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UNITED STATES TARIFF COMMISSION

**FOOTWEAR FOR MEN AND WOMEN:
WORKERS AND FORMER WORKERS OF THE WESTLAND SHOE CORP.,
BIDDEFORD, MAINE
A WHOLLY OWNED SUBSIDIARY OF STANDARD
PRUDENTIAL CORP., NEW YORK, N. Y.**

**Report to the President
on Investigation No. TEA-W-232
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 674
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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 certain information that would result in the disclosure of the operations of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks (***)

REPORT TO THE PRESIDENT

U.S. Tariff Commission
May 17, 1974.

To the President:

In accordance with section 301 of the Trade Expansion Act of 1962 (TEA) (19 U.S.C. 1901), the U.S. Tariff Commission herein reports the results of investigation No. TEA-W-232 made under section 301(c)(2) of the act to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men and women (of the types provided for in items 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Westland Shoe Corp., Biddeford, Maine, a wholly owned subsidiary of Standard Prudential Corp., New York, N.Y., are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof.

The investigation was instituted on March 22, 1974, on the basis of a petition for adjustment assistance filed on March 18, 1974, under section 301(a)(2) of the act on behalf of the workers and former workers of the firm. 1/

1/ A petition on behalf of the Westland Shoe workers was filed with the Commission on Jan. 7, 1974, which resulted in the institution of investigation No. TEA-W-222 on Jan. 10, 1974. That investigation was dismissed without prejudice, Commissioners Leonard and Young dissenting, on Mar. 4, 1974, because information needed by the Commission to make a determination on the merits was not made available (39 F.R. 9720).

Notice of the investigation was published in the Federal Register (39 F.R. 111480) on March 28, 1974. No public hearing was requested, and none was held.

In the course of its investigation, the Commission obtained information from officials of Westland Shoe Corp. and its parent firm, Standard Prudential Corp., former customers of Westland Shoe, official Government statistics, and the Commission's files.

Findings of the Commission 1/

On the basis of its investigation, the Commission (Commissioner Ablondi dissenting 2/) finds that articles like or directly competitive with women's footwear (of types provided for in items 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Westland Shoe Corp. 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 cause unemployment or underemployment of a significant number or proportion of the workers of such company or an appropriate subdivision thereof.

1/ Commissioners Leonard and Young did not participate in the decision for reasons set forth in their statement.

2/ Commissioner Ablondi also made a negative determination with respect to men's footwear (of types provided for in TSUS items 700.35 and 700.55) produced by Westland Shoe Corp.

Considerations Supporting the Commission's Findings

This investigation relates to a petition filed on behalf of the former workers of Westland Shoe Corp., Biddeford, Maine, a wholly-owned subsidiary of Standard Prudential Corp., New York, N.Y., under section 301(a)(2) of the Trade Expansion Act of 1962 (TEA) for a determination of their eligibility to apply for adjustment assistance. Westland Shoe, which ceased production in March 1974, manufactured men's and women's casual shoes that retailed from about \$6 to \$16 a pair.

As we have stated in previous cases, the Commission, in order to make an affirmative determination under section 301(c)(2) of the TEA must find that the following four criteria are met:

- (1) Articles like or directly competitive with those produced by the workers are being imported in increasing quantities;
- (2) The increased imports are 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 are the major factor causing or threatening to cause the unemployment or underemployment.

With respect to workers engaged in the production of women's footwear produced by Westland Shoe, in our judgment, each of the four criteria listed above has been met; hence, we have made an affirmative determination that such workers are entitled to apply for adjustment assistance.

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

Women's footwear produced by Westland Shoe was similar in type, construction, and price to those involved in recent TEA investigations conducted by the Commission. We concluded in those investigations that, within the meaning of the statute, like or directly competitive women's footwear was being imported in increased quantities and that increased imports were in major part the result of trade-agreement concessions. Our considerations in support of those determinations, which are equally applicable in the instant case, are set forth in our opinions in earlier investigations involving certain women's footwear. 1/

The workers are unemployed

Average annual employment at the Westland Shoe plant dropped from 327 production workers in 1969 to 214 in 1973. When Westland Shoe ceased operations in March 1974 all of the workers employed at that time were laid off. Evidence developed during the investigation disclosed that all of the workers at the Westland plant were engaged in some phase of the production of women's footwear prior to November 1973.

