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UNITED STATES TARIFF COMMISSION

MEN'S AND BOYS' LEATHER FOOTWEAR:
HAMMOND SHOE CORPORATION
WORCESTER, MASS.

Report to the President
on Worker Investigation No. TEA-W-173
Under Section 301(c)(2) of the Trade Expansion Act of 1962



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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 information that would result in the disclosure of the operations of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
March 9, 1973.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation, made under section 301(c)(2) of the act in response to a petition filed on behalf of a group of workers.

On January 9, 1973, the Commission received a petition filed on behalf of the former workers of the Hammond Shoe Corp., Worcester, Massachusetts, for a determination of eligibility to apply for adjustment assistance under said act. Accordingly, on January 11, 1973, the Commission instituted an investigation (TEA-W-173) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men and boys (of the types provided for in items 700.26, 700.27, 700.29, 700.35, and 700.55 of the Tariff Schedules of the United States) produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm.

Public notice of the investigation was published in the Federal Register (38 F.R. 1676) on January 17, 1973. No public hearing was requested, and none was held.

The information in this report was obtained principally from petitioning workers, from "field investigations," including interviews with officials of the Hammond Shoe Corp. and its former customers, officials of the Massachusetts State Employment Service, and from the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission finds 1/ (Commissioner Moore dissenting) that articles like or directly competitive with footwear for men and boys (of the types provided for in items 700.26, 700.27, 700.29, 700.35, and 700.55 of the Tariff Schedules of the United States) produced by Hammond Shoe Corp., Worcester, Mass., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

1/ Commissioner Young did not participate in the decision.

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

Our determination in this case is in the negative. We have concluded that increased U.S. imports of footwear like or directly competitive with that produced by the petitioning workers were not the major factor causing the unemployment of the workers at the Hammond Shoe Corp., Worcester, Mass.

This investigation has been conducted in response to a petition filed on behalf of the former workers of the Hammond Shoe Corp. for a determination of eligibility to apply for adjustment assistance under the provisions of the Trade Expansion Act of 1962. From its beginning in 1963 until 1971, Hammond Shoe specialized in the production of inexpensive men's leather loafers with a moccasin-toe--the so-called "penny" loafer. In 1972, such shoes retailed from about \$7.00 to \$7.50 a pair.

Loafers, which were popular casual shoes in the 1950's, have declined in popularity since the mid-1960's. The market has been largely replaced by a variety of casual shoes. Official data that are available indicate that the output of men's hand-sewn moccasins with outsole attached, similar in appearance to the loafers produced by Hammond Shoe, declined markedly from 16 million pairs in 1967 to 5 million pairs in 1971. Thus, in our view, this firm lost sales in the period under review because the demand for loafers was contracting while other types of casual shoes were becoming increasingly more popular with the consumer.

It should be noted, however, that, as a result of the good reputation of the Hammond loafer for dependable quality at a reasonable price, the firm appeared to have no insurmountable problems during the mid-1960's, while continuing to produce only its one line of footwear. By 1969, however, the firm's financial position was barely solvent and each year thereafter losses occurred at an increasing rate. Also in 1969, Hammond Shoe had a marketing setback in the loss of the account of its only jobber, who had purchased about a third of Hammond's output in previous years. All of the other Hammond accounts were being handled directly by the firm. Therefore, the company was faced with handling directly all its customers' accounts not only in a line destined soon to reach the bottom of its fashion cycle but in a type of business where survival depends on established and close retail ties.

Aware that its market for loafers was shrinking, Hammond Shoe attempted to meet competition from the increasing variety of casual shoe fashions by first trying, in 1971, to add to its line the chukka boot and, in 1972, a casual type work shoe, resembling a hiking boot. These efforts at expansion, according to an official of the firm, ended in complete failures. The substantial financial losses sustained by the company in 1971 were in large part due to Hammond's extraordinary expenses incurred in a subcontract with a footwear firm in Athol, Mass., to produce chukka boots so that Hammond could fill a large order for loafers at the Worcester plant. Hammond's experience with the subcontractor, lasting about three months, was costly since it involved

retooling, training workers, and transferring Hammond machinery to the Athol, Mass., plant and back to Worcester. Work shoes were produced for about 2 months in 1972. Production at the Hammond Shoe plant ceased in May 1972.

