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UNITED STATES TARIFF COMMISSION

MEN'S AND WOMEN'S FOOTWEAR:  
BANGOR SHOE MANUFACTURING CO., INC.  
BANGOR, MAINE

Report to the President  
Firm Investigation No. TEA-F-27  
Under Section 301(c)(1) of the Trade Expansion Act of 1962



TC Publication 419  
Washington, D. C.  
September 1971

UNITED STATES TARIFF COMMISSION

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



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
September 3, 1971.

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)(1) of that act, in response to a petition filed by a firm.

On July 8, 1971, Mr. Harry Clayman, president, filed a petition on behalf of Bangor Shoe Manufacturing Co., Inc., Bangor, Maine, for a determination of the firm's eligibility to apply for adjustment assistance. Accordingly, on July 14, 1971, the Commission instituted an investigation (TEA-F-27) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with the men's and women's footwear produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

Public notice of the receipt of the petition and of the institution of the investigation was given by publication in the Federal Register on July 23, 1971 (36 F.R. 13713). No public hearing was requested and none was held.

The information in this report was obtained principally from the officials of the petitioning firm and from the Commission's files.

## Finding of the Commission

Based on its investigation, the Commission 1/ finds (Commissioner Moore dissenting) that articles like or directly competitive with the women's and men's leather footwear of the types produced by the Bangor Shoe Manufacturing Co., Inc., Bangor, 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, serious injury to such firm.

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1/ Vice Chairman Parker and Commissioner Sutton did not participate in the decision.

Views of Chairman Bedell and Commissioner Young

Our determination in the instant 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 firm have not been the major factor causing or threatening to cause serious injury to the firm.

This investigation has been conducted in response to a petition filed by the Bangor Shoe Manufacturing Co., Inc., of Bangor, Maine, for a determination of its eligibility to apply for adjustment assistance under the Trade Expansion Act of 1962. In recent years, Bangor Shoe had produced primarily the traditional-style loafer--a slip-on shoe with moccasin-style toe. The loafers were produced for both men and women. They were made with the typical leather upper, and many were hand-sewn.

The range of style and quality of footwear available in the U.S. market has increased greatly during the last decade as an outgrowth of new materials, technological developments, and new fashions in wearing apparel and as part of these market developments, the popularity of individual styles of footwear has often changed abruptly. Recently, for example, the traditional loafer has lost favor with many customers, being replaced by other styles of casual footwear. Major customers of Bangor Shoe indicated to the Commission that the demand for the traditional loafer had shrunk appreciably, and for that reason they had substantially reduced their purchases of such footwear from the company.

The principal loss in sales experienced by the Bangor Shoe firm was in men's loafers, in which category the import competition is much less severe than in women's casual shoes. For reasons not altogether clear, there has been a decline in the last few years in the total U.S. consumption of all types of men's casual shoes. This took place at the same time that Bangor experienced its loss in sales of men's loafers.

On the other hand, the decline in the company's sale of women's loafers was very modest compared with that of men's. Yet, the import competition is most severe in women's casual shoe lines. This is a further indication that the company's major difficulties do not stem from increased imports.

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In an attempt to adjust to the declining market for loafers, the firm in 1970 undertook with considerable success the manufacture of men's dress shoes, but the first year's output of such footwear, although substantial, only partly replaced the lost sales of loafers. Although the conversion was costly to the company and contributed to the losses suffered in 1971, the shift to men's dress shoe production was no doubt for the reason that men's dress shoes face a minimum of import competition. For example, in 1970, imports of men's dress

shoes are estimated to have increased by only one million pairs, whereas domestic production expanded by nearly six million pairs. This was a reversal in a long-time upward trend in the share of the domestic market of men's dress shoes enjoyed by importers. For the first time in many years, the ratio of imports to domestic consumption of men's dress shoes declined in 1970 as compared with 1969.

Accordingly, we have found that the increased imports resulting in major part from trade-agreement concessions are not the major factor causing or threatening to cause serious injury to the Bangor Shoe Manufacturing Co., Inc.

## 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 the Bangor Shoe Manufacturing Co., Inc., 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 16, 1971. 1/

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1/ Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . . , TC Publication 359, 1971, pp. 31-47.

