

UNITED STATES TARIFF COMMISSION

CASUAL FOOTWEAR AND SLIPPERS FOR MEN:  
CAPITAL FOOTWEAR CORP.  
WORCESTER, MASS.

Report to the President  
on Investigation No. TEA-F-61  
Under Section 301(c)(1) of the Trade Expansion Act of 1962



TC Publication 673  
Washington, D. C.  
May 1974

**UNITED STATES TARIFF COMMISSION**

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
May 10, 1974.

To the President:

In accordance with sections 301(f)(1) and (f)(3) of the Trade Expansion Act of 1962 (TEA) (19 U.S.C. 1901), the U.S. Tariff Commission herein reports the results of investigation No. TEA-F-61 made under section 301(c)(1) of the act to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for men (of the types provided for in items 700.35 and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Capitol Footwear Corp., Worcester, Mass., are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

The investigation was instituted on March 14, 1974, on the basis of a petition for adjustment assistance filed under section 301(a)(2) of the act on behalf of the firm.

Notice of the investigation was published in the Federal Register (39 F.R. 10501) on March 20, 1974. A public hearing was held on April 11, 1974, when all interested parties were afforded opportunity to be present, to produce evidence, and to be heard.

In addition to information presented at the public hearing, information in this report was obtained from officials and customers of Capitol Footwear Corp., official Government statistics, and the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission finds 1/ (Vice Chairman Parker and Commissioner Moore dissenting) that articles like or directly competitive with footwear for men (of the types provided for in items 700.35 and 700.55 of the Tariff Schedules of the United States) produced by Capitol Footwear Corp., Worcester, Mass., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

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1/ Chairman Bedell did not participate in the decision.

Views of Commissioners Leonard and Young 1/

Our determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear like or directly competitive with that produced by Capitol Footwear Corp., Worcester, Mass., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 2/

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1/ Commissioner Ablondi concurs in the result.

2/ Commissioner Leonard's views are given in Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18 . . ., TC Publication 359, 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, 1972, pp. 11-25.

Dissenting Views of Vice Chairman Parker and Commissioner Moore

This investigation relates to a petition filed on behalf of Capitol Footwear Corp., Worcester, Mass., under section 301(a)(2) of the Trade Expansion Act of 1962 (TEA) for a determination of its eligibility to apply for adjustment assistance. Capitol Footwear produces a variety of casual footwear and slippers for men. Prices of Capitol's shoes have ranged from \$3 to \$10 a pair at retail in the lower priced lines and \$10 to \$28 a pair at retail in its higher priced lines.

In order to make an affirmative determination under section 301(c)(1) of the TEA the following four criteria must be met:

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

We find that each of these requirements has been met in the instant case; therefore, we have made an affirmative determination.



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

Imports of men's nonrubber footwear including types like or directly competitive with 25 percent of the production of Capitol Footwear, increased from 15 million pairs in 1966 to 50 million pairs in 1973. During this period the share of annual U.S. consumption of men's footwear supplied by imports rose from 14 to 36 percent.

Rates of duty on the men's imported footwear of the two types considered in this investigation have been reduced substantially as the result of trade-agreement concessions. The rate of duty on men's leather footwear of the types produced by Capitol Footwear was reduced from 20 percent to 10 percent ad valorem in 1951 and was further reduced in three stages to 8.5 percent ad valorem during 1968-71. The rate of duty on footwear having supported-vinyl uppers like or directly competitive with the footwear produced by Capitol, was reduced from the statutory rate of 35 percent ad valorem to 12.5 percent ad valorem in 1963 as a result of trade-agreement concessions. This rate was further reduced to 6 percent ad valorem in five annual stages during 1968-72 as a result of a concession granted in the Kennedy Round of trade negotiations.

We have determined that increased imports of men's footwear like or directly competitive with certain types produced by Capitol

Footwear, as described above, have resulted in major part from trade-agreement concessions.

