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UNITED STATES TARIFF COMMISSION

WOMEN'S FOOTWEAR:  
FRANK H. PFEIFFER CO., INC.,  
WORCESTER, MASS.

Report to the President  
on Worker Investigation No. TEA-W-148  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 510  
Washington, D. C.  
September 1972

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 8, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made, under section 301(c)(2) of 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 July 10, 1972, on behalf of the former workers of Frank H. Pfeiffer Co., Inc., Worcester, Mass. The Commission instituted the investigation (TEA-W-148) on July 17, 1972, and gave public notice thereof in the Federal Register on July 21, 1972 (37 F.R. 14649). 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 the 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 an official of Frank H. Pfeiffer Co., Inc., and from the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission 1/ finds (Commissioner Young dissenting) that articles like or directly competitive with women's and misses' footwear manufactured by the Frank H. Pfeiffer Co., Inc., Worcester, Mass., 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 firm.

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1/ Commissioner Leonard did not participate in the decision.

Considerations Supporting the Commission's Finding 1/

We have made an affirmative determination in this investigation because we have found that women's and misses' footwear like or directly competitive with the footwear produced by the Frank H. Pfeiffer Co., Inc., is, 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 of a significant number of the workers of that firm.

Imports of articles like or directly competitive with those produced by the petitioning workers are increasing

The Frank H. Pfeiffer Co., Inc., of Worcester, Mass., where the petitioning workers were formerly employed, produced women's slippers, sandals, and other casual footwear. In the later years of the company's operation, about 40 percent of the firm's output consisted of women's slippers made with leather, vinyl, and fabric uppers; women's sandals accounted for about 30 percent of the output, and other casual shoes for women accounted for the remainder. The casual shoes, including sandals, were made with leather and vinyl uppers. All the footwear was constructed by the cement process and retailed at about \$5 to \$9 a pair.

In our view U.S. imports of women's and misses' footwear that are like or directly competitive with the footwear produced by the Pfeiffer Co. have increased within the meaning of the statute. Overall, U.S. imports of women's and misses' nonrubber footwear nearly tripled between 1965 and 1971, rising from about 67 million pairs to 180 million pairs. Similarly, U.S. imports of women's and misses' non-rubber footwear other than dress shoes--a broad category that consists

1/ Commissioner Ablondi concurs in the result.

largely of casual footwear--more than doubled in that 7-year span. Imports of such footwear are estimated to have risen from 63 million pairs in 1967 to 137 million pairs in 1971. It is evident that imports have increased substantially.

Increased imports are the result in major part of concessions granted under trade agreements

Women's and misses' footwear with leather or vinyl uppers (including casual footwear) are dutiable on entry into the United States primarily under three tariff categories. In 1971 about half the total imports of such women's and misses' shoes were entered under TSUS item 700.55 (vinyl); a fifth were entered under item 700.43 (leather, valued not over \$2.50 a pair); and a fourth were entered under item 700.45 (leather, valued over \$2.50 a pair). The rates of duty applicable to the three categories have been reduced substantially since the beginning of the trade-agreement program, as indicated in the following table.

Footwear: Rates of duty for selected TSUS items  
in specified years 1930 to 1972

(Percent ad valorem)

Year	TSUS item		
	700.43	700.45	700.55
1930-----	20	20	<u>1/</u>
1932-----			
1950-----			
1963-----			12.5
1968-----	19	18	11.0
1969-----	18	16	10.0
1970-----	17	14	8.5
1971-----	16	12	7.0
1972-----	15	10	6.0

1/ Pursuant to sec. 203 of the Tariff Classification Act of 1962, the July 1, 1934, rate (i.e., the pre-trade-agreement rate) on imports under item 700.55 is the col. 2 rate, namely 35 percent ad valorem. Prior to the implementation of the Tariff Schedules of the United States, imports of footwear now classifiable under TSUS item 700.55 were dutiable mainly under 3 provisions of the Tariff Act of 1930, depending on the type of footwear: (1) By similitude to leather footwear under par. 1530(e), (2) if containing a synthetic resin binding agent, under par. 1539(b); or (3) if in chief value of rubber, under par. 1537(b). The statutory rate for par. 1530(e) was 20 percent ad valorem; for par. 1539(b) it was 50¢ per pound plus 40 percent ad valorem; and for par. 1537(b) it was 25 percent ad valorem.