Accordingly, based on the above considerations, we have concluded that imports were not the major factor causing the unemployment of the workers at the Hammond Shoe Corp., Worcester, Mass.

Views of Commissioner Leonard

My determination in the instant case is negative because the increase in imports of any footwear like or directly competitive with that produced by Hammond Shoe Corp., Worcester, Mass., is not the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in the statement of my views in the Commission's report on nonrubber footwear submitted to the President on January 15, 1971. 1/

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

Dissenting Views of Commissioner Moore

Based on the evidence available to the Commission in connection with this proceeding, my determination is in the affirmative. It is my opinion that the petitioning former workers of Hammond Shoe Corp., Worcester, Mass. meet the requirements of section 301(c)(2) of the Trade Expansion Act of 1962.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Practically the entire output of the Hammond Shoe Corp. of Worcester, Mass., until its closing on May 13, 1972, consisted of men's leather loafers. 1/ From 1963, the year this one-plant firm was incorporated, the Hammond Shoe line of footwear constructed by the pre-welt process, was exclusively and consistently a one style and a one quality loafer--an inexpensive, unlined, traditional, indoor-outdoor shoe referred to as the "penny" loafer. The retail price of the Hammond line, after several increases in 1972, was \$7.47 at the time of shutdown.

The term "loafers" refers to a type of slip-on footwear, the upper part of which resembles a moccasin. It is one of the most traditional of the growing variety of footwear styles for casual and leisure wear both for outdoor as well as for indoor activities. The original loafer, the so-called "penny" loafer, was simple and youthful in design. It attained its greatest popularity as campus footwear in the fifties after the saddle oxford lost favor. Since that period, however, the plain "penny" loafer has given way to a more sophisticated type of loafer that approaches in use, styling and construction the dress shoe. Today it is hard to distinguish between an up-dated loafer and a well-designed slip-on. Both for men and women, these shoes have adopted a wide variety of interesting ornamental details--particularly high over the instep--such as straps, buckles, chains, and long rounded tongues.

1/ About 5 percent of Hammond's production consisted of loafers for boys.

The wide variety in styling is matched by as great a range in quality and price. The price of a man's leather loafer, without modern trim, ranges from \$7.50 for the old-fashioned, machine-made, campus standby to over \$50 for the classic model made of the finest leather and in large part by handcraft methods.

Male consumers have followed the women in increasingly using a greater variety of shoes for leisure wear and semidress occasions. Currently they are accepting many styles of slip-ons--those with and without moc-toes, with adjustable straps or gores, with high tongues and metal buckles. Boots of a wide variety of styles, materials, and heights are selling in large volume. Among popular boots for casual and everyday wear are: chukka boots, including the desert type with brushed suede uppers (some of a combination of colors) and the racing-stripe boot--both made by the casual looking stitchout sole 1/ construction and highlighted by brass eyelets and speed hooks; the moc-toe boot with adjustable strap and buckle; and the hiking boot which looks like and is constructed like a work shoe.

Hammond specialized in a mostly machine-sewed, unlined, leather loafer with a Neolite sole and heel. The loafer was made by the one-sole, pre-welt method. There are two types of pre-welt constructions: one using only an outsole, the type used by Hammond Shoe, and noted for producing shoes of relatively low cost and flexibility; and the other using both an outsole and an insole. In both the one-sole and two-sole processes the outsole is sewed directly to the extended edge

1/ Also referred to as stitchdown sole.

of the welt with a Goodyear lockstitch. The concern experimented shortly before closing with a two-sole, pre-welt method for making a low-priced, leather work or hiking shoe.

Hammond produced a casual chukka boot with a crepe rubber sole for about 9 months. The chukka boot was a two-sole stitchout construction with the outsole cemented to the innersole. No welt was used.

There are three stitchout constructions depending upon the number of soles. Footwear made by the stitchout method may or may not have a welt. The common feature of all three is that the upper is flanged out over the top of the midsole, serving as an innersole, which is stitched through the outflanged margin of the upper. In stitchout footwear having more than one sole, the outsole is permanently fastened to the inner sole either by an adhesive or by a Goodyear lockstitch seam or both. The two-sole type of construction is the most commonly used.