Increased imports are the major factor causing the unemployment

During the period 1969-73, when sales of women's casual footwear by Westland Shoe suffered a substantial decline, imports of women's casual footwear supplied an increasing share of the market for such footwear--rising from an estimated 54 percent in 1969 to 72 percent in 1973.

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.

Sales of women's footwear by Westland Shoe, during this period, decreased from 470,000 pairs in 1969 to 320,000 pairs in 1973, when production was discontinued. As a result of this loss of sales to like or directly competitive imports, employment at Westland's plant dropped sharply in the past few years. Finally, all the firm's workers became unemployed when the plant was closed in March 1974. The loss of sales by Westland Shoe to concession-generated imports was corroborated by statements of buyers for most of the firm's principal customers contacted by the Commission's staff, who stated that they were increasingly forced to reduce their purchases from Westland Shoe and turn to foreign sources for their requirements because of a small price advantage offered by imported women's footwear. Clearly, the concession-generated increased imports were major factor causing unemployment of the workers at Westland Shoe.

Conclusion

We conclude that the former workers of Westland Shoe engaged in the production of women's footwear have met the statutory requirements for eligibility to apply for adjustment assistance and, therefore, we have made an affirmative determination.

Additional Views of the Chairman, Vice Chairman, and
Commissioners Moore and Ablondi

Commissioners Leonard and Young did not participate in this proceeding. They have submitted a statement which they filed with the Secretary of the Tariff Commission in a prior case involving workers of the Westland Shoe Corp., Biddeford, Maine, after the Commission dismissed that proceeding because the information was inadequate to permit a decision on the merits.

Therefore, a brief comment is believed appropriate.

In their statement, Commissioners Leonard and Young stated that a sufficient investigation had been conducted and information was available to enable them to make a negative determination. They also stated: "The Westland investigation developed as much information as is developed in the average adjustment assistance investigation, particularly in the field of footwear. The information developed was similar to that which all Commissioners have considered adequate for making determinations in past **cases**."

Their statement implies that the information which was adequate for their negative determination should have been adequate for the other Commissioners notwithstanding the vote of the Commission to the contrary. For those Commissioners who find it necessary and appropriate to consider all of the statutory criteria, as was the situation here, more information is required than that needed by those Commissioners who reach a negative decision based on one statutory criterion.

The procedure adopted by the Commission in these two proceedings has served to provide the petitioners with the opportunity for a full and fair investigation and a decision on the merits. The procedure followed by the two nonparticipating Commissioners would have prevented such an investigation and decision by the Commission.

Dissenting Views of Commissioner Ablondi

I have rendered a negative determination since this investigation, in my opinion, does not reveal that increased imports of footwear like or directly competitive with that produced by Westland Shoe Corp. were the major factor in causing the unemployment of the petitioning workers.

Statement of Commissioners Leonard and Young

The following statement was filed by Commissioners Will E. Leonard, Jr., and J. Banks Young on March 8, 1974, with the Office of the Secretary, United States Tariff Commission:

United States Tariff Commission
March 8, 1974

To the President:

In accordance with section 301(f)(1) and section 301(f)(3) of the Trade Expansion Act of 1962 (76 Stat. 885), Commissioners Will E. Leonard, Jr. and J. Banks Young herein report their determinations in an investigation made under section 301(c)(2) of that act.

On January 7, 1974, the Commission received a petition filed on behalf of the former workers of the Westland Shoe Corp., Biddeford, Maine, for a determination of eligibility to apply for adjustment assistance under the said act, and on January 10, 1974, an investigation was instituted by the Commission. Public notice of the investigation was published in the Federal Register of January 16, 1974 (39 F.R. 11). The investigation was 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 women (of the types provided for in items 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Westland Shoe Corp. are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof.

On March 4, 1974, the Commission, by majority vote (Commissioners Leonard and Young dissenting) dismissed the above investigation

without prejudice because the majority of the Commission alleged that information needed by it to make a determination on the merits was not made available.

However, by the time of that vote, an investigation had been conducted pursuant to the Westland workers' petition just as is done after the institution of an investigation on any other petition. The Westland investigation developed as much information as is developed in the average adjustment assistance investigation, particularly in the field of footwear. The information developed was similar to that which all Commissioners have considered adequate for making determinations in past cases. The staff of the Commission made a field trip to the plant and interviewed responsible parties involved in the work of Westland Shoe Corp. A report was presented to the Commission by the staff of the results of its investigation.

