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UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR MEN:
WINCHELL SHOE MANUFACTURING CO.
NATICK, MASS.

Report to the President
on Investigation No. TEA-W-201
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 593
Washington, D. C.
July 1973

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,
July 17, 1973.

To the President:

In accordance with section 301(f)(1) and section 301(f)(3) of the Trade Expansion Act of 1962 (TEA) (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 May 18, 1973, the Commission received a petition filed on behalf of the former workers of the Winchell Shoe Co., Inc., Natick, Massachusetts, for a determination of eligibility to apply for adjustment assistance under said act. On May 25, 1973, the Commission instituted an investigation (TEA-W-201) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men (of the types covered by items 700.26, 700.27, 700.29, and 700.35 of the Tariff Schedules of the United States (TSUS)) 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 or appropriate subdivision thereof.

Public notice of the investigation was published in the Federal Register (38 F.R. 14317) on May 31, 1973. No public hearing was requested, and none was held.

The information in this report was obtained principally from "field investigations" including interviews with officials, present and former, of Winchell Shoe Co., former workers, the director of the local Employment Security Office, customers of the firm, and from the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission finds unani-
mously that articles like or directly competitive with footwear for
men (of the types provided for in items 700.26, 700.27, 700.29, and
700.35 of the Tariff Schedules of the United States) produced by
Winchell Shoe Co., Inc., Natick, Mass., are not, as a result in
major part of concessions granted under trade agreements, being im-
ported 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.

Considerations Supporting the Commission's Finding 1/Views of Chairman Bedell, Vice Chairman Parker,
and Commissioner Moore

This investigation originated by reason of a petition filed on behalf of workers formerly employed by the Winchell Shoe Manufacturing Co., Natick, Mass., for a determination under section 301(c)(2) of the Trade Expansion Act of 1962 as to the eligibility of those workers to apply for adjustment assistance. Winchell Shoe produced men's leather dress and work shoes of welt construction selling at retail from \$15.95 to \$24.95 a pair.

The Trade Expansion Act establishes four criteria to be met before the Commission may make an affirmative determination in a worker case. The criteria are as follows:

- (1) Imports of articles like or directly competitive with articles produced by the petitioning workers must be increasing;
- (2) The increase in imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting in major part from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

Our determination in this proceeding is in the negative because it is our judgment that the fourth criterion has not been met--namely, that the major factor causing, or threatening to cause, the unemployment

1/ Commissioner Ablondi concurs in the result.

or underemployment of the workers at Winchell Shoe was not increased imports resulting in major part from trade-agreement concessions.

Winchell Shoe ceased production in June 1972; since that time the firm has served as a jobber, selling footwear purchased principally from four domestic producers. Sales by the firm fluctuated only slightly during the period 1968-71, averaging just over \$1 million annually. This volume of sales was maintained throughout the period January-June 1972.

According to the president of the company, it was not a lack of orders but a lack of workers that prompted the management decision to end production at the plant. This official stated that because of an inability to obtain production workers at the wage level offered, the output of the plant was not sufficient to fill the orders. He cited exhaustive attempts to hire workers by various means, but to no avail. The Framingham-Natick area, where the Winchell Shoe plant was situated, had at one time been an important shoe and textile center, but the area now has diversified industries which offer higher wages and other advantages which attract the labor force away from shoe manufacturing. A former owner of the company, who sold the firm to its present owners in January 1970, stated that he too had problems obtaining production workers, and that he, the plant supervisor, and the foremen all had worked on the production line because of the shortage of workers. He stated that the employment situation was an important factor in his decision to sell the company and retire. The difficulty in obtaining workers at the wage level offered by the firm was confirmed by representatives of the local Employment and Security Office.

It is worthwhile to note that in its current role as a footwear jobber, Winchell Shoe wholesales footwear similar in type, style, and price to that which it produced. At no time have imports of footwear accounted for more than 1 percent of Winchell's sales, and there is no evidence that the firm has lost sales because of imports of footwear by others.

Based on the foregoing considerations, we conclude that imports were not the major factor causing the unemployment of the workers at the Winchell Shoe Manufacturing Co.

