UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR WOMEN, MISSES, AND CHILDREN: WORKERS AND FORMER WORKERS OF THE WILLIAMS MANUFACTURING CO., PORTSMOUTH, OHIO, A WHOLLY OWNED SUBSIDIARY OF ESCALADE, INC., NEW YORK, N.Y.

Report to the President
on Investigation No. TEA-W-241
Under Section 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 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,
September 30, 1974.

To the President:

In accordance with section 301 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-W-241 made under section 301(c)(2) 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, misses, and children (of the types provided for in item 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Escalade, Inc., New York, N.Y., are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof. Escalade, Inc. is the parent firm of a wholly owned subsidiary, The Williams Manufacturing Co., Portsmouth, Ohio, which employed the petitioning workers.

The investigation was instituted on August 12, 1974, on the basis of a petition for adjustment assistance filed under section 301(a)(2) of the act on behalf of the workers and former workers of The Williams Manufacturing Co. at its plants in Portsmouth, Ohio, and Stanton, West Liberty, and Beattyville, Ky. The petition was received August 1, 1974.

Notice of the investigation was published in the Federal Register (39 F.R. 29628) on August 16, 1974. No public hearing was requested, and none was held.

In the course of the investigation, the Commission obtained information from representatives of the petitioners, from officials of The Williams Manufacturing Co. and Escalade, Inc., from customers of the firm, from official Government statistics, and from its own files.

Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioner Leonard dissenting) that articles like or directly competitive with footwear for women, misses, and children (of the types provided for in item 700.55 of the Tariff Schedules of the United States) produced by The Williams Manufacturing Co., Portsmouth, Ohio, are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, 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, and Commissioner Moore

This investigation relates to a petition filed on behalf of workers and former workers of The Williams Manufacturing, Co., Portsmouth, Ohio, a wholly owned subsidiary of Escalade, Inc., New York, N.Y., under section 301(a)(2) of the Trade Expansion Act of 1962 (TEA) for a determination of their eligibility to apply for adjustment assistance. The Williams Manufacturing Co. produces women's, misses' men's and children's footwear of slip-lasted construction retailing between $9 and $18 a pair. The firm also imports footwear, which retails from $4 to $30 a pair.

As we have stated in previous cases, the Commission, in order to make an affirmative determination under section 301(c)(2) of the TEA, must find that the following four criteria are met:

(1) Articles like or directly competitive with those produced by the workers are being imported in increased quantities;

(2) The increased imports are a result in major part of concessions granted under trade agreements;

(3) The workers concerned must be unemployed or underemployed or threatened with unemployment or underemployment; and

(4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the unemployment or underemployment of the workers.

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

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

U.S. imports of women's and misses' nonrubber footwear, including dress and casual types which are like or directly competitive with those produced by the workers and former workers of The Williams Manufacturing Co., increased from 96 million pairs in 1967, when they accounted for 25 percent of apparent U.S. consumption, to 212 million pairs in 1973, when they accounted for 53 percent of consumption.

This substantial growth in imports coincides with the implementation of the trade-agreement concessions granted in the Kennedy Round. As a result of these concessions the rates of duty on women's and misses' dress and casual shoes like or directly competitive with those produced by the workers and former workers of Williams were reduced by 50 percent during 1968-72. The total duty reduction on such footwear since enactment of the Tariff Act of 1930 totals approximately 85 percent of the 1930 rate. We have, therefore, determined that the increased imports of women's and misses' dress and casual footwear cited above have resulted in major part from trade-agreement concessions within the meaning of the statute.

The workers are unemployed or underemployed or threatened with unemployment or underemployment

Evidence developed in this case conclusively demonstrates that the workers and former workers of Williams producing women's and misses' dress and casual footwear are unemployed or underemployed. Employment at Williams has declined from an average of *** production and related workers in 1969, to *** in 1973. In July 1974, the firm employed a monthly average of *** workers--*** percent fewer than the * * * employed in July 1973. The Stanton, Ky., plant, which employed *** workers in June 1973, closed in June 1974.

Clearly, the workers and former workers of Williams are unemployed or underemployed.

Imports are the major factor causing or threatening to cause the unemployment of the workers

The evidence developed in this case shows that imports by Williams obviously contributed to the unemployment or underemployment of the petitioning workers. The women's and misses' footwear produced by Williams retails from $9 to $18 a pair, the price range heavily impacted by concession-generated import competition. The women's and misses' footwear imported by Williams retails in the range of $4 to $30 a pair.

The footwear imported by Williams has accounted for an increasing share of its total footwear sales. There appears to have been a definite pattern on the part of Williams' management beginning in the mid-1960's to turn to imports of footwear to maintain its margins and to meet competition. This pattern has continued and as its imports have increased, the share of the market supplied from domestic production has declined. Williams' sale of imported footwear increased from * * * pairs in 1969 to * * * pairs in 1973, representing an increase of *** percent. During this same period, the share of Williams' total footwear sales accounted for by its sales of imported footwear increased each year--rising from *** percent in 1969 to *** percent in 1973. It is clear that imports are the major factor causing the unemployment or underemployment of the firm's workers.

