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UNITED STATES TARIFF COMMISSION

WOMEN'S DRESS AND CASUAL SHOES:
WELPRO, INCORPORATED.
SEABROOK, N. H.

Report to the President
on Firm Investigation No. TEA-F-44
and Worker Investigation No. TEA-W-156
Under Section 301(c)(1) and 301(c)(2) of the
Trade Expansion Act of 1962



TC Publication 519
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November 1972

UNITED STATES TARIFF COMMISSION

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
November 6, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the results of investigations made under sections 301(c)(1) and 301(c)(2) of that act, relating to women's dress and casual shoes.

On September 5, 1972, the Commission received a petition filed on behalf of Welpro, Inc., Seabrook, N.H., and on September 18, 1972, a petition filed on behalf of the workers of that firm, for determinations of eligibility to apply for adjustment assistance under the said act. Accordingly, on September 18, 1972, the Commission instituted investigation TEA-F-44 and on September 27, 1972, investigation TEA-W-156 to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the women's footwear produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm and/or the unemployment or underemployment of a significant number or proportion of the workers of the firm, or an appropriate subdivision thereof.

Public notices of the investigations were published in the Federal Register (37 F.R. 20753/4) on October 3, 1972. A public hearing was held in connection with investigation TEA-F-44 on October 10, 1972, when all interested parties were afforded opportunity to be present, to produce evidence, and to be heard. No public hearing was requested in connection with investigation TEA-W-156, and none was held.

The information in this report was obtained principally from the petitioning workers, officials of Welpro Inc., and the Commission's files.

Findings of the Commission

On the basis of its investigations, the Commission finds 1/ (Commissioners Young and Ablondi dissenting) that articles like or directly competitive with footwear for women manufactured by Welpro, Inc., Seabrook, New Hampshire, are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to threaten to cause serious injury to the firm, and to cause and threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm.

1/ Commissioner Leonard did not participate in the decision.

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

These investigations relate to petitions filed on behalf of Welpro, Inc., Seabrook, N.H., and the workers of that firm, under section 301(a)(2) of the Trade Expansion Act of 1962 for determinations of their eligibility to apply for adjustment assistance. Welpro, Inc., which is still in operation, produces women's dress and casual footwear of cement construction. Most of the footwear has uppers of vinyl, although leather and fabric are also used. The shoes have retailed in the range of about \$9 to \$13 a pair.

The Commission, in order to make affirmative determinations under sections 301(c)(1) and (c)(2) of the Trade Expansion Act, must find that the following four criteria are met:

- (1) Articles like or directly competitive with the women's dress and casual shoes produced by the firm are being imported in increased quantities;
- (2) The increased imports are a result in major part of concessions granted under trade agreements;
- (3) The firm is being seriously injured, or threatened with serious injury; and a significant number or proportion of its workers are unemployed or underemployed, or threatened therewith; and
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the serious injury to the firm and the unemployment or underemployment of the workers.

We find that each of these requirements has been met in the instant case, and therefore we have made an affirmative determination.

Increased imports are a result in major part of trade-agreement concessions

The footwear produced by Welpro is similar in type, construction, and price to that involved in other recent investigations conducted

by the Commission under the Trade Expansion Act. We concluded in those investigations that, within the meaning of the statute, like or directly competitive footwear was being imported in increased quantities and that the increased quantities were in major part the result of trade-agreement concessions--thus satisfying the requirements of the first and second criteria. Our considerations in support of those determinations, which are equally applicable in the instant cases, are set forth in the statements of our views in those investigations. 1/

Threat of serious injury to the firm
and unemployment of workers

Although Welpro, Inc. is still in operation and its sales of women's and misses' footwear are still substantial, the financial condition of the firm has deteriorated to the point that it is threatened with serious injury. Sales of footwear by the company rose materially in value in the late 1960's; sales in the company's 1970 fiscal year (ended October 31) were more than double those in fiscal 1967.