Views of Commissioners Leonard and Young

Our determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear like or directly competitive with that produced by the Winchell Shoe Co., Natick, Mass., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 1/

1/ Commissioner Leonard's views are given in Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18. . . , TC Publication 359, January 1971, pp. 31-47, and Commissioner Young's views are given in Women's Dress and Casual Shoes: Duchess Footwear Corp. . . . , 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 and Men's Dress and Casual Footwear: Bates Shoe Division, Wolverine World Wide, Inc. . . . , Report to the President on Worker Investigation No. TEA-W-175 . . . , TC Publication 558, March 1973, pp.8-13.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Winchell Shoe Manufacturing Co., Natick, Mass., ceased production in June 1972 but continued in the footwear business as a jobber. The output of this plant had consisted almost entirely of men's dress shoes with leather uppers and soles of manmade materials; about 2 percent of the output consisted of specialty shoes for garagemen, policemen, firemen, and military personnel. Such shoes were constructed by the welt process, and they ranged in price at retail from about \$15.95 to \$24.95 a pair. The company currently sells footwear of the same type and style as it formerly produced, purchasing its products principally from four domestic producers.

For many years the term "dress shoes" generally referred to footwear intended principally for business and social activities. Similarly, the term "casual shoes" referred to footwear designed especially for informal occasions. In recent years, however, the distinction between dress and casual shoes has diminished as men's footwear has become more responsive to fashion changes.

Male consumers have followed the lead of women in using a greater variety of shoes for leisure wear and semidress occasions. There has been a shift from lightweight styling of men's dress and casual footwear to the heavy, bulky, and more flamboyant fashions. Currently, many styles of boots, slip-ons, buckled oxfords, and two-tone oxfords with the higher heels are selling in large volume.

As mentioned earlier, the footwear produced by Winchell Shoe was manufactured by the welt 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 and/or cemented to the welt. Although welt shoes are generally heavier in weight and appearance than those made by other processing--cement, stitchdown, injection-molded, etc.--such differences are not significant in terms of styling and appearance.

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

The major part of all men's dress footwear sold in the United States is made with uppers of leather. In 1972 the U.S. output of men's footwear with uppers of leather accounted for about 75 to 80 percent of the total output, whereas approximately 55 percent of imported footwear for men had leather uppers.

Recent estimates of the American Footwear Industries Association (AFIA) show that owing to the shortage of hides and the consequent increases in prices of leather, by mid-1973, prices of men's leather footwear will be 3.3 to 4.9 percent higher than those prevailing 6 months earlier. The president of the AFIA has indicated that, as the

price of leather footwear has increased, shoes made from sophisticated manmade materials--polyurethane, poromerics, and nylon velvets--have gained a larger percentage of the U.S. market. Footwear of manmade materials lends itself not only to the multihued new platform styles favored by young people, but also to the more conservative styles. The following AFIA data illustrate the inroads made by all footwear of manmade materials on the markets for footwear of leather:

<u>Year</u>	<u>Share of total output accounted for by--</u>	
	<u>Leather (percent)</u>	<u>Manmade materials (percent)</u>
1950-----	85	15
1960-----	76	24
1973 <u>1/</u> ----	67	33
1975 <u>1/</u> ----	50	50

1/ Data for this year are estimated.

U.S. Tariff Treatment

Men's imported footwear in chief value of leather and of the type produced by Winchell Shoe was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Welt footwear with a dutiable value of not over \$2.00 a pair (TSUS item 700.25) was reduced under the General Agreement on Tariffs and Trade (GATT) to 17 percent ad valorem in three annual stages; the final stage became effective June 30, 1958. Imports under this provision, however, have been negligible (44,000 pairs, valued at \$66,000, in 1972). 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 appendix A shows the 1930 and GATT concession rates (including all stages of the Kennedy Round reductions) for items 700.25, 700.26, 700.27, 700.29, and 700.35, the TSUS items (except 700.25) under which most men's leather shoes of the type produced by Winchell Shoe have been imported in recent years, and 700.55, under which men's shoes with supported vinyl uppers have been imported.

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 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

On August 31, 1963, the effective date of 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.

Tables 2 through 5 show imports of men's footwear entered under the Tariff Schedules of the United States Annotated items under review and applicable rates of duty.

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 footwear (other than work and athletic) increased from 104 million pairs to 142 million pairs. Average annual U.S. production of such footwear declined from 88 million pairs during the period 1966-68 to 82 million pairs during 1969-71; production then increased to 91 million pairs in 1972. Trade sources indicate that the increase in production in 1972 resulted largely from increased demand for the new men's styles which were introduced that year. As annual imports of similar footwear more than tripled during 1966-72, their share of the domestic market rose from 14 percent in 1966 to 38 percent in 1971 and then remained fairly steady at 36 percent in 1972, as shown in the following table.

