

UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR WOMEN:  
WINIG SLIPPER CORP.  
GLOVERSVILLE, N. Y.

Report to the President  
on Investigation No. TEA-F-64  
Under Section 301(c)(1) of the Trade Expansion Act of 1962



TC Publication 685  
Washington, D. C.  
August 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 an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
August 30, 1974.

To the President:

In accordance with section 301(f)(1) 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-64 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 women (of the types provided for in item 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by the Winig Slipper Corp., Gloversville, N.Y.,<sup>1/</sup> are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. During the course of the investigation, it was established that the firm did not produce footwear of the types provided for in item 700.45.

The investigation was instituted on July 10, 1974, on the basis of a petition for adjustment assistance filed under section 301(a)(2) of the act by the Winig Slipper Corp. The petition was received on July 1, 1974.

Notice of the investigation was published in the Federal Register (39 F.R. 26077) on July 16, 1974. No public hearing was requested and none was held.

The information in this report was obtained principally from officials of the Winig Slipper Corp., official Government statistics, customers of the firm, and the Commission's files.

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<sup>1/</sup> In the public notice of investigation, the petitioning firm was identified as the Winig Shoe Corp.

## Finding of the Commission

On the basis of its investigation, the Commission unanimously finds that articles like or directly competitive with footwear for women (of the types provided for in items 700.43 and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by The Winig Slipper Corp., Gloversville, N.Y., 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.

Views of Chairman Bedell, Vice Chairman Parker, and  
Commissioner Ablondi 1/

Our determination in this investigation is in the negative because the criteria established by section 301(c)(1) 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 considerations has been satisfied.

- (1) Imports of articles like or directly competitive with those produced by the petitioning firm are being imported in increased quantities;
- (2) The increased imports are the result in major part of concessions granted under trade agreements;
- (3) The petitioning 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 to the firm.

In the instant case, we find that the statutory criteria have not been met. Our determination is based on the following considerations:

The Commission's investigation confirmed that the company's production and sales have been irregular from 1969 to 1973, and that the operations generally have not been profitable in\*\*\*of the past\*\*\*years. We are not convinced, however, that the unprofitability was in major part caused by concession-generated imports. Several factors have contributed to the firm's problems.

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1/ Commissioner Moore concurs in the result.

The output of Winig Slipper Corp. consists largely of a type of women's casual footwear generally referred to as "folding slippers" and is of the type usually sold in the hosiery department of retail stores.

In 1969 the firm began producing a line of washable terry cloth slippers which in 1970 accounted for almost 40 percent of its total production.

In 1971, however, the owners of the Winig Slipper Corp. created another company in Puerto Rico for the production of these washable slippers and, thereafter, the production of such slippers by the Winig Slipper Corp. was terminated. Since that time production of terry cloth slippers by the new company has increased steadily--more than doubling between 1971 and 1973. The transfer of this production represented a substantial loss of business for the Winig Slipper Corp.

Prior to December 1973, Winig Slipper Corp. had marketed the washable slippers produced by the Puerto Rican firm, but a new firm, owned by the same principals, was established at that time to handle these sales. This decision also resulted in a loss of income for Winig Slipper, thus contributing to its difficulties.

The above decisions by the firm's management may have been beneficial from the standpoint of the total footwear operations in which members of the Winig family have an interest, but they nonetheless had an adverse impact on the operations of Winig Slipper Corp., the petitioner in the investigation.

According to industry sources, U.S. demand for slippers similar to those produced by Winig Slipper Corp. has progressively declined as a result of changes in fashion trends. The market traditionally served by hosiery outlets--through which Winig Slipper's output was sold--has changed. Industry sources report that folding slippers which accounted for virtually all of the sales of shoes sold in hosiery departments as recently as 5 years ago, now account for only half of the footwear sold through such outlets.

Although the demand for the type of slipper produced by Winig was continuing to decline, it was not until 1973 that the management of Winig Slipper began production of casual shoes and sandals which were in more demand. It had previously purchased some of these products from domestic producers. These moves, which appear to have been almost an immediate success, however, were apparently undertaken too late to compensate for the decline in demand for its folding slipper line.

#### Conclusion

On the basis of the foregoing, we find that articles like or directly competitive with the footwear for women produced by the Winig Slipper Corp., Gloversville, N.Y., 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.