The firm is threatened with serious injury

The financial condition of Capitol Footwear has deteriorated since 1969, and the firm is threatened with serious injury. Net operating profits declined from 2 percent of sales in 1969-70 to a break-even position in 1971-72. In 1973 Capitol sustained a net operating loss of \$88,000 as a result of losses incurred in connection with its import-affected lines of casual footwear.

Capitol's sales of men's casual footwear declined from 159,000 pairs in 1969 to 93,000 pairs in 1973. Had the firm been able to maintain even the same volume of sales in 1973 as in 1969, the sales revenue from such footwear at 1973 prices would have resulted in an increase of more than 15 percent in Capitol's total sales for 1973.

As a result of its reduced sales of casual footwear, Capitol has been forced to discontinue production of certain import-affected footwear which it had begun to manufacture in an effort to utilize its facilities fully and to maintain a viable corporate operation. Capitol's utilization of its productive capacity declined from a two-thirds utilization rate in 1969 to a one-third rate in 1973. This idling of productive facilities was accompanied by a decline in employment of approximately 30 percent in recent months, and the current employment is threatened with further cutbacks.

A shortage of working capital is preventing the firm from acquiring new equipment which would enable it to reduce costs and to introduce new footwear styles.

By reason of its deteriorating financial position, Capitol Footwear, in our opinion, is threatened with serious injury.

Increased imports are the major factor threatening to cause serious injury to the firm

Evidence secured in this investigation shows that prior to the influx of increased imports of casual footwear, Capitol's sales of such footwear (approximately 25 percent of its total sales) were maintained at a level that permitted efficient and profitable operations. From 1969 to 1973, Capitol experienced a 40-percent decline in its sales of casual footwear as slightly lower priced like or directly competitive imports captured a substantial share of the domestic footwear market. Capitol's management made extensive efforts to compete with these increased imports. In the late 1960's, the firm updated the styles of the men's casual footwear it produced and added a spring line of casual footwear to meet the demand of the constantly changing footwear market. This spring line included men's lower priced slip-lasted vinyl casuals, indoor/outdoor slippers, and cement-process leather casuals. Each of these types enjoyed initial sales success until concession-generated imports gradually displaced a substantial portion of their sales over the 4-year period 1970-73.

Many of Capitol's customers confirmed that, although the firm provided quality footwear as well as excellent service, they were forced to turn wholly or in part to purchases of imported footwear because of a small price advantage.

### Conclusion

On the basis of the foregoing considerations, we conclude that increased imports resulting in major part from trade-agreement concessions are the major factor threatening to cause serious injury to Capitol Footwear Corp., and therefore we have made an affirmative decision.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

Capitol Footwear Corp., Worcester, Mass., produces a variety of casual footwear and slippers for men. More than 70 percent of the firm's production is composed of various styles of warm-lined slippers and/or slippers of the gift type. The owners of Capitol Footwear have stated that they do not consider slippers to be suffering from import competition. The rest of production consists of wedge-heeled casuals and indoor-outdoor slippers constructed by the slip-lasted process. In recent years Capitol has produced footwear principally with uppers of leather. Prices of Capitol's shoes have ranged from \$3 to \$10 a pair at retail in the lower priced lines and \$10 to \$28 a pair at retail in its higher priced lines. The term "casual shoes" refers to footwear designed especially for informal occasions. In recent years, however, men's footwear has become more responsive to fashion changes, and the distinction between dress and casual shoes has diminished. Male consumers have followed the lead of women in using a greater variety of shoes for leisure wear and dress occasions. Currently, many styles of boots, slip-ons, buckled oxfords, and two-tone oxfords with the higher heel heights are selling in large volume. According to the trade, there has been a shift from lightweight styling of men's dress and casual footwear to the heavy, bulky, and more flamboyant fashions. The men's casual footwear made by Capitol Footwear consists of slip-ons and other sport casual styles.