In fiscal 1971, however, Welpro's sales declined in value by about

* * * and appear to have remained below the 1970 level in fiscal 1972. The number of shoes produced by Welpro, moreover, declined in both fiscal 1971 and 1972; the company's output in fiscal 1972 (estimated from 11-month data) was about * * * smaller than in fiscal 1970. During fiscal 1967-72, Welpro's financial condition deteriorated. The company's annual earnings experience fluctuated between profits and losses, but the losses, on balance, substantially exceeded

1/ Women's Dress and Casual Shoes: Duchess Footwear Corp., Salem, Mass., Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139 . . . , TC Publication 491, June 1972 and Women's Casual Shoes: Wilson Shoe Corp., Shamokin, Pa., Report to the President on Worker Investigation No. TEA-W-141 . . . , TC Publication 493, June 1972.

the profits. * * *

In order to maintain operations, the company increased its long-term debt * * * and its retained earnings were reduced * * *.

Because of its precarious financial condition and the unsatisfactory level of profits, Welpro is unable to obtain additional financing.

Clearly, the firm is threatened with serious injury.

As a result of the decline in production of footwear by Welpro in 1971 and 1972, employment by the company has declined. In the first 11 months of fiscal 1972, average monthly employment was 11 percent lower than in fiscal 1970 (although a little higher than in fiscal 1971). Thus, in our view, a significant number or proportion of the petitioning workers are unemployed. Since the company is threatened with serious injury, moreover, the workers likewise are threatened with further unemployment or underemployment.

Imports are the major factor threatening injury, and causing or threatening unemployment

U.S. imports of women's and misses' footwear have increased markedly since the mid-1960's, and have supplied an increasing share of the U.S. market. Imports of women's and misses' dress shoes in 1971 are estimated to have amounted to 43 million pairs, compared with 4 million pairs in 1965; the imported footwear accounted for 22 percent of apparent U.S.

consumption in 1971, while it had supplied only 2 percent in 1965. Likewise, imports of women's and misses' footwear other than dress shoes (predominantly casual footwear) increased from 63 million pairs in 1965 to 137 million pairs in 1971; the imported footwear supplied about a third of the U.S. market for such shoes in 1965, but it supplied two-thirds in 1971. With the marked encroachment upon the U.S. market by imported women's and misses' footwear, Welpro, Inc. lost business in recent years as most of its customers turned increasingly to imported footwear. Indeed, the firm's major customer (a large shoe-retail chain) reduced its purchases from Welpro and increased its purchases of imported footwear largely because of the price advantage held by the imported articles; this customer accounted for about * * * of Welpro's total sales in 1968, * * *.

In recent years, Welpro actively sought to improve its ability to compete with imported footwear. The company expended the capital to improve its "duo process," by which it produces footwear with softer linings (thus gaining better customer acceptance); it obtained the services of a shoe stylist in an attempt to compete with popular imported items; and it employed the services of efficiency experts to improve the company's overall operations. As a result of the need to meet the prices of concession-generated increased imports in the U.S. market, however, the company, as indicated above, has been unable consistently to operate profitably and its financial condition has worsened. Moreover, the company's production has fallen as a result of lost sales to imports, which has had a concomitant impact on employment afforded workers.

In light of the above facts, we conclude that increased imports resulting in major part from trade-agreement concessions are the major factor threatening serious injury to the firm, and causing and threatening to cause unemployment and underemployment of the workers.

Conclusion

We conclude that Welpro, Inc. and its workers have met the statutory requirements and we have made an affirmative determination.

Dissenting Views of Commissioner Young 1/

My determinations in the instant cases are negative because the increase in imports of any footwear like or directly competitive with that produced by Welpro, Inc., Seabrook, N.H., is not the result in major part of concessions granted under trade agreements. My reasoning in support of these determinations is set forth in statements of my views in an earlier Commission investigation under the Trade Expansion Act. 2/

1/ Commissioner Ablondi concurs in the results.