Conclusion

On the basis of the information developed in the investigation, we conclude that, as a result in major part of concessions granted by trade agreements, articles like or directly competitive with articles produced by the workers of the Williams Manufacturing Co., are being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm.

Views of Commissioner Ablondi

I concur in the affirmative finding of the Commission concerning the eligibility of the petitioning workers of The Williams Manufacturing Co. to apply for adjustment assistance.

In this case, it is clear that there has been an increase in concession-generated imports of footwear like or directly competitive with that produced by the petitioning workers of The Williams Manufacturing Co. The firm, which in prior years had been primarily a domestic manufacturer, began importing in the mid-1960's and increased its imports to the point where they accounted for *** percent of its total sales in 1973. At the same time, employment at Williams decreased. In 1969 the firm employed an average of *** production and related workers. In July 1974 it employed an average of *** workers. It clearly appears that the increase in imported footwear by Williams itself was the major factor causing the unemployment of the petitioning workers.

Dissenting Views 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 for women, misses, and children like or directly competitive with that produced by The Williams Manufacturing Co., Portsmouth, Ohio, a wholly owned subsidiary of Escalade, Inc., New York, 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 views in an earlier Commission investigation under the Trade Expansion Act. 1/

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 Williams Manufacturing Co., which is still in operation, is a wholly owned subsidiary of Escalade, Inc., and manufactures moderately priced women's, misses', children's, and men's footwear. Since production of and employment on men's and children's footwear never accounted for more than a very small share of Williams' total production and employment, they have not been discussed in detail in this report. 1/ Women's and misses' footwear retails from $9 to $18 a pair. Such footwear has uppers almost entirely of vinyl or urethane and is made in a wide variety of up-to-date styles with various types and heights of heels.

Most of the footwear produced by Williams is constructed by the slip-lasted method. 2/ In this process, the last (the form on which the shoe is made) is inserted or slipped into a closed upper, previously stitched to the sock lining. The platform wedge-heel unit is cemented to the bottom of the sock lining, and the heel and platform covers are then pulled down and cemented to the bottom of the platform wedge heel; the outsole is then attached. The slip-lasted shoe is usually casual in design, although Williams produces a substantial amount of dress footwear by the slip-lasted process, and it lends itself to open-toe and open-heel patterns.

1/ Williams produced men's footwear at the Beattyville, Ky., plant only. Such production commenced early in 1973; it accounted for less than *** percent of Williams' total output in the period January 1973-September 1974. The firm did not maintain separate records on misses' versus children's footwear but officials stated that the latter is a very small part of production and sales of footwear.

2/ "California process" is a term frequently used to describe slip-lasted construction.

Injection molding, which the firm also uses, is a type of molded-on cemented construction. Precision molds of heels and soles or heel and sole units for each size of footwear desired are filled with a plastic or styrene compound and simultaneously attached to the upper. The use of a multiple-station machine allows for rapid cooling of the molded material so that the shoe can be handled quickly with minimum distortion. This process is distinguished from vulcanized molded-on construction of the sole and heel material in that the latter uses rubber. Injection molding is most frequently used in making low-heeled casual shoes.

The firm also used flow-molding construction. In this process an upper (the master), usually of leather, is coated with urethane; a mold under extreme heat is applied over the master coated with urethane, resulting in the reproduction of the stitching and other desired details on the urethane (upper) after it is stripped from the mold.

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. The term "dress shoes" does not include footwear especially made for athletic, occupational, and leisure activities. Women's footwear for casual wear, not considered dress shoes, includes certain sandals, espadrilles, indoor-outdoor slippers, clogs, loafers, desert boots, moccasins, and sneakers. Women today wear shoes suitable to their lifestyles, and, with footwear becoming an important accessory to fashion, footwear styles change rapidly. As changes have occurred in dress lengths and as trousers and other casual attire have become increasingly acceptable as appropriate women's wear for almost every occasion, the distinction between dress and casual shoes has diminished.

In the 1970's footwear designs took a new direction. The footwear bottom (sole and heel) treatment became the main interest in shoe design. Footwear styles with 1-inch soles, and even higher platforms, became popular. A variety of materials--crepe (plantation), "marsh-mallow" (pliable synthetic), leather combinations, and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom assemblies were even colored, painted, or sculptured. During 1970-72 such platform styles dominated most of women's footwear. In 1973, however, platforms became less extreme and that trend has continued into 1974. Footwear more traditional in style is now being offered. Examples of the new look include lighter, "sandalized" (open) footwear with emphasis on bows, straps, slimmer high heels, and narrower toe shapes in both dress and casual footwear. There has also been a return to the low-heeled classic moccasin design for casual wear. Currently, open sandals and espadrilles, especially with wedge-heeled bottoms of jute or other rope like materials, are the fashion for casual wear. Industry sources report that the "boom" in open footwear and other casuals is due not only to the free and easy lifestyles of today but to a change in buying patterns (i.e., the majority of women would rather have two pairs of inexpensive or moderately priced casual shoes than one pair of expensive dress shoes).