Since we believe a sufficient investigation has been conducted and information is available to us on which to make a determination and report same prior to the expiration of the 60-day period permitted by the statute, ^{1/} we are making such a determination and filing our report on it with the Office of the Secretary of the Tariff Commission on March 8, 1974, 60 days from January 7, 1974, the date on which the petition was filed.

^{1/} Sec. 301(f)(3), Trade Expansion Act of 1962, as amended, reads: "The report of the Tariff Commission of its determination under subsection (c)(1) or (c)(2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed."

Findings of Commissioners Leonard and Young

On the basis of the Commission's investigation, Commissioners Leonard and Young find that articles like or directly competitive with footwear for men and women (of the types provided for in items 700.35, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Westland Shoe Corp., Biddeford, Maine, 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.

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 men's and women's footwear like or directly competitive with that produced by Westland Shoe Corp., Biddeford, Maine, 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.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

Westland Shoe Corp., Biddeford, Maine, which terminated production on March 14, 1974, produced a variety of men's and women's casual footwear, mostly with leather uppers, during 1969-72 and January-November 1973. The men's footwear produced prior to November 1973, which accounted for two-thirds of the total output, consisted principally of moccasins, desert boots, and sport oxfords; construction processes used included handsewn (Littleway), cement, and stitchdown, depending upon the type of men's footwear. Women's footwear styles, which accounted for about one-third of production, included desert boots and saddle oxfords constructed by the stitchdown process. During the period January 1969 to November 1973, the men's and women's footwear produced by Westland Shoe retailed in the range of about \$7 to \$15 a pair. Westland Shoe manufactured men's inexpensive vinyl footwear that retailed from about \$6 to \$10 a pair exclusively during the period from November 1973 until the plant was closed in March 1974. Such shoes were constructed by the injection-molded process with polyvinyl chloride (PVC) soles.

Men's FootwearDescription of articles

In recent years men's footwear has become more responsive to fashion changes, and the distinction between men's dress and casual shoes has diminished. 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 slip-ons are popular, including those with and without "moc-toes," with adjustable straps or gores, with high tongues and metal buckles.

Moccasin types, whether hand sewn or machine sewn, are one of the most traditional of the variety of footwear styles for dress and casual wear. Such footwear attained its greatest popularity in the fifties, but has suffered a marked decline in consumer acceptance since the mid-1960's. Boots of a wide variety of styles, materials, and heights have become increasingly popular and are selling in large volume. Among popular boots for casual and everyday wear are chukka boots (desert boots, such as those formerly produced by Westland Shoe), the "moc-toe" boot with adjustable strap and buckle, and hiking boots which are similar in appearance to a work shoe.

As mention earlier, prior to 1974 Westland Shoe made a variety of men's footwear including hand-sewn moccasin types generally known as loafers. In making this footwear, a piece of leather (called a plug) that covers the forepart of the foot is handstitched to a single piece of leather which cradles the bottom of the foot and extends upward to form the back, sides, and the extreme front of the toe portion. An outsole is then attached by the Littleway process. 1/

1/ In the Littleway process, the sole is attached to the moccasin bottom with one or two rows of lockstitches, which are sewn in grooves.

Depending upon the type of men's shoes produced at Westland Shoe construction was either by the handsewn, cement, stitchdown or injection-molded process. After November 1973, all of the footwear produced at the Westland Shoe plant was made by the injection-molded process. In this process, an assembled upper is positioned on a foot-shaped mold of a multiple-station machine; at the proper time a molten charge of polyvinyl chloride is forced into a cavity to mold and attach the sole and heel to the upper simultaneously.

U.S. tariff treatment

Men's imported leather footwear of cement, stitchdown, or other miscellaneous construction is dutiable under TSUS item 700.35. Men's imported vinyl footwear constructed by the injection-molded process, of the type produced by Westland Shoe is dutiable under TSUS item 700.55.

Men's imported footwear in chief value of leather was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Effective January 30, 1943, the rate on leather footwear of cement and miscellaneous processes (now TSUS item 700.35) was reduced to 10 percent ad valorem. It was further reduced to 9.5 percent ad valorem effective January 1, 1968, to 9 percent effective January 1, 1969, and finally to 8.5 percent effective January 1, 1971. The tariff treatment of items entered under item 700.55 is discussed on page A-10 under women's footwear. Table 1 in appendix A shows the 1930 rates, and concession

rates under the General Agreement on Tariffs and Trade (GATT), including all stages of the Kennedy Round reductions for TSUS items 700.35 and 700.55.