2/ Women's Dress and Casual Shoes: Duchess Footwear Corp., Salem, Mass., and Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139 . . . , TC Publication 491, June 1972,
pp. 11-25.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Welpro, Inc., Seabrook, N.H., which is still in operation, produces women's high-fashion dress and casual shoes which are sold at retail from about \$9 to \$13 a pair. The product line includes a wide variety of up-to-date styles with varying types and heights of heels. In recent years the company has focused on so-called high-fashion items (styles of footwear that hit the fashion scene as fads, usually with extreme designing features), designed primarily for the under-30 generation. Welpro also produces evening sandals with a 2 inch heel or higher. Welpro shoes are constructed by the cement process; most of the output have uppers of vinyl.

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

1/ For further discussion of these descriptive terms plus additional information in regard to nonrubber footwear (e.g., factors affecting U.S. consumption and marketing channels), see U.S. Tariff Commission, Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18. . ., TC Publication 359, 1971.

In terms of U.S. retail sales, so-called dress shoes (a term not defined in the TSUS) are more important than any other type of footwear for women and misses. The term "dress shoes," originally limited only to shoes worn on formal occasions, is now used to describe footwear of the types generally worn for street wear and for business and social activities. Women's shoes intended for formal wear, which are also regarded here as dress shoes, are now frequently referred to as evening shoes, slippers, or sandals. Generally the term "dress shoes" does not refer to footwear especially made for athletic, occupational, and leisure activities.

For many years the principal type of dress shoe worn by women in the United States was the classic pump--a closed-toe, closed-back, slip-on shoe without fasteners, with lightweight soles, and with heels of 2 inches or higher. Depending upon fashion changes, dress shoes may be open- or closed-heel shoes with straps, laces, or tongues over the instep and may include high-heeled sandals with open toes, open heels, and uppers of narrow strips of leather or other material.

Women's lower heeled footwear for casual wear, not considered dress shoes, includes low-heeled sandals, wedge-heeled shoes, loafers, desert boots, moccasins, and sneakers.

The range of styles in and quality of footwear increased greatly during the 1960's as a result of new materials, technological developments in production, and new fashions in wearing apparel. Simultaneously, consumer interest in this wide variety of footwear (as well as in clothing) also increased, reflecting the changing age structure of the

population, increasing per capita income, and a growth in time for leisure activities. Following these developments the distinction between dress and casual shoes and attire diminished.

As indicated on the preceding page, the basic pump was the principal type of dress shoes worn by women for many years. However, it declined in popularity in the late 1960's with the advent of new fashions in wearing apparel. The chunky style (monster) shoe appeared on the fashion scene in 1967 and was very popular in 1968. Clogs were popular fashion items in 1969-70 and 1972, and platform soles were popular items in 1971-72.

The materials used for the uppers of dress shoes are usually finer (i.e., less sturdy), and the soles lighter in weight, than those of footwear intended for athletic and certain occupational and leisure uses. Uppers may be of calf, kid, or reptile leathers; of silk, rayon, linen, or metallic fabrics such as peau de soie, satin, brocade, or velvet; or of supported vinyls or other plastics. Soles are of leather or plastics.

Sandals, which were also produced by Welpro, have been a popular fashion item since the early 1960's, particularly in the last 5 years. The term "sandals" refers to footwear with uppers consisting wholly or predominantly of straps or thongs, regardless of the height of the heel or other constructional features. Such footwear, which is generally worn for casual or leisure wear, has also become popular in recent years in the dress-shoe category (the sandals produced by

Welpro are of this type). Sandals are sold in a wide retail-price range, depending on the material, style, and/or ornamentation. Some sandals with uppers of vinyl are sold at discount stores and similar outlets for as low as \$1 a pair, while high-fashion sandals with uppers of leather are sold at department stores and specialty shops for \$30 or more a pair. It is believed that most sandals are sold at retail for about \$2 to \$9. Those produced by Welpro retail at \$9 to \$13.

For several decades the principal method of attaching the outsole to women's shoes has been the cement process (the method used by Welpro, Inc.), whereby the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. An estimated 80 percent of total U.S. output of women's shoes in recent years (and probably an even higher percentage of the domestic output of dress shoes) has been made by the cement process. This process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes except the turn (or turned) process. In the turn process, which is currently used in very minor degree in the United States to produce dress shoes, 1/ the footwear is initially lasted inside out and then turned right side out for the finishing operations.