## View of Commissioner Leonard

My 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 Winig Slipper Corp., Gloversville, N.Y., is the result in major part of concessions granted under trade agreements. My reasoning in support of this determination is set forth in a statement of my view in an earlier Commission investigation under the Trade Expansion Act. 1/

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

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

The output of the Winig Slipper Corp., Gloversville, N.Y., has in recent years consisted mostly of a type of women's casual footwear generally referred to as folding slippers. In 1969 and 1970, Winig Slipper also produced and marketed washable terry cloth slippers; it ceased production of such slippers in 1971 but until 1974 it marketed similar slippers produced by Feather MocsCaribe, a newly established firm in Puerto Rico owned at first in part and then wholly by the individuals owning Winig Slipper. In 1974 Feather Mocs Caribe began marketing the slipper it produced.

In 1972, Winig Slipper began marketing women's sandals which it purchased from another domestic producer; the company began producing such sandals in 1974. In an effort to sell to the more traditional shoe market, Winig Slipper in 1973 introduced a line of women's casual shoes which are sold under the brand name Tic-Tac-Toes.

About half of the folding slippers produced by Winig Slipper have vinyl uppers, while the remainder have fabric uppers. The folding slippers are slip-ons, i.e., they are not held to the foot by laces or straps, and are intended for both indoor and outdoor wear. Such slippers are sold almost exclusively in the hosiery department of specialty and department stores at retail prices ranging from \$5 to \$6 a pair. They are sold folded in a transparent bag, hence the term "folding." The folding slippers, like all other footwear currently produced by Winig Slipper, are constructed by the cement process.

The Tic-Tac-Toes produced by Winig Slipper are lightweight, casual shoes of the slip-on type with a 1-1/4 inch heel; both uppers and soles are made of manmade materials. The Tic-Tac Toes retail at \$10 a pair.

The women's sandals produced by Winig Slipper have uppers of either vinyl or fabric and retail from \$8 to \$10 a pair. <sup>1/</sup> The washable terry cloth slippers produced by Winig Slipper in 1969 and 1970, and since that time by Feather Mocs Caribe in Puerto Rico, are constructed by a cut-and-sew operation. Once the soles and uppers are cut, they are stitched together by hand. Such washable slippers retail in a variety of markets from \$3 to \$4.50 a pair.

In 1973 the folding slippers produced by Winig Slipper accounted for\*\*\* percent of the total value of sales; Tic-Tac-Toes, for approximately \*\*\*percent; and women's sandals, for about\*\*\* percent. From its inception in 1955 through 1971, Winig Slipper produced folding slippers almost exclusively. Feather Mocs Caribe has always produced washable terry cloth slippers alone.

In recent years, the slipper market has been overshadowed by an expanding casual footwear market. This has been particularly noticeable in hosiery departments, the marketplace of the folding slippers of the Winig type. Trade sources reported to the Commission that, during the later 1960's and early 1970's, consumers began demanding the type of open footwear that more closely resembles that of shoe departments. This demand led to the appearance of many new styles in

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<sup>1/</sup> In 1972 and 1973 women's sandals were purchased for resale from Jack Sebastian shoes, Wilkes-barre, Pa. From 1969 to 1972 small quantities of fur-fabric slippers and leather shoes of the wedge-type were also purchased for resale from several firms in the State of New York.

hosiery departments; for example, espadrilles, clogs, and sandals. With the arrival of such items, folding slippers became a less prominent item in the hosiery department footwear market. Consequently, U.S. consumption of folding slippers has declined.

#### U.S. Tariff Treatment

##### Applicable TSUS items

The folding slippers and casual footwear produced by Winig Slipper, if imported, would be entered under TSUS item 700.55 (uppers of vinyl) or item 700.60 (uppers of fabric); the washable slippers produced by Feather Mocs Caribe would be entered under item 700.60. A substantial quantity of women's imported casual footwear is also entered under TSUS item 700.43.

Women's footwear with supported vinyl uppers entering in recent years under TSUS item 700.55 has consisted predominantly of two groups: (1) street shoes of sturdy construction, produced in a single width for each particular length (sold chiefly at self-service counters in variety stores, discount stores, and department-store basements) and (2) folding slippers, sandals, and other inexpensive footwear. Such footwear accounts for a significant part of the total annual imports under this item.