In 1971 about 40 percent of the men's shoes produced in the United States were made by the true Goodyear Welt process, about 35 percent by the cement process, and most of the remainder by miscellaneous processes including the injection-molded, and pre-welt, and the stitchout. With respect to imported men's shoes, it is estimated that about 15 percent were made by the Goodyear Welt process, about 65 percent by the cement process, and the remainder by the injection-molded and miscellaneous processes.

The major part of all men's shoes sold in the United States is made with uppers of leather. In recent years, the U.S. output of men's

shoes with uppers of leather has accounted for about 85 to 90 percent of the total output.

All of the imported men's leather footwear of the type that were produced by Hammond Shoe are classified for duty purposes under item 700.35 (footwear of leather constructed by the cement, pre-welt and miscellaneous processes of the Tariff Schedules of the United States (TSUS)). Imported men's leather loafers and other casual shoes of the Goodyear Welt construction which do not differ significantly in styling and appearance from the types of footwear made by the pre-welt process are admitted under items 700.25, 1/ 700.26, 700.27, and 700.29, depending on the value per pair. Imported men's casual shoes with uppers of supported vinyl are classified under item 700.55.

1/ Imports of footwear of the true or Goodyear Welt construction which were classified under 700.25 (valued not over \$2 a pair) were of types less expensive than those made by the Hammond Shoe Corporation; imports under this TSUS item have been negligible in recent years.

U.S. Tariff Treatment

Men's footwear in chief value of leather of the type produced by Hammond Shoe was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Effective January 1, 1939, the rate on welt footwear with a dutiable value of over \$2.50 a pair (now TSUS items 700.26, 700.27, and 700.29) was reduced to 50 cents a pair, but not less than 10 percent ad valorem nor more than 20 percent ad valorem; and effective January 30, 1943, the rate on footwear of cement and miscellaneous processes (now TSUS item 700.35) was reduced to 10 percent ad valorem. Table 1 (in the appendix) shows the 1930 and GATT concession rates (including all stages of the Kennedy Round reductions) for items 700.26, 700.27, 700.29 and 700.35, the four TSUS items under which most men's leather shoes of the type produced by Hammond Shoe have been admitted in recent years and 700.55 under which men's shoes with supported vinyl uppers have been admitted.

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 men's supported-vinyl-upper footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 10 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. 2/ The current rate on footwear with supported vinyl uppers is 6 percent ad valorem.

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 10 percent ad valorem.

2/ The column 2 rate for item 700.55 is 35 percent.

U.S. Consumption, Production, and Imports

During the period 1966-72, apparent annual U.S. consumption of men's dress and casual shoes (of leather and vinyl) increased from 105 million pairs to 142 million pairs. The average annual U.S. production of such footwear declined from 88 million pairs during 1966-68 to 82 million pairs during the period 1969-71; production then increased to 91 million pairs in 1972. As imports more than tripled during 1966-72, their share of the market increased from 15 percent to 36 percent as shown in the table below.

Men's footwear (other than work and athletic): U.S. production, imports for consumption, and apparent consumption, 1966-72

| Year | Production | Imports <u>1/</u> | Apparent consumption <u>2/</u> | Ratio of imports to consumption |
|-----------|----------------------|----------------------|--------------------------------|---------------------------------|
| | <u>Million pairs</u> | <u>Million pairs</u> | <u>Million pairs</u> | <u>Percent</u> |
| 1966----- | 89 | 16 | 105 | 15 |
| 1967----- | 85 | 19 | 104 | 18 |
| 1968----- | 89 | 26 | 115 | 23 |
| 1969----- | 82 | 33 | 115 | 29 |
| 1970----- | 83 | 37 | 120 | 31 |
| 1971----- | 80 | 49 | 129 | 38 |
| 1972----- | 91 | 51 | 142 | 36 |

1/ Includes footwear of leather for men (other than work and athletic) entered under TSUS items 700.25, 700.26, 700.27, 700.29, and 700.35; in addition, it includes footwear of supported-vinyl uppers for men, youths, and boys, entered under TSUSA item 700.5535. This latter item includes a small amount of work and athletic footwear.

2/ Represents U.S. production plus imports without an allowance for exports, which in 1972 amounted to about 468,000 pairs.