U.S. consumption, production, and imports

During the period 1966-73, apparent annual U.S. consumption of men's nonrubber footwear (other than work and athletic) increased from 104 million pairs to 139 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 and then increased to 90 million pairs during 1972-73. As annual imports of similar footwear increased from 15 million pairs to 50 million pairs during the period 1966-73, their share of the domestic market rose from 14 percent to 36 percent, as shown in the following table.

Men's nonrubber footwear: 1/ U.S. production, imports for consumption, and apparent consumption, 1966-73

Year	Production	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	33	115	29
1970-----	83	41	124	33
1971-----	80	49	129	38
1972-----	91	51	142	36
1973-----	89	50	139	36

1/ Except for a small quantity included in the imports, work and athletic footwear is excluded.

2/ Includes men's leather footwear (including a small amount of athletic footwear) entered under TSUS items 700.26, 700.27, 700.29, and 700.35, and men's, youths', and boys' footwear having supported-vinyl uppers (including a small amount of athletic and work footwear) entered under item 700.55.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1973 amounted to less than 0.5 million pairs.

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

In 1973, shoes entered under TSUS item 700.35 (men's leather footwear) accounted for approximately nine-tenths of total U.S. imports of men's leather shoes. Cement-process shoes accounted for two-thirds of the men's shoes that entered under this item; stitchdown shoes, for a fourth; and soled moccasins and shoes with vulcanized or injection-molded soles, for the remainder. The imports of men's shoes for specified years through 1973 are shown in tables 2, 3, and 4 in appendix A.

During the period 1966-73, estimated annual domestic production of men's casual footwear ranged from 20 million to 23 million pairs, as shown in the table below. Estimated imports increased from 6 million pairs in 1966 to 24 million pairs in 1972.

Men's casual footwear: Estimated U.S. production, imports for consumption, and apparent consumption, 1966-73

Year	Production <u>1/</u> Millions pairs	Imports <u>2/</u> Million pairs	Apparent consumption <u>3/</u> Million pairs	Ratio of imports to consumption Percent
1966-----	22	6	28	21
1967-----	21	9	30	30
1968-----	22	12	34	35
1969-----	20	13	33	39
1970-----	20	18	38	47
1971-----	20	23	43	55
1972-----	23	24	47	51
1973-----	22	23	45	51

1/ Casual footwear is estimated to account for about 1/4 of the total annual output of nonrubber footwear for men.

2/ Casual footwear is estimated to account for about 1/4 of the total annual imports of men's leather footwear and about 4/5 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 1973 amounted to less than 0.5 million pairs.

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

Women's Casual Shoes

Description of articles

Women's footwear for casual wear, not considered dress shoes, include certain sandals, wedge-heeled shoes, flats, clogs, loafers, desert boots, moccasins, and sneakers. Casual shoes usually have a lower heel than dress shoes and are constructed to withstand harder wear.

The range of styles 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; and this trend has continued into the 1970's. Simultaneously, consumers demanded footwear designed for specific purposes. Women today wear shoes suitable to their lifestyles. With footwear becoming the most important accessory to fashion, footwear styles change rapidly. As changes occurred in dress lengths, and trousers and other casual attire became increasingly acceptable as appropriate women's wear for almost every occasion, the **distinction** between dress and casual shoes diminished. Footwear styles with 1-inch soles and even higher platforms became popular. A variety of materials--"plantation" crepe, "marshmallow" (pliable synthetic), leather combinations and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom assemblies were colored, painted, or sculptured. During 1970-72 such platform styles dominated most women's footwear. In 1973, however, as women's fashions returned to the more classic or traditional styling, the classic-pump design again became popular, a trend which has continued into 1974. Platforms are becoming less extreme, and footwear more feminine in

style is now being offered. Examples of the new look include lighter sandalized (open) footwear with emphasis on bows, straps, slimmer high heels, and narrower toe shapes in both dress and casual footwear. There has also been a return to the low-heeled flat for casual wear.

