wages

The domestic producers of nonrubber footwear employed about the same number of production workers in 1968 as in 1963 but about 6 percent fewer than in 1954-56. The average number of weekly hours per worker, however, was slightly higher, and the wages earned were materially higher, in 1968

than in 1963. The increase in weekly hours per worker probably reflected in part a short labor supply. To the extent labor shortages limited domestic output or delayed deliveries such shortages probably stimulated U.S. imports of nonrubber footwear. The output of nonrubber footwear per man-hour was about 12 percent greater in 1967 than in 1954-56.

#### Profit-and-loss experience of domestic producers

The profitability of the domestic producers of nonrubber footwear has improved materially since 1963. The aggregate annual net profits of all producers are estimated to have doubled between 1963 and 1967. The ratio of net profits to sales has increased; net profits were equivalent to nearly 5 percent of sales in 1963 and about  $6\frac{1}{2}$  percent in 1967. That improvement was shared by producing firms of all sizes. The average ratio of annual profits to sales of the small firms, however, was low throughout the period 1963-67; the average annual ratio for the firms producing less than 200,000 pairs annually, which comprise a third of the firms producing nonrubber footwear, was less than  $2\frac{1}{2}$  percent. The large firms producing nonrubber footwear reported generally that earnings were higher in the first half of 1968 than in the corresponding period of 1967; data are not available respecting the financial experience of the other domestic firms in 1968.

The domestic producers of nonrubber footwear have invested increasing annual amounts in new plant and equipment in recent years. Such investments are estimated to have totaled \$41 million in 1967, compared with \$24 million in 1964.

Projections

The numerous factors that may affect the future levels of U.S. production and imports of nonrubber footwear, and the influence that many of them will exert, are difficult to assess. Nevertheless, current conditions in the footwear market give some intimations respecting certain short-term developments--barring untoward events. Thus, U.S. consumption of nonrubber footwear will probably continue to grow at a rate somewhat higher than the rate of growth in the U.S. population. Both domestic production and imports are likely to continue to increase--the imports rising at an annual rate somewhat higher than that of domestic output. Technological developments and ingenuity of design and style, however, may substantially improve the competitive position of the domestic producers. Under these circumstances, the anticipated rise in imports might have no greater effect on the profitability of domestic producers' operations--in the overall--than at present. Some of the smaller producers probably would continue to operate at low levels of profits; the operations of many of them, however would likely be significantly affected by competition not only from imports of nonrubber footwear, but also from sales of nonrubber footwear by their larger domestic competitors and from sales of other types of both imported and domestic footwear (e.g., canvas-rubber).



## Description of Products

The Commission's notice of this investigation defined the term "nonrubber footwear" as footwear of the kinds described in part 1A of schedule 7 of the Tariff Schedules of the United States (TSUS)--other than footwear described in TSUS items 700.51, 700.52, 700.53, and 700.60. Part 1A of schedule 7 provides for virtually all types of footwear, of whatever material composed and by whatever method constructed. Consequently, notwithstanding the various exclusions, the term "nonrubber footwear" covers a wide variety of footwear, including dress, casual, work and athletic shoes, as well as sandals, slippers, slipper socks, moccasins, and boots. 1/

In terms of U.S. retail sales, dress shoes--the type of footwear intended principally for business and social activities--are more important than any other type of "nonrubber footwear". Possibly half of all the "nonrubber" footwear produced in the United States, and a third of that imported, consist of dress shoes. Nevertheless, consumers have shown an increasing propensity in recent years to utilize other types of nonrubber footwear (e.g., loafers and sandals) in lieu of dress shoes--especially in casual wear. In 1967, for example, sandals probably constituted about two-fifths of the imported "nonrubber footwear", but only a small share of that produced domestically; other types of footwear for casual use,

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1/ In general or commercial usage these descriptive terms for footwear may have various meanings; most of them, however, are specifically defined for tariff purposes in the headnotes (including statistical headnotes) to part 1A of schedule 7, which are reproduced in appendix A to this report.

however, comprised a substantial part of the footwear produced in the United States. 1/

As noted above, several types of footwear are excluded from the scope of the term "nonrubber footwear", as defined for this investigation. The footwear described in TSUS items 700.51, 700.52, and 700.53--so-called protective-type footwear--consists predominantly of footwear of rubber or plastics commonly known as rubbers, overshoes, galoshes, arctics, and rubber boots. The footwear described in TSUS item 700.60 consists largely of types having fiber uppers and rubber or vinyl soles, including shoes known as sneakers, tennis shoes, basketball shoes, and canvas-rubber casuals. Infants' knit footwear and footwear with permanently attached skates or snowshoes are not dutiable under part 1A of schedule 7, 2/ and thus are not "nonrubber footwear". Zoris--thonged sandals of rubber or plastics--are reported in TSUS item 700.55 and therefore are "nonrubber footwear" in this investigation; data on zoris, however, have been excluded from the import data shown in the text and tables of this report, unless otherwise noted. 3/

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1/ At best, the figures just cited are rough approximations, since nowhere in the official statistics is it possible to identify the production and imports of dress shoes or sandals as such. The respective categories used for reporting domestic production (table 15) and imports (table 23) intermingle the data for dress shoes and sandals with those of other footwear meeting a specified category designation.

2/ See headnote 1, part 1A, schedule 7, appendix A.

3/ Zoris, which are worn primarily as beach sandals or shower slippers, are not produced in the United States. U.S. imports thereof, chiefly from Japan, declined from an estimated 70 million pairs in 1959 to 32 million pairs in 1963, and then to 27 million pairs in 1967; the dutiable value of the 1967 imports averaged 11 cents per pair.

The principal methods used currently to attach the outsole of non-rubber footwear to the upper include the cement, welt, and injection-molding processes. In the cement process, the outsole is attached to the upper by means of an adhesive without sewing. This process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes. Most women's shoes are now made by the cement process. In the welt process, a narrow strip of supple leather or manmade material called the welt is sewed to the shoe upper and to a lip on the surface of the insole; the outsole is then sewed or cemented to the welt. Welt shoes are generally regarded as rugged and durable; most domestically-produced shoes for men are made by this process. In the injection-molding process, a plastic compound is injected into a mold held against a completed shoe upper, simultaneously molding and attaching a sole and heel to the upper. Other types of construction, which are used less extensively than those described, include McKay sewed, vulcanized, Littleway, stitchdown, soft sole, and turn or turned.

About 60 percent of the U.S. output of nonrubber footwear is made by the cement process and about 15 percent is made by the welt process; domestic producers' use of the injection-molding process is believed to have increased in recent years. A large part of the imported nonrubber footwear is made by the cement process; less than 5 percent is made by the welt process.

The uppers of most nonrubber footwear worn in the United States are made of leather, although the use of manmade leather-like materials (e.g.,

Corfam and Astran) and supported vinyl 1/ has increased considerably in recent years. About 50 percent of the nonrubber footwear imported in 1967 had uppers of rubber or plastics (chiefly supported vinyl); about 45 percent, uppers of leather; and about 5 percent, uppers of other materials. In contrast, about 75 percent of the nonrubber footwear produced domestically in that year had uppers of leather, and about 25 percent, uppers of other materials.

About 60 percent of the nonrubber footwear produced in the United States, and about 75 percent of that imported, consist of footwear for women and misses. Nearly 30 percent of that produced domestically and about 20 percent of that imported consists of footwear for men, youths, and boys. Footwear for children and infants accounts for the remainder.

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1/ Vinyl material backed by, or bonded to, fabric.

## U.S. Customs Treatment

Nonrubber footwear is classified for tariff purposes under 23 items of part 1A of schedule 7 of the Tariff Schedules of the United States (TSUS) (table 1 in appendix B). 1/ The rates of duty applicable to such footwear remained unchanged from August 31, 1963 (the effective date of the TSUS) through December 31, 1967. On January 1, 1968, the column 1 (trade agreement) rates 2/ provided for in 19 of the 23 TSUS items were reduced, when the first stage of the concessions granted by the United States in the Kennedy Round tariff negotiations was placed in effect.

Nearly all of the U.S. rates of duty applicable to imports of non-rubber footwear are of the ad valorem type. Before the first stage of the Kennedy Round concessions went into effect on January 1, 1968, the ad valorem rates in column 1 of the TSUS ranged from 5 percent to 25 percent. The great bulk of the imports of nonrubber footwear entering at those rates were dutiable at either 10 percent, 12-1/2 percent, or 20 percent ad valorem; the remaining imports were dutiable at either one of various other ad valorem rates or at the sole specific rate. 3/ The distribution

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1/ During the period Aug. 31, 1963, through Dec. 31, 1967, nonrubber footwear was classified under 18 TSUS items. On Jan. 1, 1968, to carry out the first stage of the Kennedy Round commitments made by the United States, 4 of those TSUS items were sub-divided; this action created 5 additional items, making a total of 23.

2/ The TSUS provides two rates of duty for each item--the column 1 rate and the column 2 rate. The column 1 rates applicable to nonrubber footwear that are lower than the corresponding column 2 rates reflect tariff concessions made by the United States in trade agreements. Imports from most countries are dutiable at the column 1 rates; imports from countries designated as Communist are dutiable at column 2 rates (see General Headnote 3 to the TSUS).

3/ The specific rate which applied to welt footwear of leather, valued at over \$2 but not over \$6.80 per pair, could range from an equivalent of 5 to 17 percent ad valorem, depending on the dutiable value of the footwear being entered. In 1967, the specific rate was equivalent on the average to 7 percent ad valorem.

of imports of nonrubber footwear that entered at column 1 rates in 1967, by rates of duty, is shown below:

<u>Rate of duty</u>	<u>U.S. imports in 1967</u>	
	<u>Value</u> (1,000 dollars)	<u>Percent of total</u>
5 percent ad valorem-----	24,209	11
10 percent ad valorem-----	48,389	23
12-1/2 percent ad valorem-----	39,382	18
14 percent ad valorem-----	427	<u>1/</u>
15 percent ad valorem-----	360	<u>1/</u>
16-2/3 percent ad valorem-----	256	<u>1/</u>
17 percent ad valorem-----	12	<u>1/</u>
20 percent ad valorem-----	92,710	43
25 percent ad valorem-----	692	<u>1/</u>
34 cents per pair-----	<u>6,775</u>	<u>3</u>
Total-----	213,212	<u>100</u>

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1/ Less than a half of one percent.

Footwear classified under the 19 TSUS items on which the United States granted concessions in the Kennedy Round tariff negotiations accounted for 95 percent of the value of U.S. imports of nonrubber footwear dutiable at column 1 rates in 1967. In those negotiations, the United States agreed to reduce the rates applicable to 14 of the 19 TSUS items by 50 percent, the maximum reduction permitted on those 14 items under the Trade Expansion Act of 1962 (76 Stat. 880). Footwear classified under the 14 items is estimated to have accounted in 1967 for 50 percent of the value of total imports of nonrubber footwear dutiable at column 1 rates. On 4 TSUS items, which applied to footwear accounting for 43 percent of the nonrubber footwear imports dutiable at column 1 rates in 1967, the United States agreed to reduce the rates by less than 50 percent (generally by about 25 percent). On the remaining TSUS item subject to concession, which applied to only a small share of the trade in nonrubber footwear

affected by Kennedy-Round concessions, the United States agreed to eliminate the duty. Most of these U.S. concessions on nonrubber footwear will be placed in effect in five stages. As noted earlier, the first stage became effective on January 1, 1968; the subsequent stages will go into effect at annual intervals, the fifth on January 1, 1972. Table 1 shows the first and final stage rates for nonrubber footwear.

The column 2 rates of duty applicable to nonrubber footwear, which are all of the ad valorem type, range from 10 percent to 35 percent ad valorem. In 1967 virtually all of the imports of nonrubber footwear entering at column 2 rates were dutiable at 20 percent ad valorem. Total imports at column 2 rates in that year were equivalent in value to 3 percent of the total imports of nonrubber footwear.

Before August 31, 1963 (i.e., before the TSUS became effective), footwear in chief value of leather and footwear with uppers in chief value of fibers (regardless of the composition of the soles) were dutiable under paragraph 1530(e) of the Tariff Act of 1930. The rate of duty originally applicable to such articles under that Act was 35 percent ad valorem for footwear with fiber uppers and 20 percent ad valorem for footwear in chief value of leather (except such footwear with fiber uppers). These were the only rate provisions in the statute that specifically named footwear. Footwear of other descriptions was dutiable at various rates, depending on the component material of chief value. In the pre-TSUS tariff schedules, footwear of wood, for example, was dutiable under the provision in paragraph 412 for "manufactures . . . of which wood or bark is the component material of chief value, not specially provided for"; the statutory rate

applicable to such footwear under the Tariff Act of 1930 was 33-1/3 percent ad valorem. Footwear of natural rubber--very little of which is believed to have been of the type of footwear now provided for in item 700.55 (and defined as "nonrubber footwear" in this investigation) was dutiable in the pre-TSUS tariff schedules principally under paragraph 1537(b), as "manufactures of India rubber . . . or of which . . . [this substance] . . . is the component material of chief value, not specially provided for." By virtue of the similitude provisions of paragraph 1559 of the pre-TSUS tariff schedules, some footwear of synthetic rubber or plastics was dutiable at the rate applicable under paragraph 1537(b) to footwear of natural rubber. The types of synthetic rubber or plastics footwear currently provided for in TSUS item 700.55, however, are believed to have been dutiable, by similitude, mostly at one of the rates provided for leather footwear in paragraph 1530(e).

All changes in the rates of duty applicable to nonrubber footwear in the period January 1, 1946, to August 30, 1963, are shown in table 2.

Partly finished footwear (including that assembled abroad in whole or in part of fabricated components, the product of the United States, as provided in TSUS item 807.00) is dutiable at the rate provided under the TSUS item applicable to finished footwear of the same type. Item 807.00 provides, however, that the duty on articles assembled abroad from U.S. components may be assessed on the full value of the imported articles, less the cost or value of the U.S. components.



## U.S. Consumption

From 1955 to 1967 the average annual rate of increase in the annual U.S. consumption of nonrubber footwear was slightly greater than that of the U.S. population--1.8 percent compared with 1.5 percent. Nonrubber footwear has continued to be the predominant type of footwear sold in the United States, but has accounted for a declining share of annual consumption of all footwear other than protective type (table 3).

The apparent annual U.S. consumption of nonrubber footwear, which totaled 575 million pairs in 1954-56, averaged 730 million pairs in 1965-67 <sup>1/</sup> (table 4). Thus U.S. consumption of such footwear increased at an average annual rate of about 2 percent from the mid-1950's to 1965-67. <sup>2/</sup> On a per-capita basis, the average annual U.S. consumption of nonrubber footwear rose from 3.5 pairs in 1954-56 to 3.7 pairs in 1965-67--the increase being at an average annual rate of about 0.5 percent (table 3).

From 1963 to 1966, the apparent annual consumption of nonrubber footwear rose at an average annual rate of about 3 to 4 percent--from 668 million pairs to 741 million pairs--but it then declined slightly to 731 million pairs in 1967. Data for the first 8 months of 1967 and 1968 indicate that the apparent consumption of nonrubber footwear was about 15 percent larger in 1968 than in 1967--563 million pairs in January-August 1968 and 490 million pairs in the corresponding period of 1967. This marked change in the apparent consumption of nonrubber footwear was far greater

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<sup>1/</sup> Comparisons are made frequently in this report between average annual data for 1954-56 and that for 1965-67. The period 1954-67 spans the years when annual U.S. imports of nonrubber footwear were increasing materially. The 3-year averages are used to avoid atypical annual fluctuations.

<sup>2/</sup> The growth rate would not be appreciably different if data for 1967 (when consumption declined) were excluded from the calculations.

than any annual change occurring in the preceding decade--a period when year-to-year changes in apparent consumption rarely exceeded 5 percent.<sup>1/</sup> Recent extensive changes in the styling of women's and misses' shoes appear to be largely responsible for the high level of consumption of nonrubber footwear in 1968. Such changes appear to have stimulated both domestic production and imports. Moreover, they probably helped heighten the customary seasonal variations in domestic producers' output and sales. In the second quarter of a year, U.S. producers of nonrubber footwear generally produce more footwear than they ship; but, in the third quarter, they ship more than they produce. Such "over-production" of nonrubber footwear by U.S. manufacturers in the second quarter was considerably larger in 1968 than in 1967--21 million pairs, compared with 12 million pairs; the corresponding "over-shipment" in the 2-month period July-August was 10 million pairs in 1968 and 2 million pairs in 1967.

In recent years, house slippers have accounted for about 13 percent, and athletic footwear for 1 percent, of the volume of nonrubber footwear sold annually in the United States. Other nonrubber footwear for women and misses has accounted for about a half; other footwear for men, youths, and boys for about a fourth, and other footwear for children and infants, about a tenth (table 5). The share of the sales accounted for by each of these broad categories has not changed significantly in recent years. Within some of these categories, however, the popularity of various

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<sup>1/</sup> From 1961 to 1962, however, apparent annual U.S. consumption of nonrubber footwear rose by 10 percent.

identifiable types of footwear often changes. In recent years, for example, the popularity of sandals (especially for women, misses, and children), 1/ pigskin casual shoes (especially for men), and packables (folding slippers) 2/ has risen.

#### Factors affecting U.S. consumption

It is difficult to determine all of the factors that affect U.S. consumption of nonrubber footwear, as well as to assess their relative importance. Among the factors identified by the Commission as influencing the volume and composition of domestic consumption of such footwear are changes in the U.S. population, disposable personal income, and consumer preferences.

Population.--Although the U.S. population has continued to increase in recent years, the annual rate of growth has declined materially during the 1960's. The annual rate of increase averaged 1.4 percent during the period 1960-67, compared with nearly 1.8 percent during the 1950's. Expressed in absolute terms, the annual increase in the U.S. population averaged nearly 3 million in the late 1950's, but was only 2.2 million in the year ending July 1, 1967 (table 6). The decline in the growth rate from 1.2 percent in the year ending July 1, 1966, to 1.0 percent in the following year continued the series of successively lower annual growth rates

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1/ The term "sandals" is used to refer to footwear with uppers consisting wholly or predominantly of straps or thongs.

2/ The terms "packables" and "folding slippers" are used to refer to footwear with pliant uppers and soles, generally sold folded in a polyvinyl bag.

that began in 1958. 1/ The downward trend in the annual rate of growth in the U.S. population resulted primarily from the decline in the annual birth rate; the so-called crude birth rate in 1967--17.9 babies for each 1,000 persons--was even lower than the birth rates in the depression years of the 1930's and the Census Bureau estimated that the figures for 1968 and 1969 will be even lower. 2/ The crude birth rate reflects the changing age structure of the U.S. population discussed below.

Recent changes in the age composition of the U.S. population have undoubtedly had an important influence not only on the volume but also on the types of nonrubber footwear consumed. From 1960 to 1967 the greatest gains in population were in the ages 14 to 24 years; the population of college age (18 to 24) increased by 39 percent and the population of high school age (14 to 17), by 31 percent. 3/ The persons in these two age groups are the principal consumers of sandals, which, as already noted, accounted for about two-fifths of the nonrubber footwear imported in 1967; also, they are among the principal consumers of canvas-rubber footwear, 4/ U.S. consumption of which has increased more markedly than that of non-rubber footwear (see section below on consumer preferences).

The rise in the share of the U.S. population aged 65 and over has also altered the composition of U.S. footwear consumption. Persons in that

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1/ U.S. Bureau of the Census, Current Population Reports, series P-25, No. 385, Feb. 14, 1968.

2/ Ibid., No. 398, July 31, 1968.

3/ Op. cit. No. 1 above. The Census Bureau stated also that in the next several years the age group 20 to 24 will grow the most rapidly.

4/ The term "canvas-rubber footwear" is used in this report to refer to the principal types of footwear provided for in TSUS item 700.60, namely, footwear having fiber uppers and rubber or vinyl soles, including shoes known as sneakers, tennis shoes, basketball shoes, and canvas casuals.

age group are mostly retired and their per-capita purchases of footwear and other wearing apparel are likely to be below the average for the total population. The decline in their purchases has probably had a greater effect on consumption of nonrubber dress shoes than on other types of footwear.

