

1973i

UNITED STATES TARIFF COMMISSION

**WOMEN'S DRESS AND CASUAL SHOES:
DAINTY MAID FOOTWEAR, INC.
GETTYSBURG, PA.**

**Report to the President
on Firm Investigation No. TEA-F-47
and Worker Investigation No. TEA-W-169
Under Sections 301(c)(1) and 301(c)(2) of the
Trade Expansion Act of 1962**



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UNITED STATES TARIFF COMMISSION

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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information 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,
January 30, 1973.

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 investigations made under sections 301(c)(1) and 301(c)(2) of that act, relating to women's dress and casual shoes.

On December 1, 1972, the Commission received a petition filed on behalf of Dainty Maid Footwear, Inc., Gettysburg, Pa., and on December 27, 1972, a petition filed on behalf of the former workers of that firm, for determinations of eligibility to apply for adjustment assistance under the said act. Accordingly, on December 18, 1972, the Commission instituted investigation TEA-F-47 and on January 5, 1973, investigation TEA-W-169 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, serious injury to such firm and/or the unemployment or under employment of a significant number or proportion of the workers of the firm, or an appropriate subdivision thereof.

Public notices of investigations were published in the Federal Register (37 F.R. 28327) on December 22, 1972 and (38 F.R. 1240) on January 10, 1973. No public hearings were requested and none were held.

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

Findings of the Commission

On the basis of its investigations, the Commission unanimously finds that articles like or directly competitive with footwear for women (of the types provided for in items 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced by Dainty Maid Footwear, Inc., Gettysburg, Pennsylvania, 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, or unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

Views of Chairman Bedell, Vice Chairman Parker,
Commissioners Moore and Ablondi

Our determinations in these investigations are in the negative because the criteria established by sections 301(c)(1) and 301(c)(2) of the Trade Expansion Act of 1962 (TEA) have not been met. Before an affirmative determination can be made, the Commission must find that each of the following conditions have been satisfied:

- (1) Articles like or directly competitive with those produced by the firm are being imported in increased quantities;
- (2) The increased imports are in major part the result of concessions granted under trade agreements;
- (3) The firm is being seriously injured, or threatened with serious injury; and a significant number or proportion of its workers are unemployed or underemployed, or threatened therewith; and
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the serious injury to the firm and the unemployment or underemployment of the workers.

In the instant cases, we find that condition (4) has not been satisfied; namely increased imports of articles like or directly competitive with the dress and casual footwear produced at Dainty Maid Footwear, Inc., have not been the major factor causing, or threatening to cause, serious injury to the firm and the unemployment or underemployment of its workers. Under the circumstances, we are not required to reach a conclusion respecting the first three conditions, and we have not done so. In arriving at our determination, we were persuaded chiefly by the following considerations.

Dainty Maid Footwear, Inc. began producing women's dress and casual footwear in March 1968, when imports of such footwear were already supplying more than a fourth of the U.S. market and were increasing rapidly.

Moreover, it was a matter of public knowledge by mid-1967 that the rates of duty for women's footwear would be further reduced in annual stages beginning in January 1968. In spite of the rapidly increasing share of the market obtained by imports, Dainty Maid operated at full capacity in both 1970 and 1971 and the sales increased each year through 1971. From the beginning and through 1971, the bulk of Dainty Maid's production consisted of one basic style of footwear, a pump with various types and heights of heels. In 1972, the firm drastically altered its product mix and also increased its prices. About half of the output in 1972 consisted of vinyl boots; about a fourth, clogs and walking shoes; and about a fourth, dress boots. In 1972, as the prices were increased and changes in styling were made, sales declined. Some of the firm's customers turned increasingly to imports as Dainty Maid's prices were increased and its product line changed. However, the major factors that caused the loss of sales and the cessation of operations were increased costs (and prices) and the inability of the firm to find a suitable market for its new product line.