In other recent investigations in which we considered imports under the TSUS items mentioned above, 1/ we concluded that the imports of women's and misses' footwear classified thereunder have increased as a result in major part of trade-agreement concessions. We have reached the same conclusion in the instant investigation.

The workers are unemployed

Employment at the Frank H. Pfeiffer Co., Inc., had been declining

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, 1972.

for several years. Information supplied by that firm shows that total annual man-hours worked by production workers declined by about a third during the period 1968-70. The firm ceased operation in August 1971, and the workers employed at that time were laid off.

The increased imports resulting in major part from trade-agreement concessions are the major factor causing unemployment

The recent financial experience of the Frank H. Pfeiffer Co., Inc., and the decline of employment at its plant show the adverse effect of increasing imports of articles like or directly competitive with the products it makes. During the period 1967-71, when sales of the Pfeiffer Co. declined significantly, imports of women's and misses' shoes of other than dress types supplied an increasing share of the market for such shoes--rising from 45 percent in 1967 to 63 percent in 1971. Imports increased by about 60 percent during this period, while aggregate shipments of such footwear by domestic producers declined by about 20 percent.

The company made a small profit in \* \* \* but losses began in \* \* \*, culminating in the closing of the plant in 1971. In the more recent years of the company's operation, women's slippers accounted for about 40 percent of the company's sales; sandals, for about 30 percent; and other casual shoes, for the remaining 30 percent. Although the market for women's house slippers was diminishing, the company was unable to replace lost sales of slippers by additional sales of other types of shoes in a market that was being increasingly eroded by imports.

Evidence presented to the Commission indicates that as some of

this company's accounts turned increasingly to imported footwear, sales of all types of footwear produced at its plant deteriorated, but the greatest loss was sustained in sales of sandals. One customer, a large retail chain which had purchased about \* \* \* of Pfeiffer's total output in the later years, ceased buying sandals from Pfeiffer in early 1971, turning principally to imports. This same customer had gradually reduced its purchases of other casual shoes from all domestic sources, including Pfeiffer, and increased its purchases from foreign sources.

With the loss of such a large share of Pfeiffer's sales and with no possibility of its replacing these lost sales in a market being increasingly supplied by foreign producers, cessation of operation and unemployment of the workers were inevitable.

Under these circumstance, it is clear that increased imports resulting in major part from trade-agreement concessions were the major factor causing the unemployment of the workers of the Pfeiffer Co.

### Conclusion

We conclude that the petitioning unemployed workers have met the statutory requirements for eligibility to apply for adjustment assistance, and we have made an affirmative determination.

## Dissenting Views of Commissioner Young

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 Frank H. Pfeiffer Co., Inc., Worcester, Mass., is not the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in the statement of my views in an earlier Commission investigation under the Trade Expansion Act. 1/

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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, 1972.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The Frank H. Pfeiffer Co., Inc., which ceased production in August 1971, produced women's slippers, sandals, and other casual shoes. About 40 percent of the firm's output consisted of women's slippers made with leather, vinyl, and fabric uppers. Women's sandals accounted for about 30 percent of the output, and other casual shoes for women accounted for 30 percent. The casual shoes, including the sandals, were made with leather and vinyl uppers. All of the footwear was constructed by the cement process and retailed from \$5 to \$9 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/

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.

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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.

The less expensive ones usually 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, of fabric.

Sandals have been 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. 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.

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 of clothing) also increased, reflecting the changing age structure of the population, increasing per capita income, and a greater amount of time for leisure activities. Following these developments the distinction between dress and casual shoes and attire diminished.