The following tabulation compiled from Census data <sup>1/</sup> shows the age composition of the U.S. population in 1950, 1960, and 1967 and the percent of change in the number in each age category from 1950 to 1960 and from 1960 to 1967:

Age	Percent distribution			Percent of change in absolute numbers	
	April 1, 1950	April 1, 1960	July 1, 1967	1950 to 1960	1960 to 1967
All ages-----	100.0	100.0	100.0	+18.6	+10.6
Under 5 years-----	10.7	11.3	9.6	+25.1	-5.6
5 to 13 years-----	14.7	18.2	18.6	+47.1	+13.0
14 to 17 years-----	5.6	6.2	7.3	+31.7	+31.0
18 to 24 years-----	10.6	8.9	11.2	-1.1	+39.4
25 to 34 years-----	15.8	12.8	11.6	-4.1	+0.4
35 to 44 years-----	14.2	13.4	12.0	+12.1	-0.8
45 to 54 years-----	11.5	11.4	11.4	+17.8	+10.3
55 to 64 years-----	8.8	8.7	8.8	+16.8	+12.8
65 years and over---	8.1	9.2	9.4	+34.7	+13.5

Disposable personal income.--Per capita disposable personal income in the United States has risen appreciably since the mid-1950's (table 6). Such income increased from 1955 to 1967 at an average annual rate of 4.2 percent if measured in current dollars and at 2.4 percent if measured in constant (1958) dollars. The following tabulation compiled from Census

<sup>1/</sup> Source cited in footnote 1 on preceding page.

data shows that during the period 1955-1966 the changes in the shares of the aggregate income received by families ranked according to size of income were slight: 1/

Income rank	1955	1960	1965	1966
Total, all families-----	100.0	100.0	100.0	100.0
Lowest fifth-----	4.8	4.9	5.3	5.4
Second fifth-----	12.2	12.0	12.2	12.4
Middle fifth-----	17.7	17.6	17.6	17.7
Fourth fifth-----	23.7	23.6	24.0	23.8
Highest fifth-----	41.6	42.0	40.9	40.7
Top 5 percent-----	16.8	16.8	15.2	14.8

During the same period, the changes in the shares of aggregate income received by unrelated individuals ranked in quintiles according to size of income were even smaller than the changes noted above with respect to family income. 2/

The increase in disposable personal income has permitted a rise in personal consumption expenditures. From 1955 to 1967, for example, the average annual rate of increase in per-capita personal consumption expenditures was 4.0 percent for all goods and services; 3.1 percent for all types of footwear (nonrubber, canvas-rubber, and miscellaneous articles generally classified as footwear); and 3.6 percent for clothing and accessories (except

1/ U.S. Bureau of the Census, Statistical Abstract of the United States, 1968, p. 324. Ranking is based on size of money income before taxes. A family consists of two or more persons residing together and related by blood, marriage, or adoption.

2/ Unrelated individuals, who accounted for about 6 percent of the population during the period 1955-66, are persons not living with any relatives.

footwear). The foregoing rates of change in per-capita personal consumption expenditures were computed from the data on personal consumption expenditures shown in the following tabulation (in current dollars):

Year	Total <u>1/</u>			Per capita <u>2/</u>		
	All goods and services	Foot-wear	Cloth-ing <u>3/</u>	All goods and services	Foot-wear	Cloth-ing <u>3/</u>
	Billion	Billion	Billion			
1955-----	\$254.4	\$3.6	\$19.4	\$1,533	\$22	\$117
1960-----	325.2	4.5	22.7	1,800	25	126
1965-----	432.8	5.4	30.4	2,224	28	156
1966-----	465.5	5.9	33.8	2,364	30	171
1967-----	492.2	6.3	35.6	2,472	31	179
Percent of increase, 1955 to 1967::						
Total-----	94	74	84	61	44	53
Annual average-----	5.6	4.7	5.2	4.0	3.1	3.6

1/ From U.S. Department of Commerce, Office of Business Economics, National Income and Product Accounts of the United States, 1929-1965, and Survey of Current Business, July 1968.

2/ Computed on the basis of the population data shown in table 6.

3/ Includes accessories, but excludes footwear.

Consumer preferences.--Changes in consumer preferences, which reflect in part changes in the composition of the population, apparently explain why the pairage increase in per-capita consumption of non-rubber footwear since the mid-1950's has been only a fifth of the increase in per-capita consumption of all footwear. The significant changes that have occurred in the mode of living in the United States in recent years have also altered consumer preferences. Increased urbanization, the growth of suburban areas, and the trend toward casual living, factors which have had a major impact on the apparel industry,

have probably influenced the U.S. consumption of footwear to a marked degree. Consumer interest in spending part of their increased income on footwear has been stimulated by the growth in leisure-time activities, which create demand for footwear designed for special purposes, and increasing emphasis on high-style footwear for men as well as for women.

With these changes in consumer preferences, nonrubber footwear accounted, in terms of quantity, for only about three-fourths of apparent U.S. consumption of all footwear in 1965-67, compared with more than nine-tenths in 1954-56. <sup>1/</sup> The annual U.S. consumption of canvas-rubber footwear--the major type of footwear other than nonrubber footwear--has increased markedly since the mid-1950's (table 3). The consumption of such footwear, which totaled about 50 million pairs annually in 1954-56, averaged 197 million pairs annually in 1965-67. The absolute increase in annual consumption of canvas-rubber footwear from 1954-56 to 1965-67--about 145 million pairs--nearly equaled that of nonrubber footwear. The annual rate of growth in U.S. consumption of canvas-rubber footwear averaged about 15 percent in the period 1954-63, and then declined to an average of 2 percent in 1963-67. Thus, in the latter period, the average annual growth rate of U.S. consumption of canvas-rubber footwear about matched that of the consumption of nonrubber footwear. The bulk of the U.S. consumption of canvas-rubber

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<sup>1/</sup> Data are not available to permit a similar comparison based on value. On the basis of data in the 1963 Census of Manufactures, however, it appears that the average price per pair of nonrubber footwear is about twice as high as that of canvas-rubber footwear (in 1963, the most recent year for which data are available for canvas-rubber footwear, the unit value of domestic manufacturers' shipments of such footwear was \$1.81, whereas that of nonrubber footwear was \$3.86).



footwear has consisted of domestically produced footwear; the U.S. output of such footwear was equivalent to about 80 percent of aggregate U.S. sales thereof in 1965-67.

The U.S. consumption of zoris also rose sharply between the mid-1950's and the early 1960's (table 3). The subsequent decline in consumption--from an estimated annual average of 42 million pairs in 1960-62 to 27 million in 1967--probably resulted, however, in large measure from the increase in the consumption of other types of inexpensive imported sandals.

#### Role of imports

Before the mid-1950's, imports supplied a negligible portion of the nonrubber footwear consumed in the United States. From 1954-56 to 1960-62, however, the average annual imports rose from the equivalent of 2 percent to 9 percent of apparent consumption (based on quantity) (table 4). Since 1963, imports of nonrubber footwear have continued to increase at a higher annual rate than domestic production; hence, the ratio of imports to apparent consumption has continued to increase. Imports were equivalent to 18 percent of the apparent consumption in 1967 and 22 percent in January-August 1968. Because the unit value of domestic footwear is on the average substantially higher than that of imported footwear, the share of U.S. consumption of nonrubber footwear supplied by imports

in recent years has been lower if measured in terms of the estimated wholesale values, rather than in number of pairs, as indicated in the following tabulation:

Period	Average wholesale value per pair		Ratio of imports to consumption based on--	
	Domestic	Imported <sup>1/</sup>	Aggregate wholesale value	Total quantity
			Percent	Percent
1960-62-----	\$3.78	\$1.55	4	9
1964-----	3.96	1.61	5	12
1965-----	3.99	1.54	6	13
1966-----	4.31	1.89	7	14
1967-----	4.58	2.03	10	18
January-August:				
1967-----	4.63	1.93	10	19
1968-----	4.72	2.17	14	22

<sup>1/</sup> Estimated by the U.S. Tariff Commission.

Information obtained by the Commission on the composition of domestic producers' and importers' sales of nonrubber footwear in 1967 indicates that in terms of quantity about three-fifths of the nonrubber footwear consumed in the United States in that year was marketed at wholesale at less than \$4 per pair, and was probably sold at retail at less than \$8 per pair (table 7). <sup>1/</sup> Only a small share--about 5 percent--was sold at more

<sup>1/</sup> Until recently, U.S. retailers of nonrubber footwear generally took a markup equivalent to 40-45 percent of the retail price. Testimony at the public hearing, however, indicated that the current markup is about 50 percent of the retail price.

than \$10 per pair wholesale (\$20 per pair retail). Roughly half of the nonrubber footwear produced in the United States was wholesaled at less than \$4 per pair, while about four-fifths of the imported nonrubber footwear was wholesaled at less than that price. Thus, in 1967, imports supplied about a fourth of the nonrubber footwear in the United States wholesaling at less than \$4 per pair, but considerably less than a tenth of that selling at \$4 per pair, or higher. In general, the lower the price range, the higher the share of U.S. consumption of nonrubber footwear supplied by imports (table 7).

Imports generally supply a larger share of the women's and misses' nonrubber footwear marketed in the United States than they do of either men's, youths' and boys' or children's and infants'--23 percent compared to 11 percent and 10 percent respectively (table 7).

A detailed discussion of the volume and composition of both domestic production and imports of nonrubber footwear in recent years is contained elsewhere in this report; see sections on U.S. production and U.S. imports.

#### U.S. Producers

Nonrubber footwear currently is produced in the United States by about 675 companies in approximately 1,000 establishments located in 38 States. Since the mid-1950's, the number of companies producing nonrubber footwear has declined by about 40 percent and the number of establishments producing such footwear, by about 30 percent; these downward trends, however, began considerably before the mid-1950's. Nearly all of the decline in the number of establishments from 1956 to 1966 occurred in

those employing fewer than 250 workers (table 8). A significant number of the closed plants had been in operation for many years.

Data measuring adequately U.S. capacity to produce nonrubber footwear are not available; hence, the effect of the decline in the number of companies and establishments on the domestic capacity to produce such footwear is not known. It is likely, however, that improvements in plant and equipment and the introduction of new processing techniques by companies continuing in operation have offset in substantial measure the depletion of production capacity resulting from the closing of producing establishments. Average annual U.S. output of such footwear, moreover, was nearly 10 percent greater in 1965-67 than in 1954-56.

Contrary to the trend on the U.S. mainland, the number of establishments producing nonrubber footwear in Puerto Rico has increased considerably in recent years. Forty-three Puerto Rican establishments produced such footwear in 1967, compared with 24 in 1964. The employment of production workers in the Puerto Rican establishments increased commensurately-- from a total of 3,500 in 1964 to 6,100 in 1967. Data relating to the production of nonrubber footwear in Puerto Rico are not included in the official statistics on U.S. output of those articles.

#### Size groups

The annual output of companies producing nonrubber footwear in the United States has ranged from a few dozen pairs to about 40 million pairs. In 1967, 16 companies, each of which produced at least 4 million pairs, together accounted for nearly a third of domestic output; 42 companies

producing 2 million to 4 million pairs each accounted for nearly a fifth; and 100 companies producing 1 million to 2 million pairs each, for nearly a fourth. The remaining 517 companies, each of which produced less than a million pairs of shoes in 1967, accounted for about a fourth of domestic output in that year (table 9). The share of domestic output accounted for by the larger companies was stable during 1963-66. In 1966, however, firms producing more than 2 million pairs each accounted for a moderately larger share of the domestic output than they did in 1959, whereas firms producing less than 2 million pairs each accounted for a moderately smaller share (table 10). The number of firms producing more than 2 million pairs each also increased from 1959 to 1966--from 56 to 63. While the total number of companies producing nonrubber footwear (except house slippers) declined from 1,077 in 1947 to 785 in 1963, the concentration of U.S. output in the hands of the 50 largest companies increased very slightly in terms of value of shipments (table 11). 1/

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1/ 1963 is the latest year for which the detailed data in table 11 are available.

Using data reported to the Commission during this investigation, the following tabulation presents selected information respecting domestic producers of nonrubber footwear in 1967:

Item	Companies having annual pairage output of--			
	4 to 40 million	2 to 4 million	1 to 2 million	Less than 1 million
Number of companies	1/ 16	42	100	517
Number of plants, each company.	14 are multi- plant firms	Half are multi-plant firms	Four-fifths are single- plant firms	Virtually all are single- plant firms
Aggregate share of U.S. output of non- rubber footwear (percent).	31	19	24	26
Number of companies with retail opera- tions (i.e., own retail stores and/or lease footwear de- partments).	10	Few	Few	Very few
Lines of footwear produced, each company.	9 produce a full line 2/	About 7 produce a full line	Most produce a limited line	Nearly all produce a limited line
Price range, each company.	Wide	Moderate	Narrow for most	Narrow for nearly all
Number of companies importing nonrubber footwear.	9	About 7	Few	Very few

1/ Most produced between 5 million and 10 million pairs.

2/ The term "full line" means a wide variety of nonrubber footwear for men, women, and children.

Entries and exits

Comprehensive data on the number of U.S. firms ceasing and the number of firms beginning the manufacture of nonrubber footwear in recent years are not available. 1/ A representative of the domestic industry recently testified that about 500 companies had ceased to manufacture such footwear during the last decade, and that a smaller number had entered into production. 2/ Much of the observed mobility in and out of the industry involved the smaller concerns.

The annual number of business failures of concerns producing non-rubber footwear declined in recent years, while mergers of such concerns and acquisitions thereof by firms that are not primarily producers of nonrubber footwear have been extensive. According to data compiled by Dun and Bradstreet, Inc., 9 firms manufacturing nonrubber footwear filed bankruptcy petitions in U.S. courts in 1967; 41 firms filed such petitions in both 1954 and 1958 (table 12). In 1967, companies accounting for nearly 5 percent of the total value of domestic shipments of nonrubber footwear were acquired by other concerns, chiefly firms already producing nonrubber footwear. In the first 9 months of 1968, companies accounting for about 6 percent of domestic shipments were acquired by others. 3/

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1/ The National Shoe Manufacturers Association reported data on the number of firms ceasing and beginning the manufacture of shoes (excluding house slippers) in 1963 and earlier years. The average annual exits and entries reported were as follows:

	<u>Exits</u>	<u>Entries</u>
1959-63-----	45	40
1954-58-----	47	35

2/ Alan H. Goldstein, Chairman, National Affairs Committee, National Footwear Manufacturers Association.

3/ Data on acquisitions are based on a survey of acquisitions and mergers reported in Footwear News, a weekly trade publication.

### Technological developments

Because nonrubber footwear is produced in a wide range of sizes and styles, automation does not yet play as dominant a role in this industry as it does in many others. Nevertheless, considerable progress has been made in recent years in the use of automated and conveyORIZED material-handling equipment, and in the use of semi-automatic machinery that performs several operations formerly done on separate machines. The injection-molding and vulcanizing processes of constructing footwear, by which the soles and heels are formed and attached to the uppers in one operation, have been used increasingly by domestic producers; the use of these processes reduces production time and labor costs. Heat setting of the uppers during lasting operations reduces the time required for a shoe to be on the form (last) on which the shoe is made.

Since 1963, manmade materials have been used increasingly in making uppers. As these materials are uniform in weight, quality, and dimension, several layers may be cut in one operation, with a minimum of both labor time and material waste.

### U.S. Production and Shipments

The U.S. production of nonrubber footwear increased from an annual average of 569 million pairs in 1954-56 to 623 million pairs in 1965-67 (table 4). The annual output of nonrubber footwear, thus, averaged about a tenth greater in 1965-67 than in 1954-56; the average annual rate of growth was about 0.8 percent. 1/

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1/ The growth rate would be about 1 percent if data for 1967 (when production declined) were excluded from the calculations.



From 1963 to 1966, the annual U.S. production of nonrubber footwear rose from 604 million pairs to 642 million pairs, but in 1967 it declined to 600 million pairs. In the first 8 months of 1968, however, U.S. output was 10 percent larger than it had been in the corresponding period of 1967--438 million pairs compared with 399 million pairs. The decline in production in 1967 is probably attributable in part to the drastic style changes in women's and misses' footwear that occurred in that year. Trade reports indicate that uncertainties on the part of retailers and producers respecting the acceptance of the new styles by the consumer delayed the placement of orders and, thereby, the production of shoes; accordingly, the output in 1967 was smaller than in 1966. Increasing consumer acceptance of the new styling in 1968 is believed to have been the major factor causing increased production in that year.

In 1967, nonrubber footwear was produced in 38 States. Pennsylvania, Massachusetts, New York, Maine, and Missouri ranked as the major producing States--output in each totaled more than 50 million pairs (table 13). As noted in the section on U.S. producers, the facilities to produce nonrubber footwear in Puerto Rico, which is part of the U.S. customs territory, have expanded in recent years. The output of such footwear in Puerto Rico, principally by affiliates of U.S. firms, is estimated to have amounted to 12 million pairs in 1967 which was equivalent to 2 percent of the U.S. output reported in the official statistics for that year.

Annual shipments of nonrubber footwear by U.S. producers rarely vary more than 1 percent from their annual output. The trend of U.S. shipments of such footwear, therefore, has followed closely that of domestic

production (table 14). From 1963 to 1966, annual shipments rose without interruption from 601 million pairs to 639 million pairs--the increase was about 6 percent; shipments were lower in 1967, totaling 604 million pairs. In the first 8 months of 1968, shipments of nonrubber footwear amounted to 421 million pairs, compared with 396 million pairs in the corresponding period of 1967--the increase being 6 percent. Although the domestic output of nonrubber footwear in the first 8 months of 1968 was about 4 percent larger than shipments, this difference resulted in part from the regular seasonality of operations by the domestic producers (see the earlier section on U.S. consumption).

The wholesale value of annual U.S. shipments of nonrubber footwear increased from \$2.3 billion in 1963 to \$2.8 billion in 1967, reflecting primarily a rise in the average value per pair of shoes shipped--from \$3.86 to \$4.58 (table 14). In the first 8 months of 1968, the value of U.S. shipments of nonrubber footwear was \$2.0 billion (\$4.72 per pair), compared with \$1.8 billion (\$4.63 per pair) in the first 8 months of 1967.

In recent years, the U.S. military services have purchased substantial quantities of men's work and dress shoes. Purchases by the services are estimated to have amounted to 7 million pairs in 1964, 8 million pairs in 1965, 16 million pairs in 1966, and 9 million pairs in 1967.

#### By type of footwear

In recent years, nonrubber footwear for women and misses has accounted for nearly a half of the annual output; footwear for men, youths, and boys (including men's work shoes) has accounted for nearly a fourth, and that

for children and infants, for a tenth. Slippers have accounted for about 15 percent, and athletic footwear for 1 percent, of the annual U.S. output of nonrubber footwear (table 15). The share of the output accounted for by each of these broad categories has not changed significantly in recent years.

Dress shoes (not separately identified in the statistics) possibly accounted for a half of aggregate U.S. production of nonrubber footwear. U.S. production of sandals--a type of footwear accounting for two-fifths of the volume of nonrubber footwear imported in 1967--is known to be small; data on the domestic output of sandals, however, are not available. U.S. output of packables (folding slippers)--a type of footwear imported in substantial quantities in recent years--probably amounted to 30 million pairs in 1967, which is about 3 times the estimated volume of imports.

In 1967 about 60 percent of domestically produced nonrubber footwear was manufactured by the cement process, and about 15 percent, by the welt process. Footwear produced by the vulcanized and injection-molded processes, which are believed to be increasing in importance, accounted for about 5 percent of domestic output in that year (table 16).

#### By price ranges

As noted earlier, about half of the domestic nonrubber footwear sold in the U.S. in 1967 was marketed at wholesale at less than \$4 per pair.

As would be expected, the percentage distribution of domestic output thereof of individual types, by wholesale price ranges, varied widely (tables 17 and 18). Nearly all of the footwear for men, for example, was wholesaled at more than \$4.20 per pair. Nearly all slippers, including both packables (folding slippers) and other types, were wholesaled at less than \$4.20 per pair. Footwear for women was sold in appreciable volume in a wide range of wholesale price classes--from less than \$1.81 per pair to more than \$10.20 per pair.

#### Market outlets <sup>1/</sup>

In 1963, the latest year for which data are available, nonrubber footwear was marketed at retail in the United States by about 110,000 retail outlets, which were owned by about 80,000 firms. Retail chains (i.e., firms owning or leasing 11 or more retail outlets) marketed about half of the footwear sold in the United States, while so-called independent retailers (i.e., firms owning or leasing from 1 to 10 retail outlets) marketed half. Eighty retail chains owned or leased about 13 percent of the retail outlets and accounted for about 44 percent of total retail sales of footwear. Shoe stores accounted for nearly a half of the retail sales of footwear; general merchandise, apparel, variety, and department stores, mail order houses, and other retail outlets accounted for the remainder.