1/ The turn process has been used in the United States in recent years principally to produce footwear of the types reported in official U.S. production statistics as slippers for housewear (SIC product code 3142). Slippers are also produced by the cement process.

The great bulk of the imported women's dress and casual shoes are entered under TSUS items 700.20, 700.43, 700.45, and 700.55. As explained briefly in the following paragraphs, the footwear classifiable under these four TSUS items varies with respect to materials, method of construction, price line, and/or style.

Imports entered under TSUS item 700.43, which provides for leather footwear having a foreign (export) value of not over \$2.50 a pair, as well as those entered under TSUS item 700.45, which provides for leather footwear valued over \$2.50 a pair, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, about half of the combined imports under these two items in recent years have consisted of women's sandals having a retail selling price of about \$3 to \$9 a pair. The remainder probably consisted predominantly of women's cement-process dress shoes of moderate prices (i.e., in the retail-price range of \$8 to \$20 a pair) but also included sturdy types with vulcanized or injection-molded soles, lightweight slippers suitable principally for housewear, and expensive high-fashion types. Imported women's leather footwear made by the turn process and dutiable under TSUS item 700.20 does not differ significantly in appearance from the leather dress shoes entered under items 700.43 and 700.45.

Women's footwear with supported vinyl uppers that has entered under TSUS item 700.55 in recent years has consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length and for sale mostly at \$3 to \$6 a pair at self-service counters in variety stores, discount stores, and

department-store basements and (2) folding slippers and sandals, usually selling at retail for less than \$2 a pair. It is believed that before 1970 only a negligible portion of the annual imports of women's dress shoes and boots admitted under item 700.55 retailed at more than \$10 a pair. It is estimated that, in 1971, imports of such footwear retailing at more than \$10 a pair (mostly just over that price) totaled about 2 to 5 million pairs.

U.S. Tariff Treatment

In the Tariff Act of 1930, women's leather footwear of the type produced at Welpro, Inc., was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Such footwear is provided for in the TSUS, which became effective on August 31, 1963, in items 700.43 and 700.45. The rate of duty was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of negotiations. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent. Prior to the Kennedy Round, the rate of duty on turn or turned shoes (now TSUS item 700.20) was first reduced, pursuant to section 336 of the Tariff Act of 1930, from 20 percent ad valorem to 10 percent, effective January 1, 1932. The 10-percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent in a concession, effective May 30, 1950, granted under the General Agreements on Tariffs and Trade (GATT). The current rate for item 700.20 is 2.5 percent.

Supported vinyl was not used for uppers until the late 1940's or early 1950's. Prior to the effective date of the TSUS, imports of women's supported-vinyl-upper footwear were classifiable under various provisions of the Tariff Act. Under that act such footwear was classified principally--

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

In the TSUS a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. The current rate on footwear with supported vinyl uppers is 6 percent ad valorem.

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.20, 700.43, 700.45, and 700.55. Table 2 through 4 show estimated U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable

1/ The principal kinds of footwear with supported vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision at a rate of 20 percent ad valorem.

rates of duty. Table 5 shows the amount of duty collected, based on specified values, on women's footwear entered under items 700.43, 700.45, and 700.55, on the effective dates of the Tariff Act of 1930, the TSUS, and the Kennedy Round of trade concessions.

U.S. Consumption, Production, and Imports

During the period 1965-71, apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from an estimated 386 million pairs to 417 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 237 million pairs. As annual imports almost tripled during this period, their share of the market increased from 17 percent to 43 percent. Imports accounted for 48 percent of the market in the first half of 1972 as shown in the following table.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, January-June 1971 and January-June 1972

Period	Production <u>1/</u>	Im-ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
January-June:				
1971-----	127	112	239	47
1972-----	118	111	229	48

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

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

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1971 amounted to about 1 million pairs.

