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UNITED STATES TARIFF COMMISSION

WOMEN'S VINYL SANDALS AND SLIPPERS:
GRENET FOOTWEAR, INC.
MIAMI, FLA

Report to the President on
Worker Investigation No. TEA-W-121
Under Section 301 (c)(2) of the Trade Expansion Act of 1962



TC Publication 448
Washington, D. C.
December 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 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,
December 23, 1971.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act (TEA) of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation, made under section 301(c)(2) of that act, in response to a workers' petition for a determination of eligibility to apply for adjustment assistance.

The petition for this investigation was filed on November 3, 1971, on behalf of the former workers of Grenet Footwear, Inc., Miami, Fla. The Commission instituted the investigation (TEA-W-121) on November 12, 1971, and gave public notice thereof in the Federal Register on November 19, 1971 (36 F.R. 22129). No public hearing was requested and none was held.

The purpose of the Commission's investigation was to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with 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, the unemployment or underemployment of a significant number or proportion of the workers of that firm.

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

Finding of the Commission

Based on its investigation, the Commission 1/ finds that articles like or directly competitive with the women's footwear produced by Grenet Footwear, Inc. 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 that firm.

1/ Vice Chairman Parker did not participate in the decision, and Commissioners Moore and Young were absent.

Views of Chairman Bedell

My determination in this case is in the negative. I have concluded that increased imports were not the major factor causing the unemployment of workers of Grenet Footwear, Inc., Miami, Fla.

This investigation has been conducted in response to a petition filed, under the provisions of the Trade Expansion Act of 1962, on behalf of former workers of Grenet Footwear. During 1966-69, the output of this plant consisted principally of women's vinyl sandals that retailed for about \$3 a pair. In 1970, the bulk of the output was shifted to the production of women's vinyl slippers that retailed for \$2 a pair.

Production at the Grenet plant started in 1960 and ceased in mid-1970. Sales had increased rapidly from about * * * pairs in 1963 to * * * pairs in 1966 and to a peak of * * * pairs in 1968. Sales then declined to * * * pairs in 1969 and * * * pairs during the first 7 months of 1970.

Although the slippers and sandals produced by Grenet Footwear were sold in the low-end of the retail market where import competition is severe, the decline in Grenet's sales in 1969 and 1970, and the closing of the plant, were largely unrelated to import competition. Information available to the Commission indicates that one large retail chain made a substantial one-time purchase of sandals from Grenet Footwear in 1968; this purchase accounted in part for the peak sales by Grenet in 1968, and the decline in 1969. The chain making the purchase reported to the Commission that Grenet Footwear was not a regular source of supply for it, and that it subsequently purchased its supply

of such footwear from other domestic, rather than foreign, sources. Another retail chain, accounting for nearly half of the sales of Grenet Footwear in 1968-69, indicated that its purchases in 1970 had been reduced greatly only because of its own financial difficulties.

Despite expanding sales in the 1960's, Grenet Footwear was not a profitable enterprise. * * * Grenet Footwear reported a profit in 1968, but a loss in 1969 when the firm's operations were impaired by a fire. With the loss of business to its major customer because of factors unrelated to imports, the firm could not meet its financial obligations, and the workers became unemployed.

In light of the evidence available to the Commission, I have concluded that increased imports were not the major factor causing the unemployment of workers of Grenet Footwear, Inc.

Views of Commissioners Sutton and Leonard

Our determination in the instant case is negative because the increase in imports of any footwear like or directly competitive with that produced by Grenet Footwear, Inc., Miami, Fla., is not the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in the separate statements of our views in the Commission's report on non-rubber footwear submitted to the President on January 15, 1971. 1/

1/ Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . . , TC Publication 359, 1971, pp. 25-47.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

The output of Grenet Footwear, Inc., which ceased production in July 1970, consisted predominantly of women's sandals prior to 1970. During the last 6 months of its operation, about 90 percent of the output consisted of women's slippers. Both the sandals and the slippers were constructed by the cement process and had vinyl uppers and rubber soles. The sandals retailed for about \$3 a pair and the slippers, for about \$2 a pair.

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

Sandals have become a popular fashion item since the early 1960's, particularly in the last 5 years. The term "sandals" refers to footwear with uppers consisting wholly or predominantly of straps or thongs, regardless of the height of the heel or other constructional features.