Firms that manufacture nonrubber footwear probably own or lease appreciably less than a tenth of the retail outlets marketing footwear.

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<sup>1/</sup> Data in this section are based largely on the 1963 Census of Business, as compiled by the National Footwear Manufacturers Association.

Such retail outlets probably account for about 15 percent of domestic retail sales of nonrubber footwear.

In recent years significant changes have occurred in the marketing of footwear. Many new outlets have been opened in the suburban areas. Some of these have replaced unprofitable downtown operations; others have been managed as branch stores. The new suburban outlets are of a wide variety. Many are boutique-type, aimed, for example, at the rising population of fashion-minded teenagers; others cater to the entire family; some operate as traditional sections in department stores; and still others engage in discount merchandising on a large scale.

#### U.S. Exports

The volume of U.S. exports of nonrubber footwear has decreased almost annually since the mid-1950's (table 19). U.S. exports of such footwear, which have been equivalent to less than 1 percent of domestic production, declined from 4.6 million pairs, valued at \$14.4 million, in 1955 to 2.2 million pairs, valued at \$8.2 million in 1967. Exports in 1968 were probably at about the same level as those in 1967.

Most of the U.S. exports of nonrubber footwear have consisted of footwear with uppers of leather. In terms of quantity, footwear for women and misses has accounted for nearly a half, and footwear for men,

youths, and boys for about a fourth, of total U.S. exports of nonrubber footwear in recent years, as shown in the tabulation below:

Type	1965	1966	1967
	Quantity (1,000 pairs)		
For men, youths, and boys-----	572	571	550
For women and misses-----	1,081	1,297	1,039
For children and infants-----	161	143	127
House slippers-----	431	419	319
Other footwear <u>1/</u> -----	246	307	182
Total-----	2,491	2,737	2,217
	Value (1,000 dollars)		
For men, youths, and boys-----	3,124	3,160	3,184
For women and misses-----	3,039	3,516	3,407
For children and infants-----	276	322	272
House slippers-----	623	735	542
Other footwear <u>1/</u> -----	768	1,123	822
Total-----	7,830	8,856	8,227
	Unit Value (per pair)		
For men, youths, and boys-----	\$5.46	\$5.53	\$5.79
For women and misses-----	2.81	2.71	3.28
For children and infants-----	1.71	2.25	2.14
House slippers-----	1.45	1.75	1.70
Other footwear <u>1/</u> -----	3.12	3.66	4.52
Average-----	3.14	3.24	3.71

1/ This category includes athletic footwear, boots, and other footwear not classified by the age and sex of the wearer for which designed.

In the period 1964-67, about 50 percent of the U.S. exports of non-rubber footwear (based on quantity) were shipped to markets in the Western Hemisphere, principally Canada, Mexico, the Bahamas, and the Netherlands Antilles. The footwear exported to these four markets consisted chiefly of "brand name" footwear for women and misses. U.S. brand-name footwear, whether exported from the United States or produced abroad, compete in

foreign markets primarily on the basis of fit and quality. Trade and financial journals indicate that in recent years foreign manufacturing subsidiaries or licensees of several U.S. footwear firms have increased their sales of brand-name footwear.

#### U.S. Imports

##### Volume

Since the mid-1950's, U.S. imports of nonrubber footwear have increased markedly (table 4). Annual imports of such footwear rose from an average of 10 million pairs in 1954-56 to 57 million pairs in 1960-62. Thereafter, they increased to 96 million pairs in 1965 and to 133 million pairs in 1967. In the first 8 months of 1968, imports amounted to 127 million pairs, compared with 92 million in the corresponding period of 1967.

After 1966, the imports of nonrubber footwear into the United States increased at an appreciably higher rate than in the immediately preceding years. In terms of quantity, U.S. imports of such footwear were 31 percent greater in 1967 than in 1966; they were 38 percent greater in the first 8 months of 1968 than in the comparable period of 1967. During the 4 years 1963-66, the average annual rate of increase was nearly 20 percent.

As noted in the section on U.S. consumption, the share of the U.S. market for nonrubber footwear supplied by imports has increased materially since the mid-1950's. In terms of quantity, U.S. imports of nonrubber footwear were equivalent to 2 percent of apparent domestic consumption of such footwear in 1954-56, 9 percent in 1960-62, 18 percent in 1967, and 22 percent in the first 8 months of 1968.

Japan, Italy, the Republic of China (Taiwan), and Spain have ranked (in terms of quantity) as the principal suppliers of nonrubber footwear in recent years (table 20). In 1967 Japan supplied 45 percent of the footwear imported; Italy supplied 31 percent; and the Republic of China and Spain, 5 percent each. U.S. imports from Italy and Spain consisted principally of footwear of leather, while those from Japan and the Republic of China consisted almost entirely of footwear having uppers of rubber or plastics.

#### Composition

In 1967, about 75 percent of the imported nonrubber footwear consisted of footwear for women and misses; about 20 percent consisted of footwear for men, youths, and boys; and 5 percent, footwear for infants and children. In that year leather footwear comprised 46 percent of the total quantity of nonrubber footwear imported; footwear having uppers of rubber or plastics comprised 50 percent; and footwear of other materials, 4 percent (table 21). The unit values of imported footwear with uppers of rubber or plastics averaged much lower than those of imported footwear of leather. U.S. imports of nonrubber footwear in 1967, in the aforementioned material categories, were as follows:

<u>Type</u>	<u>Quantity</u> (1,000 pairs)	<u>Value</u> (\$1,000)	<u>Value</u> per pair	<u>Percent of to</u> <u>Quantity</u> <u>Value</u>	
Footwear of leather-----	61,550	176,240	\$2.86	46	
Footwear having uppers of rubber or plastics-----	66,686	39,382	.59	50	
Other nonrubber footwear <u>1/-</u>	<u>5,023</u>	<u>3,739</u>	<u>.74</u>	<u>4</u>	
Total or average-----	133,259	219,361	1.65	100	I

1/ Principally footwear with uppers of fibers.



Sandals (except zoris) accounted for about 40 percent of the total quantity of nonrubber footwear imported into the United States in 1967. Nearly three-fifths of the imported sandals were made of leather; the rest were made with uppers of rubber or plastics. Sandals thus accounted for about half of the imported footwear of leather, and 35 percent of imported footwear having uppers of rubber or plastics. The remainder of U.S. imports of nonrubber footwear in 1967--60 percent of the total--consisted of a wide variety of footwear, including dress, casual, work, and athletic shoes, boots, packables or folding slippers, house slippers, and moccasins.

Imports of partly finished footwear, which are included in the figures discussed above, are believed to have been small. Data relating to such imports and to imports of fabricated components for such footwear are not available. In 1967, U.S. imports of "leather cut or wholly or partly manufactured into forms and shapes suitable for conversion into footwear" were valued at less than \$2 million (TSUS item 791.25); such imports therefore, were equivalent in value to less than 1 percent of the value of U.S. imports of nonrubber footwear. Spain, Italy, and Haiti were the most important suppliers. U.S. imports of other materials in forms and shapes suitable for conversion into nonrubber footwear are not reported separately. A review of import documents relating to entries made during May 1967 indicated, for example, that several hundred pairs of ornamented shoe uppers of silk were reported under TSUS item 382.03 (the 1967 TSUS item for women's, misses', and children's ornamented wearing apparel).

U.S. imports of footwear assembled abroad in whole or in part from fabricated components that were the product of the United States 1/ totaled 723,000 pairs (having a total value of \$1,226,000 and dutiable value of \$279,000) in 1967 and 437,000 pairs (total value of \$561,000 and dutiable value of \$162,000) in January-June 1968. Virtually all of these imports, which are included in the total import figures discussed above, came from Mexico; they consisted in substantial part of moccasins (TSUS item 700.15) in 1967 and of moccasins and footwear having molded soles laced to uppers (TSUS item 700.30) in the first 6 months of 1968.

Footwear of leather.--Annual U.S. imports of footwear of leather increased from an average of 4 million pairs in 1954-56 to 22 million pairs in 1960-62. Thereafter, the annual imports of such footwear increased to 35 million pairs in 1965 and 62 million pairs in 1967. In the first 8 months of 1968, U.S. imports of footwear of leather amounted to 61 million pairs--a quantity about 40 percent greater than that imported in the corresponding period of 1967 (table 21). Italy and Spain have been the principal foreign suppliers of U.S. imports of footwear of leather in recent years (table 22).

As noted above, about half of the U.S. imports of footwear of leather in 1967 consisted of sandals; dress, work, and athletic shoes accounted for most of the remainder. In terms of the TSUS classification of imports, the great bulk of U.S. imports of footwear of leather in recent years have consisted of "other footwear of leather"--see TSUS items 700.35 and 700.40

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1/ See last paragraph in the section on U.S. customs treatment.

in table 23. U.S. imports of footwear of leather in 1967, by TSUS classes, are shown in the following tabulation:

<u>Description</u> (TSUS No.)	<u>Quantity</u> 1,000 pair	<u>Value</u> \$1,000	<u>Value</u> per pair
Footwear of leather (except footwear with uppers of fibers), total---	<u>61,550</u>	<u>176,240</u>	<u>\$2.86</u>
Huaraches (700.05)-----	48	53	1.10
McKay-sewed (700.10)-----	27	72	2.67
Moccasins (700.15)-----	1,402	1,571	1.12
Turn or turned (700.20)-----	1,498	8,542	5.70
Welt, valued per pair--			
Not over \$2 (700.25)-----	52	74	1.42
Over \$2 but not over \$6.80 (700.26)-----	2,423	9,991	4.12
Over \$6.80 (700.27)-----	1,233	15,667	12.71
Footwear with molded soles laced to uppers (700.30)-----	11	45	4.09
Slippers (700.32)-----	434	904	2.08
Other:			
For men, youths, and boys (700.35)-----	13,545	48,580	3.59
For other persons (700.40)-----	40,877	90,741	2.22

Information respecting the types and sources of footwear classified in the more important TSUS classes shown above are discussed below.

Moccasins (TSUS item 700.15).--The leather moccasins classified here are of the American Indian handicraft type, i.e., they have no line of demarcation between the sole and the uppers. Mexico supplied about 90 percent of the U.S. imports of moccasins in 1967; most of these articles probably were intended for use by women, misses, and children. Nearly 45 percent of the moccasins entered from Mexico in 1967 consisted of footwear assembled in Mexico wholly or in part from fabricated components of U.S. origin.

Turn or turned footwear (TSUS item 700.20).--In 1967, the footwear classified as turn or turned footwear consisted almost entirely of women's and misses' footwear, chiefly dress shoes from Italy. The Italian footwear for women and misses had an average dutiable value of \$6.42 per pair, which was nearly double the average dutiable value of other types of Italian shoes for women and misses entered in 1967.

Welt footwear valued over \$2 but not over \$6.80 per pair (TSUS item 700.26 1/).--Most of the welt footwear classified here consists of footwear for men. In 1967, work shoes accounted for a fourth, and other types of welt footwear for men for two-thirds, of the 2.4 million pairs that were entered under this class. Czechoslovakia supplied about 60 percent of the work shoes; and Rumania, 18 percent. The work shoes from Czechoslovakia had an average dutiable value of \$3.28 per pair; those from Rumania, \$2.44.

The "other" welt footwear for men (i.e., other than work shoes) is believed to consist principally of dress shoes. In 1967, Spain supplied 31 percent, the United Kingdom, 25 percent, and Czechoslovakia, 22 percent, of the 1.6 million pairs entered. The average dutiable value of the footwear imported from each of those countries was \$4.98, \$5.84, and \$3.01, respectively.

The imports from Czechoslovakia and Rumania were dutiable at the rate of 20 percent ad valorem, instead of the most-favored-nation rate of 34 cents.

Welt footwear valued over \$6.80 per pair (TSUS item 700.27 1/).--Men's welt shoes, chiefly dress shoes, accounted for about

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1/ 1967 TSUS item.

two-thirds (813,000 pairs) of the 1.2 million pairs of shoes entered under this class in 1967. Such footwear from the United Kingdom, which supplied 50 percent of the total, had an average dutiable value of \$9.51 per pair; the footwear from Spain (16 percent of the total) averaged \$10.96 per pair, and that from Switzerland (12 percent of the total) averaged \$13.88 per pair.

Ski boots accounted for about a fourth (296,000 pairs) of the footwear entered under this class. Italy supplied a third; Austria and Switzerland together supplied another third.

"Other" footwear for men, youths, and boys (TSUS item 700.35).--- U.S. imports of footwear classified under this item in 1967 amounted to 14 million pairs, or 22 percent of the total imports of footwear of leather. About 80 percent of these imports were classified in three statistical categories:

<u>Description</u> <u>(TSUSA No.)</u>	<u>Quantity</u> <u>(1,000 pairs)</u>	<u>Value</u> <u>(\$1,000)</u>	<u>Value</u> <u>per pair</u>
Cement footwear:			
For men (700.3550)-----	6,159	21,765	\$3.53
For youths and boys (700.3555)---	1,514	2,486	1.64
Other footwear, not specially provided for, for men (700.3575)-	2,907	11,175	3.84

In terms of quantity, Italy supplied about 45 percent of the imports shown in the above tabulation; France supplied 17 percent, Spain, 13 percent, and Czechoslovakia, 10 percent. The major type of men's, youths', and boys' footwear classified here is dress shoes; sandals and service (work-type) oxfords both comprise an appreciable share. The footwear imported from Italy consisted predominantly of sandals and "fashion"

dress footwear having the traditional light-appearing Continental styling. The footwear imported from France consisted primarily of sandals and inexpensive "fashion" shoes. The footwear from Spain imported in 1967 consisted principally of "fashion" dress shoes. The footwear imported from Czechoslovakia included dress shoes and service oxfords.

"Other" footwear for women, misses, infants, and children (TSUS item 700.40 1/).--U.S. imports of the footwear classified under this item in 1967 amounted to 41 million pairs, or 66 percent of the total imports of footwear of leather. About 90 percent of these imports were classified in three statistical categories:

<u>Description</u> <u>(TSUSA No.)</u>	<u>Quantity</u> <u>(1,000 pairs)</u>	<u>Value</u> <u>(\$1,000)</u>	<u>Value</u> <u>per pair</u>
Casual footwear:			
For women (700.4022)-----	22,215	33,963	\$1.53
For misses, infants, and children (700.4024)-----	1,149	1,404	1.22
Cement footwear:			
For women (700.4051)-----	14,199	48,285	3.40

The bulk of the imports shown in the tabulation above consisted of leather sandals for women and misses. Dress shoes for women and misses, however, accounted for a substantial share. Italy was by far the principal supplier, furnishing 86 percent of the total quantity; Spain accounted for 7 percent.

Footwear having uppers of rubber or plastics (TSUS item 700.55).--The annual U.S. imports of footwear having uppers of rubber or plastics, which probably were negligible or nil in the mid-1950's, averaged about 13 million pairs in 1960-62. Thereafter, imports increased to 55 million pairs in 1965 and to 67 million pairs in 1967. U.S. imports of such footwear

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1/ 1967 TSUS item.

amounted to 63 million pairs in the first 8 months of 1968, compared with 45 million pairs in the corresponding period of 1967.

In recent years, the bulk of the imports of footwear having uppers of rubber or plastics consisted of footwear having supported vinyl uppers; most of such imported footwear has been for women and misses. U.S. imports of footwear of rubber or plastics in 1967 were classified as follows:

<u>Description</u> <u>(TSUSA No.)</u>	<u>Quantity</u> <u>(1,000 pairs)</u>	<u>Value</u> <u>(\$1,000)</u>	<u>Value</u> <u>per pair</u>
Soft sole footwear (700.5523)-----	1,120	553	\$0.49
Footwear having supported vinyl uppers:			
For men, youths, and boys (700.5535)--	6,531	6,025	.92
For women and misses (700.5545)-----	49,767	27,704	.56
For children and infants (700.5555)---	5,548	3,507	.63
Other footwear (700.5575)-----	<u>3,720</u>	<u>1,593</u>	<u>.43</u>
Total or average-----	66,686	39,382	.59

In 1967, sandals accounted for about 35 percent of the quantity of U.S. imports of footwear of rubber or plastics; packables or folding slippers accounted for 15 percent, and a variety of other types of footwear (chiefly dress and service-type shoes), for the remainder. 1/

In recent years, Japan and the Republic of China (Taiwan) have been the principal suppliers of U.S. imports of footwear having uppers of rubber or plastics (table 24). In terms of quantity in 1967, Japan supplied 84 percent of U.S. imports of such footwear in 1967; the footwear imported from Japan had an average dutiable value of 59 cents per pair. The Republic of China (Taiwan) supplied 10 percent; such imports had an average dutiable value of 44 cents per pair.

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1/ Estimates based on data reported to the Tariff Commission by importers of non-rubber footwear.

"Other" nonrubber footwear (TSUS items 700.65-700.85 1/).--In recent years, U.S. imports of the types of footwear classified as "other" non-rubber footwear have accounted for only a small part of the nonrubber footwear imported into the United States (4 percent in 1967). Annual U.S. imports of "other" nonrubber footwear, which consisted principally of footwear with uppers of fibers, increased from an average of about 6 million pairs in 1954-56 to an average of about 22 million pairs in 1960-62. Thereafter, such imports declined, from 10 million pairs in 1964 to 5 million pairs in 1967. Imports of such footwear in the first 8 months of 1968 were about the same volume as in the corresponding period of 1967 (table 23). The recent decline in annual imports has resulted largely from a decrease in imports of slipper socks and other articles with uppers of fibers and soles of leather. U.S. imports of such articles totaled 1.3 million pairs in 1967, compared with 5.1 million pairs in 1964.

In 1967, a substantial part of the imports of "other" nonrubber footwear is believed to have consisted of infants' footwear with uppers of woven fabric; such footwear had an average dutiable value of about 24 cents per pair.

In terms of quantity, Japan supplied 61 percent of U.S. imports of "other" nonrubber footwear in 1967; Italy supplied 11 percent, and Hong Kong, 8 percent (table 25).

Sales of imported nonrubber footwear, by wholesale price ranges

As noted in the earlier section of this report on U.S. consumption, about four-fifths of the imported nonrubber footwear sold in 1967 was

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1/ 1967 TSUS items.



marketed at wholesale at less than \$4 per pair. As would be expected, the percentage distribution of individual types of imported nonrubber footwear, by wholesale price ranges, varied widely. The data reported to the Commission by importers (table 26) indicate that four general price patterns prevailed in 1967:

(1) Nearly all imported leather sandals were sold at wholesale in the United States at less than \$4.20 per pair. Three-fifths of the leather sandals for men, youths, and boys, as well as three-fifths of those for women and misses, were wholesaled at prices between \$1.21 and \$2.40 per pair. Nine-tenths of the sandals for children and infants were wholesaled at \$1.80 or less per pair.

(2) Imported leather footwear other than sandals was sold in appreciable volume in the United States at a wide range of wholesale prices. Sales of such footwear for men, youths, and boys were distributed evenly in the price ranges beginning above \$3.00 per pair, and sales of such footwear for women and misses were distributed evenly in the price ranges beginning above \$1.80 per pair. Four-fifths of such footwear for children and infants, however, was wholesaled between \$1.80 and \$3.00 per pair.

(3) The imported footwear with uppers of rubber or plastics consisted almost entirely of inexpensive footwear. Virtually all of the packables (folding slippers), and the great bulk of the sandals, so constructed were wholesaled at less than \$1.21 per pair; nine-tenths of such footwear other than packables and sandals (primarily dress and service shoes of various types) was sold at wholesale at \$2.40 per pair or less.

(4) The "other" nonrubber footwear (TSUS items 700.65 to 700.85) was comprised predominantly of inexpensive footwear. Nearly all was sold at wholesale at less than \$1.21 per pair.

#### Marketing channels

Little information is available on the distribution of imported nonrubber footwear in the United States. Using data reported by

importers, however, the Commission estimates that a fifth of the total quantity of nonrubber footwear imported in 1967 was sold to (or imported by) discount retail stores; about three-fifths was sold to other retail stores; and the remainder, to jobbers.

Nonrubber footwear is imported into the United States not only by U.S. concerns which are engaged principally in the importing business, but also by domestic firms manufacturing and/or retailing such footwear. In 1967, substantially more than 100 firms imported nonrubber footwear. The Commission estimates that domestic producers of nonrubber footwear imported about 15 percent of the total quantity of nonrubber footwear entered into the United States in 1967; more than nine-tenths of the footwear imported by domestic producers was entered for the account of the large firms (i.e., those having an annual production in excess of 4 million pairs in 1967). Most, if not all, domestic firms that own or lease retail establishments, including those that import directly, purchase imported nonrubber footwear from importing concerns.