Women's slippers are classified for duty purposes in the Tariff Schedules of the United States (TSUS) mainly under items 700.32, 700.43, 700.45, 700.55 and 700.60. 1/ Women's casual shoes, including sandals, are entered principally under items 700.43, 700.45, 700.55, and 700.60.

TSUS item 700.32 provides for a restrictive category of slippers with leather uppers. 2/ Annual imports of these slippers in recent years have been less than 400,000 pairs.

Imports entered under TSUS item 700.43, which provides for certain 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 certain 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 the combined imports entered under these two items in recent years have consisted of women's sandals having a retail price of about \$3 to \$9 a pair. The remainder probably consisted predominantly of women's cement-process 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 house wear, and expensive high-fashion types. Although precise data are not available, it is believed

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1/ Certain slippers with uppers of fabric are entered under TSUS items 700.66 to 700.80. However, imports of such slippers are believed to be small.

2/ 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.

that imports of leather slippers entered under these two item numbers have been small.

U.S. imports of women's footwear with supported vinyl uppers-- footwear that enters under TSUS item 700.55--began in the 1950's; in recent years these imports have consisted predominantly of two groups: (1) Street 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.

Tennis shoes and shoes generally referred to as sneakers, which are worn for casual and leisure wear, are classified under TSUS item 700.60. Certain folding slippers and other inexpensive slippers with uppers of fabric and soles of rubber or plastics that generally retail for less than \$2 a pair are also classified under item 700.60.

#### U.S. Tariff Treatment

In the Tariff Act of 1930, women's leather footwear of the type produced at the Pfeiffer plant 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.

As a result of a concession granted in the Kennedy Round of negotiations under the GATT, the rate was further reduced in five annual stages to the current 5 percent ad valorem.

The rate of duty applicable to women's leather slippers, sandals, and other casual shoes of the type provided for in TSUS items 700.43 and 700.45, was reduced for the first time effective January 1, 1968, pursuant to concessions granted under the Kennedy Round of trade negotiations. The current rate for item 700.43 is 15 percent ad valorem, 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 were classifiable under various provisions of the Tariff Act. Under that act such footwear was classified principally--

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

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

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1/ The principal kinds of footwear with supported vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision at a rate of 20 percent ad valorem.

Tennis shoes and sneakers, which are provided for in item 700.60, were originally dutiable at 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 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 that 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/ Such footwear includes a substantial quantity of inexpensive folding slippers.

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 700.32, 700.43, 700.45, 700.55, and 700.60.

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1/ In the Commission's investigation No. 332-47 (TC Publication 181, July 1966), it was estimated that on the footwear dutiable in 1965 on the basis of the ASP guidelines adopted in February 1966, the duties assessed 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, October 1971, pp. A-7 to A-9.

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.

## U.S. Consumption, Production, and Imports

During the period 1965-71, apparent annual U.S. consumption of all women's shoes rose from an estimated 386 million pairs to 418 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 238 million pairs. As annual imports almost tripled during this period, their share of the market increased from 17 percent to 43 percent, as shown in the following table, the data in which include dress shoes, sandals, and other casual types but do not include domestically produced slippers or imported leather slippers.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-71

Year	Production <u>1/</u>	Im-ports <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-----	238	180	418	43

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. 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/ Computed from U.S. production plus imports without an allowance for exports, which in 1971 amounted to about 1 million pairs.

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



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Italy and entered principally under TSUS item 700.43, are estimated to have increased from about 22 million pairs in 1966 to 42 million pairs in 1971.

Apparent U.S. consumption of canvas footwear increased from about 120 million pairs in 1960 to 201 million pairs in 1965. Up to 1971, however, there was a noticeable shift, especially among teenagers and women, from canvas footwear to sandals and various other styles of non-rubber footwear for street wear and some leisure activities. In 1971, apparent consumption of canvas footwear amounted to 206 million pairs, as shown in table 5 in the appendix. U.S. production of women's sneakers, although not separately reported, is believed to constitute about a third to a 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 9 million pairs in 1971. As stated earlier, the rate of duty applicable to sneakers has remained the same since 1955.