U.S. Tariff Treatment

Applicable TSUS item

If imported, the women's and misses' footwear produced by Williams would be dutiable under TSUS item 700.55. As explained briefly in the following paragraphs, the footwear classifiable under this TSUS item varies with respect to materials, method of construction, price line, and/or style.

Women's and misses' imported footwear with supported-vinyl uppers, dutiable under TSUS item 700.55, has in recent years 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. It is believed that only a small part of the annual imports of women's and misses' footwear admitted under 700.55 retails at more than $10 a pair.

Rates of duty

As indicated above, the vinyl footwear produced by Williams, if imported, would be dutiable under item 700.55. Prior to the effective date of the TSUS, imports of women'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 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/

1/ Footwear with supported-vinyl uppers now being imported (i.e., that with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision under par. 1530(e) at a rate of 20 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 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. 1/ The current rate on footwear with supported-vinyl uppers 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).

Table 1 in the appendix shows the reduction in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the type now dutiable under TSUS item 700.55. Table 2 shows U.S. rates of duty and imports admitted under TSUS item 700.55 of dress and casual footwear of the types produced by Williams.

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

U.S. Consumption, Production, and Imports

During the period 1965-73, apparent annual U.S. consumption of all women's and misses' nonrubber 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 imports tripled during this period, and their share of the market increased without interruption from 17 percent to 53 percent. Italy and Spain have been the principal suppliers of women's leather footwear; the Republic of China (Taiwan) is the principal supplier of women's supported-vinyl footwear.

U.S. production, imports, and apparent annual consumption all declined slightly during January-June 1974 from the corresponding period of 1973. Imports' share of the market also decreased slightly, as shown in the following table.

Nonrubber footwear for women and misses: U.S. production, imports for consumption, and apparent consumption, 1965-73, January-June 1973, and January-June 1974

Period	Production 1/	Imports 2/	Apparent consumption 3/	Ratio of imports to 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
January-June--				
1973	104	127	231	55
1974	98	110	208	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. 1A 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.

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

(In U.S. dollars)

Country	Industry	Published average hourly earnings 1/			Estimated compensation per hour worked 2/		
		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

Data Relating to Escalade, Inc. and The Williams Manufacturing Co.

Corporate structure of Escalade, Inc.

Escalade, Inc., was originally incorporated in Delaware in February 1973 as a wholly owned subsidiary of The Williams Manufacturing Co. In March 1973 the subsidiary, Escalade, merged into its parent corporation, Williams, the surviving corporation being Escalade. Shortly thereafter, the dissolved Williams was reincorporated in Delaware, with its headquarters in Portsmouth, Ohio, as a wholly owned subsidiary of Escalade. Escalade presently has four wholly owned subsidiaries, including The Williams Manufacturing Co., the footwear producing portion of Escalade's business. Escalade's holdings are illustrated schematically on the following page.

Escalade is primarily a publicly held holding company with corporate offices in White Plains, N.Y. The basic purpose of the corporation is diversification into high-growth industries associated with leisure products. It refers to itself as the lifestyle corporation.

The most recent proxy statement for election of directors showed that on April 4, 1974, Escalade had 2,362,554 shares of common stock outstanding. In a report filed with the Securities and Exchange Commission as of December 29, 1973, the approximate number of common stockholders was 856, with 3 people holding warrants to purchase common stock. Mrs. Evelyn B. Williams Wiltsee is by far the largest