According to the firm's records, Dainty Maid lost money in three of the five years of its operation. In 1971, a year during which the plant was operating at full capacity and in which peak sales were achieved, the company still operated at a loss. The financial condition of the firm was precarious from the very beginning. In four of the five years of its operation, the corporate owners had to lend it money and the accounts receivable were factored for all five years. The ratio of current assets to current liabilities was never better than 1.4 to 1--

substantially below a generally acceptable rate. In July 1972, the indebtedness was further extended when * * * * was borrowed from a finance company. In September 1972, the company suspended payments on that loan and in October 1972 was forced to cease operations when a judgment was obtained and the equipment was sold at public auction. The precarious financial condition of the company and other operating and management decisions, including the change in product line, were the major factors that caused the company to cease operations.

Conclusion

Based on the information available to the Commission, we conclude that imports were not the major factor causing, or threatening to cause, injury to the company or the unemployment of its workers, as required by the statute before an affirmative determination can be made.

Views of Commissioners Leonard and Young

Our determinations in the instant cases are negative because the increase in imports of women's and misses' footwear like or directly competitive with that produced by Dainty Maid Footwear, Inc., Gettysburg, Pa., is not the result in major part of concessions granted under trade agreements. Our reasoning in support of these determinations is set forth in the statement of our views in earlier Commission investigations under the Trade Expansion Act. 1/

1/ Commissioner Leonard's views are given in Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18. . . , TC Publication 359, January 1971, pp. 31-47, and Commissioner Young's views are given in Women's Dress and Casual Shoes: Duchess Footwear Corp., . . . , Report to the President on Firm Investigation No. TEA-F-39 and Worker Investigation No. TEA-W-139. . . , TC Publication 491, June 1972, pp. 11-25.



INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

Dainty Maid Footwear, Inc., Gettysburg, Pa., which ceased production in October 1972, manufactured women's dress and casual footwear which sold at retail from about \$5 to \$10 a pair. The footwear was constructed by the cement process and had uppers of vinyl. Until 1972, the company's output consisted principally of dress pumps (see below); clogs and dress boots accounted for a substantial share of the company's production in 1972.

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 (TSUS). 1/

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.

In terms of U.S. retail sales, so-called dress shoes (a term not defined in the TSUS) are more important than any other type of footwear for women and misses. The term "dress shoes," originally limited only to shoes worn on formal occasions, is now used to describe footwear of the types generally worn for street wear and for business and social activities. Women's shoes intended for formal wear, which are also regarded here as dress shoes, are now frequently referred to as evening shoes, slippers, or sandals. Generally the term "dress shoes" does not refer to footwear especially made for athletic, occupational, and leisure activities.

For many years the principal type of dress shoe worn by women in the United States was the classic pump--a closed-toe, closed-back, slip-on shoe without fasteners, with lightweight soles, and with heels of 2 inches or higher. Depending upon fashion changes, dress shoes may be open- or closed-heel shoes with straps, laces, or tongues over the instep and may include high-heeled sandals with open toes, open heels, and uppers of narrow strips of leather or other material. The pump declined in popularity in the late 1960's with the advent of new fashions in wearing apparel. The chunky style (monster) shoe appeared on the fashion scene in 1967 and was very popular in 1968. Clogs were popular fashion items in 1969-70 and 1972, and platform soles were popular items in 1971-72.

Women's lower heeled footwear for casual wear, not considered dress shoes, includes certain sandals, wedge-heeled shoes, loafers, desert boots, moccasins, and sneakers.

The range of styles in 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 growth in time for leisure activities. Following these developments the distinction between dress and casual shoes and attire diminished.

The materials used for the uppers of dress shoes are usually finer (i.e., less sturdy), and the soles lighter in weight, than those of footwear intended for athletic and certain occupational and leisure uses. Uppers may be of calf, kid, or reptile leathers; of silk, rayon, linen, or metallic fabrics such as peau de soie, satin, brocade, or velvet; or of supported vinyls or other plastics. Soles are of leather or plastics.

For several decades the principal method of attaching the outsole to women's shoes has been the cement process (the method used by Dainty Maid Footwear, Inc.), 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 (and probably an even higher percentage of the domestic output of dress shoes) has been made by the cement process. This process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes except the turn (or turned) process.

In the turn process, which is currently used in very minor degree in the United States to produce dress shoes, 1/ the footwear is initially lasted inside out and then turned right side out for the finishing operations.