Capitol Footwear produces a variety of men's slippers normally purchased for indoor or at-home use. Slippers are usually of slip-on

styles not held to the foot by laces or straps, with soles of composition material and fabric linings. Although slippers are leisure shoes, consumers no longer draw a sharp line between slippers and shoes because some slippers are sturdy enough for outdoor wear. The great bulk of slippers produced by Capitol, however, are not suitable for outdoor activities.

Capitol Footwear manufactures several styles of sewn footwear using the slip-lasted process. In that process the last is inserted or slipped into a closed upper which has been previously sewed to a sock lining. The slip-lasted shoe is usually casual in design, made with an unlined upper, low wedge heel, and a platform sole.

In the cement process of footwear construction, a process used by Capitol Footwear, the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. The cement process permits narrow edges on the outsoles, giving a trim appearance, and produces a lighter and more flexible shoe than other processes used for men's footwear.

The major part of all men's dress shoes sold in the United States are made with uppers of leather. In recent years U.S. production of men's dress and casual shoes with uppers of leather has accounted for about 75 to 80 percent of the total output. Slightly more than 50 percent of the men's footwear imported in 1973 had uppers of leather.

## U.S. Tariff Treatment

Men's leather footwear of cement, stitchdown, or miscellaneous construction is dutiable under TSUS item 700.35. Men's vinyl footwear of the types produced by Capitol Footwear is dutiable under TSUS item 700.55.

Table 1 in appendix A shows the 1930 rate and concession rates under the General Agreement on Tariffs and Trade (GATT), including all stages of the Kennedy Round reductions, for TSUS items 700.35 and 700.55. Men's imported footwear in chief value of leather was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Effective January 30, 1943, the rate on leather footwear of cement and miscellaneous construction (now TSUS item 700.35) was reduced to 10 percent ad valorem. It was further reduced to 9.5 percent ad valorem effective January 1, 1968, to 9 percent effective January 1, 1969, and finally to 8.5 percent on January 1, 1971.

Imported footwear with supported-vinyl uppers is dutiable under TSUS item 700.55. 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 men's supported-vinyl-upper footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 10 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/

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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 10 percent ad valorem.

- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem on the American selling price, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

On August 31, 1963, the effective date of the TSUS, a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. 1/ The current rate on footwear with supported-vinyl uppers is 6 percent ad valorem.

Tables 2, 3, and 4 in appendix A show imports of men's footwear entered under the TSUS items under review and applicable rates of duty.

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1/ The column 2 rate for item 700.55 is 35 percent.



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

During the period 1966-73, apparent annual U.S. consumption of men's nonrubber footwear (other than work and athletic) increased from 104 million pairs to 139 million pairs. In both 1966 and 1973, U.S. production of such footwear was 89 million pairs. The ratio of imports to consumption rose from 14 percent to 36 percent in 1966-73, as shown in the following table.

Men's nonrubber footwear (other than work and athletic): U.S. production, imports for consumption, and apparent consumption, 1966-73

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	89	15	104	14
1967-----	85	19	104	18
1968-----	89	26	115	23
1969-----	82	33	115	29
1970-----	83	41	124	33
1971-----	80	49	129	38
1972-----	91	51	142	36
1973-----	89	50	139	36

1/ The data shown include men's footwear having vinyl uppers which is estimated by the Tariff Commission to have accounted for about 20 to 25 percent of the total in 1973.

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

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

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

During the period 1966-69, estimated annual domestic production of men's casual shoes declined from 22 million pairs to 20 million pairs, and during the period 1970-73, it increased from 20 million pairs to 22 million pairs, as shown in the table below.

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

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Percent</u>
1966-----:	22	6	28	21.4
1967-----:	21	9	30	30.0
1968-----:	22	12	34	35.3
1969-----:	20	13	33	39.4
1970-----:	20	18	38	47.4
1971-----:	20	23	43	54.5
1972-----:	23	24	47	51.1
1973-----:	22	23	45	51.1

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

2/ Casual footwear is estimated to account for about 1/4 of the total annual imports of men's leather footwear and about 4/5 of the annual imports of men's footwear having supported-vinyl uppers.