Escalade, Inc.: Corporate structure as of July 1974

- **ESCALADE, INC.**
  Incorporated in Delaware February 12, 1973 as wholly owned subsidiary of The Williams Manufacturing Co. Mar. 23, 1973, merged with parent on a share-for-share basis and became parent corporation.
  - **THE WILLIAMS MANUFACTURING CO.**
    Incorporated Mar. 25, 1973, as a Delaware corporation and wholly owned subsidiary of Escalade, Inc., Portsmouth, Ohio, plant. (*** women's dress and sport, *** girls)
    - **LYCOMING SHOE CO.**
      Ohio--mid-1960's--wholly owned subsidiary
      - **BEATTYVILLE, KY. plant**
        Production began May 1967 (*** women's,*** men's--used to be *** men's, presently *** women's dress and sport)
      - **OWINGSVILLE, KY. plant (closed)**
        Open mid 1973-July 1974 (stitching operations for men's and women's)
      - **STANTON, KY. plant (closed)**
        Open January 1967-March 1974 (women's dress and sport)
      - **WEST LIBERTY, KY. plant**
        Production began May 1965 (*** women's dress and sport,*** girls'; 6 months ago, *** girls)
    - **THE SHOE INN, INC.**
      Ohio--1971--wholly owned subsidiary
    - **THE SHOE INN, INC., W. VA.**
      West Virginia--1971--wholly owned subsidiary
    - **WMC, INC.**
      Minnesota--August 1973--wholly owned subsidiary
    - **FLORIDA WMC, INC.**
      Florida--August 1973--wholly owned subsidiary
    - **WMC, INC. (TEXAS)**
      Texas--August 1973--wholly owned subsidiary
    - **N5808 M, INC.**
      Ohio--wholly owned subsidiary
  - **MARTIN YALE INDUSTRIES, INC.**
    Became wholly owned subsidiary of Williams December 1971
    - **TECHNAMATIC CORP.**
      Merged with Martin Yale, Dec. 31, 1973
    - **A.I.B. BUILDING CO.**
      Merged with Martin Yale Dec. 31, 1973
    - **RAPCO, INC.**
      Merged with Martin Yale, Dec. 31, 1973
    - **FRANKLIN SPAULDING CORP.**
      Merged with Martin Yale, Dec. 31, 1973
    - **PHOTO MATERIALS CO.**
      Merged with Martin Yale, Dec. 31, 1973
    - **MARTIN YALE INTERNATIONAL SALES, INC.**
      Wholly owned subsidiary of Martin Yale Industries, Inc.
  - **WDI, INC.**
    Formed in 1971 as a wholly owned subsidiary of Williams. Merged into Escalade March 1973
  - **INDIAN INDUSTRIES, INC.**
    Feb. 7, 1973, acquired by Williams
    - **HARVARD TABLE TENNIS, INC.**
      Sept. 30, 1973--wholly owned subsidiary of Indian Industries, Inc.
  - **ESCALADE, S.A.**
    Chartered in Brussels in early 1974

stockholder, controlling 329,936 shares, or 13.97 percent. She was the wife of one of the deceased founders of The Williams Manufacturing Co., Mr. Forest L. Williams, Sr., and the mother of Mr. Forest L. Williams, Jr. (chairman of the board of Escalade and temporary president and chief executive officer of Williams) and of Mrs. Karen Fox (whose husband, Mr. Gerald J. Fox, is a director of Escalade). Mrs. Wiltsee's shares are voted by power of attorney in favor of Mr. Forest L. Williams, Jr. and Mrs. Karen Fox. In addition members of the board of directors controlled 30.33 percent of Escalade's outstanding common stock on March 15, 1974, when the proxy statement was sent out declaring them as nominees for reelection. When questioned by the Commission, Mr. Forest L. Williams, Jr., stated that he would not discuss any information concerning present holdings of stock except that which is already public. Disclosure of the present holdings of stock are the concern of individual stockholders, he further stated. The following table summarizes the position, amount of shares, and percent of total Escalade, Inc., common stock held by each director of Escalade.

Name	Position	Number of shares	Percentage of total Escalade, Inc. stock
1. Stock of Escalade, Inc., held by officers of The Williams Manufacturing Co., who are also directors of Escalade, Inc.			
Forest L. Williams, Jr.	Chairman of the board, acting president, and chief executive officer	150,475	6.4
Forrest H. Cleave	Vice president--administrative	19,407	.8
2. Stock of Escalade, Inc., held by board of directors of Escalade, Inc.			
Henry K. Bader	Former chairman of board	37,184	1.6
Martin D. Blanc	Executive vice president of Martin Yale Industries, Inc.	45,795	1.9
Yale A. Blanc	President of Martin Yale Industries, Inc.	62,712	2.7
Gerald J. Fox	Account executive--E. F. Hutton & Co., Inc.	10,948	.5
Robert E. Griffin	President of Indian Industries, Inc.	29,355	1.2
Blaine E. Matthews, Jr.	Investor	147,748	6.2
John D. Monroe	Former president of Escalade Inc. and The Williams Manufacturing Co.	12,272	.5
Lee R. Mortimer	President of Escalade, Inc.	46,579	2.0
Arthur H. Rau	Former vice president--finance of Escalade, Inc.	18,744	.8
A. Graves Williams, Jr.	Vice president of Irwin Auger Bit Co.	99,046	4.2
Paul G. Williams, Jr.	President of U.S. Tool Grinding, Inc.	36,398	1.5
3. Stock of Escalade, Inc., voted by power of attorney in favor of Mr. Forest L. Williams, Jr., and Mrs. Karen Fox.			
Evelyn B. Williams Wiltsee	No official position (mother of Mr. Williams and Mrs. Fox)	329,936	14.0
Total		1/ 1,046,599	44.3

1/ Total number of shares outstanding as of Apr. 4, 1974: 2,362,554 shares.

Source: Compiled from proxy statement contained in an official report submitted to the Securities and Exchange Commission by Escalade, Inc.

In addition to Williams, the Escalade corporate structure contains three other wholly owned subsidiaries and one chartered overseas subsidiary which handles exports of nonfootwear products. Presently, Escalade does not export footwear. In December 1971 a wholly owned subsidiary of Williams, W-M-Y, Inc., was absorbed as the result of a merger with Martin Yale Industries, Inc. At the time of the merger, Martin Yale controlled six wholly owned subsidiaries, all Illinois corporations. Five of these, A.I.B. Building, Inc., Franklin Spaulding Corp., Photo Materials Co., Rapco, Inc., and Technomatic Corp., merged with Martin Yale, effective December 31, 1973. Martin Yale Sales International continues to operate as a Martin Yale wholly owned subsidiary. Martin Yale produces and sells toys, hobby and craft items, junior athletic devices, amateur photographic equipment, and office machines and equipment.