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

Data with respect to the 51 million pairs of men's footwear imported in 1972 are shown below:

| TSUS item and type of material and construction | Quantity | Average value |
|--|----------------|-----------------|
| | <u>Million</u> | |
| | <u>pairs</u> | <u>Per pair</u> |
| Leather: | | |
| 700.26 (welt)----- | 1 | \$3.69 |
| 700.29 (welt)----- | 2 | 11.48 |
| 700.35 (principally cement)----- | 27 | 6.12 |
| Vinyl: | | |
| 700.55 (various)----- | 21 | 1.66 |

Tables 2 through 4 show U.S. imports of men's footwear admitted under the above TSUS item numbers and the applicable rates of duty.

Data on U.S. consumption of men's casual footwear of the types made by Hammond Shoe are not reported in official statistics. However, it is estimated that during 1966-72, apparent annual U.S. consumption of casual footwear increased from 30 million pairs to 49 million pairs, while U.S. production ranged between 20 and 23 million pairs. During the above period, U.S. annual imports increased steadily from 8 to 26 million pairs. Of the estimated imports in 1972, about 7 million pairs entered under TSUS item 700.35 (leather footwear, principally of cement construction) and 19 millions pairs entered under TSUS item 700.55 (supported vinyl upper footwear). The share of apparent annual U.S. consumption of men's casual footwear supplied by imports increased from 27 percent in 1966 to 53 percent in 1972, as shown in the following table.

Men's casual footwear: Estimated production, imports for consumption
and apparent consumption, 1966-72

| Year | Production <u>1/</u> | Imports <u>2/</u> | Apparent consumption | Ratio of imports to consumption |
|-----------|----------------------|----------------------|----------------------|---------------------------------|
| | <u>Million pairs</u> | <u>Million pairs</u> | <u>Million pairs</u> | <u>Percent</u> |
| 1966----- | 22 | 8 | 30 | 27 |
| 1967----- | 21 | 10 | 31 | 32 |
| 1968----- | 22 | 13 | 35 | 37 |
| 1969----- | 20 | 15 | 35 | 43 |
| 1970----- | 20 | 17 | 37 | 46 |
| 1971----- | 20 | 25 | 45 | 56 |
| 1972----- | 23 | 26 | 49 | 53 |

1/ Casual shoes are estimated to account for about a fourth of the total annual output of nonrubber footwear for men.

2/ Casual shoes are estimated to account for about a fourth of the total annual imports of men's leather shoes; in addition, because of the low-unit value, it is estimated that in recent years (1970-72) casual shoes accounted for about 90 percent of the total annual imports of men's supported-vinyl-upper shoes.

Source: Estimated by the U.S. Tariff Commission.

Data on U.S. production and imports of men's loafers are not reported in official statistics. However, it is known that loafers, which were popular casual shoes during the 1950's, have declined in popularity since the mid-1960's. The market has been largely replaced by a variety of styles of casual shoes. While production data on men's loafers, as such, are not available, production figures on men's hand-sewn moccasins with outsole attached, similar in appearance to loafers, indicate a sharp drop in output, from 16 million pairs in 1967 to 5 million pairs in 1971.

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 1970-71. 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.

Hourly earnings of production workers and estimated total compensation per hour worked by them in specified industries related to footwear in 6 countries, 1964, 1970 and 1971

(In U.S. dollars)

| Country | Industry | Published average hourly earnings 1/ | | | Estimated compensation per hour worked 2/ | | |
|------------------|--------------------------------------|--------------------------------------|-----------|-----------|---|-----------|-----------|
| | | 1964 | 1970 | 1971 | 1964 | 1970 | 1971 |
| Brazil----- | Clothing and shoes----- | 3/ \$0.23 | 4/ \$0.28 | 5/ \$0.90 | 5/ \$0.71 | 5/ \$1.19 | 5/ \$1.67 |
| Italy----- | Shoes 6/----- | .42 | .65 | 1.04 | .41 | .88 | 1.18 |
| Japan----- | Leather products 7/----- | .37 | .78 | .46 | 5/ .57 | 8/ .68 | |
| Spain----- | Shoes, leather, and clothing-- | .23 | .38 | .46 | 5/ .57 | 8/ .68 | |
| Taiwan----- | Leather and leather products 7/----- | .12 | .18 | 5/ .21 | 2/ .14 | 2/ .21 | 5/ .30 |
| United States--- | Footwear, excluding rubber---- | 1.77 | 2.43 | 2.53 | 2.10 | 2.96 | 3.09 |

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.