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

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

In 1973 shoes entered under TSUS item 700.35 (men's leather footwear) accounted for approximately nine-tenths of total U.S. imports of men's leather shoes; cement-process shoes accounted for two-thirds of the men's shoes that entered under this item, stitchdown shoes, for a fourth, and soled moccasins and shoes with vulcanized or injection-molded soles, for the remainder. The volume of imports of men's shoes entered under item 700.35, along with their average unit values, is shown, by type of construction, in table 3 in appendix A.

In recent years Spain and Italy have been the principal suppliers of men's leather footwear. Brazil and Argentina have also become important sources.

Official data with respect to U.S. consumption of men's slippers are not available. However, estimated production of men's slippers decreased from 16 million pairs in 1969 to 14 million pairs in 1972. <sup>1/</sup> Based on a survey conducted by the Bureau of the Census, about a fifth of the slippers produced in 1972 retailed for less than \$4 a pair; the remainder retailed principally between \$4 and \$6 a pair.

Data on U.S. imports of men's slippers entered under TSUS item 700.35 are not reported separately in official statistics. It is believed that imports of men's leather slippers account for a small part of the total annual imports admitted under that item number (see table 2, appendix A ).

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<sup>1/</sup> As reported under SIC 3142 in the 1972 Census of Manufactures, and not including slip-on types with undivided heel or blown sponge-rubber midsole.

Precise data are not available, but it is believed that imports of men's inexpensive vinyl slippers (entered under TSUS item 700.55) account for an appreciable part of total annual imports admitted under that item number (table 4 in app. A). Such slippers generally retail for less than \$3 a pair. Slippers with uppers of fabric and not dutiable on the ASP basis of valuation account for a significant part of the total annual imports entered under item 700.60. Such footwear probably retails for less than \$2 a pair--unlike that produced by Capitol Footwear, which retails for more than \$3 a pair.

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

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

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

(In U.S. dollars)

Country	Industry	Published average hourly earnings <sup>1/</sup>				Estimated compensation per hour worked <sup>2/</sup>				
		1970	1971	1972	1970	1971	1972	1970	1971	1972
Brazil	Clothing and footwear	3/ \$0.28	4/	4/	4/	4/	4/	4/	4/	4/
Hong Kong	Rubber footwear	5/ .30	\$0.35	\$0.41	5/ \$0.52	5/ \$0.37	5/ \$0.44	5/ \$0.37	5/ \$0.37	\$0.44
Italy	Footwear <sup>6/</sup>	.60	.80	.93	1.09	1.42	1.62	1.09	1.42	1.62
Japan	Rubber products, including plastic footwear <sup>7/</sup>	.88	1.08	1.49	1.00	1.23	1.69	1.00	1.23	1.69
Korea	Rubber and plastic products <sup>7/</sup> 8/	.18	.18	.18	.22	.22	.22	.22	.22	.22
Spain	Clothing and footwear <sup>8/</sup>	.38	.43	.53	9/ .55	9/ .62	9/ .76	9/ .55	9/ .62	9/ .76
Taiwan	Rubber and plastic products <sup>7/</sup>	4/	4/	10/ .19	4/	4/	10/ .23	4/	4/	10/ .23
United States	Footwear, excluding rubber	2.43	2.53	2.63	2.95	3.09	3.24	2.95	3.09	3.24
	Rubber footwear	2.70	2.78	2.88	3.48	3.61	3.77	3.48	3.61	3.77

<sup>1/</sup> 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.

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

<sup>3/</sup> Average for 1969; monthly earnings of 211.60 new cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

<sup>4/</sup> Not available.

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

<sup>6/</sup> 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.

<sup>7/</sup> The shoes shipped from Hong Kong, Japan, Korea, and Taiwan to the United States are principally of plastics. Separate data are not available on the plastics footwear industry, except for Hong Kong. Approximately half of the workers in the Japanese plastics shoe industry are home workers who are paid at a lower rate than the factory workers in that industry.