Indian Industries, Inc. produces and sells table tennis tables, archery equipment, and golf carts.

Escalade, through Indian Industries, acquired Harvard Table Tennis, Inc., a Massachusetts corporation, when it purchased the net assets of Harvard in October 1973. Harvard produces and sells table tennis equipment.

WDI, Inc., merged with and became a wholly owned subsidiary of Escalade in March 1973. WDI was formed in 1971 as a wholly owned subsidiary of Williams for the purpose of examining diversification prospects of the firm. It was a New York based Delaware corporation.

In addition, in early 1974 Escalade, Inc., chartered Escalade, S.A., headquartered in Brussels, Belgium, for the purpose of exporting the company's products.

Corporate structure of The Williams Manufacturing Co.

The Williams Manufacturing Co. was incorporated originally on March 7, 1922, in Ohio by Forest L. Williams, Sr., and his brother, A. Graves Williams, and produced only footwear until it went public with the acquisition of Martin Yale in December 1971. (For further details concerning acquisitions by Williams prior to the formation of Escalade, see the immediately preceding section on Escalade.) The Williams Manufacturing Co. was reincorporated as a Delaware corporation on March 25, 1973.

Williams is presently managed by the board of directors of Escalade. Four of the thirteen directors are executives of either Escalade or Williams. Following the resignation of John D. Monroe, former president of Williams, president of Escalade, and chief executive officer of Williams, on March 1, 1974, there was a substantial realinement of officers at both Escalade and Williams. Mr. Monroe had been with Williams since 1964 and presently performs duties in the styling and sales areas. The following is a list of the principal officers of Escalade, some of whom are also principals of Williams, and their respective offices:

Forest L. Williams, Jr., chairman of the board
Lee R. Mortimer, president, director
John A. Prichard, vice president of finance
Yale A. Blanc, secretary-treasurer, director

The following is a list of the principal officers of Williams, some of whom are also principals of Escalade, and their respective offices:

Forest L. Williams, Jr., temporary president and chief executive officer, chairman of the board of Escalade
Forrest H. Cleave, vice president--administrative, director
M. Edward Wall, executive vice president--operations
George Campbell, vice president--international sales
A. Kurt Renick, vice president--purchasing
Terry Kouns, vice president--sales (makeup)
Allen Rumbaugh, vice president--sales (in stock)
William Rau, secretary-treasurer

The Williams Manufacturing Co. has seven wholly owned subsidiaries in addition to its own operations. One manufactures and sells footwear, five sell footwear at retail, and one was formed solely to handle the operations of the company airplane. Lycoming Shoe Co. was incorporated in the mid-1960's in Ohio; it produces footwear in plants in West Liberty and Beattyville, Ky., both of which are covered by the petition. It formerly operated plants in Stanton and Owingsville, Ky., but these facilities are now closed. The plant in Stanton is covered by the petition.

The Shoe Inn, Inc., incorporated in Ohio, and the Shoe Inn, Inc., incorporated in West Virginia, were established by Williams in 1971 to retail footwear. WMC, Inc., Florida WMC, Inc., and WMC, Inc., Texas, were incorporated in Minnesota, Florida, and Texas, respectively, in August 1973 for the same purpose. N5808M, Inc., is an Ohio corporation established to operate the Williams company plane.

Plants and equipment of The Williams Manufacturing Co.

The Williams Manufacturing Co. owns three buildings and leases part of another in Portsmouth, Ohio. It has a 365,000-square-foot plant--consisting of six stories and a basement--which is still in operation with reduced employment. This building houses both production facilities built in the early 20th century and a modern addition for office space; production began there in 1922. The firm owns two buildings and leases part of another for warehousing and shipping purposes, all of which were also built in the early part of this century. It owns a multi-story, 331,000-square-foot, reinforced-concrete plant and a single-story, 53,000-square-foot, concrete-block plant. The firm also began leasing 50,000 square feet of space in January 1973 to meet its needs for a larger, more efficient warehousing faciltiy for its importing operations.

Through its wholly owned subsidiary, the Lycoming Shoe Co., Williams also leases--with an option to purchase--three identical plants in West Liberty, Stanton, and Beattyville, Ky. All three are one-story concrete-block structures of 52,000 square feet, constructed in the mid 1960's. Production began at West Liberty in December 1965, at Stanton in January 1967, and at Beattyville in May 1967. The Stanton plant closed in June 1974. The plants at West Liberty and Beattyville are operating with reduced employment. Each plant is laid out on the same floor plan, which produces a well-organized, logical flow of materials. Lycoming also managed a small operation-- consisting of a limited number of sewing machines--for stitching uppers in Owingsville, Ky.