Although fashion is perhaps the most outstanding feature of footwear, the construction of footwear provides another basis for distinguishing between shoes. As indicated previously, the women's desert boots and other casual footwear produced by Westland Shoe were constructed by the stitchdown process. ^{1/} However, the principal method of attaching the outsoles to women's shoes has been the cement process, whereby the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. It is estimated that 80 percent of the total U.S. output of women's shoes in recent years 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 most other processes.

It is estimated that about 60 percent of the women's shoes produced in 1973 had leather uppers, compared with nearly 70 percent in 1970. Thus, women's shoes with uppers of manmade materials have captured a larger share of the U.S. market.

^{1/} The stitchdown process involves a mock-welt ornamentation. The "welt" is secured to the upper but not to the insole and serves only to improve the shoe's appearance.

The basic stitchdown construction principle is flanging the upper out over the top of the sole extension and fastening the sole to the upper by stitching through the flanged-out margin.

U.S. tariff treatment

The great bulk of women's imported casual shoes similar to those formerly produced by Westland Shoe are entered under TSUS items 700.43, 700.45, and 700.55. As explained briefly in the following paragraphs, the footwear classifiable under these three TSUS items varies with respect to materials, method of construction, price line, and/or style.

Imports entered under TSUS items 700.43 and 700.45, which provide for leather footwear having a foreign (export) value of not over \$2.50 a pair and over \$2.50 a pair, respectively, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, a substantial part of the combined imports under these two items in recent years have consisted of women's sandals. The remainder have probably consisted predominantly of women's cement-process dress and casual shoes of moderate prices (i.e., in the retail-price range of \$8 to \$20 a pair).

Women's imported footwear with supported-vinyl uppers, dutiable under TSUS item 700.55, has in recent years consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length (sold chiefly at self-service counters in variety stores, discount stores, and department-store basements) and (2) folding slippers, sandals, and other inexpensive footwear. It is believed that only a small part of the annual imports of women's footwear admitted under item 700.55 retail at more than \$10 a pair.

In the Tariff Act of 1930, women's leather footwear of the type produced by Westland Shoe 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, under 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.

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, which were dutiable under various provisions of the Tariff Act, were classified principally--

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

1/ Ten percent ad valorem applicable to leather footwear for men.

2/ The principal kinds of footwear with supported-vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision under par. 1530(e) at a rate of 10 percent ad valorem for men and 20 percent ad valorem for women.

In the TSUS a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. 1/ The current rate on footwear with supported-vinyl uppers is 6 percent ad valorem.

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 700.35, 700.43, 700.45, and 700.55. Tables 5 and 6 show U.S. imports of women's shoes admitted under TSUS items 700.43, 700.45, and 700.55, and the applicable rates of duty.

U.S. consumption, production, and imports

During the period 1965-73, apparent annual U.S. consumption of all women's footwear (including dress and casual) rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968 and then declined to 402 million pairs in 1973. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 190 million pairs in 1973. Annual U.S. imports tripled during the 1965-73 period, and their share of the market increased without interruption from 17 percent to 53 percent, as shown in the table on the next page. Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan) and Japan, the principal suppliers of women's vinyl footwear.

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

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-73

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
1972-----	223	198	421	47
1973-----	190	212	402	53

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. 1, subpt. A of schedule 7 of the TSUSA except imports described in items 700.32, 700.51, 700.52, 700.53, and 700.60 and except zoris (very inexpensive thonged sandals of rubber or plastics), dutiable under item 700.55. Includes imports of misses' footwear, which have been negligible compared with those of women's.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1973 amounted to about 1 million pairs.

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

Data on U.S. consumption, production, and imports of women's casual shoes are not reported separately in official statistics. Estimates of these data are shown in the table below. The table indicates that during 1965-73 annual domestic production declined by about 50 percent, annual imports more than doubled, and apparent consumption increased from 180 million pairs in 1966 to an annual average of 221 million pairs in 1970-73. The import share of domestic consumption increased from 35 percent in 1965 to 72 percent in 1973.

Women's casual footwear: Estimated U.S. production, imports for consumption, and apparent consumption, 1965-73

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
1965-----	119	63	182	35
1966-----	117	63	180	35
1967-----	102	85	187	45
1968-----	112	112	224	50
1969-----	94	111	205	54
1970-----	95	129	224	58
1971-----	81	137	218	63
1972-----	73	148	221	67
1973-----	63	159	222	72

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

2/ Casual shoes are estimated to have accounted for about 3/4 of the total annual imports of women's and misses' footwear in recent years.