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

U.S. imports of women's footwear entered under TSUS items 700.20, 700.43, 700.45, and 700.55 in the aggregate accounted for 92 percent of the imports of nonrubber footwear in 1971. A negligible part of the imports were entered under item 700.20, about a fifth under item 700.43, a fourth under item 700.45, and about half of the imports were entered under item 700.55. Table 6 shows U.S. imports of women's footwear under five TSUSA classifications that account for the bulk of the imports. Italy and Spain have been the principal suppliers of women's leather shoes; Japan and the Republic of China (Taiwan), the principal suppliers of women's vinyl shoes.

Data on U.S. consumption of women's dress shoes are not reported in official statistics. It is estimated, however, that during 1965-71 apparent annual U.S. consumption (production plus imports) of such shoes followed an irregular trend, rising from about 204 million pairs in 1965 to about 231 million in 1968 but declining to 199 million in 1971. Estimated domestic production of women's dress shoes during this period reached a peak of about 210 million pairs in 1968 and then declined to 156 million pairs in 1971. Imports rose from an estimated 4 million pairs in 1965 to 43 million pairs in 1971. Of the estimated imports in 1971, about 2 million pairs (entered under TSUS item 700.20) had an average dutiable value of about \$6 a pair, about 5 million pairs (entered under item 700.43) had an average dutiable value of about \$2 a pair, an estimated 28 million pairs (entered under item 700.45) had an average value of about \$5 a pair. The share of apparent annual U.S. consumption of women's dress shoes supplied by imports increased from 2 percent in 1965 to 26 percent in

the first half of 1972, as shown in the following table.

Dress shoes for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, and January-June 1971 and 1972

Period	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
1965-----	200	4	204	2
1966-----	206	7	213	3
1967-----	188	11	199	6
1968-----	210	21	231	9
1969-----	177	28	205	14
1970-----	165	36	201	18
1971-----	156	43	199	22
January-June:				
1971-----	85	28	113	25
1972-----	80	28	100	26

1/ Dress shoes are believed to account for about 2/3 of the total annual output of nonrubber footwear for women and misses.

2/ Data represent estimated imports of dress shoes entered under TSUS items 700.20, 700.43, 700.45, and 700.55.

3/ Data represent estimated production plus estimated imports without an allowance for exports, which in 1971 amounted to less than 1 million pairs.

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

U.S. and Foreign Wage Rates

The table on the following page shows the published average hourly earnings and the estimated compensation per hour received by shoe workers in six countries in 1964 and 1970. It should be noted, however, that there are several difficulties involved in comparing these data accurately. First, the definition for "shoe industry" varies among nations; in only two countries--Italy and the United States--are shoes specifically broken out from more encompassing industry classifications. This definitional problem makes it difficult to isolate the "shoe industry" in each country. Second, as footnote 1 to the table indicates, published hourly earnings in the various nations differ in composition. Third, total compensation for workers includes varying factors in the six countries. (Two examples of the differences in content are explained in footnotes 4 and 6 to the table.)

Hourly earnings of production workers and estimated total compensation per hour worked by them in specified industries related to footwear in 6 countries, 1964 and 1970

(In U.S. dollars)

Country	Industry	Published average hourly earnings 1/		Estimated compensation per hour worked 2/	
		1964	1970	1964	1970
Brazil	Clothing and shoes	3/ \$0.23	4/ \$0.28	5/	5/
Italy	Shoes	.42	.65	5/	\$1.19
Japan	Leather products	.37	.78	5/	.88
Spain	Shoes, leather, and clothing	.23	.38	6/ \$0.34	.57
Taiwan	Leather and leather products	.12	.17	7/ .14	.21
United States	Footwear, excluding rubber	1.77	2.43	5/	2.96

1/ Published earnings do not represent the same items of labor compensation in each country because of differences in the treatment of various supplementary benefits. Earnings generally refer to gross cash payments to wage workers before deductions for taxes and social security, and include overtime pay, shift differentials, regular bonuses and premiums, and cost-of-living adjustments. Holiday, vacation, and sick leave pay, bonuses not paid regularly each pay period, and other supplementary benefits are included by some countries and excluded by others. The earnings data are per paid hour for some countries and per hour worked for other countries.