### Dissenting Views of Commissioner Moore

In my opinion an affirmative determination should be made in this proceeding by reason of the fact that the requirements of section 301(c)(1) of the Trade Expansion Act of 1962 have been met.

Section 301(c)(1) establishes four requirements which must be met before an affirmative determination can be made:

1. Imports of articles like or directly competitive with those produced by the firm must be increasing;
2. The increased imports must be a result in major part of concessions granted under trade agreements;
3. The firm must be seriously injured or threatened with serious injury; and
4. The increased imports resulting in major part from trade-agreement concessions must be the major factor causing or threatening to cause serious injury.

In recent years the petitioning firm, Bangor Shoe Manufacturing Co., Inc., Bangor, Maine, has manufactured principally men's and women's casual footwear of the type generally referred to as loafers. Such footwear, which has been made with uppers of leather, has been sold at retail for about \$10 a pair. In 1970 Bangor Shoe expanded its line of shoes to include men's leather dress shoes. Also in 1970 it produced some men's and women's casual shoes, other than loafers, which had leather uppers and rubber soles.

#### Increased imports

In previous findings under the Trade Expansion Act, I have expressed the opinion that generally all types of inexpensive footwear

are, by and large, directly competitive with one another. In my view, the leather loafers produced by Bangor Shoe compete in the U.S. market not only with domestically produced and imported loafers, but also with imported desert boots, sneakers, sandals, and other types of casual shoes of leather and vinyl. Similarly, leather dress shoes recently produced by the company compete not only with imported and domestic dress shoes but also with the wide variety of other footwear offered in the U.S. marketplace.

During 1967-70 annual U.S. imports of men's dress and casual shoes doubled--from 13 million pairs to 26 million pairs. Annual U.S. imports of women's dress and casual shoes increased by nearly 45 percent--from 96 million pairs to 165 million pairs. Entries of such footwear in 1971 have been at a higher annual rate than in 1970. The bulk of the imports, moreover, retail in the moderate price area that Bangor has supplied. Accordingly, it seems clear that footwear like or directly competitive with that produced by Bangor Shoe is being imported in increased quantities within the meaning of the Trade Expansion Act.

In major part

The second requirement of the statute is that increased imports of the like or directly competitive articles must have resulted in major part from trade-agreement concessions. In a number of previous findings, I have concluded that certain imports of both men's and

women's footwear have increased in major part as a result of such concessions. For the reasons given in the "Nonrubber Footwear" Report 1/ I conclude that this second requirement of the statute has been met.

Threat of serious injury

The third requirement is that the firm involved must be presently suffering, or be threatened with, serious injury. During 1968-70, Bangor Shoe's utilization of its plant capacity dropped markedly--from 96 percent in 1968 to 61 percent in 1970. The volume of the company's sales decreased nearly 40 percent during that period--from \*\*\* million pairs in 1968 to \*\*\* million pairs in 1970. The value of its sales dropped by 30 percent--from \*\*\* million in 1968 to \*\*\* million in 1970. Sales are continuing to decline in 1971 at an annual rate nearly 10 percent below 1970. The declining sales have been accompanied by deteriorating profits. The company has sustained net losses in its operations during the past 2 years. The number of man-hours worked by employees of Bangor Shoe was 20 percent less in 1970 than in 1968, and the company is threatened with major reductions in work force if the downward trend in sales continues. In my opinion, the company is threatened with serious injury. Therefore, the third requirement for an affirmative determination is satisfied.

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1/ Nonrubber Footwear . . ., Investigation No. TEA-I-18 . . . , TC Publication 359, January 1971, at 13-17.

Imports the major factor

The final requirement is that increased imports resulting in major part from trade-agreement concessions must be the major factor in causing or threatening to cause serious injury to the petitioning firm.