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Product and prices

The Williams Manufacturing Co. currently produces women's, misses', men's, and children's dress and casual or sport footwear, mostly of slip-lasted, cement-process construction but with significant amounts of injection-molded footwear. Company officials did not provide information concerning the proportion of production of dress versus casual footwear. In recent years the firm has produced an extremely wide variety of such footwear styles of various heel and sole heights, including dress shoes, casuals, dressy-casual sandals, tailored shoes, platforms, wedges, and tapdancing shoes for misses and children. In 1971 and 1972 the firm marketed about 100 styles and in late 1973 and early 1974 reduced that number to about 40 styles. * * *

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Styles for misses and children often reflect the fashion of women's footwear.

The footwear uppers produced by Williams are made almost exclusively of vinyl, with the remainder of urethane and an extremely small amount of fabric. The firm gradually changed from all-leather uppers beginning in 1964 to those of manmade materials by 1969 or 1970. The heels and soles are made of a variety of manmade materials, crepe, and rubber.

The women's, misses', and children's shoes produced by Williams retail now from $9 to $18 a pair, compared with $6 to $11 a pair 5 years ago. Company officials feel that such footwear is designed primarily for the "young fashion" market--from preteens to women about 40 years old. They have begun to emphasize "trendy" shoes but do not consider themselves as a "high fashion" producer. In 1963 and 1964 they began to deemphasize production for volume markets such as the one for inexpensive sandals.

In late 1972 and early 1973, Williams produced a girls' and boys' line of footwear which they called Disney World. It registered significant sales but was discontinued because, a company official stated, the line required too "magnificent" a promotion effort.

Also during 1972, Williams began production of a lower priced injection-molded line of women's and girl's footwear which retailed for $5 to $8 a pair and presently retails for $9 to $12 a pair.

Williams produced and imported women's fashion boots in response to the demand for such boots, especially from 1968 to 1972. Most imported boots had leather uppers, while those produced domestically had mostly vinyl or urethane uppers (the so-called stretch-boot style). Williams does not produce or import boots at present.

Williams presently purchases boys' and infants' shoes from other domestic manufacturers for resale under Williams' brand names at retail prices of $10 to $15 a pair. Formerly such purchases included women's and some men's shoes which the company felt complemented its own product line.

Williams imports footwear from Italy, Spain, and Brazil. Such footwear consists mostly of women's inexpensive sandalized shoes with low heels and uppers of leather but has also included warm-lined leather Astro ski boots, leather waffle stompers, leather hiking boots, leather clogs, and leather, vinyl, and urethane dress boots. The company states that these imports complement its product line and could not be profitably produced in this country. Some men's styles also are imported. The imported footwear retails from $4 to $30 a pair.

Production and sales

Certain sales information concerning Escalade and Williams has been gathered from public sources. The table below shows net sales of all footwear by Escalade (The Williams Manufacturing Co.).

Escalade, Inc.: Net sales, by major product category, 1969-73

(In thousands of dollars)

Product category	1969	1970	1971	1972	1973
Footwear	29,634	28,703	29,718	36,541	42,219
Recreational items 1/	1,732	2,018	3,153	4,727	6,401
Toys and hobby items	-	-	-	5,331	6,476
Photo and office machinery	-	-	-	2,999	3,190
Total	31,366	30,721	32,871	49,578	58,286

1/ Data for 1969-71 reflect net sales of such items by Martin Yale Industries, Inc., prior to its merger with The Williams Manufacturing Co. on Dec. 25, 1971.

Source: Compiled from data in reports submitted to the Securities and Exchange Commission by Escalade, Inc.

The following tables, based upon data estimated by Williams, show estimated net sales of footwear by The Williams Manufacturing Co., by source of footwear; estimated production of women's, misses', children's, and men's footwear; estimated sales of women's, misses', and children's footwear produced by Williams; and estimated sales of women's, misses', and children's footwear produced by domestic manufacturers other than Williams.

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Data contained in reports filed with the Securities and Exchange Commission (SEC) show that the percentages of gross sales of footwear consisting of shoes purchased from other domestic sources in 1971, 1972, and 1973, were 8, 6, and 8 percent, respectively. The SEC reports also show that the share of gross sales of footwear taken by Williams' unbranded accounts rose from an insignificant amount in 1971 to 3 percent in 1972 and to 19 percent in 1973. Company officials have stated that many of their problems in 1973 were related to excessively rapid entry into the unbranded market.

The company imported women's, misses', and children's footwear and also some men's, boys', and infants' footwear. * * *

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Financial information

In mid 1973 Escalade began to suffer substantial losses, which company officials attributed exclusively to their footwear operations at Williams. The following table, taken from a report submitted to the SEC, tends to support such statements.

Escalade, Inc.: Income or (loss) before income taxes, extraordinary credit and effect of accounting change, 1/ 1969-73

(In thousands of dollars)

Item	1969	1970	1971	1972	1973
Footwear	2,422	1,888	2,086	2,642	(2,660)
Recreational items	(87)	(232)	(40)	342	480
Toys and hobby items	-	-	-	773	265
Photo and office machines	-	-	-	271	276
Nonallocated expenses	-	-	-	-	(588)
Total	2,335	1,656	2,046	4,028	(2,227)

1/ Escalade changed its accounting system effective at the beginning of 1973 in order to make inventory reflect current market values, resulting in a loss of 450 thousand dollars.