<sup>8/</sup> Including salaried employees.

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

<sup>10/</sup> July-December 1972. The published earnings data are computed per hour worked and include overtime pay, regular premiums and bonuses, family allowances, the market value of payments in kind, and wages paid to persons absent from work. Compensation figures also include annual bonuses and employer contributions to national insurance.

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

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Data Relating to Capitol Footwear Corp.

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APPENDIX A  
STATISTICAL TABLES





Table 1.--U.S. rates of duty applicable to footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	1930 rate		GATT concessions	
		Percent ad valorem	Rate	Rate	Effective dates
700.35	Leather footwear: "Other" footwear (including cement process) for men, youths, and boys.	20	10	9.5	June 6, 1951-Dec. 31, 1967. Jan. 1-Dec. 31, 1968.
700.55	Footwear having uppers of supported vinyl.	Principally: 20 2/	1/ 12.5	10	Aug. 31, 1963-Dec. 31, 1967. Jan. 1, 1968-Dec. 31, 1968. Jan. 1, 1969-Dec. 31, 1969. Jan. 1, 1970-Dec. 31, 1970. Jan. 1, 1971-Dec. 31, 1971.

1/ 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.

2/ 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 provision 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.



Table 2.--Leather footwear for men, made principally by the cement process (item 700.35): 1/ U.S. rates of duty and imports for consumption, 1939 and 1950-73

Year	Rate of duty	Quantity 2/	Value 2/	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1939-----	20	148	156	\$1.05
1950-----	10	68	181	2.66
1951-----	3/ 20	61	175	2.87
1952-----	10	86	275	3.20
1953-----	10	107	376	3.51
1954-----	10	104	362	3.48
1955-----	10	192	909	4.73
1956-----	10	859	2,536	2.95
1957-----	10	1,252	3,618	2.89
1958-----	10	4,980	7,159	1.44
1959-----	10	2,596	8,692	3.35
1960-----	10	2,678	9,036	3.37
1961-----	10	3,340	10,883	3.26
1962-----	10	5,319	17,743	3.34
1963-----	10	5,771	19,884	3.45
1964-----	10	5,873	20,538	3.50
1965-----	10	6,002	26,795	3.45
1966-----	10	7,475	20,699	3.58
1967-----	10	9,933	36,538	3.68
1968-----	9.5	15,170	56,539	3.73
1969-----	9	18,729	78,925	4.21
1970-----	9	21,801	97,558	4.47
1971-----	8.5	24,730	122,795	4.97
1972-----	8.5	27,298	167,025	6.12
1973-----	8.5	28,190	197,141	6.99

1/ Includes men's leather footwear other than athletic or work of the kinds reported in the Tariff Schedules of the United States Annotated (1972) under items 700.3530, 700.3540, 700.3550, and 700.3575. These consist in addition to cement process shoes, shoe with injection-molded soles and those made by the stitchout and miscellaneous processes.

2/ Data for 1964 and earlier years include work and athletic footwear and also footwear for youths and boys.

3/ The statutory rate of 20 percent ad valorem restored Jan. 1, 1951 to June 5, 1951; effective June 6, 1951, the rate of duty was again lowered to 10 percent ad valorem pursuant to a GATT concession.

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

Table 3.--Leather footwear for men (item 700.35): 1/ U.S. imports for consumption, by type of construction, 1967-73