TSUS item 700.60 provides for various types of footwear of fibers and rubber or plastics. The footwear admitted under item 700.60 is subject to valuation for duty purposes on the basis of the American selling price (ASP) of "like or similar" domestic footwear. If there is no "like or similar" domestic footwear, the imports admitted

under this item are subject to valuation under the regular valuation provisions of the U.S. tariff schedules. Nearly all of the imports entered under TSUS item 700.60 and valued by the U.S. Customs Service on the ASP basis have consisted of footwear with uppers of fibers (canvas) and soles of rubber or plastics in the traditional styles of sneakers. The imported footwear admitted under item 700.60 for which the Customs Service has found no "like or similar" domestic product has included a large volume of folding slippers, scuffs, sandals, and other types of inexpensive casual footwear, as well as some sneakers.

The women's and misses' footwear of the type admitted under TSUS item 700.43 consists of leather dress shoes, sandals, and other casual footwear having a foreign value not over \$2.50 a pair. Produced principally by the cement process, imports of such footwear have soles of leather, rubber, or plastic.

Rates of duty

The original schedules of the Tariff Act of 1930 did not specifically provide for the types of footwear of rubber or plastics that now constitute the bulk of the imports admitted under TSUS item 700.55. Prior to the effective date of the TSUS, imports of such footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/ However, in the early 1960's increasing quantities of plastic folding slippers of types now included in item 700.55 were dutiable under paragraph 1530(e), by similitude to leather slippers for housewear, at 10 percent ad valorem (a trade-agreement rate).
- (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 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.

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. 2/ The current rate on footwear entered under item 700.55 is 6 percent ad valorem, reflecting the final stage, effective January 1, 1972, of the five-stage concessions granted in the sixth (Kennedy) round of trade negotiations under the General Agreement on Tariffs and Trade (GATT).

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1/ The principal kinds of footwear with 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.

2/ The col. 2 rate of duty for item 700.55 is 35 percent.

Canvas footwear, which is provided for in item 700.60, was originally dutiable at the rate of 35 percent ad valorem under paragraph 1530(e). Effective March 3, 1933 (T.D. 46158), the basis for assessing the statutory rate was changed from foreign (export) value to the "American selling price" (as defined in sec. 402(g) of the 1930 act) of like or similar articles produced in the United States. Pursuant to a concession granted under the General Agreement on Tariffs and Trade (GATT), the rate of duty on canvas footwear was reduced to 20 percent of the American selling price, 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 slippers.

The rate of duty originally applicable under paragraph 1530(e) of the 1930 Tariff Act to leather footwear of the types now included in TSUS item 700.43 was 20 percent ad valorem. This rate of duty remained at 20 percent ad valorem until January 1, 1968, when the first stage of five-stage Kennedy Round concessions granted under the GATT became effective. These concessions provided for annual reductions of 1 percentage point in the

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1/ In the Commission's report to the Special Representative for Trade Negotiations, Products Subject to Duty on the American Selling Price Basis of Valuation; . . . Investigation No. 332-47. . . TC Publication 181, 1966, it was estimated that, on the basis of the ASP guidelines adopted in February 1966, the duties assessed on the footwear dutiable in 1965 would have averaged 60 percent of the export values.

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., 2d sess.) (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.

rate applicable to such footwear valued not over \$2.50 per pair. The current rate for item 700.43 is 15 percent.

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 700.43, 700.55, and 700.60. Tables 2 through 4 show U.S. imports of footwear admitted under the TSUS items mentioned above and the applicable rates of duty.

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

All women's footwear

During the period 1965-73, apparent annual U.S. consumption of all women's footwear (including dress and casual) rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968 and then declined to 402 million pairs in 1973. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 190 million pairs in 1973. Annual U.S. imports tripled during the 1965-73 period, and their share of the market increased without interruption from 17 percent to 53 percent, as shown in the table on the next page. Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan), the principal supplier of women's vinyl footwear.

Nonrubber footwear for women: U.S. production, imports for consumption, and apparent consumption, 1965-73

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	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
1972-----	223	198	421	47
1973-----	190	212	402	53

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. 1, subpt. A of schedule 7 of the TSUSA 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 1973 amounted to about 1 million pairs.

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

Women's casual footwear

Data on U.S. consumption, production, and imports of women's casual shoes are not reported separately in official statistics. Estimates of these data are shown in the table below. The table indicates that during 1965-73 annual domestic production declined by about 50 percent, annual imports more than doubled, and apparent consumption increased from 180 million pairs in 1966 to an annual average of 221 million pairs in 1970-73. The import share of domestic consumption increased from 35 percent in 1965 to 72 percent in 1973.