## Prices Received by U.S. Producers

Pricing practices and markups

Nonrubber footwear, like many staple articles of wearing apparel, is often marketed (and often produced) with a specific retail price line in mind. A given shoe, for example, will be wholesaled at a price that will give the retailer a certain percentage markup if retailed at a projected price, say, \$5.99. Each season most producers seek to offer footwear at their customary price lines. When the cost of materials, labor, or capital rise, producers may introduce changes in style and construction in order to continue supplying their outlets with footwear in the customary price categories. The ability of producers to meet this objective is limited. Escalating costs eventually force producers to increase prices, or even to discontinue low-end price categories. In the fall of 1965, for example, trade journals reported that manufacturers increased prices in virtually all product categories; in the case of numerous categories, the price increases ranged from 5 to 7 percent. Increases of 3 to 4 percent were also reported for many lines in 1966. In the fall of 1967 somewhat larger increases in wholesale prices were noted for selected lines of better grade footwear; and in the fall of 1968, a rise of 2 to 5 percent was announced for the 1969 spring deliveries of most lines.

Although statistical data on retail markups are not available, individuals associated with the footwear industry generally agree that the retail markup of domestic nonrubber footwear in recent years has ranged from 40 to 50 percent of the retail price and that the percentage markup has varied directly with the price of footwear. Testimony at the Commission's public hearing

indicated that retailers currently attempt to achieve at least a 50-percent markup. Trade sources on the East Coast contacted during the Commission's investigation reported that the retail markup on imported footwear is generally higher than that on comparable domestic footwear; their views respecting the extent of the difference vary. At the hearing, the representative of a large retail outlet on the West Coast testified that his firm had an established policy wherein the markup percentage varied with the unit value of the shoes, but not with the source of supply. 1/

#### Price trends

Largely because of the aforementioned increases in producers' costs, U.S. wholesale prices of particular types and qualities of nonrubber footwear have increased materially since the mid-1950's. The annual wholesale price index (1957-59 = 100) for leather footwear, published by the U.S. Bureau of Labor Statistics (BLS), reached 122 in 1967, indicating an increase in wholesale prices of nearly a third over the annual average for 1954-56 (table 27). The BLS wholesale price indexes show also that the annual average wholesale price of men's and boys' leather shoes rose by 38 percent from 1954-56 to 1967, while wholesale prices of women's and misses' leather shoes rose on the average by 29 percent and those of children's and infants' shoes by 27 percent. Since 1954-56, moreover, the BLS wholesale price indexes for leather footwear have increased more sharply than those for non-durable manufactures and for wearing apparel (table 27).

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1/ Transcript, p. 232.

The wholesale price index for leather footwear continued to move upward during 1968, reaching 128 during the third quarter. If wholesale prices have been increased by margins ranging from 2 to 5 percent, as the news media announced late in 1968, the index at the close of 1968 probably will have exceeded 130. Rising wholesale prices, generally stimulate retailers' interest in imports; retailers, like producers, are reluctant to alter their price lines.

### Employment and Wages

#### Trend of employment

Since the mid-1950's, the number of workers employed by establishments producing nonrubber footwear has declined slowly and irregularly (table 28). The average annual number of production workers employed by such establishments in 1965-67 (208,000) was about 6 percent smaller than that in 1954-56 (221,000). The average annual number of production workers increased from 205,000 in 1964 to 213,000 in 1966, but it then declined to 203,000 in 1967--the lowest number employed in many years. Late in 1967, the employment of production workers by manufacturers of nonrubber footwear began to rise; the average number employed increased from a low of 200,000 in the third quarter of 1967 to 208,000 in the second quarter of 1968 and then dropped to 206,000 in the third quarter of 1968.

During the 1960's, the average number of weekly hours worked per production worker in nonrubber footwear establishments increased--from 36.9 in 1960-62 to 38.4 in 1966. The average weekly hours of such workers then declined slightly to 38.0 in 1967. Thus, the average number of hours worked per week was 3 percent greater in 1967 than in 1960-62. About half of the increase resulted from a greater number of regular hours worked and half from a greater number of overtime hours (for which a premium had to be paid to workers). The increase in weekly hours per worker probably reflected in part a short labor supply. Trade

publications reported shortages of skilled labor in 1966-68; and the Department of Commerce called attention to reports of labor shortages in the footwear industry in its annual industrial reviews of those years. 1/ To the extent labor shortages limited domestic output or delayed deliveries in those years, such shortages probably stimulated U.S. imports of non-rubber footwear.

Since the mid-1950's, the trend of aggregate annual man-hours worked by production workers in establishments producing nonrubber footwear has followed much the same pattern as the trend of the number of workers employed. Because of the aforementioned increase in average weekly hours per worker, however, the percentage decline in aggregate annual man-hours has been less than the decline in the average number of workers employed. The aggregate annual number of man-hours worked was 6 percent smaller in 1967 than in 1954-56, while the average annual number of production workers employed was 8 percent smaller.

While the average annual number of production workers employed in non-rubber footwear establishments and the aggregate annual number of man-hours worked by such workers declined during the period 1954-67, domestic production of nonrubber footwear increased. Consequently, the average annual output of nonrubber footwear per production worker, as well as average output per man-hour, rose during that period. In 1965-67 the annual output per production worker was 16 percent greater, and output per man-hour was 13 percent greater, than that in 1954-56. Data on the average U.S. output

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1/ U.S. Department of Commerce, Business and Defense Services Administration, U.S. Industrial Outlook, for 1967 and 1968.

of nonrubber footwear per worker and per man-hour for the period 1954-67 are shown in the following tabulation:

<u>Period</u>	<u>Pairs produced per--</u>			
	<u>Production worker</u>		<u>Man-hour</u>	
	<u>Number</u>	<u>Index</u>	<u>Number</u>	<u>Index</u>
3-year averages:				
1954-56-----	2,573	100	1.34	100
1957-59-----	2,786	108	1.45	108
1960-62-----	2,829	110	1.47	110
Annual:				
1963-----	2,929	114	1.52	113
1964-----	2,992	116	1.53	114
1965-----	2,999	117	1.53	114
1966-----	3,007	117	1.51	113
1967-----	2,955	115	1.50	112

The increased output of nonrubber footwear per worker and per man-hour since the mid-1950's is attributable predominantly to two factors: The use of new styles and materials, which have greatly altered the product-mix of nonrubber footwear produced in the United States; and changes in productivity resulting from technological developments. As noted earlier, the category of nonrubber footwear comprises a heterogeneous group of footwear. Accordingly, the daily output of footwear per worker in the United States has ranged from about 7 pairs to 30 pairs, depending on the type of footwear being produced; the corresponding range, in terms of output per man-hour, would be from less than a pair per man-hour to upwards of four pairs. Hence, changes in the commodity composition of U.S. output can materially affect the average output of footwear per man-hour. Technological developments, which were described briefly in an earlier section of this report, have also affected the amount of labor required to produce a pair of shoes. Injection-molding, the use of manmade materials, and mechanized materials handling have reduced the amount of labor needed to produce certain footwear. The degree to which these

factors have affected U.S. output of nonrubber footwear per man-hour, however, cannot be measured.

### Wages paid

More than two-thirds of the production workers employed in plants producing nonrubber footwear are paid on a piece-work basis. The remainder are paid hourly wages; a small share of these participate in individual or group plans under which they can earn a bonus by exceeding a production quota. 1/

The hourly earnings of production workers in nonrubber footwear establishments have increased since the mid-1950's (table 29). Average annual earnings per hour (exclusive of fringe benefits) were \$2.01 in 1967, compared with \$1.35 in 1954-56; they increased to \$2.18 and \$2.19 in the second and third quarters of 1968, respectively. The increase in average hourly earnings from 1966 to 1967--about 7 percent--was more than double the year-to-year increase in average hourly earnings during the preceding decade. Hourly earnings, moreover, averaged about 8 percent larger in the first half of 1968 than in 1967.

Hourly earnings by production workers in plants producing nonrubber footwear vary widely. The Bureau of Labor Statistics (BLS) conducted a survey of straight-time hourly earnings of such workers in March 1968 (table 30). Earnings of workers covered by the survey averaged \$2.10 per hour. About a third of the workers earned between \$1.60 and \$1.70 per hour; nearly four-fifths of them earned between \$1.60 and \$2.50 per hour.

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1/ U.S. Department of Labor, Bureau of Labor Statistics, Industry Wage Survey, Footwear, April 1965, Bulletin No. 1503, June 1966.



## Profit-and-Loss Experience of Domestic Producers

Note: The Financial data in this section have been prepared from information reported to the Tariff Commission by 157 firms that produce nonrubber footwear. The Commission selected those firms by a stratified random sampling procedure. The firms were arrayed into six size groups based on the number of pairs of nonrubber footwear they produced in 1967. Estimates of the operations of all domestic firms in each size group were then calculated, using factors that related the number of firms in the sample to the total number of U.S. producers in each size group. 1/

The annual net operating profits earned by domestic firms producing nonrubber footwear from sales of such footwear are estimated to have nearly doubled during the 5-year period 1963-67, and the ratio of such net operating profits to annual sales, to have increased by 35 percent. The annual net operating profits earned by domestic producers from sales of nonrubber footwear produced by them from about \$120 million in 1963 to about \$220 million in 1967; aggregate sales rose from \$2.4 billion in 1963 to \$3.3 billion in 1967; 2/ and the ratio of profits to sales increased from nearly 5 percent in 1963 to about  $6\frac{1}{2}$  percent in 1967 (table 31).

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1/ Information on the number of U.S. producers in each size group was obtained from data prepared at the Commission's request by the Bureau of the Census (table 9). With respect to the largest size group (firms producing more than 4 million pairs), the Commission obtained financial data from all 16 firms in the group. The total annual output of nonrubber footwear reported by these firms to the Commission, however, was about 10 percent larger than the total output reported by Census for 16 firms in that size group. Nevertheless, the financial data for the largest size firms shown in table 31 are the composite of the data reported to the Commission.

2/ The value of annual sales of nonrubber footwear by the domestic producers shown in the text (calculated by the Commission from data reported to it) is materially larger than the annual wholesale value of domestic shipments of nonrubber footwear reported by the U.S. Bureau of Census (table 14). The domestic firms owning or leasing retail outlets reported to the Commission the retail value (rather than the wholesale value) of nonrubber footwear produced by them that was sold through their own outlets. Since several large domestic producers own or lease large numbers of retail establishments, the differences in the two sets of data are substantial.

The improvement in the earnings of domestic producers of nonrubber footwear during 1963-67 was evident in the financial experience of producers in each of the six size groups for which data were compiled. For each, the ratio of net operating profit to sales was higher in 1967 than in 1963. For example, companies that produced less than 200,000 pairs in 1967 had aggregate profits equivalent to 1.5 percent of sales in 1963 compared with 2.3 percent in 1967, while companies that produced 4 million pairs or more in 1967 had profits equivalent to 5.8 percent of sales in 1963 compared with 7 percent in 1967. Throughout the 5-year period, the ratio of profits to sales generally was higher for the larger companies than for the smaller.

More than a fifth of the firms in the Commission's sample reported losses in 1963, while less than a tenth reported losses in 1967. The share of the firms reporting losses in each of the 6 size groups declined from 1963 to 1967 (table 32). 1/

The Commission did not request the companies to report data for part of 1968; however, data for accounting years ending as late as June 30, 1968, are included in the 1967 data. A number of firms that produce nonrubber footwear regularly release financial data to the public. The earnings of each of the 12 companies for which the Commission found data in public sources increased in the first half of 1968; net profits in the first 6 months of 1968 were, on the average, a seventh larger than in the corresponding period of 1967. These companies, however, are atypical since they are all large producers of nonrubber footwear; many of the firms produce and/or market other

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1/ See also the data on failures of U.S. companies producing nonrubber footwear (table 12) and the financial data from income-tax returns of corporations producing nonrubber footwear (table 34).

products. The published financial data, therefore, represent the total operations of the companies, rather than only the results from sales of nonrubber footwear.

The domestic producers of nonrubber footwear have invested increasing annual amounts in new plant and equipment in recent years (table 33). Such investments are estimated to have totaled \$41 million in 1967, compared with \$24 million in 1964. The firms that each produced 4 million pairs or more of nonrubber footwear in 1967 (when they together produced about 30 percent of the U.S. output of such footwear) invested 45 percent of the total new investment made by domestic producers in the 4 years 1964-67.

#### World Production

World production of nonrubber footwear in 1963 is estimated by the U.S. Department of Commerce to have amounted to 2.5 billion pairs. Annual world output now probably exceeds 3 billion pairs. Although data are not available for all countries, statistics are published on the annual production of nonrubber footwear in a number of countries, including those that have been major suppliers of U.S. imports of nonrubber footwear in recent years. These data are shown in table 35.

Among the countries for which data are available, 1/ the United States and the U.S.S.R. rank by far as the world's largest producers of nonrubber footwear. During the 1960's, the annual U.S. output of such footwear has been at least 600 million pairs. Annual Soviet production of nonrubber footwear, which amounted to about 420 million pairs in 1960, was between 500 and 600 million pairs in 1966 and 1967. In several other countries--Italy, France, West Germany, the United Kingdom, Japan, and probably India 2/--production has

1/ Communist China probably is the only major producer of footwear for which production statistics are not available.

2/ Complete statistics on output in India are not available, but annual output is believed to be within the range given in the text.

ranged from 100 to 200 million pairs in recent years. In 1966 the combined annual output of nonrubber footwear by the six countries of the European Economic Community (EEC) was nine-tenths of the U.S. output; the combined output of the seven countries of the European Free Trade Association (EFTA) in that year was about a third as large as U.S. output.

During the decade following the middle 1950's, the annual production of nonrubber footwear increased in nearly all of the countries for which data are available, but the annual growth rates varied widely. Average annual output in the United States, for example, was about 10 percent larger in 1965-67 than in 1954-56, whereas output in the EEC more than doubled. Producers in Italy, where the growth rate far exceeded that in other member States, accounted for nearly three-fifths of the increase in the EEC's annual output. Output in Japan, which attained the highest growth rate of the countries shown in table 35, was nearly 9 times as large in 1966 as in 1955. Annual output in Spain more than tripled between 1955 and 1966, increasing from 24 million pairs to 81 million pairs. The annual production of nonrubber footwear in the U.S.S.R. doubled between the mid-1950's and the mid-1960's, and aggregate annual output in the EFTA countries increased by a third.

## Projections

The numerous factors that may affect the future levels of U.S. production and imports of nonrubber footwear are difficult to assess; some of them are even difficult to identify. Information concerning investment plans, fashion trends, emerging consumer preferences, prospective competing products, and new markets and sources of supply is fragmentary. Projections could be especially misleading for a product like footwear which is subject to unpredictable changes in fashion. The future level of personal consumption expenditures, moreover, cannot be determined; how much consumers will save and how they will distribute their expenditures vary widely over time. Economic projections in respect of an industry, further, must be made in the context of projections for the economy as a whole.

Statistical projections based on the extrapolation of recent trends of U.S. consumption, production, and imports may lead to conflicting results. For example, an estimate submitted to the Commission on behalf of the domestic producers of nonrubber footwear projected that consumption of nonrubber footwear in 1975 will amount to 985 million pairs and that imports will total 468 million pairs; U.S. production in 1975, assumed to be the residual between consumption and imports, will therefore be 517 million pairs. <sup>1/</sup> In contrast, if U.S. production in 1975 were projected from past trends by linear extrapolation and if imports were

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<sup>1/</sup> The impact of Imported Footwear on Domestic Production--With Forecasts to 1975, a study prepared by Dr. Alfred J. Kana, Associate Professor of Statistics and Management Science at Seton Hall University and Consultant to the National Footwear Manufacturers Association, Oct. 28, 1968.

assumed to be the residual between consumption (985 million pairs) and production, the results would differ substantially from the above estimates--production, 650 million pairs, and imports, 335 million pairs. The inconsistency of these two sets of simple projections reflect in part the fact that annual imports, which were very small in the mid-1950's, have increased recently at a growth rate much higher than that of production or consumption. The growth rate of imports will no doubt eventually decline from recent levels, but when and how much are problematic.

Although the numerous factors that will affect levels of production and imports in the future are difficult to measure statistically, particularly for a long-term projection, current conditions in the footwear market suggest the probable course of certain broad developments in the years immediately ahead--barring untoward events. The U.S. consumption of nonrubber footwear will probably continue to grow at a rate somewhat higher than the rate of growth in the U.S. population. Both domestic production and imports are likely to continue to increase, and the annual rate of increase probably will be higher for imports than for domestic output. Technological developments in equipment and materials, and ingenuity of design and style, however, may substantially improve the competitive position of the domestic producers of nonrubber footwear. Under these circumstances, the anticipated rise in imports might have no greater impact--in the overall--on the profitability of domestic producers' operations than at present. Some of the smaller producers probably would continue to operate at low levels of profits; the operation of many of

them, however, would likely be significantly affected by competition not only from imports of nonrubber footwear, but also from sales of such footwear by their larger domestic competitors, and from sales of other types of footwear (e.g., canvas-rubber) by both importers and domestic producers.

APPENDIX A

Headnotes (including statistical headnotes) to part 1A  
of schedule 7 of the TSUS



## TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1968)

## SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,  
Handbags, Billfolds, and Other Flat Goods

Page 411

7 - 1 - A

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p><b>PART 1. - FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS</b></p> <p><b>Subpart A. - Footwear</b></p> <p><u>Subpart A headnotes:</u></p> <p>1. This subpart covers boots, shoes, slippers, sandals, moccasins, slipper socks (socks with applied soles of leather or other material), scuffs, overshoes, rubbers, arctics, galoshes, and all allied footwear (including athletic or sporting boots and shoes) of whatever material composed, and by whatever method constructed, all the foregoing designed for human wear except --</p> <p>(i) footwear with permanently attached skates or snowshoes (see part 5D of this schedule),</p> <p>(ii) hosiery (see part 6C of schedule 3), and</p> <p>(iii) infants' knit footwear (see part 6F of schedule 3).</p> <p>2. For the purposes of this subpart --</p> <p>(a) the term "<u>huaraches</u>" (item 700.05) means a type of leather-soled sandal having a woven-leather upper laced to the insole, with the insole machine-stitched to the outsole, and having a heel which is nailed on;</p> <p>(b) the term "<u>McKay-sewed footwear</u>" (item 700.10) means footwear the soles of which are sewed to the upper by means of a McKay chainstitch, with the stitching passing through the outsole, upper, lining, and insole;</p> <p>(c) the term "<u>moccasins</u>" (item 700.15) means footwear of the American Indian handicraft type, having no line of demarcation between the soles and the uppers;</p> <p>(d) the term "<u>welt footwear</u>" (items 700.25 through 700.29) means footwear constructed with a welt, which extends around the edge of the tread portion of the sole, and in which the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole of which is sewed or cemented to the welt;</p> <p>(e) the term "<u>slippers</u>" (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto;</p> <p>(f) the term "<u>footwear for men, youths, and boys</u>" (item 700.35) covers footwear of American youths' size 11-1/2 and larger for males, and does not include footwear commonly worn by both sexes; and</p> <p>(g) the term "<u>fibers</u>" means unspun fibrous vegetable materials, vegetable fibers, wool, silk, or other animal fibers, man-made fibers, paper yarns, or any combination thereof.</p>			

## TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1968)

Page 412

## SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

7 - 1 - A

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,  
Handbags; Billfolds, and Other Flat Goods