3/ Data represent estimated production plus estimated imports without an allowance for exports, which in 1973 amounted to less than 1 million pairs.

Prices

As indicated earlier in this report, the footwear produced by Westland Shoe retailed in the range of \$6 to \$15 a pair. As shown in the table below, about 35 percent of domestic production of men's nonrubber footwear in 1972 retailed in the range of \$6 to \$16 a pair, and about 60 percent of domestic production of women's nonrubber footwear retailed in this same price range.

Men's and women's nonrubber footwear: Percentage distribution of domestic production, by estimated retail selling price, 1972

Estimated retail selling price	Men's footwear	Women's footwear
\$4.00 or less-----	1/	0.9
\$4.01 to \$6.00-----	1/	5.6
\$6.01 to \$8.00-----	2.0	19.9
\$8.01 to \$10.00-----	3.2	16.1
\$10.01 to \$12.00-----	6.8	11.0
\$12.01 to \$14.00-----	9.7	4.5
\$14.01 to \$16.00-----	13.7	7.4
\$16.01 to \$18.00-----	7.7	6.6
\$18.01 to \$20.00-----	8.9	13.3
\$20.01 to \$24.00-----	13.2	11.0
\$24.01 to \$28.00-----	8.2	2.0
\$28.01 or more-----	26.6	1.7
Total-----	100.0	100.0

1/ Combined with higher price line.

Source: Estimated by the U.S. Tariff Commission, on the basis of data in U.S. Bureau of the Census, Footwear Production by Manufacturer's Selling Price, 1972.

Data with respect to the estimated retail price of certain footwear for men and women imported into the United States are shown in the table below.

Men's and women's nonrubber footwear: Percentage distribution of imported footwear, by estimated retail selling price, 1972

Estimated retail selling price	Men's	Women's
\$3.00 or less-----	17	33
\$3.01 to \$6.00-----	25	23
\$6.01 to \$10.00-----	19	13
\$10.01 to \$16.00-----	8	18
\$16.01 to \$22.00-----	10	8
\$22.01 to \$28.00-----	12	3
\$28.01 or more-----	9	2
Total-----	100	100

Source: Estimated by the U.S. Tariff Commission on the basis of imports for men entered under items 700.3550, 700.3575, and 700.5535, and imports for women entered under items 700.4310, 700.4340, 700.4540, and 700.5545 in 1972.

U.S. and Foreign Wage Rates

The table on the following page shows the average hourly earnings and the estimated compensation per hour received by shoe workers in eight countries in 1970-72. While of some use in comparing the labor costs of the shoe industries in the various countries listed, the table has several shortcomings that make such comparisons inexact. First, only in the United States, Italy, and Hong Kong is the industry definition limited exclusively to footwear. In the other countries the industry classifications are more encompassing. Second, as footnote 1 to the table indicates, published hourly earnings in the various countries differ in composition. Third, total compensation for workers includes varying factors in the eight countries.

Hourly earnings of production workers and estimated total compensation per hour worked in specified industries related to footwear in 8 countries, 1970-72

(In U.S. dollars)

Country	Industry	1970	1971	1972	1970	1971	1972	1970	1971	1972
			Published average hourly earnings ^{1/}							Estimated compensation per hour worked ^{2/}
Brazil	Clothing and footwear	3/ \$0.28	4/	4/	4/	4/	4/	4/	4/	4/
Hong Kong	Rubber footwear	5/ .30	\$0.35	\$0.41	5/ \$0.32	5/ \$0.37	5/ \$0.44	5/ \$0.32	5/ \$0.37	\$0.44
Italy	Footwear ^{6/}	.60	.80	.93	1.09	1.42	1.62	1.09	1.42	1.62
Japan	Rubber products, including plastic footwear. ^{7/}	.88	1.08	1.49	1.00	1.23	1.69	1.00	1.23	1.69
Korea	Rubber and plastic products ^{7/ 8/}	.18	.18	.18	.22	.22	.22	.22	.22	.22
Spain	Clothing and footwear ^{8/}	.38	.43	.53	9/ .55	9/ .62	9/ .76	9/ .55	9/ .62	9/ .76
Taiwan	Rubber and plastic products ^{7/}	4/	4/	10/ .19	4/	4/	10/ .23	4/	4/	10/ .23
United States	Footwear, excluding rubber	2.43	2.53	2.63	2.95	3.09	3.24	2.95	3.09	3.24
	Rubber footwear	2.70	2.78	2.88	3.48	3.61	3.77	3.48	3.61	3.77

^{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 percentage of published earnings are the best estimates currently available to the Bureau of Labor Statistics. The estimates are based primarily on labor costs or labor compensation surveys adjusted to the listed years on the basis of other available data.