Source: Compiled from data in reports submitted to the Securities and Exchange Commission by Escalade, Inc.

Escalade's annual public report showed that Escalade, Inc., the parent firm, suffered a net loss of $1.6 million in 1973 after income taxes, extraordinary credit, and the effect of the accounting change. In addition, figures published in Standard and Poor's and Footwear News show that Escalade, Inc., suffered a decline in sales from $33.6 million in Janur June 1973 to $31.5 million in the same period of 1974. The firm also suffer losses in the first two quarters of 1974 totalling $990,000. The firm attributed such losses to the operations at Williams.

Channels of distribution

Williams has a multiplicity of distribution channels based upon a centralized distribution system. It markets its products to the "mass market." Company officials believe that almost two-thirds of every dollar spent on footwear is spent on that retailing for less than $16. The firm's strongest market, geographically, is an area within a 500-mile radius of its center of operations in Portsmouth, Ohio. The officials feel that the company is competitive in all areas of the country except New England.

Williams' officials said the firm is an "instock" company. It keeps a large inventory of finished articles on hand, in expectation of reorders. Its warehouses in Portsmouth, Ohio, which hold most of its inventory, have a capacity for storing about * * * pairs of shoes. These warehouses also contain a semifinished and raw-material inventory.

Recently, Williams has been attempting to develop a private-label or "makeup" business. The objective of this operation, known as the Wilport Division and begun in July 1971, is to establish Williams as a source for all major retail chains, catalog houses, and mass merchandisers. Williams felt that the increasing power of the large chain retailers made them a segment of the market which it should actively pursue. Management reported, however, that a strong acceptance of its private label line created dislocations in its manufacturing operations. Many delivery dates could not be met, which, along with delivery problems of the firm's own imports, resulted in large numbers of cancellations (7 percent of gross footwear sales in 1971, 7 percent in 1972, and

15 percent in 1973) with subsequent inventory obsolescence. This problem, related problems, and corrective measures taken are discussed further in the "comments by officials" section.

In addition to its private label footwear, Williams markets both footwear manufactured by itself and footwear obtained from other sources. It manufactures footwear both for its private label business and for its own brand names (Hi Brows, Missy Mates, Mighty Mates, Swingers, Side Shows, Play Rights, Murray Street, and (formerly) Disney World). Its main marketing emphasis is on the latter. The footwear that Williams imports directly from Italy, Spain, and Brazil is marketed under its own brand names, for private label sales, and as unbranded merchandise with only the country of origin as a label. In addition, Williams purchases a small percentage of footwear from other domestic manufacturers for resale as brand-name merchandise, which is also distributed through its warehouses in Portsmouth.

In order to service customers, Williams maintains a full-time, commissioned, national sales force. Eighty salesmen are currently employed, compared with 77 in 1973, 58 in 1972, and 67 in 1971. These salesmen market Williams' footwear to major department stores, chain retailers, small independent shoe stores, and its own retail outlets. The firm offers retailers volume discounts ranging from *** to *** percent. Of these various retail outlets, the small independent shoe stores account for the majority of customers, despite an increasing emphasis on expanding relations with the "giant retailers." In 1973 no single customer accounted for more than 9 percent of the total volume of footwear sold, as opposed to 3 percent in 1972 and 5 percent in 1971.

In an attempt to increase its footwear business through direct distribution, to complement established distribution channels, Williams began developing its own retail outlets in 1971. These stores, the Shoe Inns, are designed as self-service, family-type stores and are located in market areas where there are few retail outlets selling in their price brackets. The average area of these stores is 1,500 square feet. Williams opened 3 stores in 1971, 4 in 1972, and 15 in 1973. There are currently 20 Shoe Inns in operation, in Texas, Flordia, Minnesota, Ohio, Kentucky, and West Virginia. It has recently begun operating in a leased department. These retail outlets purchase *** percent of their domestic and imported footwear from Williams. However, an official stated that less than * percent of Williams' total volume of footwear sales is made through these retail outlets. Such sales amounted at retail to * * * in 1971, * * * in 1972, and * * * in 1973.

Officials of Williams provided names of selected customers, some of which have increased and some of which have ceased buying or reduced purchases of Williams' women's, misses', and children's footwear during the past 4 years. The following table shows sales of footwear to these customers, as reported by Williams' officials.