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p>3. (a) For the purposes of items 700.51 through 700.55, the rubber or plastics forming the exterior surface area specified, if supported by fabric or other material, must coat or fill the supporting material with a quantity of rubber or plastics sufficient to visibly and significantly affect the surface otherwise than by change in color, whether or not the color has been changed thereby.</p> <p>(b) Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States.</p> <p><u>Subpart A statistical headnote:</u></p> <p>1. For the purposes of this subpart --</p> <p>(a) the term "athletic footwear" covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games, or sports;</p> <p>(b) the term "work footwear" covers footwear having outsoles 1/4 inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle;</p> <p>(c) the term "soled 'moccasins'" covers footwear in which the vamp extends completely under the foot, whether or not seamed, forming both the bottom and the sides to which an outsole is attached;</p> <p>(d) the term "cement footwear" covers footwear in which the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing, but not including footwear having vulcanized soles or injection molded soles;</p> <p>(e) the term "soft sole footwear" covers footwear in which the upper and the tread sole are sewn together in such manner that both are folded inward with their outer surfaces in contact inside the footwear at the seam;</p> <p>(f) the term "casual footwear" covers footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot;</p> <p>(g) the term "boots" covers footwear (other than footwear of oxford height) designed to be worn next to the sock rather than over the shoe;</p> <p>(h) the term "footwear for men" covers footwear of American men's size 6 and larger for males, and does not include footwear commonly worn by both sexes;</p> <p>(i) the term "footwear for youths and boys" covers footwear of American youths' size 11-1/2 and larger but not as large as American men's size 6, and does not include footwear commonly worn by both sexes;</p> <p>(j) the term "footwear for women" covers footwear of American women's size 4 and larger, whether for females or of types commonly worn by both sexes;</p> <p>(k) the term "footwear for misses" covers footwear of American misses' size 12-1/2 and larger but not as large as American women's size 4, whether for females or of types commonly worn by both sexes;</p> <p>(l) the term "footwear for children" covers footwear of American children's size 8-1/2 and larger but not as large as the footwear described in statistical headnotes (i) and (k);</p> <p>(m) the term "footwear for infants" covers all footwear not included in the foregoing statistical headnotes (h), (i), (j), (k), and (l); and</p> <p>(n) the term "oxford height" covers footwear the upper of which does not extend above the ankle.</p>			

APPENDIX B

Tables

Table 1.--Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963, to Dec. 31, 1968, and final stage of Kennedy Round concessions

TSUS item No.	Reference No. (key to table 2)	Description	Rate of duty 1/		
			Column 1		Column 2
			Aug. 31, 1963, to Dec. 31, 1967	First stage (effective Jan. 1, 1972, Jan. 1, 1978, 31, except as noted)	Final stage (effective Jan. 1, 1972, except as noted)
		Footwear of leather (except footwear with uppers of fibers):			
700.05	1	Huaraches-----	20% ad val.	2/	20% ad val.
700.10	2	McKay-sewed-----	20% ad val.	18% ad val.	30% ad val.
700.15	3	Moccasins-----	10% ad val.	2/	20% ad val.
700.20	4	Turn or turned-----	5% ad val.	4% ad val.	10% ad val.
700.25	5	Welt, valued per pair--	17% ad val.	2/	20% ad val.
700.26 3/	6	Not over \$2-----	3 1/4 per pair	3 1/4 per pair	20% ad val.
700.27 2/	7	Over \$2 but not over \$5-----	3 1/4 per pair	6% ad val. but not more than	20% ad val.
		Over \$5 but not over \$6.80-----		3 1/4 per pair	20% ad val.
700.28 3/	8	Over \$6.80:-----			
700.29 2/	8	Ski boots-----	5% ad val.	4% ad val.	20% ad val.
700.30	9	Other-----	5% ad val.	2/	20% ad val.
700.32	10	With molded soles laced to uppers-----	10% ad val.	9% ad val.	20% ad val.
		Slippers-----	10% ad val.	9% ad val.	20% ad val.
		Other:-----			
700.35	11	For men, youths, and boys-----	10% ad val.	9.5% ad val.	20% ad val.
		For other persons:-----			
700.41 2/	12	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe-----	20% ad val.	18% ad val.	20% ad val.
700.43 2/	12	Other, valued per pair--	20% ad val.	19% ad val.	20% ad val.
700.45 2/	12	Not over \$2.50-----	20% ad val.	18% ad val.	20% ad val.
		Over \$2.50-----			
700.55	17	Footwear (whether or not described elsewhere in this subpart) which, by weight, is over 50 percent of rubber or plastics or over 50 percent of fibers and rubber or plastics with at least 10 percent being rubber or plastics:-----			
		Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except (1) the protective-type footwear provided for in items 700.51, 700.52, and 700.53 6/ and (2) footwear having foxing or foxing-like band applied or molded at the sole and overlapping the upper).-----	12.5% ad val.	11% ad val.	35% ad val.

See footnotes at end of table.

Table 1.--Nonrubber footwear: U.S. rates of duty applicable to specified items in schedule 7, part 1A, of the Tariff Schedules of the United States (TSUS), Aug. 31, 1963, to Dec. 31, 1968, and final stage of Kennedy Round concessions--Continued

TSUS item No.	Reference No. (key to table 2)	Description	Rate of duty 1/		
			Column 1		Column 2
			Aug. 31, 1963, to Dec. 31, 1967	Kennedy Round	
			First stage (effective Jan. 1, 1972, except as noted)	Final stage (effective Jan. 1, 1972, except as noted)	
700.66 7/	13	Footwear with uppers of fibers:			
		With soles of leather, valued per pair--			
		Not over \$2.50-----	19% ad val.	15% ad val.	35% ad val.
700.68 7/	13	Over \$2.50-----	13% ad val.	10% ad val.	35% ad val.
		With soles of other material--			
700.70	14	With uppers of vegetable fibers-----	13% ad val.	7.5% ad val.	35% ad val.
700.75	15	With soles and uppers of wool felt-----	12.5% ad val.	7% ad val.	35% ad val.
700.80	16	Other-----	22% ad val.	12.5% ad val.	35% ad val.
		Other footwear:			
700.83	18	Of wood-----	15% ad val.	8% ad val.	33-1/3% ad val.
700.85	8/	Other-----	22% ad val.	12.5% ad val.	35% ad val.

1/ The column 1 rates are applicable to the products of all countries except (a) the Philippine Republic and (b) the countries designated as Communist in General Headnote 3(e) to the TSUS. Philippine products are dutiable at the preferential rates described in General Headnote 3(c) (in 1968, such rates were equivalent to 60 percent of the column 1 rates); products of Communist countries are dutiable at the column 2 rates.

2/ Not negotiated; therefore the rate was the same in 1968 as in 1967.  
 3/ Effective Jan. 1, 1968, new items 700.26-700.29 replaced former items 700.26 and 700.27.  
 4/ Effective Jan. 1, 1971.  
 5/ Effective Jan. 1, 1968, new items 700.41, 700.43, and 700.45 replaced item 700.40.  
 6/ Items 700.51, 700.52, and 700.53 provide for hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all of the foregoing having soles and uppers of which over 50 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching).  
 7/ Effective Jan. 1, 1968, new items 700.66 and 700.68 replaced item 700.65.  
 8/ The various pre-TSUS rates for the miscellaneous footwear covered by item 700.85 are not shown in table 2.

Table 2.--Nonrubber footwear: U.S. rates of duty applicable to specified types under the Tariff Act of 1930, during the period Jan. 1, 1946-Aug. 30, 1963--Continued

Tariff paragraph and description	Rate of duty		Reference No.	
	Jan. 1, 1946	Changes through Aug. 30, 1963		
		Rate		Comment
Par. 1530(e)--Continued				
Footwear of leather--Continued				
With molded soles laced to uppers:				
For men, youths, or boys----	10% ad val.	10% ad val.	GATT concession, eff. Apr. 21, 1948: } 9	
For other persons-----	20% ad val.	10% ad val.	GATT concession, eff. Apr. 21, 1948: }	
Slippers (for housewear)-----	10% ad val.	10% ad val.	GATT concession, eff. Jan. 1, 1948 : 10	
Other:				
For men, youths, or boys----	10% ad val.	20% ad val.	Statutory rate restored Jan. 1- } 11	
			June 5, 1951	
			GATT concession, eff. June 6, 1951 : }	
For other persons-----	20% ad val.	-----	No change : 12	
Footwear with uppers of fibers:				
With soles of leather-----	35% ad val.	20% ad val.	GATT concession, eff. Apr. 21, 1948: 13	
With soles of other material (except india rubber or substitutes for rubber <sup>2/</sup> ):				
Footwear known as alpar- gatas, the uppers of which are of cotton.	17.5% ad val.	17.5% ad val.	GATT concession, eff. Jan. 1, 1950 : }	
			16.5% ad val. } GATT concession, eff. in 3 annual	
			15.5% ad val. } stages, the first on June 30, 1956 : }	
			15% ad val. : }	
With uppers of vegetable fibers other than cotton.	35% ad val. <sup>3/</sup>	17.5% ad val.	GATT concession, eff. Jan. 1, 1950 : 14	
			16.5% ad val. } GATT concession, eff. in 3 annual	
			15.5% ad val. } stages, the first on June 30, 1956 : }	
			15% ad val. : }	
With soles and uppers of wool felt.	35% ad val.	17.5% ad val.	GATT concession, eff. June 6, 1951 : }	
			15.5% ad val. } GATT concession, eff. in 2 annual	
			14% ad val. } stages, the first on July 1, 1962 : }	
Other-----	35% ad val.	25% ad val.	GATT concession, eff. Sept.10, 1955: 16	
Par. 1537(b) and 1559: Certain types of footwear of rubber or plastics.	25% ad val.	\$1.50 per doz. paire, but not less than: 12.5% ad val. nor more than: 25% ad val.	GATT concession, eff. Apr. 21, 1948: } 17	
			12.5% ad val. : GATT concession, eff. Sept.10, 1955: }	
Par. 412: Footwear of wood-----	33-1/3% ad val.	25% ad val. 16-2/3% ad val.	GATT concession, eff. Apr. 21, 1948: } 18	
			GATT concessiou, eff. May 30, 1950 : }	

<sup>1/</sup> Footwear with permanently attached skates or snowshoes are not covered by subpart 1(A) of schedule 7 of the TSUS (see headnote 1(1) to that subpart) and therefore are not subject to this investigation (No. 332-56).

<sup>2/</sup> Footwear with uppers of fibers and soles of india rubber or substitutes for rubber are currently included in item 700.60 and therefore are not covered by this investigation.

<sup>3/</sup> If known as alpargatas, 17.5% ad val.

Table 2.--Nonrubber footwear: U.S. rates of duty applicable to specified types under the  
Tariff Act of 1930, during the period Jan. 1, 1946-Aug. 30, 1963

Tariff paragraph and description	Rate of duty		Refer- ence No.
	Jan. 1, 1946	Changes through Aug. 30, 1963	
		Rate	
Par. 1530(e):			
Footwear of leather (except footwear with uppers of fibers):			
Maraches-----	10% ad val.	20% ad val.	Statutory rate restored, eff. Jan. 1, 1951
McKay-sewed (except if at- tached to ice skates): 1/			
Boots and shoes:			
For men, youths, or boys--	30% ad val.	20% ad val.	GATT concession, eff. Apr. 21, 1948;
For other persons-----	30% ad val.	20% ad val.	GATT concession, eff. Apr. 21, 1948;
		19% ad val.	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		18% ad val.	
		17% ad val.	
Other footwear-----	20% ad val.		No change
Moccasins:			
For men, youths, or boys----	10% ad val.	10% ad val.	GATT concession, eff. Jan. 1, 1948
For other persons-----	20% ad val.	10% ad val.	GATT concession, eff. Jan. 1, 1948
Turn or turned:			
Boots and shoes:			
For women and misses-----	10% ad val.	5% ad val.	GATT concession, eff. May 30, 1950
For other persons-----	10% ad val.		No change
Other footwear:			
For women, misses, in- fants, or children.	20% ad val.	19% ad val.	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		18% ad val.	
		17% ad val.	
		15.5% ad val.	} GATT concession, eff. in 2 annual stages, the first on July 1, 1962
		14% ad val.	
For other persons-----	20% ad val.	19% ad val.	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		18% ad val.	
		17% ad val.	
Welt, valued per pair--			
Not over \$2-----	20% ad val.	19% ad val.	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		18% ad val.	
		17% ad val.	
Over \$2 but not over \$5-----	50¢ per pair, but not more than 20% ad val.	40¢ per pair	GATT concession, eff. Jan. 1, 1948
		38¢ per pair	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		36¢ per pair	
		34¢ per pair	
Over \$5 but not over \$6.80--	10% ad val.	40¢ per pair	GATT concession, eff. Jan. 1, 1948
		38¢ per pair	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		36¢ per pair	
		34¢ per pair	
Over \$6.80-----	10% ad val.	40¢ per pair, but not less than 5% ad val.	GATT concession, eff. Jan. 1, 1948
		38¢ per pair, but not less than 5% ad val.	} GATT concession, eff. in 3 annual stages, the first on June 30, 1956;
		36¢ per pair, but not less than 5% ad val.	
		5% ad val.	

See footnotes at end of table.

Table 3.--Apparent U.S. consumption of specified types of footwear, total and per capita, 3-year averages 1954-62, annual 1963-67

Period	Non-rubber footwear	Zoris	Canvas-upper, rubber-soled footwear	Total footwear named
Total apparent consumption (thousands of pairs)				
3-year average:				
1954-56-----	574,524	1/ 3,600	2/ 51,000	629,124
1957-59-----	630,333	3/ 35,000	4/ 81,026	746,359
1960-62-----	662,680	5/ 42,000	139,367	844,047
Annual:				
1963-----	668,485	31,702	181,655	881,842
1964-----	690,616	32,098	191,044	913,758
1965-----	719,729	33,699	199,190	952,618
1966-----	740,705	31,825	195,068	967,598
1967-----	731,006	27,004	197,454	955,464
Per capita apparent consumption (pairs)				
3-year average:				
1954-56-----	3.5	6/	0.3	3.8
1957-59-----	3.6	0.2	.5	4.3
1960-62-----	3.6	.2	.8	4.6
Annual:				
1963-----	3.5	.2	1.0	4.7
1964-----	3.6	.2	1.0	4.8
1965-----	3.7	.2	1.0	4.9
1966-----	3.8	.2	1.0	4.9
1967-----	3.7	.1	1.0	4.8

1/ Zoris were first sold in the United States in 1955; the figure given represents estimated apparent consumption in 1956.

2/ Data represent apparent consumption in 1954.

3/ Data are estimated; annual apparent consumption of zoris increased several-fold in 1957-59--from about 11 million pairs in 1957 to nearly 70 million pairs in 1959.

4/ Data are an average of apparent consumption in 1958 and 1959.

5/ Estimated.

6/ Less than a 0.05 pair.

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



Table 4.--Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, and apparent consumption, 3-year averages 1954-62, annual 1963-67, January-August 1967, and January-August 1968

Period	Production	Imports <sup>1/</sup>	Exports	Apparent consumption	Ratio of imports to consumption
	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>Percent</u>
3-year average:					
1954-56-----	569,164	10,000	4,640	574,524	2
1957-59-----	607,376	27,000	4,043	630,333	4
1960-62-----	608,729	57,000	3,049	662,680	9
Annual:					
1963-----	604,328	67,000	2,843	668,485	10
1964-----	612,790	80,661	2,835	690,616	12
1965-----	626,229	95,991	2,491	719,729	13
1966-----	641,696	101,746	2,737	740,705	14
1967-----	599,964	133,259	2,217	731,006	18
January-August:					
1967-----	399,486	91,808	1,453	489,841	19
1968-----	438,164	126,758	1,496	563,426	22

<sup>1/</sup> Data for 1954-63 are partly estimated. Data on zoris have been excluded from the import figures of this and subsequent tables, unless otherwise noted. Imports of zoris, chiefly from Japan, declined from an estimated 70 million pairs in 1959 to 32 million pairs in 1963, and then to 27 million pairs in 1967; the dutiable value of the 1967 imports averaged 11 cents per pair.

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

Table 5.--Nonrubber footwear: Apparent U.S. consumption, by types, 1965-67, January-August 1967, and January-August 1968

Type	1965	1966	1967	Jan.-Aug. 1967	Jan.-Aug. 1968
Quantity (1,000 pairs)					
Athletic-----	8,032	8,310	8,151	5,204	5,851
Slippers-----	90,295	93,960	95,735	61,721	70,748
Work (men's)-----	32,949	39,076	39,978	26,476	25,379
Other:					
Men's, youths', and boys'-----	127,726	130,448	133,244	86,964	99,052
Women's and misses'-----	384,568	392,122	380,862	264,926	314,168
All other <u>1/</u> -----	76,159	76,789	73,036	44,550	48,228
Total-----	719,729	740,705	731,006	489,841	563,426
Percent of total					
Athletic-----	1.1	1.1	1.1	1.1	1.0
Slippers-----	12.5	12.7	13.1	12.6	12.6
Work (men's)-----	4.6	5.3	5.5	5.4	4.5
Other:					
Men's, youths', and boys'-----	17.8	17.6	18.2	17.7	17.6
Women's and misses'-----	53.4	53.0	52.1	54.1	55.8
All other <u>1/</u> -----	10.6	10.3	10.0	9.1	8.5
Total-----	100.0	100.0	100.0	100.0	100.1

1/ Includes footwear for children and infants and footwear not specified by type.

Source: Estimated by the U.S. Tariff Commission from official statistics of the U.S. Department of Commerce.

Table 6.--U.S. population and disposable personal income per capita, annual 1955-67 and quarterly January-September 1968

Period	Total U.S. popula- tion <sup>1/</sup>	Disposable personal income, per capita <sup>2/</sup>	
		In current dollars	In constant (1958) dollars
	Thousands		
1955-----	165,931	1,666	1,795
1956-----	168,903	1,743	1,839
1957-----	171,984	1,801	1,844
1958-----	174,882	1,831	1,831
1959-----	177,830	1,905	1,881
1960-----	180,684	1,937	1,883
1961-----	183,756	1,983	1,909
1962-----	186,656	2,064	1,968
1963-----	189,417	2,136	2,013
1964-----	192,120	2,280	2,123
1965-----	194,592	2,432	2,235
1966-----	196,920	2,598	2,332
1967-----	199,118	2,744	2,401
1968:			
Jan.-Mar.-----	200,248	2,866	2,454
Apr.-June-----	200,658	2,918	2,474
July-Sept.-----	201,166	2,942	2,478

<sup>1/</sup> Total population of the United States, including Alaska and Hawaii in all years. Annual data are estimates as of July 1; quarterly data are estimates as of the first day of the quarter.

<sup>2/</sup> Quarterly data are seasonally adjusted at annual rates.

Sources: U.S. Department of Commerce. Statistical Abstract of the United States, 1968; Current Population Reports, series P-25, No. 412, Dec. 17, 1968; and Survey of Current Business for July, Sept., and Nov. 1968.

Table 7.--Nonrubber footwear: Apparent U.S. consumption <sup>1/</sup> and shares thereof supplied by domestic production, and imports, by types and wholesale price ranges, 1967

Wholesale price <sup>2/</sup>	All nonrubber footwear						Men's, youths' and boys' <sup>3/</sup>					
	Consumption			Share of consumption supplied by--			Consumption			Share of consumption supplied by--		
	Quantity	Percent	Imports	Domestic	Imports	Percent	Quantity	Percent	Imports	Domestic	Imports	
Million pairs	of total	of total	production	Percent	Percent	Million pairs	of total	of total	production	Percent	Percent	
Less than \$1.80-----	166	23	46	54	46	3	2	33	67			
\$1.81 to \$2.40-----	70	10	27	73	27	9	6	33	67			
\$2.41 to \$3.00-----	87	12	9	91	9	5	3	60	40			
\$3.01 to \$4.20-----	117	16	7	93	7	15	9	87	13			
\$4.21 to \$6.00-----	113	15	7	93	7	47	28	91	9			
\$6.01 to \$7.80-----	85	12	6	94	6	34	20	94	6			
\$7.81 to \$10.20-----	55	7	7	93	7	28	16	93	7			
\$10.21 and over-----	40	5	10	90	10	27	16	93	7			
Total-----	733	100	18	82	18	168	100	89	11			
	Women's and misses' <sup>3/</sup>						Children's and infants' <sup>3/</sup>					
	Consumption			Share of consumption supplied by--			Consumption			Share of consumption supplied by--		
	Quantity	Percent	Imports	Domestic	Imports	Percent	Quantity	Percent	Imports	Domestic	Imports	
	Million pairs	of total <td>of total <td>production <td>Percent <td>Million pairs</td> <td>of total <td>of total <td>production <td>Percent <td>Percent</td> </td></td></td></td></td></td></td>	of total <td>production <td>Percent <td>Million pairs</td> <td>of total <td>of total <td>production <td>Percent <td>Percent</td> </td></td></td></td></td></td>	production <td>Percent <td>Million pairs</td> <td>of total <td>of total <td>production <td>Percent <td>Percent</td> </td></td></td></td></td>	Percent <td>Million pairs</td> <td>of total <td>of total <td>production <td>Percent <td>Percent</td> </td></td></td></td>	Million pairs	of total <td>of total <td>production <td>Percent <td>Percent</td> </td></td></td>	of total <td>production <td>Percent <td>Percent</td> </td></td>	production <td>Percent <td>Percent</td> </td>	Percent <td>Percent</td>	Percent	
Less than \$1.80-----	74	20	65	35	65	22	32	73	27			
\$1.81 to \$2.40-----	42	11	36	64	36	9	13	89	11			
\$2.41 to \$3.00-----	47	13	15	85	15	9	13	100	-			
\$3.01 to \$4.20-----	79	21	8	92	8	12	18	100	-			
\$4.21 to \$6.00-----	47	13	9	91	9	14	21	100	-			
\$6.01 to \$7.80-----	47	13	6	94	6	2	3	100	-			
\$7.81 to \$10.20-----	25	6	8	92	8	4/	5/	-	-			
\$10.21 and over-----	12	3	17	83	17	4/	5/	-	-			
Total-----	373	100	77	77	23	68	100	90	10			

<sup>1/</sup> Production plus imports. Data respecting the distribution of exports by wholesale price range are not available.  
<sup>2/</sup> Manufacturers' and importers' selling price, f.o.b. point of shipment.  
<sup>3/</sup> Excludes most athletic footwear and slippers. <sup>4/</sup> Less than 500,000. <sup>5/</sup> Less than 0.5 percent.  
 Source: Estimated by the U.S. Tariff Commission from data submitted by U.S. producers and importers of nonrubber footwear and data of the U.S. Bureau of the Census.