In the industry investigation report on Nonrubber Footwear (TEA-I-18) concluded in January 1971, on pages 22 and 23, I stated:

. . . the domestic industries producing nonrubber footwear for men and women have traditionally served a highly competitive market. In recent years one marked change has occurred in that market--the supply of imports has grown so rapidly that today, in the overall, imports of foreign footwear control a third of the U.S. market. The threat of serious injury exists because these industries which serve an intensely competitive market are beset with greatly increased concession-generated imports of competitive footwear. The added pressure of highly price-competitive imported footwear has forced many more marginal firms out of the industry than would have occurred with lower levels of imports. Should imports of such footwear continue to increase, even larger firms will be threatened with serious injury. (Emphasis added). If imports supplied only a modest share of the market, rather than the present 33 percent, the domestic industry probably would be able to adjust, without serious disturbance, to the long-run competitive pressures of the domestic market.

\* \* \*

In the case of men's footwear,

Bangor has lost most of its loafer business, chiefly to such imports. In the case of ladies footwear, Bangor has been reasonably successful thus far, in preventing severe losses in sales to such imports, but sizable losses in sales to such imports began to develop in 1970, and greater losses of sales are threatened.

While evidence obtained during the investigation shows that other factors adversely affected the Bangor Shoe Co.; clearly the preponderance of the evidence shows that concession-generated increased imports were the major factor threatening to cause serious injury to the company. Therefore, the fourth requirement has been met.

#### Conclusion

The financial condition of the Bangor Shoe Manufacturing Co., Inc., has deteriorated significantly in recent years. While profitable until recently, the company requires assistance which may be granted under the provisions of the Trade Expansion Act in order to avoid serious injury in the future. As noted earlier, in 1970, the company shifted some of its production to men's dress shoes and other types of casual shoes in order to broaden its product line and to improve its competitive position. It is my view that given financial assistance and reasonable time, the company will be able to make the necessary adjustments to compete effectively with imports.

I find that Bangor Shoe Manufacturing Co., Inc., has met the statutory requirements established by section 301(c)(1) of the Trade Expansion Act of 1962, and, accordingly, I have made an affirmative determination in this case.



## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

In recent years the output of Bangor Shoe Manufacturing Co., Inc., which is still in operation, has consisted principally of men's and women's casual footwear of the type generally referred to as loafers. The firm's output of such footwear, which has uppers of leather, is sold in the retail price range of about \$9 to \$12 a pair. In 1970 Bangor Shoe expanded its line to include men's leather dress shoes made by the cement process; such shoes, which accounted for a fourth of the firm's production in 1970, are sold at retail for about \$13 a pair.

The term "loafers" refers to a type of slip-on footwear the upper part of which resembles a moccasin. All of the women's loafers and most of the men's loafers produced by Bangor Shoe are constructed with hand-sewn uppers; the remainder are constructed with machine-sewn uppers. In Bangor's hand-sewn process, a piece of leather (called a plug) that covers the forepart of the foot is hand-stitched to a single piece of leather which cradles the bottom of the foot and extends upward to form the back and sides and the extreme front of the toe portion. An outsole (some of the men's loafers also have a midsole) is then attached to the assembled upper by the Littleway process. <sup>1/</sup> In Bangor's machine-sewn process, the plug is machine-stitched to the sides and front of the toe portion of the leather upper; the assembled leather upper is then attached to an insole, and the outsole is attached with a Littleway lockstitch.

In addition to loafers, other footwear worn for casual or leisure

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<sup>1/</sup> In this construction, the outsole and upper (and midsole, if any) are held together by means of a lockstitch seam, which is sunk in a channel.

wear includes sandals, desert boots, moccasins, clogs, sneakers, and wedge-heeled shoes. The range of styles and qualities of footwear increased greatly during the 1960's as a result of new materials, technological developments in production, and new fashions in wearing apparel. Simultaneously, consumer interest in a wide choice of footwear (as well as clothing) also increased, reflecting the changing age structure of the population, increasing per capita income, and a growth in time for leisure activities. Following these developments, the distinction between dress and casual shoes and attire diminished.

As indicated earlier in this report, in 1970 Bangor Shoe produced men's leather dress shoes made by the cement process. The term "dress shoes" refers to the types of footwear intended principally for business and social activities; however, it generally does not refer to footwear suitable for hazardous or strenuous occupations, active sports, beachwear, or other leisure activities for which casual attire is worn.