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

7/ The shoes shipped from Japan and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industries of these two countries. Approximately half of the workers in the Japanese plastic shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastic shoe industry are home workers.

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

9/ The published earnings data are computed per hour worked and include overtime pay, regular premiums, and bonuses; family allowances; the market value of payments in kind; and wages paid to persons absent from work. Compensation figure also includes annual bonuses.

Source: Based on data provided by 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.

Note.--The exchange rate used to convert other currencies into U.S. dollars for 1971 is the rate that became effective in December 1971. Part of the large increase in wages for Italy and Japan in 1971 is attributable to use of the 1971 rate, which more accurately reflects trading conditions in 1971.

A-12 through A-23

Data Relating to Hammond Shoe Corp.

* * * * *

A P P E N D I X A

Statistical Tables

Table 1.--U.S. rates of duty applicable to footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972

| TSUS item No. | Abbreviated description | 1930 rate | GATT concessions | |
|----------------------|---|-------------------------------|----------------------------|------------------------------|
| | | | Rate | Effective dates |
| | Leather footwear: | <u>Percent</u> | <u>Percent ad val.</u> | |
| | Welt, valued per pair-- | <u>ad val.</u> | <u>or cents per pair</u> | |
| 700.25 | Not over \$2----- | 20% | 19% | June 30, 1956-June 29, 1957. |
| | | | 18% | June 30, 1957-June 29, 1958. |
| | | | 17% | June 30, 1958, to date. |
| 700.26 ^{1/} | Over \$2 but not over \$5-- | 20% | 40¢ | Jan. 1, 1948-June 29, 1956. |
| | | | 38¢ | June 30, 1956-June 29, 1957. |
| | | | 36¢ | June 30, 1957-June 29, 1958. |
| | | | 34¢ | June 30, 1958-Dec. 31, 1967. |
| | | | 30¢ | Jan. 1-Dec. 31, 1968. |
| | | | 27¢ | Jan. 1-Dec. 31, 1969. |
| | | | 23¢ | Jan. 1-Dec. 31, 1970. |
| | | | 20¢ | Jan. 1-Dec. 31, 1971. |
| | | | 17¢ | Jan. 1, 1972. |
| 700.27 ^{1/} | Over \$5 but not over \$6.80. | 20% | 40¢ | Jan. 1, 1948-June 29, 1956. |
| | | | 38¢ | June 30, 1956-June 29, 1957. |
| | | | 36¢ | June 30, 1957-June 29, 1958. |
| | | | 34¢ | June 30, 1958-Dec. 31, 1967. |
| | | | 6% but not more than 34¢. | Jan. 1, 1968-Dec. 31, 1969. |
| | | | 5.5% but not more than 34¢ | Jan. 1-Dec. 31, 1970. |
| | | | 5% | Jan. 1, 1971. |
| 700.29 ^{1/} | Over \$6.80 (except ski boots). | 20% | 40¢ but not less than 5% | Jan. 1, 1948-June 29, 1956. |
| | | | 38¢ but not less than 5%. | June 30, 1956-June 29, 1957. |
| | | | 36¢ but not less than 5%. | June 30, 1957-June 29, 1958. |
| | | | 5% | June 30, 1958, to date. |
| 700.35 | "Other" footwear (including cement process) for men, youths and boys. | 20% | 10% | June 6, 1951-Dec. 31, 1967. |
| | | | 9.5% | Jan. 1-Dec. 31, 1968. |
| | | | 9.0% | Jan. 1, 1969-Dec. 31, 1970. |
| | | | 8.5% | Jan. 1, 1971. |
| 700.55 | Footwear having uppers of supported vinyl | Principally 20% ^{2/} | 12.5% ^{3/} | Aug. 31, 1963-Dec. 31, 1967. |
| | | | 11% | Jan. 1, 1968-Dec. 31, 1968. |
| | | | 10% | Jan. 1, 1969-Dec. 31, 1969. |
| | | | 8.5% | Jan. 1, 1970-Dec. 31, 1970. |
| | | | 7% | Jan. 1, 1971-Dec. 31, 1971. |
| | | | 6% | Jan. 1, 1972. |

^{1/} New item effective January 1, 1968.