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

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	89	15	104	14
1967-----	85	19	104	18
1968-----	89	26	115	23
1969-----	82	32	114	28
1970-----	83	41	124	33
1971-----	80	49	129	38
1972-----	91	51	142	36

1/ The data shown also includes men's footwear having vinyl uppers, which in 1972, is estimated by the Tariff Commission staff to have accounted for about 20 to 25 percent of the total.

2/ Includes men's leather footwear (excluding work and athletic footwear) entered under TSUS items 700.26, 700.27, 700.29, and 700.35 and men's footwear having supported vinyl uppers entered under item 700.55.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1972 amounted to less than 0.5 million pairs.

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

In 1972, footwear of leather entered under TSUS item 700.35 accounted for 53 percent of the total imports of men's footwear; footwear with supported vinyl uppers entered under item 700.55 accounted for 41 percent; and footwear of leather made by the welt process (items 700.25, 700.26, 700.27, and 700.29) accounted for the remainder.

Data on U.S. consumption, production, and imports of men's dress shoes are not separately reported in official statistics. However, estimates of U.S. consumption (production plus imports) of such shoes are shown in the table below:

Men's dress shoes: Estimated U.S. production, imports for consumption, and apparent consumption, 1966-72

Year	: Estimated : : produc- : : tion <u>1/</u> :	Estimated : : imports <u>2/</u> :	Apparent : : consump- : : tion <u>3/</u> :	Ratio of : imports to : consumption
	: <u>Million</u> : : <u>pairs</u> :	: <u>Million</u> : : <u>pairs</u> :	: <u>Million</u> : : <u>pairs</u> :	: <u>Percent</u> :
1966-----	: 67 :	: 9 :	: 76 :	: 12
1967-----	: 64 :	: 10 :	: 74 :	: 14
1968-----	: 67 :	: 14 :	: 81 :	: 17
1969-----	: 62 :	: 20 :	: 82 :	: 24
1970-----	: 63 :	: 23 :	: 86 :	: 27
1971-----	: 60 :	: 26 :	: 86 :	: 30
1972-----	: 68 :	: 27 :	: 95 :	: 28
	: :	: :	: :	: :

1/ Estimated by the Tariff Commission staff based on information from the trade that so-called dress shoes generally account for about 3/4.

2/ Estimated by the Tariff Commission staff based on the assumption that dress shoes account for about 3/4 of the total annual imports of men's leather footwear and about 1/5 of the annual imports of men's footwear having supported vinyl uppers.

3/ Represents estimated production plus estimated imports without an allowance for exports, which in 1972 amounted to less than 0.5 million pairs.

Source: Estimates made 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, 1970, and 1971. It should be noted, however, that there are several difficulties involved in comparing these data. 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/	5/	5/	5/
Italy-----	Shoes ^{6/} -----	.42	.65	\$0.90	\$0.71	\$1.19	\$1.67
Japan-----	Leather products ^{7/} -----	.37	.78	.92	.41	.88	1.03
Spain-----	Shoes, leather, and clothing.	.23	.38	.46	5/	8/ .57	8/ .68
Taiwan-----	Leather and leather products. ^{7/}	.12	.18	5/	9/ .14	9/ .21	5/
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 U.S. 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 the workers in the Japanese plastics shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastics shoe industry are home workers.

8/ The compensation factor included in this figure is employer social security payments, which range from 49 to 50 percent of payroll.

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

Source: Based on data provided by the U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labor 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 Construction, Provincial Government of Taiwan.

Note.--The exchange rates used to convert other currencies into U.S. dollars for 1971 are the average rates of exchange during 1971. Part of the increases in wages for Italy and Japan in 1971 are attributable to the change in the rates in 1971.

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Data Relating to Winchell Shoe Manufacturing Co.