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

Such footwear, which is generally worn for casual or leisure wear, has also become popular in recent years in the dress-shoe category. Sandals are sold in a wide retail-price range, depending on the material, style, and/or ornamentation. Some sandals with uppers of vinyl are sold at discount stores and similar outlets for as low as \$1 a pair, while high-fashion sandals with uppers of leather are sold at department stores and specialty shops for \$30 or more a pair. It is believed that most sandals are sold at retail for about \$2 to \$9.

Women's slippers usually consist of casual slip-on styles of footwear not held to the foot by laces or straps. They are generally intended for indoor use, but some types are sturdy enough for outdoor wear. The less expensive ones comparable in price to those made at the plant under review have low heels, or low wedge soles and heels, and vinyl uppers or uppers of fabric such as cotton corduroy, quilted rayon satin, or terry cloth. The soles are usually of composition material and the linings are usually of fabric.

Other footwear worn for casual or leisure wear includes loafers, desert boots, moccasins, wedge-heeled shoes, and sneakers. 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. Simultaneously, consumer interest in this wide variety of footwear (as well as in clothing) also increased, reflecting the changing age structure of the population, increasing per capita income, and a greater amount of time for leisure activities.

Imported footwear that closely resembles the women's sandals and slippers produced at the Grenet plant in appearance, materials used, and method of construction is classified for duty purposes in the Tariff Schedules of the United States (TSUS) under item 700.55--footwear having uppers of supported vinyl. In recent years, imports of women's footwear entered under item 700.55 have consisted predominantly of two groups of footwear: (1) street shoes (which include casual shoes) of sturdy construction, produced in a single width for each particular length, and for sale mostly at \$3 to \$6 a pair at self-service counters in variety stores, discount stores, and department store basements, and (2) folding slippers and sandals, usually selling at retail for less than \$2 a pair.

TSUS item 700.32 provides for a restrictive category of slippers with leather uppers. 1/ Annual imports of these slippers with uppers of fabric are dutiable under items 700.66 through 700.80. However, imports of such slippers are believed to be small. The bulk of the imported slippers probably enter under item 700.55

Other footwear that may be worn for casual or leisure wear is classified principally under items 700.15, 700.43, 700.45, and 700.60. Item 700.15 provides for imports of moccasins of the American Indian handicraft type, having no line of demarcation between the soles and

1/ The term "slippers" (item 700.32) is defined as footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split-leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto.

uppers. Imports entered under 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 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 leather sandals having a retail selling price of about \$3 to \$9 a pair. The remainder probably consisted predominantly of women's cement-process 1/ dress shoes of moderate prices (i.e., in the retail-price range of \$8 to \$20 a pair) but also included sturdy types with vulcanized or injection-molded soles, lightweight slippers suitable principally for housewear, and expensive high-fashion types (including boots) for leisure as well as dress wear. Moccasins with applied soles are entered under items 700.43 or 700.45, depending upon the value. Footwear with uppers of fabric and soles of rubber or plastics (tennis shoes and shoes generally referred to as sneakers) is dutiable under item 700.60.

1/ For several decades the principal method of attaching the outsole 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. An estimated 80 percent of 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 light and flexible shoe.

U.S. Tariff Treatment

Supported vinyl, which was used in the manufacture of sandals and slippers by Grenet Footwear, was not used for uppers until the late 1940's or early 1950's. Footwear with supported vinyl uppers was originally dutiable, by virtue of the similitude provisions of paragraph 1559 of the Tariff Act of 1930, at a rate provided for "similar" leather footwear in paragraph 1530(e), principally 20 percent. Such footwear is now provided for in item 700.55 of the TSUS, which became effective on August 31, 1963. 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.

Women's leather footwear was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. The rate of duty on leather slippers entered under TSUS item 700.32 was reduced to 10 percent ad valorem pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade (GATT), effective January 1, 1948. The current rate of duty on these slippers is 6 percent ad valorem. Other types of footwear worn for casual or leisure wear is provided for in TSUS items 700.15, 700.43, and 700.45. The rate of duty applicable to women's moccasins, item 700.15, has remained 10 percent ad valorem since 1948. The rate of duty applicable to certain women's footwear of leather, 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. The current rate for item 700.43 is 16 percent; the rate for item 700.45 is 12 percent.