In recent years about a fourth of the U.S. production of men's dress shoes has been made by the cement process, about a half by the welt process, and most of the remainder by the injection-molded process. With respect to imported men's dress shoes, it is estimated that about three-fourths were made by the cement process, a fifth by the welt process, and the remainder by the injection-molded and miscellaneous processes. In the cement process of construction (the method used by Bangor Shoe), the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. The cement process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes used for men's footwear. In the

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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. Welt shoes are heavier in weight and appearance--and are generally regarded as more rugged and durable--than those made by the cement process. In the injection-molded process of construction, the sole and heel of polyvinyl chloride or an elastomer resin compound are simultaneously molded and attached to the shoe upper, thus reducing production time and labor costs by eliminating a number of the steps required in other processes to attach the sole to the upper.

#### Men's Footwear

##### Pertinent TSUS items

Most of the imported men's leather footwear of the type produced by Bangor Shoe--casual and dress--is classified for duty purposes under item 700.35 (footwear of leather constructed by the Littleway, cement, and miscellaneous processes) of the Tariff Schedules of the United States (TSUS). Imported men's leather dress shoes of welt construction, which do not differ significantly from dress shoes of cement construction in styling and appearance, are admitted under items 700.25, 700.26, 700.27, and 700.29, depending on the value per par. Imported men's footwear with uppers of supported vinyl, similar in appearance to the footwear produced at the Bangor plant, is classified under item 700.55.

U.S. tariff treatment

Men's footwear in chief value of leather of the type produced at Bangor Shoe was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). From 1930 until January 1, 1948, the effective date of the earliest concessions granted by the United States under the General Agreements on Tariffs and Trade (GATT), the tariff rates on the footwear here discussed were affected by two pre-GATT concessions: (1) 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 nor more than 20 percent ad valorem; and (2) 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. For a discussion of the tariff treatment applicable to imported footwear of vinyl, item 700.55, see page A-8.

Table 1 (in the appendix) 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 five TSUS items under which most men's leather shoes have been admitted in recent years. Table 2 shows, for the years 1965-70, the estimated imports of such shoes admitted under the above five TSUS items, as well as ~~item 700.55~~, and the applicable rates of duty.

U.S. consumption, production, and imports

During the period 1965-70, total apparent annual U.S. consumption of men's dress and casual shoes rose from 94 million pairs to 109 million pairs. As annual imports more than tripled during 1965-70, they

increased their share of the market from 9 to 24 percent, as shown in the following table.

Men's shoes (other than work and athletic): U.S. production, imports for consumption, and apparent consumption, 1965-70

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-----	86	8	94	9
1966-----	89	10	99	10
1967-----	85	13	98	13
1968-----	89	18	107	17
1969-----	82	23	105	22
1970-----	83	26	109	24

1/ Represents the output for industry No. 3141, as reported by the U.S. Bureau of the Census.

2/ Includes footwear of leather entered under TSUS items 700.25, 700.26, 700.27, 700.29, and 700.35.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1970 amounted to about 430,000 pairs.

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

Data on U.S. consumption 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 following table, which also shows the estimated share of imports.

Men's dress shoes: Estimated U.S. production, imports for consumption, and apparent consumption, 1965-70

Year	Production <sup>1/</sup>	Imports	Apparent consumption <sup>2/</sup>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	62	6	68	9
1966-----	64	8	72	11
1967-----	58	10	68	15
1968-----	65	13	78	17
1969-----	60	18	78	23
1970-----	66	19	85	22

<sup>1/</sup> Includes footwear other than athletic or work reported in industry No. 3141 as men's shoes except hand-sewns and footwear with uppers of soft tannage (desert boots and sandals).

<sup>2/</sup> Represents estimated production plus estimated imports without an allowance for exports, which in 1970 amounted to less than 0.5 million pairs.

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

Of the estimated imports of 19 million pairs of men's dress shoes in 1970, about four-fifths, principally men's dress cement-process shoes, were admitted with an average dutiable value of about \$4.50 a pair. The bulk of these shoes were sold at a retail price of \$8 to \$20 a pair.