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[redacted]

Comments by company officials

In an April 8, 1974, article in Footwear News, Mr. Forest L. Williams, Jr., chairman of the board of Escalade and acting president and chief executive officer of The Williams Manufacturing Co., attributed Escalade's losses to problems at Williams. Mr. Williams cited rapidly increasing costs and inordinate airfreight charges on Williams' imported footwear "not adequately covered by price increases." That firm also suffered "abnormal inventory obsolescence," resulting in modifications of accounting procedures so that inventory value would reflect current market conditions. Mr. Williams said that problems of 1973 have continued to affect the firm adversely in 1974 but that such problems have been identified and corrected. They include realinement of management, product lines, and operations- and inventory-control systems. Management changes began on March 1, 1974, when Mr. John D. Monroe resigned as president of Escalade and president and chief executive officer of Williams. Mr. Forest L. Williams, Jr., temporarily assumed responsibility for such duties. Mr. Lee R. Mortimer later became president of Escalade. Williams' vice president of makeup sales, Mr. Terry Kouns, assumed responsibility for the men's division in place of Mr. Jack Kenney. Mr. Frank Hughes, vice president of business planning, left the firm. Mr. M. Edward Wall was named executive vice president of operations, a new post. He had been vice president of manufacturing. Mr. George S. Campbell was named vice president of international sales, also a new position.

Footwear News of April 29, 1974, reported statements made by Mr. Williams at the annual stockholders meeting. He attributed the firm's losses solely to Williams and said that many of the firm's 1973 problems will continue on into 1974.

He is directly quoted as having said: "The greatest amount of problems related to a decision to aggressively enter the make-up or private label business, which is relatively new for us. Although the decision was well-founded, the problems were bigger than anticipated." He went on to say that because of resultant disruption of operations, "we were not getting our product out as fast as costs rose. Footwear in many cases was being shipped at a loss, or at margins severly restricted. Late deliveries resulted in inventory obsolescence at year end." Thus, the firm decided to curtail the magnitude of makeup sales.

Escalade's 1973 annual report states, with respect to the Hi Brow women's line, the largest footwear line: "Our biggest problem with this product line is the continuing decline in the number of footwear retailers and the increasing dominance of the large footwear chains that buy primarily private label footwear." Because of that change in distribution pattern the firm started its private label line. The report further states: "In 1973, the extremely strong acceptance of this line created substantial dislocations in our manufacturing operations which in turn was a contributing factor to our losses." Thus the number of customers was reduced to those with the largest accounts, which the firm considered to be "real growth factors."

The annual report discusses other problems. The installation of a complicated management information system designed to identify problems was so complex it hid them. One problem common to all subsidiaries was Escalade's inability to pass on inflationary costs in price increases. The problem of inflation was aggravated by "an unrealistic marketing mix." In recent years the firm had a proliferation of footwear lines, styles, and sizes. It reported that the accumulated impact of such proliferation occurred in the last half of 1973, causing overtime and inefficient operations. Some delivery dates were not met, leading to abnormally high cancellations and inventory obsolescene. Thus, in the last quarter of 1973, operations on domestic lines showed substantial losses, and even greater losses occurred owing to inventory obsolescence. In addition, Williams' imported lines were in trouble as a result of economic disruption in Spain and Italy. The firm tried to avoid even more costly cancellations by using airfreight during the last few months of 1973 at a cost of $525,000. But cancellations were not completely avoided, causing additional inventory obsolescence of imported footwear.

According to the annual report, the company took steps in early 1974 to preclude recurrence of such problems. Generally it tightened and refined its budgeting and reporting systems to allow quick identification of cost increases and preclude margin erosion. Specifically it cut the number of lines and the number of styles within a line. It instituted cost-cutting programs, which saved $625,000. The inventory-control system was expanded into a new cost-control system. The firm undertook a study to determine the feasibility of becoming a materials supplier for its overseas operations since the biggest problem for Italian manufacturers of its imported footwear in 1973, the firm felt, was the lack of availability of imitation-leather upper material.

When questioned by the Commission concerning these problems, Mr. Forest L. Williams, Jr., stated that everything he wished to say has been made public. He indicated that the company's biggest problem is the sudden drop in domestic demand for footwear. He said that import competition with Williams' domestic line has been and continues to be only one of many company problems. However, he feels that there is no direct cause-and-effect relationship between imports and the firm's losses. He indicated that current market conditions are volatile and that the firm will respond to market demand, which may mean either increased production of domestic lines or increased imports.

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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 item, July 1, 1934, and GATT concessions to Jan. 1, 1972

TSUS item No.	Abbreviated description	Rate of duty: July 1, 1934 1/	Rate of duty: GATT concession 2/: Rate	Rate of duty: GATT concession 2/: Effective date
		Percent ad val.	Percent ad val.	
700.55	Footwear having uppers of supported vinyl.	Principally 20 3/	4/ 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 that became effective up to and including Jan. 1, 1972.

3/ 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 col. 2 rate for item 700.55 is 35 percent.

4/ 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.

Table 2.--Footwear having supported-vinyl uppers for women and misses (item 700.5545): U.S. rates of duty and imports for consumption, 1934, 1/ 1964-73, January-June 1973, and January-June 1974

Period	Rate of duty	Imports		
		Quantity	Value	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1964 2/	3/ 12.5	27,574	12,429	$0.45
1965 2/	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.

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 until the mid-1950's.

2/ Data are partly estimated.

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

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