1/ The turn process has been used in the United States in recent years principally to produce footwear of the types reported in official U.S. production statistics as slippers for housewear (SIC product code 3142). Slippers are also produced by the cement process.

The great bulk of the imported women's dress and casual shoes is entered under TSUS items 700.20, 700.43, 700.45, and 700.55. As explained briefly in the following paragraphs, the footwear classifiable under these four TSUS items varies with respect to materials, method of construction, price line, and/or style.

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 has consisted of women's sandals having a retail selling 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 housewear, and expensive high-fashion types. Imported women's leather footwear made by the turn process and dutiable under TSUS item 700.20 does not differ significantly in appearance from the leather dress shoes entered under items 700.43 and 700.45.

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 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. It is believed that before 1970 only a negligible portion of the annual imports of women's dress shoes and boots admitted under item 700.55 retailed at more than \$10 a pair. It is estimated that, in 1971, imports of such footwear retailing at more than \$10 a pair (mostly just over that price) totaled about 2 to 5 million pairs.

U.S. Tariff Treatment

In the Tariff Act of 1930, women's leather footwear 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 was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of negotiations. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent. Prior to the Kennedy Round, the rate of duty on turn or turned shoes (now TSUS item 700.20) was first reduced, pursuant to section 336 of the Tariff Act of 1930, from 20 percent ad valorem to 10 percent, effective January 1, 1932. The 10-percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent in a concession, effective May 30, 1950, granted under the General Agreements on Tariffs and Trade (GATT). The current rate for item 700.20 is 2.5 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.

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 700.20, 700.43, 700.45, and 700.55. Tables 2 through 4 show estimated U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable

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.

rates of duty. Table 5 shows the amount of duty collected, based on specified values, on women's footwear entered under items 700.43, 700.45, and 700.55, on the effective dates of the Tariff Act of 1930, the TSUS, and the Kennedy Round of trade concessions.

U.S. Consumption, Production, and Imports

During the period 1965-71, apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from an estimated 386 million pairs to 417 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 237 million pairs. Annual imports almost tripled during this period, and their share of the market increased from 17 percent to 43 percent. Imports accounted for 47 percent of the market in the first 16 months of 1972 as shown in the following tabulation.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, January-October 1971, and January-October 1972

Period	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-----	237	180	417	43
January-October:				
1971-----	201	158	359	44
1972-----	190	167	357	47

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.

U.S. imports of women's footwear entered under TSUS items 700.20, 700.43, 700.45, and 700.55 in the aggregate accounted for 92 percent of the imports of nonrubber footwear in 1971. A negligible part of the imports was entered under item 700.20, about a fifth under item 700.43, a fourth under item 700.45, and about a half of the imports was entered under item 700.55. Table 6 shows U.S. imports of women's footwear under five TSUSA classifications that account for the bulk of the imports. Italy and Spain have been the principal suppliers of women's leather shoes; Japan and the Republic of China (Taiwan), the principal suppliers of women's vinyl shoes.

Data on U.S. consumption of women's dress shoes are not reported in official statistics. It is estimated, however, that during 1965-71 apparent annual U.S. consumption (production plus imports) of such shoes followed an irregular trend, rising from about 204 million pairs in 1965 to about 231 million in 1968 but declining to 199 million in 1971. Estimated domestic production of women's dress shoes during this period reached a peak of about 210 million pairs in 1968 and then declined to 156 million pairs in 1971. Imports rose from an estimated 4 million pairs in 1965 to 43 million pairs in 1971. Of the estimated imports in 1971, about 2 million pairs (entered under TSUS item 700.20) had an average dutiable value of about \$6 a pair, about 5 million pairs (entered under item 700.43) had an average dutiable value of about \$2 a pair, and an estimated 28 million pairs (entered under item 700.45) had an average value of about \$5 a pair. The share of apparent annual U.S. consumption of women's dress shoes supplied by imports increased from 2 percent in 1965 to 25 percent in

the first ten months of 1972, as shown in the following table.