Table 8.--Number of U.S. establishments <sup>1/</sup> producing nonrubber footwear, by number of employees, specified years 1956 to 1966

Year	Number of employees							
	1 to 3	4 to 7	8 to 19	20 to 49	50 to 99	100 to 249	250 to 499	500 or more
Total <sup>2/</sup>								
1956----	1,393	144	81	125	183	313	278	88
1959----	1,250	112	64	112	136	307	296	81
1962----	1,230	115	69	95	123	302	300	30
1964----	1,137	107	50	102	133	263	283	76
1965----	1,132	104	55	99	127	256	289	81
1966----	1,118	94	45	116	121	248	283	98

  

	Number of establishments									Percent of total		
1956----												6.3
1959----												6.5
1962----												6.5
1964----												6.7
1965----												7.2
1966----												8.8

<sup>1/</sup> The statistics are tabulated in terms of "reporting units." Each manufacturing location of a company is counted as a separate reporting unit (i.e., an establishment).

<sup>2/</sup> The number of establishments producing nonrubber footwear reported in the Census of Manufactures totaled 1,369 in 1954, 1,279 in 1958, and 1,193 in 1963. Data on the distribution of establishments by number of employees in those years are not available.

Source: U.S. Bureau of the Census, County Business Patterns.

Table 9.--Nonrubber footwear: Number of U.S. producing companies, and their aggregate output, by U.S. Bureau of Census (SIC) product classes and by size of output, 1967

SIC product class	Companies producing in 1967 (thousand pairs)--					
	Total	Less than 200	200 to 499	500 to 999	1,000 to 1,999	2,000 to 4,000 and over <sup>2</sup>
		Number of companies				
Shoes and slippers, except rubber-----	675	226	170	121	100	42
Shoes, total-----	569	188	151	97	85	34
Athletic <sup>1/</sup> -----	91	45	21	11	6	2
Other than athletic:						
Men's work-----	94	27	24	14	14	6
Men's (except work)-----	135	33	32	27	23	9
Youths' and boys'-----	101	15	23	21	22	8
Women's-----	324	69	78	57	61	25
Misses'-----	110	13	25	22	23	14
Children's-----	126	22	35	24	23	10
Infants' and babies'-----	113	27	34	20	13	10
Slippers-----	169	62	28	38	24	12
		Aggregate output (thousands of pairs)				
Shoes and slippers, except rubber-----	599,964	14,468	57,428	85,057	144,032	112,521
Shoes, total-----	504,344	11,383	49,734	65,579	115,559	2/ 186,458
Athletic <sup>1/</sup> -----	8,964	1,878	3,528	2,325	152	2/ 2/
Other than athletic:						
Men's work-----	38,696	560	4,373	4,831	9,622	8,902
Men's (except work)-----	85,024	1,287	6,014	9,728	14,891	8,804
Youths' and boys'-----	25,341	316	2,391	2,692	5,200	2,696
Women's-----	257,991	5,231	21,921	31,477	69,358	47,981
Misses'-----	27,592	477	2,471	3,800	5,715	5,297
Children's-----	30,745	519	3,662	4,294	6,972	5,303
Infants' and babies'-----	29,991	1,115	5,374	6,432	3,649	2/ 2/
Slippers-----	95,620	3,085	7,694	19,478	28,473	2/ 2/

<sup>1/</sup> Includes miscellaneous footwear reported under SIC class 3141798.

<sup>2/</sup> Data withheld by the Bureau of Census to avoid disclosing the operations of individual companies.

Source: Compiled by the U.S. Bureau of Census of the Census.

Note.--The sum of the number of companies shown for such SIC product class is greater than the total number of companies because a multi-product company was counted as a producer under more than one class of footwear.

Table 10.--Nonrubber footwear: Number of U.S. producing companies and their aggregate output, by size of output, 1959-66

Companies producing annually--	1959	1960	1961	1962	1963	1964	1965	1966
	Number of companies							
5 million pairs or more-----	13	15	15	16	16	18	19	18
2 million pairs or more, but less than 5 million-----	43	42	42	41	43	39	41	45
Less than 2 million pairs-----	1/	1/	1/	1/	875	1/	1/	1/
Total-----	1/	1/	1/	1/	2/ 934	1/	1/	1/
	Aggregate output (1,000 pairs)							
5 million pairs or more-----	210,368	215,389	215,103	228,904	224,303	242,163	248,478	244,593
2 million pairs or more, but less than 5 million-----	113,127	107,566	108,482	111,072	120,622	109,753	111,950	127,861
Less than 2 million pairs-----	313,869	277,086	269,322	293,262	259,403	260,874	265,801	269,242
Total-----	637,364	600,041	592,907	633,238	604,328	612,790	626,229	641,696
	Percent of total output							
5 million pairs or more-----	33	36	36	36	37	39	40	38
2 million pairs or more, but less than 5 million-----	18	18	18	18	20	18	18	20
Less than 2 million pairs-----	49	46	46	46	43	43	42	42
Total-----	100	100	100	100	100	100	100	100

1/ Not available.

2/ From Census of Manufactures, 1963.

Source: Compiled from Boot and Shoe Recorder and Bureau of the Census, Current Industrial Reports, except as noted.

Note.--Data for companies producing annually 2 million pairs or more were compiled from the annual survey entitled "Top 80 Shoe Manufacturers," published in the Boot and Shoe Recorder (a trade publication). That survey excluded slipper manufacturers, i.e., firms exclusively or predominantly producing slippers (as distinct from shoes), but includes production of both shoes and slippers in the data reported for shoe manufacturers. The data on total output, obtained from the Bureau of the Census, include output of both shoes and slippers by both "shoe" and "slipper" manufacturers. Consequently, the production figures for the smaller companies, which were obtained by subtraction, include the output of "slipper" manufacturers producing annually 2 million pairs or more. Such misclassifications probably involved the output of very few companies, and are believed to have had insignificant effect on trends shown.

Table 11.--Number of U.S. companies producing nonrubber footwear, total value of their shipments, and percent of total accounted for by selected groups of companies, specified years 1947 to 1963

Product and year	Number of companies	Total value	Shipments 1/				
			Percent of total accounted for by--				
			4 largest companies	8 largest companies	20 largest companies	50 largest companies	
		<u>1,000</u> <u>dollars</u>					
Shoes, except rubber: 2/							
1963-----	785	2,251,132	25	32	43	57	
1958-----	871	2,026,200	27	34	43	55	
1954-----	970	1,790,717	30	36	45	3/	
1947-----	1,077	1,726,609	28	35	45	3/	
House slippers: 4/							
1963-----	149	123,560	20	34	58	84	
1958-----	159	111,004	18	30	56	83	
1954-----	170	90,466	19	31	54	3/	
1947-----	3/	67,388	3/	3/	3/	3/	

1/ The value figures shown here for 1958, 1954, and 1947 were designated as "value of production"; however, the 1958 figure and the 1963 figure (designated as "value of shipments") differ slightly from the "value of shipments" figures shown in table 14.

2/ SIC Code No. 3141.

3/ Not available.

4/ SIC Code No. 3142.

Source: U.S. Bureau of the Census, Concentration Ratios in Manufacturing Industry 1963, 1966.



Table 12.--Failures of U.S. companies producing non-rubber footwear and their liabilities, specified years 1954-1967

Year	Failures	Liabilities
	<u>Number</u>	<u>1,000</u> <u>dollars</u>
1954-----	41	4,248
1958-----	41	9,617
1960-----	36	10,182
1961-----	25	2,319
1962-----	34	9,473
1963-----	29	8,775
1964-----	22	5,630
1965-----	13	3,727
1966-----	14	4,798
1967-----	9	3,107

Source: Dun & Bradstreet, Inc., as reported in National Footwear Manufacturers Association, Inc., Facts and Figures on Footwear, 1968.

Table 13.--Nonrubber footwear: U.S. production, by geographic areas, 1965-67

(In thousands of pairs)

Geographic area and State	1965	1966	1967
United States, total-----	626,229	641,696	599,964
New England, total-----	200,515	202,972	189,494
Maine-----	62,048	62,854	57,499
Massachusetts-----	83,639	85,368	79,190
New Hampshire-----	45,442	46,052	44,698
Other States-----	9,386	8,698	8,107
Middle Atlantic, total-----	177,723	179,293	163,077
New Jersey-----	15,846	16,355	16,508
New York-----	74,326	74,101	66,366
Pennsylvania-----	87,551	88,837	80,203
North Central, total-----	126,067	126,357	117,049
Illinois-----	23,655	22,967	19,164
Indiana-----	4,726	4,515	4,194
Michigan-----	8,536	7,943	7,347
Minnesota-----	2,311	2,188	2,294
Missouri-----	53,643	54,227	50,572
Ohio-----	19,068	19,716	19,453
Wisconsin-----	14,057	14,695	13,859
Other States-----	71	106	166
South and West, total-----	121,924	133,074	130,344
Arkansas-----	20,454	21,641	20,929
California-----	5,418	5,407	5,919
Florida-----	1,587	2,722	2,859
Georgia-----	10,029	10,985	11,198
Kentucky-----	6,093	6,476	6,799
Maryland-----	7,670	8,407	8,936
Mississippi-----	10,355	11,191	10,381
Oregon-----	59	59	52
Tennessee-----	37,645	41,641	39,539
Texas-----	4,371	4,648	5,399
Virginia-----	8,426	9,520	8,225
Washington-----	21	20	16
Other States-----	9,794	10,357	10,092

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

Table 14.--Nonrubber footwear: U.S. production and shipments, 1958-67, January-August 1967, and January-August 1968

Period	Production	Shipments		
		Quantity	Value	Value per pair
	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	
1958-----	587,115	589,120	2,090,524	\$3.55
1959-----	637,364	635,230	2,340,964	3.69
1960-----	600,041	597,494	2,236,901	3.74
1961-----	592,907	594,881	2,221,640	3.73
1962-----	633,238	589,398	2,284,304	3.88
1963-----	604,328	600,813	2,321,883	3.86
1964-----	612,790	618,128	2,446,688	3.96
1965-----	626,229	636,336	2,537,481	3.99
1966-----	641,696	639,033	2,751,539	4.31
1967-----	599,964	604,173	2,764,465	4.58
January-August:				
1967-----	399,486	396,216	1,834,091	4.63
1968-----	438,164	421,198	1,989,518	4.72

Source: U.S. Bureau of the Census, Shoes and Slippers Current Industrial Reports, Series M31a, annual and monthly issues.

Table 15.--Nonrubber footwear: U.S. production, by types, 1964-67, January-August 1967, and January-August 1968

(In thousands of pairs)

Type	1964	1965	1966	1967	Jan.-Aug. 1967	Jan.-Aug. 1968
Athletic-----	6,949	6,967	7,268	6,949	4,481	4,857
Slippers-----	78,906	90,231	93,823	95,620	61,633	70,608
Other footwear:						
Men's work-----	32,242	32,317	38,339	38,696	25,665	24,743
Men's other than work-----	87,617	85,878	88,564	85,024	56,278	61,367
Youths' and boys'-----	25,446	25,580	24,616	25,341	14,852	15,683
Women's-----	271,146	279,950	284,170	257,991	176,972	199,581
Misses'-----	36,991	36,470	35,912	27,592	22,173	22,933
Children's-----	30,449	33,453	33,581	30,745	20,162	20,559
Infants' and babies'--	32,763	32,542	32,499	29,991	15,862	16,391
Other-----	10,281	2,841	2,924	2,015	1,408	1,442
Total, all footwear-----	612,790	626,229	641,696	599,964	399,486	438,164

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

Table 16.--Nonrubber footwear: U.S. production, by type of construction, 1967

Item	(In thousands of pairs)													
	Total	Cemented: excluding: slip- lasted	Slip- lasted	Welt in- cluding: Silhou- welt	Mc-Kay: sewed ex- cluding: Little- Way	Stitch- down	Soft sole	Turn or turned	Vulcan- ized or injection: molded construc- tion	Indian type mocca- sins	Genuine moccasin construc- tion	Other		
Athletic	6,949	1,062	-	1,190	1/	503	-	1/	1/	-	-	3,746		
Slippers	95,620	36,874	11,352	1/	1/	33,529	1/	145	1,023	1/	1/	4,364		
Other:														
Men's work	38,696	1,444	1/	29,953	1/	1,114	1/	5,199	-	1/	1/	778		
Men's other than work	85,024	18,519	1/	36,530	1/	1,372	-	5,150	280	14,365	1/	6,388		
Youths' and boys'	25,341	10,847	-	4,230	1/	1,785	-	6,042	49	952	1/	1,415		
Women's	257,991	205,520	11,969	3,323	1,090	543	115	1/	843	11,978	1/	20,006		
Misses'	27,592	17,711	1/	2,435	1/	555	1/	4,722	1/	1/	1/	1,582		
Children's	30,745	17,458	1/	4,371	-	1,300	-	5,788	1/	1/	1/	1,609		
Infants' and babies'	29,991	9,770	1,095	4,076	-	2,241	1,162	4,067	1/	1/	1/	2,201		
Other footwear	2,015	248	-	1/	1/	202	1/	-	361	1/	1/	221		
Total, all footwear	599,964	319,553	24,416	86,108	1,090	9,413	38,983	31,113	2,556	27,385	1/	42,310		

1/ Not available.

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

Table 17.--Nonrubber footwear: Percentage distribution of U.S. production, by types and price ranges, 1959, 1962, and 1965

Manufacturers' selling price per pair, f.o.b. plant or warehouse	Women's						Misses'					
	Having wedge heel or open toe 1/			Other 2/			1959	1962	1965	1959	1962	1965
	1959	1962	1965	1959	1962	1965						
Less than \$1.21--	12.4	11.8	7.9	-	3/	1.3	1.6	0.7	1.6	0.7	0.8	
\$1.21 to \$1.80---	28.6	28.5	3.4	1.9	1.3	4.5	17.3	20.7	17.3	20.7	11.9	
\$1.81 to \$2.40---	34.2	30.2	24.6	10.2	10.8	10.3	25.6	23.8	25.6	23.8	16.2	
\$2.41 to \$3.00---	13.1	15.7	16.7	19.1	13.9	18.4	22.7	16.9	22.7	16.9	18.3	
\$3.01 to \$4.20---	6.0	5.5	17.0	23.0	28.6	23.3	17.0	17.9	17.0	17.9	30.6	
\$4.21 to \$6.00---	3.7	5.1	15.8	17.9	18.9	16.8	14.8	18.4	14.8	18.4	19.6	
\$6.01 to \$7.80---	2.0	3.2	12.4	18.2	12.1	14.4	1.0	1.6	1.0	1.6	2.6	
\$7.81 to \$10.20--	-	4/	1.5	5.9	10.9	8.0	-	4/	-	4/	4/	
\$10.21 and over--	-	4/	.7	3.8	3.5	3.0	-	-	-	-	-	
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

See footnotes at end of table.

Table 17.--Nonrubber footwear: Percentage distribution of U.S. production, by types and price ranges, 1959, 1962, and 1965--Continued

Manufacturers' selling price per pair, f.o.b. plant or warehouse	Men's						Youths' and boys'		
	Work			Other <sup>5/</sup>					
	1959	1962	1965	1959	1962	1965	1959	1962	1965
Less than \$1.21--	-	-	-	3/	3/	-	3/	3/	-
\$1.21 to \$1.80----	3/	3/	3/	0.9	0.4	3/	6.2	5.2	4.7
\$1.81 to \$2.40----	3.1	1.9	3/	1.0	.6	3/	9.2	15.7	13.4
\$2.41 to \$3.00----	2.6	3/	4.7	3.4	4.1	4.2	22.6	16.3	12.7
\$3.01 to \$4.20----	13.7	10.1	3.3	13.9	14.0	12.3	32.5	28.2	27.4
\$4.21 to \$6.00----	26.3	29.3	21.8	41.2	37.1	28.7	24.3	30.8	32.9
\$6.01 to \$7.80----	31.2	32.7	34.1	17.4	20.1	24.4	4.5	3.8	7.2
\$7.81 to \$10.20--	15.7	16.1	20.0	10.8	11.6	14.7	.7	4/	.9
\$10.21 and over--	7.4	9.9	16.1	11.4	12.1	15.7	4/	4/	.8
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

See footnotes at end of table.

Table 17.--Nonrubber footwear: Percentage distribution of U.S. production, by types and price ranges, 1959, 1962, and 1965--Continued

Manufacturers' selling price per pair, f.o.b. plant or warehouse	Children's			Infants' and babies'			House slippers		
	1959	1962	1965	1959	1962	1965	1959	1962	1965
Less than \$1.21--	4.9	1.0	0.7	12.6	20.5	4.1	45.0	46.4	40.6
\$1.21 to \$1.80---	21.8	24.8	13.0	36.2	31.9	18.5	21.0	21.6	27.5
\$1.81 to \$2.40---	22.9	25.5	22.4	19.2	14.0	31.7	17.8	16.8	11.9
\$2.41 to \$3.00---	15.7	13.0	16.4	15.1	11.8	13.7	6.1	7.2	7.8
\$3.01 to \$4.20---	19.6	17.1	21.5	13.7	15.0	19.0	7.5	3.8	8.6
\$4.21 to \$6.00---	15.1	18.3	24.9	3.2	6.8	13.0	2.0	1.8	2.1
\$6.01 to \$7.80---	-	.3	1.1	4/	4/	4/	.6	2.2	.2
\$7.81 to \$10.00--	-	-	4/	4/	4/	4/	4/	.2	1.3
\$10.21 and over--	-	-	-	-	4/	-	4/	-	4/
Total-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ The complete description for the 1965 data is "Wedge heel any height, or open toe not over 8/8" heel." The data for 1959 and 1962 are designated "Women's playshoes and play sandals."

2/ The data for 1959 and 1962 are for "Women's dress and work shoes."

3/ Combined with higher price line to avoid disclosing the operations of individual concerns.

4/ Combined with lower price line to avoid disclosing the operations of individual concerns.

5/ The data for 1959 and 1962 are for "Men's dress shoes."

Source: Compiled from U.S. Department of Commerce, Current Industrial Reports and Footwear Production by Manufacturers Selling Price: 1965 (Preliminary), Jan. 23, 1967.



Table 18.--Nonrubber footwear: Percentage distributions of domestic producers' sales, by types and price ranges, 1967

Manufacturers' selling price per pair, f.o.b. plant or warehouse:	For men		For youths and boys	For women	
	Work	Other		Wedge heel, any height, or open toe, not over 8/8" heel <u>1/</u>	Other
Less than \$1.81----	-	<u>2/</u>	3	18	2
\$1.81 to \$2.40----	-	<u>2/</u>	23	19	6
\$2.41 to \$3.00----	<u>2/</u>	1	9	14	14
\$3.01 to \$4.20----	2	8	21	7	35
\$4.21 to \$6.00----	13	36	30	16	14
\$6.01 to \$7.80----	23	24	13	12	16
\$7.81 to \$10.20----	38	13	1	9	9
\$10.21 and over----	24	18	-	5	4
Total-----	100	100	100	100	100
	For misses		For children and infants	Slippers	
				Packables <u>3/</u>	Other
Less than \$1.81----		29	26	52	48
\$1.81 to \$2.40----		9	14	2	11
\$2.41 to \$3.00----		11	15	41	22
\$3.01 to \$4.20----		21	19	3	14
\$4.21 to \$6.00----		22	22	2	4
\$6.01 to \$7.80----		8	4	-	-
\$7.81 to \$10.20----		-	-	-	-
\$10.21 and over----		-	-	-	-
Total-----		100	100	100	100

1/ Footwear classified in SIC product Code 3141421.