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APPENDIX 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
		<u>Percent ad val.</u>	<u>Percent ad val. or cents per pair</u>	
700.25	Leather footwear: Welt, valued per pair-- Not over \$2-----	20	19% 18% 17%	June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958, to date.
<u>1/</u> 700.26	Over \$2 but not over \$5--	20	40¢ 38¢ 36¢ 34¢ 30¢ 27¢ 23¢ 20¢ 17¢	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.
<u>1/</u> 700.27	Over \$5 but not over \$6.80.	20	40¢ 38¢ 36¢ 34¢ 6¢ but not more than 34¢. 5.5% but not more than 34¢. 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1, 1971.
<u>1/</u> 700.29	Over \$6.80 (except ski boots).	20	40¢ but not less than 5%. 38¢ but not less than 5%. 36¢ but not less than 5%. 5%	Jan. 1, 1948-June 29, 1956. June 30, 1956-June 29, 1957. June 30, 1957-June 29, 1958. June 30, 1958, to date.
700.35	"Other" footwear (including cement process) for men, youths, and boys.	20	10% 9.5% 9.0% 8.5%	June 6, 1951-Dec. 31, 1967. Jan. 1-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1970. Jan. 1, 1971.
700.55	Footwear having uppers of supported vinyl.	Principally 20 <u>2/</u>	12.5% <u>3/</u> 11% 10% 8.5% 7% 6%	Aug. 31, 1963-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1969. Jan. 1, 1970-Dec. 31, 1970. Jan. 1, 1971-Dec. 31, 1971. Jan. 1, 1972.

1/ New item effective Jan. 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. 4074, effective from Aug. 16 to Dec. 19, 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 of welt construction, other than work or athletic, for men:
U.S. imports for consumption and rates of duty, by specified TSUS items, 1966-72

Item	1966	1967	1968	1969	1970	1971	1972
Leather footwear of welt construction, valued per pair--							
Over \$2 but not over \$5 (700.26):							
Quantity------(1,000 pairs)--	1/	1/	1,277	1,083	765	1,137	791
Value------(1,000 dollars)--	1/	1/	4,870	4,058	2,745	4,169	2,915
Average unit value-----2/ (per pair)--	1/	1/	\$3.81	\$3.75	\$3.59	\$3.67	\$3.69
Rate of duty------(cents per pair)--	1/	1/	30	27	23	20	17
Over \$5 but not over \$6.80 (700.27):							
Quantity------(1,000 pairs)--	1/	1/	1,054	1,210	830	502	362
Value------(1,000 dollars)--	1/	1/	6,200	7,177	4,912	2,951	2,099
Average unit value-----2/ (per pair)--	1/	1/	\$5.88	\$5.93	\$5.92	\$5.87	\$5.55
Rate of duty------(percent ad val.)--	1/	1/	3/ 6	3/ 6	3/ 5.5	5	5
Over \$6.80 (700.29):							
Quantity------(1,000 pairs)--	615	813	876	1,531	1,594	2,277	1,856
Value------(1,000 dollars)--	6,443	8,561	9,792	16,212	16,811	23,558	21,304
Average unit value-----2/ (per pair)--	\$10.47	\$10.53	\$11.17	\$10.59	\$10.55	\$10.35	\$11.48
Rate of duty------(percent ad val.)--	5	5	5	5	5	5	5
Total:							
Quantity------(1,000 pairs)--	2,021	2,458	3,207	3,824	3,189	3,916	3,009
Value------(1,000 dollars)--	12,650	15,770	20,862	27,447	24,468	30,678	26,228

1/ New items effective Jan. 1, 1968. Imports under both items totaled 1,406,000 pairs, valued at \$6,207,000, with an average unit value of \$4.42 per pair in 1966 and 1,645,000 pairs, valued at \$7,209,000, with an average unit value of \$4.38 in 1967. The rate of duty was 34 cents per pair in both 1966 and 1967.

2/ Calculated on the exact (i.e., unrounded) figures.

3/ But not more than 34 cents per 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

Year	Rate of duty	Quantity 2/	Value 2/	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1939-----	20	148	156	\$1.05
1950-----	10	68	181	2.66
1951-----	3/ 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 shoes of the kinds reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575. In addition to cement-process shoes, these consist of shoes with injection-molded soles and those made by the stitchout and miscellaneous processes.

2/ Data for years through 1964 include work and athletic footwear and 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
	<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>
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 types of construction, 1967-72

Year	Soled- moc- casin	Vul- canized- 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	5,263	18,724
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 shoes, reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575.

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

APPENDIX B

LETTER FROM WINCHELL SHOE MANUFACTURING CO.
TO MEMBERS OF CONGRESS AND OTHERS;
NEWSPAPER ARTICLES RELATING TO
WINCHELL SHOE MANUFACTURING CO.

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