Data on U.S. production and imports of men's loafers and other casual shoes are not reported in official statistics. However, it is known that loafers (both hand-sewn and machine-sewn), which have been popular casual shoes during the past decade, have declined in popularity in recent years. The market has been largely replaced by a variety of styles of casual shoes, both imported and domestically produced. 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 use and appearance to loafers, indicate a sharp drop in output, from 16 million pairs in 1967 to 6 million

pairs in 1970. Domestic production of casual shoes (of all types) has probably followed the same irregular downward trend as the production of men's shoes shown on page A-5 of this report. While official data on imports of loafers are not available, it is known that imports of casual shoes other than loafers (especially sandals) have trended upward. (See table 2 for estimated imports of men's shoes admitted under specified TSUS items in 1965-70.)

### Women's Footwear

#### Pertinent TSUS items

Imported women's footwear that closely resembles in appearance and method of construction the footwear produced at the Bangor plant is classified for duty purposes under TSUS items 700.43, 700.45, and 700.55. Imports entered under TSUS item 700.43, which provides for leather footwear having a foreign (export) value of not over \$2.50 a pair, as well as those entered under TSUS item 700.45, which provides for leather footwear valued over \$2.50 a pair, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, about half of the combined imports under these two items in recent years have consisted of women's sandals having a selling price at retail in the range of about \$3 to \$9 a pair; the remainder probably consisted predominantly of women's cement-process dress shoes of moderate price (i.e., in the retail price range of \$8 to \$20 a pair) but included sturdy types with vulcanized or injection-molded soles, lightweight slippers suitable principally for housewear, and expensive high-fashion types (including boots) for leisure wear as well as formal

and other dress wear. Women's footwear with supported vinyl uppers that has entered under TSUS item 700.55 in recent years has consisted predominantly of two groups: (1) Street shoes (which would include casual shoes) of sturdy construction, produced in a single width for each particular length, for sale mostly at \$3 to \$6 a pair at self-service counters in variety stores, discount stores, and department-store basements and (2) folding slippers and sandals, usually selling at retail for less than \$2 a pair.

#### U.S. tariff treatment

In the Tariff Act of 1930, women's leather footwear of the type produced at Bangor 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, in items 700.43 and 700.45. The rate of duty applicable to items 700.43 and 700.45 was reduced for the first time, effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of trade negotiations.

Supported vinyl was not used for uppers until the late 1940's or early 1950's. During the period before the TSUS became effective, footwear with supported vinyl uppers, which is now dutiable under TSUS item 700.55, was generally dutiable, by virtue of the similitude provisions of paragraph 1559, at a rate provided for "similar" leather footwear in paragraph 1530(e), principally 20 percent. 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.

Table 3 (in the appendix) shows for footwear of the types now dutiable under items 700.43, 700.45, and 700.55 the reduction in rates of duty resulting from trade-agreement concessions granted under the GATT.

Table 4 (in the appendix) shows, for 1965-70, U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable rates of duty.

U.S. consumption, production, and imports

During the period 1965-70 apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from about 383 million pairs to 416 million pairs. As imports more than doubled during this period, their share of the market increased from 17 to 40 percent, as shown in the following table.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-70

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-----	316	67	383	17
1966-----	320	70	390	18
1967-----	286	96	382	25
1968-----	317	133	450	30
1969-----	267	139	406	34
1970-----	251	165	416	40

1/ Represents the output for women and misses, industry No. 3141, as reported by the U.S. Bureau of the Census. In 1970, women's shoes accounted for 90 percent of the total output.

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

3/ Represents U.S. production plus imports without an allowance for exports, which in 1970 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. production and imports of women's loafers and other casual shoes are not reported in official statistics. However, as noted earlier in this report, loafers, which have been popular casual shoes during the past decade, have declined in popularity in recent years, and, as a result, the market for such footwear has diminished. Although production data on women's loafers, as such, are not available, domestic production of women's casual shoes (of all types) has probably followed the same irregular downward trend as the production of women's shoes shown on page A-9 of this report.

While official data on imports of loafers are not available, it is known that imports of casual shoes other than loafers (especially sandals) have trended upward in recent years. Imports of such footwear, entered principally under TSUS items 700.43 and 700.55, retail for about \$3 to \$9 a pair, and they account for a substantial part of the U.S. market for casual footwear. U.S. imports of women's footwear entered under TSUS items 700.43, 700.45, and 700.55, shown in table 4, together accounted for 90 percent of the 1970 imports in the table above. Italy and Spain have been the principal suppliers of women's leather shoes (items 700.43 and 700.45). Japan and the Republic of China (Taiwan) have been the principal suppliers of women's vinyl shoes (item 700.55).