Dress shoes for women: U.S. production, imports for consumption, and apparent consumption, 1965-71, January-October 1971, and January-October 1972.

Period	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
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
January-October:				
1971-----	130	40	170	24
1972-----	125	42	167	25

1/ Dress shoes are believed to account for about 2/3 of the total annual output of nonrubber footwear for women and misses.

2/ Data represent estimated imports of dress shoes entered under TSUS items 700.20, 700.43, 700.45, and 700.55.

3/ Data represent estimated production plus estimated imports without an allowance for exports, which in 1971 amounted to less than 1 million pairs.

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

U.S. and Foreign Wage Rates

The table on the following page shows the published average hourly earnings and the estimated compensation per hour received by shoe workers in six countries in 1964 and 1970-71. 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.

Hourly earnings of production workers and estimated total compensation per hour worked by them in specified industries related to footwear in 6 countries, 1964, 1970 and 1971

(In U.S. dollars)

Country	Industry	Published average hourly earnings 1/			Estimated compensation per hour worked 2/		
		1964	1970	1971	1964	1970	1971
Brazil-----	Clothing and shoes-----	3/ \$0.23	4/ \$0.28	5/	5/	5/	5/
Italy-----	Shoes 6/-----	.42	.65	\$0.90	\$0.71	\$1.19	\$1.67
Japan-----	Leather products 7/-----	.37	.78	1.04	.41	.88	1.18
Spain-----	Shoes, leather, and clothing--	.23	.38	.46	5/	8/ .57	8/ .68
Taiwan-----	Leather and leather products 7/-----	.12	.18	5/	9/ .14	9/ .21	5/
United States---	Footwear, excluding rubber---	1.77	2.43	2.53	2.10	2.96	3.09

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

2/ Compensation refers to all payments made by employers directly to their workers before deductions of any kind, plus employer contributions to legally required insurance programs and private welfare plans for the benefit of employees. The figures on additional compensation per hour worked as a percent of published earnings are the best estimates currently available to the Bureau of Labor Statistics. The estimates are based primarily on labor cost or labor compensation surveys adjusted to the listed years on the basis of other available data.

3/ Average for 1966.

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

5/ Not available.

6/ Approximately 15 percent of the workers in the Italian shoe industry are home workers who are paid at a lower wage rate than the factory workers in the industry.

7/ The shoes shipped from Japan and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industries of these two countries. Approximately half of the workers in the Japanese plastic shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastic shoe industry are home workers.

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

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

Source: Based on data provided by 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.

Note.--The exchange rate used to convert other currencies into U.S. dollars for 1971 is the new rate that became effective in December 1971. Part of the large increase in wages for Italy and Japan in 1971 is attributable to use of the new rate, which more accurately reflects present trading conditions.



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Data relating to Dainty Maid Footwear, Inc.

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Statistical Appendix



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

TSUS item No.	Abbreviated description	Rate of duty		
		July 1, 1934 ^{1/}	GATT concession ^{2/}	
			Rate	Effective date
		Percent ad val.	Percent ad val.	
700.20	Leather footwear: Turn or turned-----	10 ^{3/}	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.
700.43	"Other" (including cement process): 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.
700.55	Footwear having uppers of supported vinyl.	Princi- pally 20 ^{4/}	5/ 12.5	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.

^{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/} 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.

^{5/} The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide range of rates previously applicable to the various types of footwear provided for in this TSUS item.

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

Table 2.--Leather footwear for women and misses made by the turn or turned process (item 700.20): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, January-October 1971 and January-October 1972

Period	Rate of duty	Quantity
	Percent ad val.	<u>1,000</u> <u>pairs</u>
1939-----	1/ 10	5
1946-----	10	4
1955-----	2/ 5	10
1956-----	5	97
1957-----	5	209
1958-----	5	434
1959-----	5	402
1960-----	5	664
1961-----	5	882
1962-----	5	1,067
1963-----	5	916
1964-----	5	864
1965-----	5	1,053
1966-----	5	1,106
1967-----	5	1,361
1968-----	4	1,905
1969-----	4	2,459
1970-----	3	2,398
1971-----	3	1,604
January-October:		
1971-----	3	1
1972-----	2.5	1

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

2/ GATT concession, effective May 30, 1950.