Canvas footwear (tennis shoes and sneakers), which is provided for in item 700.60, was originally dutiable at the rate of 35 percent ad valorem under paragraph 1530(e). Effective March 3, 1933 (T.D. 46158), the basis for assessing the statutory rate was changed from foreign (export) value to the "American selling price" (as defined in sec. 402(g) of the 1930 act) of like or similar articles produced in the United States. Pursuant to a concession granted under the GATT, the rate of duty on canvas footwear was reduced to 20 percent ad valorem of the American selling price (ASP), effective September 10, 1955; the rate of duty is the same at the present time. 1/ Footwear entered under item 700.60 which is not like or similar to domestic articles, and, therefore, not subject to ASP valuation, is dutiable at 20 percent of the export value. 2/

The current rates of duty on slippers and other footwear with fabric uppers, dutiable under items 700.66-700.80, range from 8 percent to 16 percent ad valorem. Table 1 in the appendix shows the reductions in rates of duty resulting from trade agreement concessions

1/ In the Commission's investigation No. 332-47 (TC Publication 181, 1966), it was estimated that, on the basis of the ASP guidelines adopted in February 1966, the duties assessed on the footwear dutiable in 1965 would have averaged 60 percent of the export value. On the basis of the old guidelines, established prior to 1963, the duties assessed on footwear imported in 1965 would have averaged about 95 percent of the export value. For additional information on the administration of the ASP provision, see TC Publication 429, 1971, pp. A-8 to A-10.

2/ Rubber-soled fabric-upper footwear is on the "final list" published by the Secretary of the Treasury pursuant to sec. 6(a), Public Law 927, 84th Cong. (T.D. 54521). Such footwear is therefore subject to valuation under sec. 402(a), Tariff Act of 1930, as amended. Generally speaking, in the absence of an ASP valuation, the valuation would be based on the export value.

granted under the GATT for footwear of the types now dutiable under specified TSUS items, including 700.15, 700.32, 700.43, 700.45, 700.55, 700.60, and 700.66-700.80. Table 2 shows the U.S. rates of duty and imports of women's shoes by specified TSUS items, including those listed above, for 1965-70 and January-June 1970 and 1971.

U.S. Consumption, Production, and Imports

During the period 1965-70, total apparent annual U.S. consumption of all women's nonrubber footwear (including dress shoes, sandals, and other casual footwear) rose from about 386 million pairs to 423 million pairs. As imports more than doubled during this period, their share of the market increased from 17 percent to 39 percent, as shown in the following table.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-70, January-June 1970, and January-June 1971

Period	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	272	139	411	34
1970-----	258	165	423	39
January-June--				
1970-----	136	96	232	41
1971-----	128	112	240	47

1/ Production represents the output for women and misses, industry No. 3141, as reported by the U.S. Bureau of the Census, plus shipments to the U.S. mainland from Puerto Rico.

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

3/ Apparent consumption 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.

U.S. imports of women's footwear entered under TSUS items 700.43, 700.45, and 700.55 in the aggregate accounted for 90 percent of the imports in 1970. 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 on U.S. production and imports of women's sandals and other casual shoes are not separately reported in official statistics. It is believed, however, that domestic production of women's casual shoes of all types has followed the same irregular downward trend as the production of women's shoes shown in the preceding table. U.S. imports of sandals, which have trended upward since the early 1960's, supply the major part of U.S. consumption of such footwear. U.S. imports of vinyl sandals increased from an estimated 7 million pairs in 1966 to 15 million pairs in 1970. Imports of leather sandals, nearly all from Italy and entered principally under TSUS item 700.43, are estimated to have increased from about 22 million pairs in 1966 to 41 million pairs in 1970.

Total U.S. production of slippers rose from about 90 million pairs in 1965 to about 107 million pairs in 1970. It is estimated that women's slippers account for approximately two-thirds of the total. U.S. imports of slippers entered under TSUS item 700.32 have been negligible in recent years. However, imports of slippers with vinyl uppers (the type produced by Grenet Footwear), entered under item 700.55, probably account for about 10 percent of the total imports (77 million pairs in 1970) under that item.

Annual U.S. imports of moccasins of the Indian handicraft type entered under item 700.15, most of which are for women, amounted to 963,000 pairs in 1966 and 1.4 million pairs in 1967, then decreased to 461,000 pairs in 1970.