Total U.S. production of slippers increased from 94 million pairs in 1966 to 105 million pairs in 1968, then declined to 96 million pairs in 1971. 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, entered under item 700.55, probably account for about 10 percent of the total imports (87 million pairs in 1971) under that item. The bulk of such slippers retail for less than \$2 a pair.

Certain folding slippers and other similar inexpensive slippers for women, with uppers of fabric and soles of rubber or plastics, not like or similar to domestic articles, and therefore not subject to the ASP basis of valuation are dutiable in TSUS item 700.60. It is estimated that annual U.S. imports of such footwear have averaged about 2 million pairs in recent years. Non-ASP footwear for women entered under item 700.60 has had an average unit value of 50 to 60 cents in recent years.

#### U.S. and Foreign Wage Rates

The table on the following page shows the published average hourly earnings and the estimated compensation per hour received by shoe workers in six countries in 1964 and 1970. It should be noted, however, that there are several difficulties involved in comparing these data accurately. First, the definition for "shoe industry" varies among nations; in only two countries--Italy and the United States--are shoes specifically broken out from more encompassing industry classifications. This definitional problem makes it difficult to isolate the "shoe industry" in each country. Second, as footnote 1 to the table indicates, published hourly earnings in the various nations differ in composition. Third, total compensation for workers includes varying factors in the six countries. (Two examples of the differences in content are explained in footnotes 4 and 6 to the table.)

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

(In U.S. dollars)

Country	Industry	Published average hourly earnings 1/		Estimated compensation per hour worked 2/	
		1964	1970	1964	1970
Brazil-----	Clothing and shoes-----	3/ \$0.23	4/ \$0.28	5/	5/ \$1.19
Italy-----	Shoes-----	.42	.65	5/	.88
Japan-----	Leather products-----	.37	.78	5/	.57
Spain-----	Shoes, leather, and clothing---	.23	.38	6/	.21
Taiwan-----	Leather and leather products---	.12	.17	7/	2.96
United States---	Footwear, excluding rubber-----	1.77	2.43	5/	

1/ Published earnings do not represent the same items of labor compensation in each country because of differences in the treatment of various supplementary benefits. Earnings generally refer to gross cash payments to wage workers before deductions for taxes and social security, and include overtime pay, shift differentials, regular bonuses and premiums, and cost-of-living adjustments. Holiday, vacation, and sick leave pay, bonuses not paid regularly each pay period, and other supplementary benefits are included by some countries and excluded by others. The earnings data are per paid hour for some countries and per hour worked for other countries.

2/ Compensation refers to all payments made by employers directly to their workers before deductions of any kind, plus employer contributions to legally required insurance programs and private welfare plans for the benefit of employees. The figures on additional compensation per hour worked as a percent of published earnings are the best estimates currently available to the Bureau of Labor Statistics. The estimates are based primarily on labor cost or labor compensation surveys adjusted to the listed years on the basis of other available data. All countries do not publish data for every year listed.

3/ Average for 1966.

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

5/ Not available.

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

7/ 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. Also included in this figure is a bonus of 2 months' pay usually paid at the time of the Chinese New Year.

Source: U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labour Statistics 1971, International Labour Office, Geneva; Italy--Social Statistics (various issues), Statistical Office of the European Communities, Luxembourg and Brussels; Japan--Year Book of Labor Statistics (various issues), Ministry of Labor, Tokyo; Spain--Monthly Bulletin of Statistics (various issues), National Institute of Statistics, Madrid; and Taiwan--Report of Taiwan Labor Statistics 1971, Department of Reconstruction, Provincial Government of Taiwan.