2/ Compensation refers to all payments made by employers directly to their workers before deductions of any kind, plus employer contributions to legally required insurance programs and private welfare plans for the benefit of employees. The figures on additional compensation per hour worked as a percent of published earnings are the best estimates currently available to the Bureau of Labor Statistics. The estimates are based primarily on labor cost or labor compensation surveys adjusted to the listed years on the basis of other available data. All countries do not publish data for every year.

3/ Average for 1966.

4/ Average for 1969; monthly earnings of 211.60 cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

5/ Not available.

6/ Only compensation factor included in this figure is employer social security payments, which range from 40 to 50 percent of payroll.

7/ The published earnings data are computed per hour worked and include overtime pay, regular premiums, and bonuses; family allowances; the market value of payments in kind; and wages paid to persons absent from work. Also included in this figure is a bonus of 2 months' pay usually paid at the time of the Chinese New Year.

Source: U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labour Statistics 1971, International Labour Office, Geneva; Italy--Social Statistics (various issues), Statistical Office of the European Communities, Luxembourg and Brussels; Japan--Year Book of Labor Statistics (various issues), Ministry of Labor, Tokyo; Spain--Monthly Bulletin of Statistics (various issues), National Institute of Statistics, Madrid; and Taiwan--Report of Taiwan Labor Statistics 1971, Department of Reconstruction, Provincial Government of Taiwan.

A-11 through A-23

Data Relating to Welpro, Inc.

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Statistical Appendix

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

TSUS item No.	Abbreviated description	Rate of duty	
		July 1, 1934 ^{1/}	GATT concession ^{2/}
		Rate	Effective date
		Percent ad val.	Percent ad val.
700.20	Leather footwear: Turn or turned-----	10 ^{3/}	5 : May 30, 1950-Dec. 31, 1967. 4 : Jan. 1, 1968-Dec. 31, 1969. 3 : Jan. 1, 1970-Dec. 31, 1971. 2.5 : Jan. 1, 1972.
700.43	"Other" (including cement process): Valued not over \$2.50 per pair----	20	19 : Jan. 1-Dec. 31, 1968. 18 : Jan. 1-Dec. 31, 1969. 17 : Jan. 1-Dec. 31, 1970. 16 : Jan. 1-Dec. 31, 1971. 15 : Jan. 1, 1972.
700.45	Valued over \$2.50 per pair-----	20	18 : Jan. 1-Dec. 31, 1968. 16 : Jan. 1-Dec. 31, 1969. 14 : Jan. 1-Dec. 31, 1970. 12 : Jan. 1-Dec. 31, 1971. 10 : Jan. 1, 1972.
700.55	Footwear having uppers of supported vinyl.	Princi- pally 20 ^{4/}	^{5/} 12.5 : Aug. 31, 1963-Dec. 31, 1967. 11 : Jan. 1-Dec. 31, 1968. 10 : Jan. 1-Dec. 31, 1969. 8.5 : Jan. 1-Dec. 31, 1970. 7 : Jan. 1-Dec. 31, 1971. 6 : Jan. 1, 1972.

^{1/} Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

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

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

^{4/} Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

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

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 20, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

Table 2.--Leather footwear for women and misses made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, January-June 1971 and 1972

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

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

2/ GATT concession, effective May 30, 1950.

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

Table 3.--Leather footwear for women and misses made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, and January-June 1971 and 1972 ^{1/}

Period	Rate of duty		Quantity	
	700.43	700.45	700.43	700.45
	<u>Percent</u>	<u>Percent</u>	<u>Million</u>	<u>Million</u>
	<u>ad val.</u>	<u>ad val.</u>	<u>pairs</u>	<u>pairs</u>
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968 ^{2/} -----	19	18	34	20
1969 ^{2/} -----	18	16	29	27
1970 ^{2/} -----	17	14	37	35
1971 ^{2/} -----	16	12	33	44
January-June:				
1971-----	16	12	26	23
1972-----	15	10	19	32

^{1/} Statutory rate under par. 1530(e) for 1939 and 1946 through Aug. 30, 1963, and under TSUS item 700.40 for Aug. 31, 1963, through 1967. Effective Jan. 1, 1968, new items 700.41 (sandals of buffalo leather), 700.43, and 700.45 replaced item 700.40.