Women's casual footwear: Estimated U.S. production, imports for consumption, and apparent consumption, 1965-73

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
1965-----	119	63	182	35
1966-----	117	63	180	35
1967-----	102	85	187	45
1968-----	112	112	224	50
1969-----	94	111	205	54
1970-----	95	129	224	58
1971-----	81	137	218	63
1972-----	73	148	221	67
1973-----	63	159	222	72

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

2/ Casual shoes are estimated to have accounted for about 3/4 of the total annual imports of women's and misses' footwear in recent years.

3/ Data represent estimated production plus estimated imports without an allowance for exports, which in 1973 amounted to less than 1 million pairs.

Folding slippers

Official data are not available with respect to U.S. consumption, production, and imports of women's folding slippers, the principal product of Winig Slipper. In order to ascertain trends in consumption for the past 5 years, the Commission contacted five producers of folding slippers that reportedly account for about 90 to 95 percent of total domestic production of such footwear. Although quantitative data are not available, these producers indicated that the market for folding slippers has declined. One importer reported to the Commission that 5 years ago sales of footwear in hosiery departments constituted a market of about \$20 million a year, almost all of which was from sales of folding slippers. He stated that sales of folding slippers have declined since then to the point where they now account for about half that amount.

Available data on slipper production as a whole show that production of house slippers of all kinds (SIC code 3142) increased without interruption from 94 million pairs in 1966 to 105 million pairs in 1968, but declined to 96 million pairs in 1970; production amounted to 98 million pairs in each of the years 1971-73.

One of the leading domestic producers of folding slippers indicated that imports of such footwear rose considerably from 1967 to 1972, then declined to about the 1967 level. However, one importer reported to the Commission that imports of folding slippers had declined in recent years.

As stated previously in this report, the women's and misses footwear of the type admitted under TSUS item 700.43 consists of leather dress shoes, and sandals and other casual footwear (including leather folding slippers) having a foreign value not over \$2.50 a pair. In 1973 an estimated three-fourths of women's and misses' footwear entered under the item retailed at about \$3 to \$6 a pair. During the period 1968 to 1973, imports of such footwear fluctuated between a high of 37 million pairs in 1970 and a low of 17 million pairs in 1973 (table 2). The decline in imports is attributed to increased manufacturing costs abroad, which have made it increasingly difficult to produce shoes valued at not over \$2.50 a pair, and to changes in demand for certain types of footwear.

TSUS item 700.55, which provides for various types of footwear of rubber or plastics, consists, in major part, of zoris (thonged sandals suitable for beach and other casual wear), folding slippers, sandals, and other casual shoes all of which generally sell at retail for less than \$3 a pair. Imports of women's and misses' footwear having supported-vinyl uppers, admitted under TSUSA item 700.5545, increased without interruption from 69 million pairs in 1968 to 97 million pairs in 1973 (table 3).

Women's folding slippers with uppers of fabric and not dutiable on the ASP basis of valuation are believed to account for a significant part of the total annual imports entered under TSUSA item 700.6045. Folding slippers (including scuffs, terry cloth washable slippers, and other house slippers) account for an estimated 35 to 50 percent of the total annual imports admitted under item 700.60; it is believed that the

great bulk of these slippers retail for less than \$3 a pair. Total imports of footwear entered under item 700.60 have increased substantially in the last decade, rising from 16 million pairs in 1965 to 23 million pairs in 1973. As shown in table 4 all of this increase occurred in footwear not subject to ASP valuation. Non-ASP footwear entered under item 700.6045 had an average unit value of \$0.87 in 1973.

It is believed that the great bulk of the folding slippers entered under TSUS items 700.55 and 700.60 are sold in so-called discount stores, at self-service counters in variety stores, and in department-store basements.

Terry cloth washable slippers

Data are not available on U.S. consumption, production, and imports of women's terry cloth washable slippers, the type of footwear produced at Feather Mocs Caribe. It is known, however, that inexpensive imports of such footwear are entered under item 700.60 as indicated above.

## 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, 1971, and 1972. 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

Country	Industry	(In U.S. dollars)					
		1970	1971	1972	1970	1971	1972
Brazil	Clothing and footwear	3/ \$0.28	4/	4/	4/	4/	4/
Hong Kong	Rubber footwear	5/ .30	5/ \$0.35	\$0.41	5/ \$0.32	5/ \$0.37	\$0.44
Italy	Footwear 6/	.60	.80	.93	1.09	1.42	1.62
Japan	Rubber products, including plastic footwear 7/	.88	1.08	1.49	1.00	1.23	1.69
Korea	Rubber and plastic products 7/ 8/	.18	.18	.18	.22	.22	.22
Spain	Clothing and footwear 8/	.38	.43	.53	9/ .55	9/ .62	9/ .76
Taiwan	Rubber and plastic products 7/	4/	4/	10/ .19	4/	4/	10/ .23
United States	Footwear, excluding rubber	2.43	2.53	2.63	2.95	3.09	3.24
	Rubber footwear	2.70	2.78	2.88	3.48	3.61	3.77

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 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.