^{3/} Average for 1969; monthly earnings of 211.60 cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

^{4/} Not available.

^{5/} Daily earnings converted to an hourly basis by assuming 9 hours of work per day. The compensation figures include pay for time not worked, bonuses, and the value of pay in kind, but not overtime pay or employer contributions to social insurance funds.

^{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 Hong Kong, Japan, Korea, and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industry, except for Hong Kong. Approximately half of the workers in the Japanese plastics shoe industry are home workers, who are paid at a lower rate than the factory workers in that industry.

^{8/} Including salaried employees.

^{9/} The compensation factor included in this figure is employer social security payments, which range from 40 to 50 percent of payroll.

^{10/} July-December 1972. 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 figures also include annual bonuses and employer contributions to national insurance.

Source: Based on data provided by the U.S. Bureau of Labor Statistics from the following: Brazil--Year Book of Labour Statistics, 1973, International Labour Office, Geneva; Hong Kong--Annual Departmental Report, 1970-73, Commissioner of Labour, Hong Kong; Italy--Rassegna di Statistiche del Lavoro, various issues, Confederazione General dell'Industria Italiana, Rome; Japan--Year Book of Labour Statistics, various issues, Ministry of Labour, Tokyo; Korea--Monthly Statistics of Korea, various issues, Economic Planning Board, Seoul; Spain--Year Book of Labour Statistics, 1973, International Labour Office, Geneva; and Taiwan--Monthly Bulletin of Labor Statistics, November 1973, Directorate-General of Budget, Accounting, and Statistics, Taipei. Conversion from the currencies of the foreign countries in the table to U.S. dollars was made on the basis of average daily exchange rates for the year as reported by the Federal Reserve Bulletin.

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Data Relating to Westland Shoe Corp.

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APPENDIX A
STATISTICAL TABLES

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

TSUS item No.	Abbreviated description	Rate of duty		
		July 1, 1934 ^{1/}	GATT concession ^{2/}	
			Rate	Effective date
		Percent ad val.	Percent ad val.	
	Leather footwear:			
700.35	"Other" footwear (including cement process) for men, youths, and boy's.	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.
	"Other" (including cement process):			
700.43	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-	4/ 12.5	Aug. 31, 1963-Dec. 31, 1967.
		pally	11	Jan. 1-Dec. 31, 1968.
		20 ^{3/}	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 that became effective up to and including Jan. 1, 1972.

^{3/} 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. 1550, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

^{4/} 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. 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 for men, made principally by the cement process (item 700.35): 1/ U.S. rates of duty and imports for consumption, 1939 and 1950-73

Year	Rate of duty	Imports		
		Quantity <u>2/</u>	Value <u>2/</u>	Unit value
		<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
1973-----	8.5	28,190	197,141	6.99

1/ Includes men's leather footwear, other than athletic or work shoes of the kinds listed in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575. These consist, in addition to cement-process shoes, of shoes with injection-molded soles and those made by the stitch-out 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 was 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 3.--Leather footwear for men (item 700.35): ^{1/} U.S. imports for consumption, by type of construction, 1967-73

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
1973	1,191	1,488	19,796	5,715	28,190
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
1973	6,834	9,562	141,871	38,874	197,141
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
1973	5.74	6.43	7.17	6.80	6.99

^{1/} Includes men's leather footwear, other than athletic or work-shoes, of the kinds listed in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575.

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 700.5535): U.S. rates of duty and imports for consumption, 1964-73 1/

Year	Rate of duty	Imports		
		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
1973-----	6	18,654	40,244	2.16

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 col. 2 rate for item 700.55 is 35 percent.

Table 5.--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, specified years, 1939 to 1973

Year	Rate of duty <u>1/</u>		Imports	
	Item	Item	Item	Item
	700.43	700.45	700.43	700.45
	Percent	Percent	Million	Million
	ad valorem	ad valorem	pairs	pairs
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-----	19 :	18 :	34 :	20
1969-----	18 :	16 :	29 :	27
1970-----	17 :	14 :	37 :	35
1971-----	16 :	12 :	33 :	44
1972-----	15 :	10 :	25 :	61
1973 <u>2/</u> -----	15 :	10 :	17 :	69

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 about 2 million pairs in this year.