Apparent U.S. consumption of canvas footwear increased from about 120 million pairs in 1960 to 201 million pairs in 1965. Since that time, however, there has been a noticeable shift, especially among teenagers and women, from canvas footwear to sandals and various other styles of nonrubber footwear for street wear and some leisure activities. In 1970 apparent consumption of canvas footwear amounted to 174 million pairs, as shown in table 3. U.S. production of women's sneakers, although not separately reported, is believed to constitute about one-third to one-half of total U.S. production of canvas footwear. Imports of women's sneakers have followed an irregular trend, increasing from 8 million pairs in 1965 to 11 million pairs in 1967 and then declining to 6 million pairs in 1970.

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Data Relating to Grenet Footwear, Inc.

* * * * *

STATISTICAL APPENDIX

Table 1.--U.S. rates of duty applicable to 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 <u>1/</u>	GATT concessions <u>2/</u>	
			Rate	Effective dates
		Percent ad val.	Percent ad val. or cents per pair	
	Leather footwear:			
700.15	Moccasins-----	20%	10%	Jan. 1, 1948.
700.20	Turn or turned-----	10% <u>3/</u>	5%	May 30, 1950-Dec. 31, 1967.
			4%	Jan. 1, 1968-Dec. 31, 1969.
			3%	Jan. 1, 1970-Dec. 31, 1971.
			2.5%	Jan. 1, 1972.
	Welt, valued 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.
<u>4/</u> 700.26	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.
<u>4/</u> 700.27	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	Jan. 1, 1968-Dec. 31, 1969
			34¢	
			5.5% but not more than	Jan. 1-Dec. 31, 1970.
			34¢	
			5%	Jan. 1, 1971.
<u>4/</u> 700.29	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.
			less than 5%	
			5%	June 30, 1958.
700.32	Slippers-----	20%	10%	Jan. 1, 1948-Dec. 31, 1967.
			9%	Jan. 1-Dec. 31, 1968.
			8%	Jan. 1-Dec. 31, 1969.
			7%	Jan. 1-Dec. 31, 1970.
			6%	Jan. 1-Dec. 31, 1971.
			5%	Jan. 1, 1972.
	"Other" footwear (including cement process):			
700.35	For men, youths, and boys-----	20%	10%	June 6, 1951-Dec. 31, 1967.
			9.5%	Jan. 1-Dec. 31, 1968.
			9%	Jan. 1, 1969-Dec. 31, 1970.
			8.5%	Jan. 1, 1971.
	For women and misses:			
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.

See footnotes at end of table.

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

TSUS Item No.	Abbreviated description	Rate of duty	
		July 1, 1934 ^{1/}	GATT concessions ^{2/}
			Rate
		Percent ad val.	Percent ad val. or cents per pair
700.45	Leather footwear: "Other" footwear (including cement process): For women and misses: Valued over \$2.50 per pair-----	20%	18% 16% 14% 12% 10% Jan. 1-Dec. 31, 1968. Jan. 1-Dec. 31, 1969. Jan. 1-Dec. 31, 1970. Jan. 1-Dec. 31, 1971. Jan. 1, 1972.
700.55	Footwear having uppers of supported vinyl-----	Principally 20% ^{3/}	12.5% ^{6/} 11% 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.
700.60	Other footwear with uppers of fabrics and soles of rubber or plastics-----	35% ^{7/}	20% ^{7/} Sept. 10, 1955
8/ 700.66	Footwear with uppers of fibers: With soles of leather, valued per pair-- Not over \$2.50-----	35%	20% 19% 18% 17% 16% 15% Apr. 21, 1948-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.
8/ 700.68	Over \$2.50-----	35%	20% 18% 16% 14% 12% 10% Apr. 21, 1948-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.
700.70	With soles of other material-- With uppers of vegetable fibers-----	35%	17.5% 16.5% 15.5% 15% 13% 12% 10% 9% 7.5% Jan. 1, 1950-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.
700.75	With soles and uppers of wool felt--	35%	17.5% 15.5% 14% 12.5% 11% 9.5% 8% 7% June 6, 1951-June 30, 1962 July 1, 1962-June 30, 1963 July 1, 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.

See footnotes at end of table.