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

^{3/} The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide range of rates previously applicable to the various types of footwear provided for in this item.

Note.--Pursuant to Presidential Proclamation No. 7074, effective from August 16 to December 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 (other than work and athletic footwear) of welt construction for men: U.S. rates of duty and imports for consumption, by specified TSUS items, 1965-72

| Period | Welt, valued per pair-- | | Rate of duty | Quantity | | Rate of duty | | Quantity |
|--|--------------------------|-------------|----------------|-------------------|-------------|-----------------|---------|----------|
| | Over \$2 not over \$6.80 | Over \$6.80 | | 700.26 | 700.27 | Percent ad val. | Percent | |
| | | | Cents per pair | or cents per pair | 1,000 pairs | 1,000 pairs | ad val. | pairs |
| 1965 | | | 34¢ | 34¢ | 857 | | 5% | 452 |
| 1966 | | | 34¢ | 34¢ | 1,406 | | 5% | 615 |
| 1967 | | | 34¢ | 34¢ | 1,645 | | 5% | 813 |
| 1968 1/ | | | 30¢ | 2/ 6% | 1,277 | 1,054 | 5% | 876 |
| 1969 | | | 27¢ | 2/ 6% | 1,083 | 1,210 | 5% | 1,531 |
| 1970 | | | 23¢ | 2/ 5.5% | 765 | 830 | 5% | 1,594 |
| 1971 | | | 20¢ | 5% | 1,137 | 502 | 5% | 2,277 |
| 1972 | | | 17¢ | 5% | 791 | 362 | 5% | 1,856 |
| 1/ Effective January 1, 1968, new items 700.26-700.29 replaced former items 700.26-700.27. | | | | | | | | |
| 2/ But not more than 34 cents a pair. | | | | | | | | |

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

Table 3.--Leather footwear for men made principally by the cement process (item 700.35): 1/ U.S. rates of duty and imports for consumption, 1939 and 1950-72

| Period | Rate of duty | Quantity <u>2/</u> | Value <u>2/</u> | Unit Value |
|-----------|-------------------------------------|------------------------------|--------------------------------|-----------------|
| | <u>Percent</u> <u>ad valorem</u> | <u>1,000</u> <u>pairs</u> | <u>1,000</u> <u>dollars</u> | <u>Per pair</u> |
| 1939----- | 20 | 148 | 156 | \$1.05 |
| 1950----- | 10 | 68 | 181 | 2.66 |
| 1951----- | <u>3/</u> 20 | 61 | 175 | 2.87 |
| 1952----- | 10 | 86 | 275 | 3.20 |
| 1953----- | 10 | 107 | 376 | 3.51 |
| 1954----- | 10 | 104 | 362 | 3.48 |
| 1955----- | 10 | 192 | 909 | 4.73 |
| 1956----- | 10 | 859 | 2,536 | 2.95 |
| 1957----- | 10 | 1,252 | 3,618 | 2.89 |
| 1958----- | 10 | 4,980 | 7,159 | 1.44 |
| 1959----- | 10 | 2,596 | 8,692 | 3.35 |
| 1960----- | 10 | 2,678 | 9,036 | 3.37 |
| 1961----- | 10 | 3,340 | 10,883 | 3.26 |
| 1962----- | 10 | 5,319 | 17,743 | 3.34 |
| 1963----- | 10 | 5,771 | 19,884 | 3.45 |
| 1964----- | 10 | 5,873 | 20,538 | 3.50 |
| 1965----- | 10 | 6,002 | 26,795 | 3.45 |
| 1966----- | 10 | 7,475 | 20,699 | 3.58 |
| 1967----- | 10 | 9,933 | 36,538 | 3.68 |
| 1968----- | 9.5 | 15,170 | 56,539 | 3.73 |
| 1969----- | 9 | 18,729 | 78,925 | 4.21 |
| 1970----- | 9 | 21,801 | 97,558 | 4.47 |
| 1971----- | 8.5 | 24,730 | 122,795 | 4.97 |
| 1972----- | 8.5 | 27,298 | 167,025 | 6.12 |

1/ Includes men's leather footwear other than athletic or work of the kinds reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575. These consist in addition to cement process shoes, shoes with injection-molded soles and those made by the stitchout and miscellaneous processes.