2/ Less than 0.5 percent.

3/ Footwear with pliant soles and uppers that are generally sold folded in a polyvinyl bag.

Source: Calculated from data obtained from domestic producers by the U.S. Tariff Commission.

Table 19.--Nonrubber footwear: U.S. exports of domestic merchandise, by principal markets, 1964-67 and January-August 1968

Market	1964	1965	1966	1967	Jan.-Aug. 1968
Quantity (1,000 pairs)					
Canada-----	473	430	676	391	319
Mexico-----	364	286	340	279	311
Bahamas-----	245	234	280	264	195
Sweden-----	26	27	33	130	14
Netherlands Antilles-----	378	294	255	195	95
Hong Kong-----	101	83	83	79	49
Bermuda-----	140	110	122	98	72
Switzerland-----	47	29	32	40	21
Japan-----	17	8	9	15	12
Republic of South Africa-----	57	32	20	25	25
West Germany-----	17	30	49	60	62
United Kingdom-----	75	91	74	26	11
France-----	29	15	16	14	10
All other-----	867	822	748	601	300
Total-----	2,836	2,491	2,737	2,217	1,496
Value (1,000 dollars)					
Canada-----	1,450	1,260	1,954	1,382	1,091
Mexico-----	1,252	1,152	1,172	994	697
Bahamas-----	605	652	846	852	592
Sweden-----	47	72	129	597	76
Netherlands Antilles-----	995	752	746	593	258
Hong Kong-----	437	433	481	439	318
Bermuda-----	425	383	419	339	244
Switzerland-----	188	119	149	196	117
Japan-----	116	62	74	174	127
Republic of South Africa-----	168	141	123	172	150
West Germany-----	66	126	197	157	163
United Kingdom-----	179	151	227	112	48
France-----	109	59	90	95	62
All other-----	2,503	2,468	2,249	2,125	1,136
Total-----	8,540	7,830	8,856	8,227	5,079

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

Table 20.--Nonrubber footwear: U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968

Source	1964	1965	1966	1967	Jan.-Aug. 1968
Quantity (1,000 pairs)					
Italy-----	22,148	23,397	31,791	41,676	42,586
Japan-----	47,385	51,856	48,675	59,933	48,701
Spain-----	1,506	2,474	3,470	6,696	8,966
United Kingdom-----	1,668	1,611	1,690	1,801	1,688
France-----	1,196	1,529	1,961	2,455	2,220
Switzerland-----	290	354	365	383	316
West Germany-----	315	389	558	822	666
Czechoslovakia-----	936	1,368	1,726	1,977	1,403
Canada-----	834	904	891	1,283	1,050
Republic of China (Taiwan)-	68	7,028	2,934	6,885	10,886
Mexico-----	626	496	1,142	1,972	1,758
Rumania-----	46	184	469	921	484
India-----	471	660	1,050	1,152	1,725
Hong Kong-----	1,600	1,349	2,397	1,983	1,977
Jamaica-----	211	243	286	512	194
Republic of Korea-----	310	581	1,064	420	544
All other-----	1,056	1,568	1,277	2,388	1,594
Total-----	80,666	95,991	101,746	133,259	126,758
Value (1,000 dollars)					
Italy-----	50,185	54,046	74,388	102,862	108,168
Japan-----	21,035	22,997	26,479	35,562	33,532
Spain-----	4,126	6,519	10,269	22,966	29,717
United Kingdom-----	8,954	9,089	10,281	11,468	9,601
France-----	3,936	4,957	5,607	7,082	5,796
Switzerland-----	3,489	4,458	4,752	5,491	3,854
West Germany-----	2,434	3,136	4,004	5,199	3,957
Czechoslovakia-----	1,388	2,312	3,443	4,449	2,858
Canada-----	2,152	2,449	2,937	4,206	2,842
Republic of China (Taiwan)-	26	253	1,117	3,221	5,360
Mexico-----	713	723	1,448	2,746	2,857
Rumania-----	63	278	736	1,698	914
India-----	485	671	1,096	1,398	1,800
Hong Kong-----	809	611	701	1,196	1,362
Jamaica-----	417	452	880	1,020	722
Republic of Korea-----	66	142	609	515	675
All other-----	4,981	6,715	6,590	8,282	6,421
Total-----	105,259	119,808	155,337	219,361	220,436

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

Table 21.--Nonrubber footwear: U.S. imports for consumption, by types, 1964-67, January-August 1967, and January-August 1968

Type (1967 TSUS item nos.)	1964	1965	1966	1967	Jan.- Aug. 1967	Jan.- Aug. 1968
Quantity (1,000 pairs)						
Footwear of leather (except footwear with uppers of fibers) (700.05-700.40)-----	30,807	34,722	46,037	61,550	43,366	60,539
Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 1/ (700.55)-----	39,643	54,926	50,629	66,686	45,035	62,808
Other nonrubber footwear (700.65-700.85)-----	10,216	6,343	5,080	5,023	3,407	3,411
Total-----	80,666	95,991	101,746	133,259	91,808	126,758
Value (1,000 dollars)						
Footwear of leather (except footwear with uppers of fibers) (700.05-700.40)-----	82,001	94,579	125,228	176,240	115,186	175,520
Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 1/ (700.55)-----	18,472	21,890	26,859	39,382	25,141	42,373
Other nonrubber footwear (700.65-700.85)-----	4,786	3,339	3,250	3,739	2,253	2,543
Total-----	105,259	119,808	155,337	219,361	142,580	220,436
Unit value (per pair)						
Footwear of leather (except footwear with uppers of fibers) (700.05-700.40)-----	\$2.66	\$2.72	\$2.72	\$2.86	\$2.66	\$2.90
Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 1/ (700.55)-----	0.47	0.40	0.53	0.59	0.56	0.67
Other nonrubber footwear (700.65-700.85)-----	0.47	0.53	0.64	0.74	0.66	0.75
Average-----	1.30	1.25	1.53	1.65	1.55	1.74
Percent of total quantity						
Footwear of leather (except footwear with uppers of fibers) (700.05-700.40)-----	38	36	45	46	47	47
Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 1/ (700.55)-----	49	57	50	50	49	50
Other nonrubber footwear (700.65-700.85)-----	13	7	5	4	4	3
Total-----	100	100	100	100	100	100

1/ Abbreviated description; for detailed description see table 1.

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

Table 22.--Footwear of leather: 1/ U.S. imports for consumption,  
by principal sources, 1964-67 and January-August 1968

Source	1964	1965	1966	1967	Jan.-Aug. 1968
	Quantity (1,000 pairs)				
Italy-----	21,427	22,874	31,029	39,841	39,034
Spain-----	1,390	2,314	3,443	6,516	8,730
United Kingdom-----	1,635	1,567	1,645	1,741	1,630
France-----	1,123	1,487	1,879	2,344	2,183
Switzerland-----	287	347	360	378	314
West Germany-----	292	382	537	810	549
Czechoslovakia-----	936	1,368	1,723	1,977	1,403
Canada-----	776	866	635	648	468
Mexico-----	626	496	1,139	1,936	1,752
Rumania-----	46	184	469	921	484
Japan-----	616	336	583	1,089	822
India-----	461	659	1,049	1,152	1,725
Jamaica-----	211	243	286	506	170
Republic of Korea-----	10	66	140	147	131
Republic of China (Taiwan)---	1	1	116	214	21
Hong Kong-----	176	133	32	110	64
All other-----	794	1,399	972	1,220	1,059
Total-----	30,807	34,722	46,037	61,550	60,539
	Value (1,000 dollars)				
Italy-----	49,074	52,995	73,059	100,370	103,900
Spain-----	4,033	6,352	10,235	22,862	29,543
United Kingdom-----	8,880	9,000	10,149	11,185	9,420
France-----	3,802	4,814	5,391	6,762	5,640
Switzerland-----	3,478	4,425	4,706	5,447	3,832
West Germany-----	2,400	3,121	3,979	5,167	3,656
Czechoslovakia-----	1,388	2,312	3,441	4,449	2,858
Canada-----	2,016	2,363	2,565	3,277	2,150
Mexico-----	713	723	1,444	2,724	2,852
Rumania-----	63	278	736	1,698	914
Japan-----	433	432	885	1,694	1,883
India-----	472	670	1,095	1,398	1,800
Jamaica-----	417	452	880	1,013	695
Republic of Korea-----	13	52	291	442	410
Republic of China (Taiwan)---	1	1	146	321	38
Hong Kong-----	123	104	42	210	105
All other-----	4,695	6,485	6,184	7,221	5,824
Total-----	82,001	94,579	125,228	176,240	175,520

1/ This table covers footwear that is provided for in 1967 TSUS items 700.05 to 700.40; see table 1.

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

Table 23.--Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1964-67, January-August 1967, and January-August 1968

TSUS item	Description	(In thousands of pairs)					Jan. -	
		1964	1965	1966	1967	Aug. 1967	Aug. 1968	
	Total, all nonrubber footwear-----	80,666	95,991	101,746	133,259	91,808	126,758	
700.05	Footwear of leather (except footwear with uppers of fibers), total-----	30,807	34,722	46,037	61,550	43,366	60,539	
700.10	Huaraches-----	45	25	37	48	38	115	
700.15	McKay-sewed footwear-----	23	7	16	27	24	17	
700.20	Moccasins-----	556	521	963	1,402	1,119	463	
	Turn or turned footwear-----	1,130	1,399	1,389	1,498	1,025	1,338	
	Welt footwear:							
700.25	Valued not over \$2 per pair-----	50	138	75	52	42	24	
700.26 1/	Valued over \$2 but not over \$6.80 per pair-----	1,073	1,384	1,893	2,423	1,666	2,003	
700.27 1/	Valued over \$6.80 per pair-----	906	1,033	1,158	1,233	761	781	
700.30	Footwear with molded soles laced to uppers-----	25	9	9	11	10	449	
700.32	Clippers-----	551	495	556	434	283	217	
	Other:							
700.35	For men, youths, and boys-----	6,275	7,826	9,991	13,545	9,500	13,810	
700.40 2/	For other persons-----	20,173	21,885	29,950	40,877	28,898	41,292	
700.55	Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 3/, total-----	39,643	54,926	50,629	66,686	45,035	62,806	
	Other nonrubber footwear, total-----	10,216	6,343	5,080	5,023	3,407	3,411	
700.65 4/	Footwear with uppers of fibers:							
	With soles of leather-----	5,145	2,665	1,891	1,385	951	795	
	With soles of material other than leather:							
700.70	With uppers of vegetable fibers-----	2,751	1,354	969	1,351	787	942	
700.75	With soles and uppers of wool felt-----	2	4	57	182	73	133	
700.80	Other-----	1,334	1,384	1,285	1,325	954	1,065	
700.83	Footwear of wood-----	202	122	203	198	152	178	
700.85	Other-----	782	814	675	582	490	298	

See footnotes at end of table.

Table 23 --Nonrubber footwear: U.S. imports for consumption, by types and TSUS items, 1961-67, January-August 1967, and January-August 1968--Con.

TSUS item	Description	(In thousands of dollars)					
		1964	1965	1966	1967	Jan.- Aug. 1967	Jan.- Aug. 1968
	Total, all nonrubber footwear-----	105,259	119,808	155,337	219,361	142,580	220,436
	Footwear of leather (except footwear with uppers of fibers), total-----	82,001	94,579	125,228	176,240	115,186	175,520
700.05	Huaraches-----	41	27	36	53	45	107
700.10	McKay-sewed footwear-----	84	38	70	72	52	72
700.15	Moccasins-----	560	519	1,031	1,571	1,264	501
700.20	Turn or turned footwear-----	4,734	5,937	6,741	9,542	5,807	8,289
	Welt footwear:						
700.25	Valued not over \$2 per pair-----	60	209	118	74	67	38
700.26 1/	Valued over \$2 but not over \$6.80 per pair-----	5,032	5,883	7,926	9,991	6,752	9,078
700.27 1/	Valued over \$6.80 per pair-----	11,931	13,895	15,310	15,667	9,254	9,753
700.30	Footwear with molded soles laced to uppers-----	138	72	46	45	37	482
700.32	Slippers-----	981	836	1,044	904	551	474
	Other :						
700.35	For men, youths, and boys-----	21,607	26,135	34,335	48,580	31,481	46,406
700.40 2/	for other persons-----	36,833	41,025	58,571	90,741	59,876	100,320
	Footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics 3/, total-----	18,472	21,890	26,859	39,382	25,141	42,373
700.55	Other nonrubber footwear, total-----	4,786	3,339	3,250	3,739	2,253	2,543
	Footwear with uppers of fibers:						
700.65 4/	With soles of leather-----	2,591	2,014	1,773	2,004	1,304	1,141
	With soles of material other than leather:						
700.70	With uppers of vegetable fibers-----	1,218	400	286	360	213	246
700.75	With soles and uppers of wool felt-----	5	15	142	427	163	305
700.80	Other-----	348	309	326	338	220	218
700.83	Footwear of wood-----	274	179	303	256	203	394
700.85	Other-----	350	422	420	354	150	239

1/ Effective Jan. 1, 1968, new items 700.26 to 700.29 replaced former items 700.26 and 700.27.

2/ Effective Jan. 1, 1968, new items 700.41, 700.43, and 700.45 replaced item 700.40.

3/ Abbreviated description; for detailed description, see table 1.

4/ Effective Jan. 1, 1968, new items 700.66 and 700.68 replaced item 700.65.

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

Table 24.--Certain footwear having uppers of which over 90 percent of the exterior surface area is rubber or plastics: <sup>1/</sup> U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968

Source	1964	1965	1966	1967	Jan.-Aug. 1968
	Quantity (1,000 pairs)				
Japan-----	38,854	47,084	44,764	55,782	45,846
Republic of China (Taiwan)-----	46	6,882	2,699	6,603	10,811
Italy-----	162	28	199	1,285	3,065
Hong Kong-----	286	609	1,854	1,492	1,685
Canada-----	53	30	194	444	470
France-----	39	29	69	88	26
United Kingdom-----	23	31	19	24	40
Republic of Korea-----	24	99	629	52	202
Spain-----	98	127	22	64	151
All other-----	58	7	180	852	512
Total-----	39,643	54,926	50,629	66,686	62,808
	Value (1,000 dollars)				
Japan-----	17,880	21,236	24,601	33,083	31,179
Republic of China (Taiwan)-----	17	196	923	2,880	5,290
Italy-----	156	23	180	1,288	3,418
Hong Kong-----	86	144	330	647	1,093
Canada-----	87	22	176	403	399
France-----	44	68	116	127	36
United Kingdom-----	37	37	30	59	77
Republic of Korea-----	23	44	292	53	248
Spain-----	76	117	17	53	131
All other-----	66	3	194	789	502
Total-----	18,472	21,890	26,859	39,382	42,373

<sup>1/</sup> Abbreviated description; for detailed description see TSUS item 700.55 in table 1.

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



Table 25.--Other nonrubber footwear: 1/ U.S. imports for consumption, by principal sources, 1964-67 and January-August 1968

Source	1964	1965	1966	1967	Jan.-Aug. 1968
	Quantity (1,000 pairs)				
Italy-----	559	495	563	550	487
Japan-----	7,916	4,437	3,328	3,062	2,032
Canada-----	6	8	62	191	112
Hong Kong-----	1,139	596	511	380	228
United Kingdom-----	10	14	26	36	18
France-----	33	13	14	22	12
Spain-----	18	33	4	116	85
Switzerland-----	3	4	5	3	2
West Germany-----	11	7	20	11	107
Republic of Korea-----	276	416	294	221	211
Republic of China (Taiwan)-----	22	145	119	69	53
All other-----	223	175	134	362	64
Total-----	10,216	6,343	5,080	5,023	3,411
	Value (1,000 dollars)				
Italy-----	955	1,028	1,148	1,204	850
Japan-----	2,723	1,329	993	785	469
Canada-----	49	64	196	527	294
Hong Kong-----	600	354	329	338	163
United Kingdom-----	38	52	102	224	104
France-----	90	76	101	193	119
Spain-----	16	50	17	51	43
Switzerland-----	9	32	46	37	22
West Germany-----	19	14	20	32	274
Republic of Korea-----	30	46	26	20	17
Republic of China (Taiwan)-----	9	57	48	19	33
All other-----	248	237	224	309	155
Total-----	4,786	3,339	3,250	3,739	2,543

1/ This table covers footwear that is provided for in 1967 TSUS items 700.65 to 700.85; see table 1.

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

Table 26.--Nonrubber footwear: Percentage distribution of importers' sales, by types and price ranges, 1967

Importers' selling price per pair, f.o.b. point of shipment	Footwear of leather 1/					
	For men, youths, and boys		For women and misses		For children and infants	
	Work	Sandals 4/	Other	Sandals 4/	Other	Sandals 4/
Less than \$1.21-----	-	5.5	-	0.8	-	45.0
\$1.21 to \$1.80-----	-	29.8	0.1	27.6	1.5	25.0
\$1.81 to \$2.40-----	23.3	35.8	2.2	30.8	14.6	3.2
\$2.41 to \$3.00-----	-	12.6	6.8	16.9	11.6	7.0
\$3.01 to \$4.20-----	17.6	11.8	13.8	15.2	11.0	-
\$4.21 to \$6.00-----	53.0	1.3	24.9	4.6	19.3	15.1
\$6.01 to \$7.80-----	5.4	0.5	16.6	2.7	19.9	4.3
\$7.81 to \$10.20-----	0.1	0.6	17.1	0.9	10.7	0.4
\$10.21 and over-----	0.6	2.1	18.5	0.5	11.4	-
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

See footnotes at end of table.

Table 26.--Nonrubber footwear: Percentage distribution of importers' sales, by types and price ranges, 1967--Continued

Importers' selling price per pair, f.o.b. point of shipment	Footwear of rubber or plastics 2/									
	For men, youths, and boys			For women and misses			For children and infants			
	Packables 5/	Sandals 4/	Other	Packables 5/	Sandals 4/	Other	Packables 5/	Sandals 4/	Other	Other 3/
Less than \$1.21-----	18.4			99.5	78.9	77.9	100.0	93.2	83.1	99.7
\$1.21 to \$1.80-----	66.1			4/ 0.5	1.1	21.2	-	-	16.6	0.3
\$1.81 to \$2.40-----	14.7				19.9	0.5	-	6.8	0.3	-
\$2.41 to \$3.00-----	6/				0.1	0.1	-	-	-	-
\$3.01 to \$4.20-----	-				-	0.2	-	-	-	-
\$4.21 to \$6.00-----	-				-	6/	-	-	-	6/
\$6.01 to \$7.80-----	0.8				-	-	-	-	-	-
\$7.81 to \$10.20-----	-				-	0.1	-	-	-	-
\$10.21 and over-----	6/				-	-	-	-	-	-
Total-----	100.0			100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ TSUS items 700.05 to 700.40, inclusive.  
 2/ TSUS item 700.55, except zoris.  
 3/ TSUS items 700.65 to 700.85, inclusive.  
 4/ Footwear with upper consisting wholly or predominantly of straps or thongs.  
 5/ Footwear with pliant soles and uppers that are generally sold folded in a polyvinyl bag.  
 6/ Less than 0.05 percent.

Source: Calculated from data obtained from importers by the U.S. Tariff Commission.