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

Table 6.--Footwear having supported-vinyl uppers for women and misses (item 700.5545): U.S. rates of duty and imports for consumption, 1964-73 ^{1/}

Year	Rate of duty	Imports		
		Quantity	Value	Unit value
	<u>Percent</u> <u>ad valorem</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>
1964 ^{2/} -----	3/12.5	27,574	12,429	\$0.45
1965 ^{2/} -----	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
1972-----	6	89,776	104,907	1.22
1973-----	6	96,942	136,036	1.40

^{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 col. 2 rate for item 700.55 is 35 percent, 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.

^{2/} Data are partly estimated.

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

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

Table 7.---Nonrubber footwear for women: U.S. imports,
by selected TSUSA items, 1968-73

TSUSA item No.	Description	1968	1969	1970	1971	1972	1973
Quantity (1,000 pairs)							
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	19,024	12,015	11,905	8,298	4,189	2,339
	Cement footwear:						
700.4340	For women-----	11,891	13,532	21,159	20,008	17,685	11,679
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	1,428	1,922	2,489	3,554	6,348	6,651
	Cement footwear:						
700.4540	For women-----	16,884	22,734	28,471	37,563	51,250	56,991
	Supported-vinyl uppers:						
700.5545	For women and misses---	68,579	70,777	77,288	86,942	89,776	96,942
	Total-----	117,806	120,980	141,312	156,365	169,248	174,602
Value (1,000 dollars)							
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	27,539	17,749	18,238	13,256	7,084	4,043
	Cement footwear:						
700.4340	For women-----	19,265	22,144	35,614	34,437	30,153	20,778
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	5,293	7,899	10,007	13,711	24,701	28,292
	Cement footwear:						
700.4540	For women-----	76,236	112,866	146,162	193,846	262,403	304,376
	Supported vinyl uppers:						
700.5545	For women and misses---	46,603	55,820	73,757	104,196	109,907	136,036
	Total-----	174,936	216,478	283,778	359,446	434,248	493,525
Unit value (per pair)							
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	\$1.45	\$1.48	\$1.53	\$1.60	\$1.69	\$1.73
	Cement footwear:						
700.4340	For women-----	1.62	1.64	1.68	1.72	1.70	1.78
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	3.71	4.11	4.02	3.86	3.89	4.25
	Cement footwear:						
700.4540	For women-----	4.52	4.96	5.13	5.16	5.12	5.34
	Supported-vinyl uppers:						
700.5545	For women and misses---	.68	.79	.95	1.20	1.22	1.40
	Average-----	1.48	1.79	2.01	2.30	2.57	2.83

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

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APPENDIX B

ARTICLE FROM FOOTWEAR NEWS

Westland shuts down; economy cited

BOSTON - Westland Shoe Corp., manufacturers of men's moccasins, cements and injection moulded shoes, ceased production last month.

Bertram Wolfson, president of the firm, a subsidiary of Standard Production Corp., New York, attributed the shutdown to the downward trend in the economy in general and the men's shoe business in particular. "We were not in any financial difficulty," declared Wolfson in a telephone interview with FN. "But the factory has not been profitable in the last six months and can't see anything in the economy or the men's shoe

business to change that." And I can certainly say that the import situation has helped."

Wolfson said the closing would in no way affect Westland's sister firms, Eastland Shoe Corp. and Northland Shoe Corp., also subsidiaries of Standard Production. "The factories are not related and both have a sizable backlog of orders."

Westland was founded in 1961 by Wolfson and his brother-in-law, Jonas Klein, who together had started Eastland in 1955 and later founded Northland in 1964. In 1968 all three were sold to Standard Production Corp., a conglomerate which owns the Sterling National

Bank. It has no other shoe holdings.

At its peak, Westland produced 7,000 pairs of shoes a day for the volume trade and employed 600 workers. Just prior to the closing the factory produced 5,000 pair a day with 350 workers. Sales had dropped from a \$6.5 million to \$3.5 million, Wolfson said.

Westland will retain its lease on the 100,000 square foot factory. "Right now we're putting it in deep freeze and will wait to see how conditions develop." He indicated that there was a chance the factory might reopen. "But it's not a great possibility."