2/ Data for 1964 and earlier years include work and athletic footwear and also footwear for youths and boys.

3/ The statutory rate of 20 percent ad valorem restored Jan. 1, 1951 to June 5, 1951; effective June 6, 1951, the rate of duty was again lowered to 10 percent ad valorem pursuant to a GATT concession.

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

Table 4.--Footwear having supported-vinyl uppers for men, youths, and boys (item 700.55): U.S. rates of duty and imports for consumption, 1964-72

| Year | Rate of duty | Quantity | Value | Unit Value |
|-----------|-----------------------|-----------------------|-------------------------|---------------|
| | Percent ad valorem | <u>1,000</u> pairs | <u>1,000</u> dollars | Per pair |
| 1964----- | <u>1/</u> 12.5 | <u>2/</u> 6,217 | <u>2/</u> 4,183 | \$0.67 |
| 1965----- | 12.5 | <u>2/</u> 7,753 | <u>2/</u> 4,835 | .58 |
| 1966----- | 12.5 | 5,915 | 5,285 | .89 |
| 1967----- | 12.5 | 6,531 | 6,025 | .92 |
| 1968----- | 11 | 7,696 | 7,681 | 1.00 |
| 1969----- | 10 | 9,744 | 12,294 | 1.26 |
| 1970----- | 8.5 | 16,264 | 21,590 | 1.33 |
| 1971----- | 7 | 20,478 | 29,362 | 1.43 |
| 1972----- | 6 | 20,780 | 34,553 | 1.66 |

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

2/ Partly estimated.

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

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. During the period before the TSUS became effective, footwear with supported vinyl uppers (with soles other than india rubber) for men, youths, and boys 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 10 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

Table 5.--Leather footwear for men (item 700.35) ^{1/}: U.S. imports for consumption, by type of construction, 1967-72

| Year | Soled moccasin | Vulcanized sole | Cement process | Other | Total |
|------------------------|----------------|-----------------|----------------|--------|---------|
| Quantity (1,000 pairs) | | | | | |
| 1967----- | 235 | 632 | 6,159 | 2,907 | 9,933 |
| 1968----- | 221 | 1,128 | 8,934 | 4,887 | 15,170 |
| 1969----- | 340 | 1,352 | 11,769 | 5,268 | 18,729 |
| 1970----- | 553 | 1,696 | 13,730 | 5,822 | 21,801 |
| 1971----- | 550 | 1,965 | 15,119 | 7,096 | 24,730 |
| 1972----- | 863 | 1,807 | 18,184 | 6,444 | 27,298 |
| Value (1,000 dollars) | | | | | |
| 1967----- | 816 | 2,782 | 21,765 | 11,175 | 36,538 |
| 1968----- | 1,166 | 3,927 | 32,709 | 18,737 | 56,539 |
| 1969----- | 1,620 | 5,418 | 47,984 | 23,903 | 78,925 |
| 1970----- | 2,653 | 7,024 | 61,318 | 26,563 | 97,558 |
| 1971----- | 2,757 | 8,329 | 76,988 | 34,721 | 122,795 |
| 1972----- | 4,556 | 9,606 | 112,762 | 40,101 | 167,025 |
| Unit value (per pair) | | | | | |
| 1967----- | \$3.47 | \$4.40 | \$3.54 | \$3.84 | \$3.68 |
| 1968----- | 5.28 | 3.48 | 3.66 | 3.83 | 3.73 |
| 1969----- | 4.76 | 4.01 | 4.08 | 4.54 | 4.21 |
| 1970----- | 4.80 | 4.14 | 4.47 | 4.56 | 4.47 |
| 1971----- | 5.01 | 4.24 | 5.09 | 4.89 | 4.97 |
| 1972----- | 5.28 | 5.32 | 6.20 | 6.22 | 6.12 |

^{1/} Includes men's leather footwear other than athletic or work reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575.

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