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Data Relating to the Frank H. Pfeiffer Co., 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 <sup>1/</sup>	GATT concessions <sup>2/</sup>
			Rate
		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 <sup>3/</sup>	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.
700.25	Welt, valued per pair-- Not over \$2-----	20	19% : June 30, 1956-June 29, 1957. 18% : June 30, 1957-June 29, 1958. 17% : June 30, 1958.
<sup>4/</sup> 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.
<sup>4/</sup> 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.
<sup>4/</sup> 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.
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% : Jan. 1, 1969-Dec. 31, 1970. 8.5% : Jan. 1, 1971.
700.43	For women and misses: 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 <u>1/</u>	GATT concessions <u>2/</u>	
			Rate	Effective dates
		Percent ad val.	Percent ad val. or cents per pair	
	Leather footwear--Continued			
	"Other" footwear (including cement process)--Continued			
	For women and misses--Continued			
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.	<u>5/</u>	12.5% <u>6/</u>	Aug. 31, 1963-Dec. 31, 1967.
			11%	Jan. 1-Dec. 31, 1968.
			10%	Jan. 1-Dec. 31, 1969.
			8.5%	Jan. 1-Dec. 31, 1970.
			7%	Jan. 1-Dec. 31, 1971.
			6%	Jan. 1, 1972.
700.60	Other footwear with uppers of fabrics and soles of rubber or plastics.	35 <u>7/</u>	20% <u>7/</u>	Sept. 10, 1955.
	Footwear with uppers of fibers:			
	With soles of leather, valued per pair--			
<u>8/</u> 700.66	Not over \$2.50-----	35	20%	Apr. 21, 1948-Dec. 31, 1967.
			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.
<u>8/</u> 700.68	Over \$2.50-----	35	20%	Apr. 21, 1948-Dec. 31, 1967.
			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.
	With soles of other material:			
700.70	With uppers of vegetable fibers-----	35	17.5%	Jan. 1, 1950-June 29, 1956.
			16.5%	June 30, 1956-June 29, 1957.
			15.5%	June 30, 1957-June 29, 1958.
			15%	June 30, 1958-Dec. 31, 1967.
			13%	Jan. 1-Dec. 31, 1968.
			12%	Jan. 1-Dec. 31, 1969.
			10%	Jan. 1-Dec. 31, 1970.
			9%	Jan. 1-Dec. 31, 1971.
			7.5%	Jan. 1, 1972.
700.75	With soles and uppers of wool felt.	35	17.5%	June 6, 1951-June 30, 1962.
			15.5%	July 1, 1962-June 30, 1963.
			14%	July 1, 1963-Dec. 31, 1967.
			12.5%	Jan. 1-Dec. 31, 1968.
			11%	Jan. 1-Dec. 31, 1969.
			9.5%	Jan. 1-Dec. 31, 1970.
			8%	Jan. 1-Dec. 31, 1971.
			7%	Jan. 1, 1972.

See footnotes at end of table.

Table 3.--Footwear having supported vinyl uppers for women and misses (item 700.55): U.S. rates of duty and imports for consumption, 1934 and 1964-71

Year	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	<u>1,000</u> pairs	<u>1,000</u> dollars	<u>Per</u> pair
1934-----	<u>1/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1964-----	<u>3/</u> 12.5	27,574	12,429	\$0.45
1965-----	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

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 column 2 rate for item 700.55 is 35 percent.

2/ Not available.

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

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

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.

Table 4.--Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-71

Type of footwear and 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
Dress:				
1965-----	200	4	204	2
1966-----	206	7	213	3
1967-----	188	11	199	6
1968-----	210	21	231	9
1969-----	177	28	205	14
1970-----	165	36	201	18
1971-----	156	43	199	22
Other:				
1965-----	119	63	182	35
1966-----	117	63	180	35
1967-----	102	85	187	45
1968-----	112	112	224	50
1969-----	94	111	205	49
1970-----	95	129	224	58
1971-----	82	137	219	63
Total:				
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-----	238	180	418	43

1/ Total 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; production of "dress" and "other" shoes is estimated by the U.S. Tariff Commission.

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/ Production plus imports without an allowance for exports, which in 1971 amounted to about 1 million pairs.

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

Table 5.--Canvas footwear: U.S. production, imports for consumption, and apparent consumption, 1966-71

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption Percent
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
1971-----	173	33	206	16

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

2/ Estimated by the U.S. 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.