Data Relating to Bangor Shoe Manufacturing Co., Inc.

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A-12 through A-19

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STATISTICAL APPENDIX



Table 1.--U.S. rates of duty applicable to leather 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:		Percent ad val. or	
	Welt, valued per pair--		cents per pair	
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.

Table 2.---Nonrubber footwear for men: U.S. rates of duty and imports for consumption, by specified TSUS items, 1965-70

Year	Cement-process (in 700.35) 1/		Welt, valued per pair 2/--		Footwear with uppers of supported vinyl (700.55)	
	Tariff rate	Quantity	Tariff rate	Quantity	Tariff rate	Quantity
	Percent ad val.	Million pairs	Percent ad val.	Million pairs	Percent ad val.	Million pairs
1965	10	6	34¢	1	5	1
1966	10	8	34¢	1	5	1
1967	10	10	34¢	2	5	1
1968	9.5	15	(30¢ 3/4) (6% 4/5)	3/1 (5/1)	5	1
1969	9	19	(27¢ 3/4) (6% 4/5)	3/1 (5/1)	5	2
1970	9	22	(23¢ 3/4) (5.5% 4/5)	3/1 (5/1)	5	2

1/ Consists principally of cement-process shoes but also includes shoes with injection-molded soles and those made by the stitchdown and miscellaneous processes.  
 2/ Imports valued not over \$2 per pair (TSUS item 700.25) have been negligible.  
 3/ TSUS item 700.26.  
 4/ But not more than 34 cents a pair.  
 5/ TSUS item 700.27.

Source: Data on imports are estimates of the U.S. Tariff Commission based on official statistics of the U.S. Department of Commerce.

Table 3.--U.S. rates of duty applicable to women's and misses' footwear of types provided for in specified TSUS items, July 1, 1934, and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	Rate of duty	
		July 1, 1934 <sup>1/</sup>	GATT concessions <sup>2/</sup>
		Rate	Effective dates
		Percent ad val.	Percent ad val.
	Leather footwear:		
	"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- : 12.5% <sup>4/</sup> pally : 11% 20% <sup>3/</sup> : 10% : 8.5% : 7% : 6%	: Aug. 31, 1963-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.

<sup>1/</sup> 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.

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

<sup>3/</sup> 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. 1590(e).

<sup>4/</sup> 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.--The GATT concession rates are applicable to the products of all countries except those designated as Communist in General Headnote 3(e) of the TSUS; i.e., they are column 1 rates. Products of Communist countries are dutiable at column 2 rates, which for the TSUS items listed above except item 700.55 are the same as the rates shown for July 1, 1934. For item 700.55, the column 2 rate is 35 percent. That rate replaces the wide range of rates applicable in 1934 to the various types of footwear provided for in item 700.55.

Table 4.--Nonrubber footwear for women and misses: U.S. rates of duty and estimated imports for consumption, by specified TSUS items, 1965-70

Year	Footwear with uppers of supported vinyl (700.55)		Certain leather footwear (700.43 and 700.45) <sup>1/</sup>	
	Tariff rate	Quantity	Tariff rate	Quantity
	Percent ad val.	Million pairs	Percent ad val.	Million pairs
1965-----	12.5	35	20	21
1966-----	12.5	33	20	28
1967-----	12.5	50	20	38
1968-----	11	69	2/ 19 3/ 18	2/ 34 3/ 20
1969-----	10	71	2/ 18 3/ 16	2/ 29 3/ 27
1970-----	8.5	77	2/ 17 3/ 14	2/ 37 3/ 35

<sup>1/</sup> Before Jan. 1, 1968, in TSUS item 700.40.

<sup>2/</sup> TSUS item 700.43.

<sup>3/</sup> TSUS item 700.45.

Source: Data on imports are estimates of the U.S. Tariff Commission based on official statistics of the U.S. Department of Commerce.

A-25 through A-27

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