Year	: Soled : : moc- : : casin :	Vul- : : canized : : sole :	Cement : : process :	: Other : :	: Total
Quantity (1,000 pairs)					
1967-----	: 235 :	: 632 :	: 6,159 :	: 2,907 :	: 9,933
1968-----	: 221 :	: 1,128 :	: 8,934 :	: 4,887 :	: 15,170
1969-----	: 340 :	: 1,352 :	: 11,769 :	: 5,268 :	: 18,729
1970-----	: 553 :	: 1,696 :	: 13,730 :	: 5,822 :	: 21,801
1971-----	: 550 :	: 1,965 :	: 15,119 :	: 7,096 :	: 24,730
1972-----	: 863 :	: 1,807 :	: 18,184 :	: 6,444 :	: 27,298
1973-----	: 1,191 :	: 1,488 :	: 19,796 :	: 5,715 :	: 28,190
Value (1,000 dollars)					
1967-----	: 816 :	: 2,782 :	: 21,765 :	: 11,175 :	: 36,538
1968-----	: 1,166 :	: 3,927 :	: 32,709 :	: 18,737 :	: 56,539
1969-----	: 1,620 :	: 5,418 :	: 47,984 :	: 23,903 :	: 78,925
1970-----	: 2,653 :	: 7,024 :	: 61,318 :	: 26,563 :	: 97,558
1971-----	: 2,757 :	: 8,329 :	: 76,988 :	: 34,721 :	: 122,795
1972-----	: 4,556 :	: 9,606 :	: 112,762 :	: 40,101 :	: 167,025
1973-----	: 6,834 :	: 9,562 :	: 141,871 :	: 38,874 :	: 197,141
Unit Value (per pair)					
1967-----	: \$3.47 :	: \$4.40 :	: \$3.54 :	: \$3.84 :	: \$3.68
1968-----	: 5.28 :	: 3.48 :	: 3.66 :	: 3.83 :	: 3.73
1969-----	: 4.76 :	: 4.01 :	: 4.08 :	: 4.54 :	: 4.21
1970-----	: 4.80 :	: 4.14 :	: 4.47 :	: 4.56 :	: 4.47
1971-----	: 5.01 :	: 4.24 :	: 5.09 :	: 4.89 :	: 4.97
1972-----	: 5.28 :	: 5.32 :	: 6.20 :	: 6.22 :	: 6.12
1973-----	: 5.74 :	: 6.43 :	: 7.17 :	: 6.80 :	: 6.99

1/ Includes men's leather footwear other than athletic or work reported in TSUSA items 700.3530, 700.3540, 700.3550, and 700.3575.

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

Table 4.--Footwear having supported-vinyl uppers for men, youths, and boys (items 700.5537 and 700.5539): 1/ U.S. rates of duty and imports for consumption, 1964-73

Year	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	<u>1,000</u> pairs	<u>1,000</u> dollars	Per pair
1964-----	<u>2/</u> 12.5	<u>3/</u> 6,217	<u>3/</u> 4,183	\$0.67
1965-----	12.5	<u>3/</u> 7,753	<u>3/</u> 4,835	.58
1966-----	12.5	5,915	5,285	.89
1967-----	12.5	6,531	6,025	.92
1968-----	11	7,696	7,681	1.00
1969-----	10	9,744	12,294	1.26
1970-----	8.5	16,264	21,590	1.33
1971-----	7	20,478	29,362	1.43
1972-----	6	20,780	34,553	1.66
1973-----	6	18,654	40,244	2.16

1/ TSUSA item 700.5535 was replaced by TSUSA items 700.5537 and 700.5539 effective Jan. 1, 1974.

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

3/ Partly estimated.

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

Note.--Data are not available on U.S. imports of footwear with supported-vinyl uppers for the years prior to 1964. Such imports were probably negligible in the mid-1950's. During the period before the TSUS became effective, footwear with supported-vinyl uppers (with soles other than india rubber) for men, youths, and boys was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 10 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

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APPENDIX B

LETTER FROM SHELDON J. JACOBSON, TREASURER OF  
CAPITOL FOOTWEAR CORP.

A-46 through A-50

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APPENDIX C

ADDITIONAL PROFIT-AND-LOSS DATA BREAKING OUT IMPORT-AFFECTED  
AND NON-IMPORT AFFECTED ITEMS PRODUCED BY  
CAPITOL FOOTWEAR CORP.

A-52 through A-58

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