Table 27.--U.S. wholesale price indexes for leather footwear, wearing apparel, and nondurable manufactured goods, 3-year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968

Period	Leather footwear (BIS Code 04.3)										Wearing apparel (BIS Code 03.5)																								
	Women's and misses'					Men's and boys'					Children's and infants'					Women's, misses', and juniors' l/					Men's and boys' l/					Children's and infants' l/					Nondurable manufactured goods				
	Total	and misses'	and misses'	and misses'	and misses'	Total	and boys'	and boys'	and boys'	and boys'	Total	and infants'	and infants'	and infants'	and infants'	Total	and juniors' l/	and juniors' l/	and juniors' l/	and juniors' l/	Total	and boys' l/	and boys' l/	and boys' l/	and boys' l/	Total	and infants' l/	and infants' l/	and infants' l/	and infants' l/					
3-year average:	92	93	91	94	99	100	100	98	98	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				
1954-56-----	92	93	91	94	99	100	100	98	98	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				
1957-59-----	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100				
1960-62-----	108	108	108	104	101	108	108	103	103	101	104	104	103	103	101	104	104	103	103	101	101	104	104	103	103	101	101	101	101	101	100				
Annual:																																			
1963-----	108	108	109	104	102	108	109	106	106	102	104	104	106	106	102	104	104	106	106	101	102	104	104	106	102	101	101	101	100	100	100				
1964-----	109	108	110	105	103	108	110	107	107	103	105	105	107	107	103	105	105	107	107	101	102	104	104	107	102	102	102	102	102	102	99				
1965-----	111	110	113	108	104	110	113	108	108	104	108	108	108	108	104	108	108	108	108	100	104	104	104	108	102	104	104	104	104	102	102				
1966-----	118	116	122	115	105	116	122	110	115	105	115	115	110	110	105	115	115	110	110	101	105	105	105	106	106	105	105	105	106	106	106				
1967-----	122	120	126	119	107	120	126	113	119	107	119	119	113	113	107	119	119	113	113	102	109	109	109	105	105	105	105	105	105	105	105				
1967:																																			
January-March---	121	119	126	118	106	119	126	112	118	106	118	118	112	112	106	118	112	112	101	107	105	105	105	105	105	105	105	105	105	105	105				
April-June-----	122	119	126	119	106	119	126	113	119	106	119	119	113	113	106	119	113	113	102	108	105	105	105	105	105	105	105	105	105	105	105				
July-September--	122	120	125	119	107	120	125	114	119	107	119	119	114	114	107	119	114	114	102	110	105	105	105	105	105	105	105	105	105	105	105				
October-																																			
December-----	124	122	127	121	108	122	127	114	121	108	121	121	114	114	108	121	114	103	103	110	104	104	104	104	104	104	104	104	104	104	104				
1968:																																			
January-March---	126	124	128	125	109	124	128	115	125	109	125	125	115	115	109	125	115	104	104	111	106	106	106	106	106	106	106	106	106	106	106				
April-June-----	127	125	130	126	110	125	130	116	126	110	126	126	116	116	110	126	116	104	104	112	106	106	106	106	106	106	106	106	106	106	106				
July-September--	128	129	128	128	111	129	128	118	128	111	128	128	118	118	111	128	118	105	105	112	107	107	107	107	107	107	107	107	107	107	107				

1/ Excludes hosiery, underwear and nightwear, and knit outerwear. Starting December 1966, data for this class are not comparable to prior data due to definition changes.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 28.--Average number of production and other workers in U.S. establishments producing nonrubber footwear and aggregate hours worked per week by production workers, 3-year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968

(In thousands)				
Period	Number of employees <sup>1/</sup>			Hours worked per week by production workers
	Total	Produc- tion workers	Other	
3-year average:				
1954-56-----	246	221	25	8,162
1957-59-----	243	218	25	8,044
1960-62-----	241	215	26	7,941
Annual:				
1963-----	232	206	25	7,654
1964-----	230	205	26	7,700
1965-----	234	209	26	7,893
1966-----	241	213	27	8,195
1967-----	232	203	29	7,714
1967:				
January-March-----	236	208	28	7,781
April-June-----	230	201	28	7,448
July-September-----	229	200	29	7,735
October-December-----	232	203	29	7,861
1968:				
January-March-----	234	204	29	7,854
April-June-----	238	208	30	7,925
July-September-----	236	206	30	7,869

<sup>1/</sup> Because of rounding, figures may not add to totals shown.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 29.--Average gross hourly earnings of production workers in U.S. establishments producing nonrubber footwear, and average hours (total and overtime) worked per week by such workers, 3-year averages 1954-62, annual 1963-67, and by quarters January 1967-September 1968

Period	Average gross hourly earnings <u>1/</u>	Average hours per week	
		Total <u>2/</u>	Overtime
3-year average:			
1954-56-----	\$1.35	36.9	<u>2/</u>
1957-59-----	1.51	36.9	<u>2/</u>
1960-62-----	1.63	36.9	1.1
Annual:			
1963-----	1.71	37.1	1.2
1964-----	1.77	37.6	1.5
1965-----	1.82	37.8	1.6
1966-----	1.87	38.4	1.9
1967-----	2.01	38.0	1.7
1967:			
January-March-----	1.97	37.5	1.7
April-June-----	2.00	37.0	1.3
July-September-----	2.01	38.6	1.8
October-December-----	2.06	38.8	2.0
1968:			
January-March-----	2.15	38.5	2.1
April-June-----	2.18	38.1	1.9
July-September-----	2.19	38.2	2.0

1/ Includes premium paid for overtime

2/ Includes overtime, counted on a straight-time basis.

3/ Not available

4/ Average of July and August only.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

PRELIMINARY

Table 30.--Percentage distribution of average straight-time hourly earnings of production workers in U.S. establishments producing nonrubber footwear (except house slippers), total and for specified regions, 1/ March 1968

Average hourly earnings 2/	United States 3/			New England	Middle Atlantic	Border	Southwest	Great Lakes	Middle West	Pacific
	Total	Men	Women							
Under \$1.60 -----	0.4	0.3	0.4	0.4	0.2	0.3	0.8	0.4	0.4	-
\$1.60 and under \$1.65 -----	26.2	16.8	31.7	22.2	28.6	41.0	34.9	16.7	30.8	9.0
\$1.65 and under \$1.70 -----	6.0	4.0	7.2	5.3	5.7	7.3	5.7	5.6	6.6	22.2
\$1.70 and under \$1.75 -----	6.7	4.7	8.0	6.4	6.7	5.8	8.6	6.8	7.0	12.0
\$1.75 and under \$1.80 -----	5.4	4.0	6.3	4.4	7.9	4.8	5.4	6.9	4.3	4.7
\$1.80 and under \$1.85 -----	4.2	3.2	4.8	3.8	4.4	4.5	3.6	4.9	3.0	4.0
\$1.85 and under \$1.90 -----	3.6	2.7	4.2	3.4	3.4	3.3	3.3	4.6	3.7	3.9
\$1.90 and under \$1.95 -----	3.1	2.6	3.4	2.9	3.0	3.0	2.7	3.7	3.1	2.4
\$1.95 and under \$2.00 -----	2.7	2.1	3.0	2.1	2.3	2.8	3.4	3.4	3.8	3.9
\$2.00 and under \$2.10 -----	5.8	5.7	5.9	5.9	5.2	5.5	5.3	6.6	6.0	5.4
\$2.10 and under \$2.20 -----	4.4	4.6	4.3	3.7	4.4	3.9	5.0	5.7	4.8	4.6
\$2.20 and under \$2.30 -----	4.3	5.0	3.9	4.3	3.8	3.2	4.0	5.3	4.5	3.1
\$2.30 and under \$2.40 -----	3.7	4.3	3.4	3.7	3.5	2.8	3.9	4.7	3.6	2.9
\$2.40 and under \$2.50 -----	3.2	3.8	2.8	3.4	2.9	2.4	3.6	3.6	3.3	2.0
\$2.50 and under \$2.60 -----	3.1	4.6	2.3	3.6	3.0	2.9	2.5	3.5	2.7	2.2
\$2.60 and under \$2.70 -----	2.4	3.6	1.7	2.6	2.6	1.5	1.9	2.6	2.4	3.2
\$2.70 and under \$2.80 -----	2.1	3.1	1.5	2.7	1.8	1.2	1.1	2.2	1.8	2.4
\$2.80 and under \$2.90 -----	1.7	2.8	1.1	2.3	1.5	.7	1.0	1.9	1.4	1.8
\$2.90 and under \$3.00 -----	1.4	2.5	.8	1.9	1.3	.7	.5	1.7	1.2	1.4
\$3.00 and under \$3.10 -----	1.4	2.6	.7	2.0	1.1	.4	.7	1.8	.9	2.1
\$3.10 and under \$3.20 -----	1.1	2.1	.6	1.6	1.0	.5	.6	1.2	1.0	1.2
\$3.20 and under \$3.30 -----	1.0	1.9	.4	1.4	.9	.5	.4	1.0	.7	1.3
\$3.30 and under \$3.40 -----	.9	1.9	.3	1.4	.8	.2	.4	1.1	.6	1.6
\$3.40 and under \$3.50 -----	.8	1.6	.3	1.2	.6	.3	.2	.9	.4	1.2
\$3.50 and under \$3.60 -----	.7	1.5	.2	1.1	.5	.1	.2	.7	.4	1.2
\$3.60 and under \$3.70 -----	.5	1.1	.1	.9	.4	-	.1	.5	.3	.5
\$3.70 and under \$3.80 -----	.5	1.1	.1	.9	.4	.1	-	.4	.3	.4
\$3.80 and under \$3.90 -----	.4	1.0	.1	.8	.4	.1	.1	.4	.2	.4
\$3.90 and under \$4.00 -----	.3	.7	.1	.6	.2	-	-	.3	.1	.3
\$4.00 and over -----	1.7	4.1	.3	3.3	1.5	.2	.3	1.3	.5	1.1
Total -----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of workers included -----	172,361	63,412	108,969	62,239	29,839	8,544	9,348	22,447	18,550	2,208
Average hourly earnings 2/ -----	\$2.10	\$2.37	\$1.93	\$2.24	\$2.05	\$1.88	\$1.93	\$2.14	\$2.00	\$2.10

1/ The regions are comprised as follows: New England--Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle Atlantic--New Jersey, New York, and Pennsylvania; Border--Delaware, District of Columbia, Kentucky, Maryland, Virginia, and West Virginia; Southwest--Arkansas, Louisiana, Oklahoma, and Texas; Great Lakes--Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; Middle West--Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota; Pacific--California, Nevada, Oregon, and Washington.

2/ Excludes premium pay for overtime and for work on weekends, holidays, and late shifts.

3/ Includes data for regions in addition to those shown.

4/ Approximately 85 percent of the total number of production workers in the nonrubber footwear industry in April 1965; the number of workers shown for the specified regions add to about 90 percent of the total shown for the United States.

Source: U.S. Bureau of Labor Statistics, Industry Wage Survey: Footwear, March 1968

Table 31.--Financial experience of domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1963-67

(In thousands of dollars)							
Size-of-output group and accounting year <sup>1/</sup>	Sales	Cost of Sales	Gross profit	Selling and adminis- tration expense	Net operating profit	Ratio, net operating profit to sales (percent)	
Less than 200,000 pairs each:							
1963-----	92,438	74,707	17,731	16,336	1,395	1.5	
1964-----	92,936	74,682	18,254	16,775	1,479	1.6	
1965-----	101,394	81,526	19,868	17,673	2,195	2.2	
1966-----	107,186	87,337	19,849	18,209	1,640	1.5	
1967-----	105,197	85,168	20,029	17,653	2,376	2.3	
200,000 to 499,999 pairs each:							
1963-----	275,511	222,817	52,694	44,300	8,394	3.0	
1964-----	308,021	246,831	61,190	48,237	12,953	4.2	
1965-----	322,882	259,880	63,002	49,629	13,373	4.1	
1966-----	353,681	285,659	68,022	52,407	15,615	4.4	
1967-----	359,339	284,607	74,732	54,766	19,966	5.6	
500,000 to 999,999 pairs each:							
1963-----	269,807	228,002	41,805	32,208	9,597	3.6	
1964-----	310,125	261,716	48,409	35,568	12,841	4.1	
1965-----	307,923	258,363	49,560	37,469	12,091	3.9	
1966-----	345,938	287,885	58,053	42,039	16,014	4.6	
1967-----	362,202	293,357	68,845	44,522	24,323	6.7	
1,000,000 to 1,999,999 pairs each:							
1963-----	332,017	272,850	59,167	48,552	10,615	3.2	
1964-----	360,539	293,688	66,851	52,794	14,057	3.9	
1965-----	417,010	342,125	74,885	60,140	14,745	3.5	
1966-----	469,039	376,712	92,327	66,713	25,614	5.5	
1967-----	513,329	411,106	102,223	71,832	30,391	5.9	
2,000,000 to 3,999,999 pairs each:							
1963-----	307,714	251,182	56,532	34,441	22,091	7.2	
1964-----	339,446	277,130	62,316	38,320	23,996	7.1	
1965-----	357,887	291,084	66,803	40,895	25,908	7.2	
1966-----	415,699	338,594	77,115	46,188	30,927	7.4	
1967-----	426,285	347,877	78,408	45,541	32,867	7.7	
4,000,000 pairs or more, each:							
1963-----	1,334,640	874,027	260,613	194,454	66,159	5.8	
1964-----	1,218,412	926,681	291,731	214,385	77,346	6.3	
1965-----	1,295,689	977,049	318,640	231,672	86,968	6.7	
1966-----	1,469,151	1,106,330	362,821	262,501	100,330	6.8	
1967-----	1,534,558	1,139,988	394,570	286,743	107,827	7.0	
All producing groups:							
1963-----	2,412,127	1,923,585	488,542	370,291	118,251	4.9	
1964-----	2,629,479	2,080,728	548,751	406,079	142,672	5.4	
1965-----	2,802,785	2,210,027	592,758	437,478	155,280	5.5	
1966-----	3,160,694	2,482,507	678,187	488,057	190,130	6.0	
1967-----	3,300,910	2,562,103	738,807	521,057	217,750	6.6	

<sup>1/</sup> Domestic producing firms are grouped according to their output in 1967; accounting years end in the period from July 1 of the year shown to June 30 of the following year.

Source: Calculated by the U.S. Tariff Commission from data supplied by domestic producers of non-rubber footwear.



Table 32.--Nonrubber footwear: U.S. producing firms reporting losses as a percent of total number of firms, by size-of-output groups, accounting years, 1963-67 1/

Size-of-output group <u>2/</u>	: 1963	: 1964	: 1965	: 1966	: 1967
Less than 200,000 pairs each-----:	37	23	23	29	14
200,000 to 499,999 pairs each-----:	25	19	12	16	9
500,000 to 999,999 pairs each-----:	26	19	13	13	6
1,000,000 to 1,999,999 pairs each--:	12	12	8	8	4
2,000,000 to 3,999,999 pairs each--:	12	12	6	6	6
4,000,000 pair or more each-----:	6	6	6	-	-
Total, all firms-----:	22	17	13	14	8

1/ Accounting years end in the period from July 1 of the year shown to June 30 of the following year.

2/ Firms are grouped according to their output in 1967.

Source: Calculated from data reported to the U.S. Tariff Commission by domestic producers of nonrubber footwear.

Table 33.--Investment in new plant, machinery, and equipment by domestic producers of nonrubber footwear, by size-of-output groups, accounting years 1964-67

(In thousands of dollars)

Size-of-output group and accounting year <sup>1/</sup>	New plant	New machinery and equipment
Less than 200,000 pairs each:		
1964-----	155	672
1965-----	110	814
1966-----	142	794
1967-----	84	1,040
200,000 to 499,999 pairs each:		
1964-----	850	1,589
1965-----	351	1,902
1966-----	468	1,902
1967-----	1,748	3,119
500,000 to 999,999 pairs each:		
1964-----	480	1,425
1965-----	1,975	3,083
1966-----	375	1,955
1967-----	2,697	2,564
1,000,000 to 1,999,999 pairs each:		
1964-----	135	2,823
1965-----	773	3,188
1966-----	1,788	3,392
1967-----	888	3,238
2,000,000 to 3,999,999 pairs each:		
1964-----	625	4,245
1965-----	640	3,531
1966-----	927	3,954
1967-----	4,848	4,181
4,000,000 pairs or more, each:		
1964-----	3,174	7,966
1965-----	4,091	8,953
1966-----	8,182	10,065
1967-----	6,206	10,453
All producing groups:		
1964-----	5,419	18,720
1965-----	7,940	21,471
1966-----	11,882	22,062
1967-----	16,471	24,595

<sup>1/</sup> Domestic producing firms are grouped according to their output in 1967; accounting years end in the period from July 1 of the year shown to June 30 of the following year.

Source: Calculated by the U.S. Tariff Commission from data supplied by domestic producers of nonrubber footwear.

Table 34.--Selected financial data from income-tax returns of corporations producing nonrubber footwear, 3-year averages 1957-62, annual 1963-65 <sup>1/</sup>

(Money figures in thousands of dollars)

	3-year average		1963	1964	1965
	1957-59	1960-62			
Number of returns:					
Total-----	985	925	944	905	923
With net income-----	702	618	613	686	693
Without net income--	283	307	331	219	230
Percent of total re-					
turns:					
With net income-----	71	67	65	76	75
Without net income--	29	33	35	24	25
Total receipts:					
All returns-----	2,326,006	2,406,122	3,050,455	2,907,529	3,162,342
Returns with net					
income-----	2,123,925	2,034,022	2,547,955	2,640,800	<u>2/</u>
Returns without net					
income-----	202,081	372,100	502,500	266,729	<u>2/</u>
Net income or defi-					
cit (-):					
All returns-----	94,045	89,554	103,373	103,494	136,483
Returns with net					
income-----	104,197	102,804	116,687	114,624	147,229
Returns without					
net income-----	-10,152	-13,250	-13,314	-11,130	-10,746
Net income or deficit					
(-) as a percent					
of total receipts:					
All returns-----	4.0	3.7	3.4	3.6	4.3
Returns with net					
income-----	4.9	5.1	4.6	4.3	<u>2/</u>
Returns without net					
income-----	-5.0	-3.6	-2.6	-4.2	<u>2/</u>

<sup>1/</sup> Data for sole proprietorships and partnerships are not available. The data shown are for accounting years ending in the period from July 1 of the year shown to June 30 of the following year.

<sup>2/</sup> Not available

Source: Compiled from official statistics of U.S. Treasury Department, Internal Revenue Service.

Table 35 .--Nonrubber footwear: Annual production in selected countries and areas, 1/ 1954, 1960, and 1963-67

(In millions of pairs)

Country or area	1954 <u>2/</u>	1960 <u>2/</u>	1963	1964	1965	1966	1967
United States-----	530	600	604	613	626	642	603
Canada <u>3/</u> -----	37	34	51	46	50	51	50
European Economic Community--	261	419	506	507	541	575	<u>4/</u>
Italy <u>3/</u> -----	23	80	105	100	148	176	197
France-----	115	152	195	195	176	187	175
West Germany-----	89	142	153	156	163	159	<u>4/</u>
Netherlands-----	20	27	29	29	31	30	<u>4/</u>
Belgium-Luxembourg-----	14	19	25	24	23	24	<u>4/</u>
European Free Trade Association-----	165	210	219	238	236	226	<u>4/</u>
United Kingdom-----	122	150	158	169	167	160	156
Austria-----	7	11	15	17	17	17	<u>4/</u>
Portugal <u>3/</u> -----	3	8	9	11	12	13	<u>4/</u>
Switzerland <u>3/5/</u> -----	11	13	11	12	12	12	<u>4/</u>
Sweden-----	11	15	12	15	14	11	<u>4/</u>
Denmark-----	6	7	8	9	9	9	<u>4/</u>
Norway-----	6	5	5	6	5	5	<u>4/</u>
Spain <u>3/</u> -----	<u>6/</u> 24	43	71	68	75	81	<u>4/</u>
Japan-----	<u>6/</u> 16	135	131	162	153	140	<u>4/</u>
Australia <u>7/</u> -----	<u>6/</u> 28	35	42	44	42	<u>4/</u>	<u>4/</u>
U.S.S.R. <u>3/</u> -----	<u>6/</u> 271	419	<u>4/</u>	475	486	522	561
Poland <u>3/</u> -----	<u>6/</u> 25	39	<u>4/</u> 43	49	53	53	<u>4/</u>
Czechoslovakia <u>3/</u> -----	<u>6/</u> 23	44	<u>4/</u> 45	46	49	51	<u>4/</u>
Mexico-----	<u>4/</u>	<u>3/</u> 37	47	49	<u>4/</u>	<u>4/</u>	80
Brazil <u>3/</u> -----	<u>6/</u> <u>4/</u> 47	50	70	<u>4/</u>	75	<u>4/</u>	<u>4/</u>

1/ The data are not fully comparable because the types of nonrubber footwear for which statistics are available differ from country to country.

2/ The 1954 and 1960 statistics (except for the 1960 data for West Germany) do not include plastic footwear (vinyl and others) output of such footwear, however, was small in those years.

3/ Leather footwear only.

4/ Not available.

5/ Data do not include slippers.

6/ Data for 1955.

7/ Includes rubber boots.

Source: Compiled from official statistics of the individual countries and from The Hides, Skins, and Footwear Industry in OECD Countries, 1955-67.