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

4/ Not available.

5/ 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.

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 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.

8/ Including salaried employees.

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

10/ 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 the 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

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APPENDIX A  
STATISTICAL TABLES

Table 1.--U.S. rates of duty applicable to certain 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 concession <sup>2/</sup>
		Rate	Effective date
		Percent ad val	Percent ad val
	"Other" (including cement process):		
700.45	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.
700.55	Footwear having uppers of supported vinyl.	Princi- <sup>4/</sup> pally: 20 <sup>3/</sup>	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
700.60	Other footwear with uppers of fabric and soles of rubber or plastics.	35 <sup>5/</sup>	: <sup>5/</sup> 20 : Sept. 10, 1955

<sup>1/</sup> Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

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

<sup>3/</sup> Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported-vinyl uppers was imported during the 1950's or 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 col. 2 rate for item 700.55 is 35 percent.

<sup>4/</sup> The trade-agreement rate established in the TSUS effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide ranged of rates previously applicable to the various types of footwear provided for in this TSUS item.

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

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 principally by the cement process (item 700.43): U.S. rates of duty and imports for consumption, specified years 1939 to 1973

Years	Rate of duty 1/	Imports
	Percent ad valorem	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-----	19	34
1969-----	18	29
1970-----	17	37
1971-----	16	33
1972-----	15	25
1973 <u>2/</u> -----	15	17

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 about 2 million pairs in this year.

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

Table 3.--Women's and misses' footwear with supported-vinyl uppers (item 700.5545): U.S. rates of duty and imports for consumption, 1934, 1964-73, January-June 1973, and January-June 1974

Period	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per 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
1972-----	6	89,776	104,907	1.22
1973-----	6	96,942	136,036	1.40
January-June--				
1973-----	6	54,317	63,856	1.18
1974-----	6	48,057	80,237	1.67

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 (data for 1964 and 1965 are partly estimated).

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.--Women's and misses' footwear having uppers of fabric and soles of rubber or plastics  
U.S. rates of duty and imports for consumption, 1965-73, and January-June 1973-74

Period	Rate of duty	700.6015 (ASP footwear)						700.6045 (Non-ASP footwear)						Total		
		Quantity		Value		Unit		Quantity		Value		Unit		Quantity	Value	
		<u>1,000</u> pairs	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	Per pair	value	<u>1,000</u> pairs	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	Per pair	value	<u>1,000</u> pairs	<u>1,000</u> dollars	
1965	20	8,223	4,658	4,658	4,658	\$0.57	8,207	3,227	3,227	3,227	\$0.39	16,430	7,885	7,885	\$0.48	
1966	20	7,564	4,479	4,479	4,479	.59	8,960	3,476	3,476	3,476	.39	16,524	7,955	7,955	.48	
1967	20	11,104	6,729	6,729	6,729	.61	10,323	4,131	4,131	4,131	.40	21,427	10,860	10,860	.51	
1968	20	9,967	6,801	6,801	6,801	.68	11,885	5,401	5,401	5,401	.45	21,852	12,202	12,202	.56	
1969	20	7,473	5,999	5,999	5,999	.80	10,992	5,402	5,402	5,402	.49	18,465	11,401	11,401	.62	
1970	20	6,315	4,785	4,785	4,785	.76	13,006	7,712	7,712	7,712	.59	19,321	12,497	12,497	.65	
1971	20	9,358	7,688	7,688	7,688	.82	14,821	9,328	9,328	9,328	.63	24,179	17,016	17,016	.70	
1972	20	6,490	5,786	5,786	5,786	.89	16,330	11,499	11,499	11,499	.70	22,820	17,285	17,285	.76	
1973	20	4,962	5,258	5,258	5,258	1.06	17,672	15,431	15,431	15,431	.87	22,634	20,689	20,689	.91	
Jan.-June--																
1973	20	3,447	3,367	3,367	3,367	.98	10,267	7,425	7,425	7,425	.72	13,714	10,792	10,792	.79	
1974	20	2,681	6,094	6,094	6,094	2.27	8,856	10,828	10,828	10,828	1.22	11,537	16,922	16,922	1.47	

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