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

Table 3.--Leather footwear for women and misses made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, 1939, 1946, 1955-71, January-October 1971 and January-October 1972 1/

Period	Rate of duty		Quantity	
	700.43	700.45	700.43	700.45
	Percent ad val.	Percent ad val.	Million pairs	Million pairs
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968 <u>2/</u> -----	19	18	34	20
1969 <u>2/</u> -----	18	16	29	27
1970 <u>2/</u> -----	17	14	37	35
1971 <u>2/</u> -----	16	12	33	44
January-October:				
1971-----	16	12	30	37
1972-----	15	10	22	51

1/ Statutory rate under par. 1530(e) for 1939 and 1946 through Aug. 30, 1963, and under TSUS item 700.40 for Aug. 31, 1963, through 1967. Effective Jan. 1, 1968, new items 700.41 (sandals of buffalo leather), 700.43, and 700.45 replaced item 700.40.

2/ U.S. imports of sandals under item 700.41 amounted to 1 million pairs during each of the years 1968-71.

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

Table 4.--Footwear having supported vinyl uppers for women and misses (item 700.55): U.S. rates of duty and imports for consumption, 1934, 1964-71, January-October 1971 and January-October 1972

Period	Rate of duty	Quantity	Value	Unit value
	Percent	1,000	1,000	Per
	ad valorem	pairs	dollars	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
January-October:				
1971-----	7	77,461	91,344	1.18
1972-----	6	76,528	95,048	1.24

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 5.--U.S. rates of duty applicable to women's footwear entered under certain TSUS items and duty collected based on specified values, June 18, 1930, Aug. 31, 1963, and GATT concessions

Effective date	Item 700.43			Item 700.45			Item 700.55 ^{1/}		
	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	
June 18, 1930-----	20	\$.20	20	\$0.60	\$1.00	17	\$0.35	\$0.70	
Aug. 31, 1963-----	20	.20	20	.60	1.00	12.5	.12	.25	
Jan. 1, 1968-----	19	.19	18	.54	.90	11	.11	.22	
Jan. 1, 1969-----	18	.18	16	.48	.80	10	.10	.20	
Jan. 1, 1970-----	17	.17	14	.42	.70	8.5	.08	.17	
Jan. 1, 1971-----	16	.16	12	.36	.60	7	.07	.14	
Jan. 1, 1972-----	15	.15	10	.30	.50	6	.06	.12	

^{1/} Certain footwear having uppers of vinyl (or supported vinyl) are dutiable under item 700.55. During the period before the TSUS became effective (Aug. 31, 1963), such footwear (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. The column 2 rate established in the TSUS is 35 percent.

Table 6.--Nonrubber footwear for women: U.S. imports, by specified TSUSA items, 1969-71

TSUSA item No.	Description	Quantity			Value			Unit value		
		1969	1970	1971	1969	1970	1971	1969	1970	1971
	Footwear of leather:	1,000	1,000	1,000	1,000	1,000	1,000			
	Valued not over \$2.50 per pair:	pairs	pairs	pairs	dollars	dollars	dollars	Per pair	Per pair	Per pair
700.4310	Casual footwear:									
	For women-----	12,015	11,905	8,298	\$17,749	\$18,238	\$13,256	\$1.48	\$1.53	\$1.60
700.4340	Cement footwear:									
	For women-----	13,532	21,159	20,008	22,144	35,614	34,437	1.64	1.68	1.72
	Valued over \$2.50 per pair:									
700.4510	Casual footwear:									
	For women-----	1,922	2,489	3,554	7,899	10,007	13,711	4.11	4.02	3.86
700.4540	Cement footwear:									
	For women-----	22,734	28,471	37,563	112,866	146,161	193,846	4.96	5.13	5.16
700.5545	Supported vinyl uppers:									
	For women and misses-----	70,777	77,288	86,942	55,820	73,757	104,196	.79	.95	1.20
	Total or average-----	120,980	141,312	156,365	216,478	283,777	359,446	1.79	2.01	2.30

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