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

TSUS item No.	Abbreviated description	Rate of duty	
		July 1, 1934 ^{1/}	GATT concessions ^{2/}
			Rate
		Percent ad val. or cents per pair	
700.80	Footwear with uppers of fibers: With soles of other material-- Other-----	35%	25% : Sept. 10, 1955-Dec. 31, 1967 22% : Jan. 1-Dec. 31, 1968 20% : Jan. 1-Dec. 31, 1969 17% : Jan. 1-Dec. 31, 1970 15% : Jan. 1-Dec. 31, 1971 12.5% : Jan. 1, 1972.

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

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

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

^{4/} New item effective Jan. 1, 1968.

^{5/} 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.

^{6/} 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.

^{7/} Effective Mar. 3, 1933; the basis for assessing the ad valorem rate of duty was changed from foreign (export) value to the "American selling price" of the "like or similar" domestic product (T.D. 46158).

^{8/} Effective Jan. 1, 1968, new items 700.66 and 700.68 replaced item 700.65.

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

Table 2.--Footwear for women and misses: U.S. rates of duty and imports for consumption, by specified TSUS items, 1965-70, January-June 1970, and January-June 1971

Period	Footwear of leather									
	Moccasins (700.15) ^{2/}				Turn or turned (700.20)		"Other" leather footwear			
	Total ^{1/}		Tariff rate		Quantity		Tariff rate		Quantity	
	Million pairs	Percent ad val.	Million pairs	Percent ad val.	Million pairs	Percent ad val.	Percent ad val.	Million pairs	Million pairs	
1965-----	23	10	0.5	5	1	3/ 20		3/ 21		
1966-----	30	10	1.0	5	1	3/ 20		3/ 28		
1967-----	40	10	1.4	5	1	3/ 20		3/ 38		
1968-----	57	10	.6	4	2	19	18	34	20	
1969-----	59	10	.6	4	2	18	16	29	27	
1970-----	75	10	.5	3	2	17	14	37	35	
January-June--										
1970-----	44	10	.3	3	1	17	14	25	18	
1971-----	50	10	.2	3	1	16	12	26	23	
	Footwear with uppers of supported vinyl (700.55)				Canvas footwear (sneakers) (700.60) ^{4/}				Total, all nonrubber footwear ^{6/}	
	Tariff rate		Quantity		Tariff rate ^{5/}		Quantity			
	Percent ad val.		Million pairs		Percent ad val.		Million pairs		Million pairs	
1965-----	12.5		30		20		8		67	
1966-----	12.5		33		20		8		70	
1967-----	12.5		50		20		11		96	
1968-----	11		69		20		10		133	
1969-----	10		71		20		7		139	
1970-----	8.5		77		20		6		165	
January-June--										
1970-----	8.5		45		20		4		96	
1971-----	7		54		20		5		112	

^{1/} Represents about 95 percent of the total footwear of leather imported for women and misses.

^{2/} Estimated by the U.S. Tariff Commission.

^{3/} In TSUS item 700.40 before Jan. 1, 1968.

^{4/} Data shown is for footwear entered under TSUSA item 700.6015.

^{5/} Effective Mar. 3, 1933; the basis for assessing the ad valorem rate of duty was changed from foreign (export) value to the "American selling price" of the "like or similar" domestic product (T.D. 46158).

^{6/} As described in pt. 1A of schedule 7 of the TSUS, excluding footwear in items 700.51, 700.52, 700.53, zori in item 700.55, and 700.60.

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

Note.--In recent years, annual imports of slippers with leather uppers, dutiable under item 700.32, have been less than 500,000 pairs. Imports of slippers with uppers of fabric, dutiable under items 700.66-700.80, are also believed to be small. The bulk of the imported slippers probably enter under item 700.55

Table 3.--Canvas footwear: U.S. production, imports for consumption, and apparent consumption, 1966-70, January-June 1970, and January-June 1971

Period	Production <u>1/</u>	Im-ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
1966-----	173	22	195	11
1967-----	168	29	197	15
1968-----	170	30	200	15
1969-----	156	25	181	14
1970-----	151	23	174	13
Jan.-June--				
1970-----	80	13	93	14
1971-----	94	18	112	16

1/ Includes shipments to the U.S. mainland from Puerto Rico.

2/ Estimated by the Tariff Commission on the basis of official statistics of the U.S. Department of Commerce.

3/ Production plus imports; exports of canvas shoes have been negligible.

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