^{2/} U.S. imports of sandals under item 700.41 amounted to 1 million pairs during each of the years 1968-71.

Source: Compiled from official statistics of the U.S. Department of Commerce; data shown for the years prior to 1964 are partly estimated.

Table 4.--Footwear having supported vinyl uppers for women and misses (item 700.55): U.S. rates of duty and imports for consumption, 1934, 1964-71, and January-June 1971 and 1972

Period	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1934-----	<u>1/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1964-----	<u>3/</u> 12.5	27,574	12,429	\$0.45
1965-----	12.5	29,579	13,564	.46
1966-----	12.5	33,239	17,024	.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
January-June:				
1971-----	7	54,340	54,047	.99
1972-----	6	49,382	53,625	1.09

1/ During the period before the TSUS became effective, footwear with supported vinyl uppers (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 20 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

2/ Not available.

3/ Rate established in the TSUS, effective Aug. 31, 1963.

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

Note.--Data are not available on U.S. imports of footwear with supported vinyl uppers for the years prior to 1964. Such imports were probably negligible in the mid-1950's.

Table 5.--U.S. rates of duty applicable to women's footwear entered under certain TSUS items and duty collected based on specified values, June 18, 1930, Aug. 31, 1963, and GATT concessions

Effective date	Item 700.43			Item 700.45			Item 700.55 1/		
	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	
June 18, 1930	20	\$0.45	20	\$0.60	20	\$0.80	17	\$0.70	
Aug. 31, 1963	20	.45	20	.60	20	.80	12.5	.25	
Jan. 1, 1968	19	.43	18	.54	18	.72	11	.22	
Jan. 1, 1969	18	.41	16	.48	16	.64	10	.20	
Jan. 1, 1970	17	.38	14	.42	14	.56	8.5	.17	
Jan. 1, 1971	16	.36	12	.36	12	.48	7	.14	
Jan. 1, 1972	15	.34	10	.30	10	.40	6	.12	

1/ Certain footwear having uppers of vinyl (or supported vinyl) are dutiable under item 700.55. During the period before the TSUS became effective (Aug. 31, 1963), such footwear (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1503(e), principally 20 percent. The column 2 rate established in the TSUS is 35 percent.

Table 6.--Nonrubber footwear for women: U.S. imports, by specified TSUSA items, 1969-71

TSUSA No.	Description	Quantity			Value			Unit value		
		1969	1970	1971	1969	1970	1971	1969	1970	1971
	Footwear of leather:	1,000	1,000	1,000	1,000	1,000	1,000			
	Valued not over \$2.50 per pair:	pairs	pairs	pairs	dollars	dollars	dollars	Per pair	Per pair	Per pair
700.4310	Casual footwear:									
	For women:	12,015	11,905	8,298	\$17,749	\$18,238	\$13,256	\$1.48	\$1.53	\$1.60
700.4340	Cement footwear:									
	For women:	13,532	21,159	20,008	22,144	35,614	34,437	1.64	1.68	1.72
	Valued over \$2.50 per pair:									
700.4510	Casual footwear:									
	For women:	1,922	2,489	3,554	7,899	10,007	13,711	4.11	4.02	3.86
700.4540	Cement footwear:									
	For women:	22,734	28,471	37,563	112,866	146,161	193,846	4.96	5.13	5.16
700.5545	Supported vinyl uppers:									
	For women and misses:	70,777	77,288	86,942	55,820	73,757	104,196	.79	.95	1.20
	Total or average:	120,980	141,312	156,365	216,478	283,777	359,446	1.79	2.01	2.30

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

