

UNITED STATES INTERNATIONAL TRADE COMMISSION

FOOTWEAR

**Report to the President
on Investigation No. TA-201-18
Under Section 201 of the Trade Act of 1974**



**USITC Publication 799
Washington, D. C.
February 1977**

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Daniel Minchew, Chairman
Joseph O. Parker, Vice Chairman
Will E. Leonard
George M. Moore
Catherine Bedell
Italo H. Ablondi

Kenneth R. Mason, Secretary to the Commission

This report was principally prepared by

J. Gail Burns, Sundries Division
Barbara Guth, Office of Economic Research

assisted by

Bernard A. Peterson, Sundries Division
Thomas L. Donnelly, Accounting Division
William Gearhart, Office of the General Counsel

Charles W. Ervin, Senior Investigator

Address all communications to
United States International Trade Commission
Washington, D. C. 20436

C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Determination of the Commission-----	4
Views of Chairman Minchew, Vice Chairman Parker, and Commissioners Moore and Bedell-----	7
Views of Commissioner Leonard-----	19
Views of Commissioner Ablondi-----	38
 Information obtained in the investigation:	
Introduction-----	A-1
Previous investigations-----	A-4
Description of products-----	A-7
Domestic producers:	
Number of firms and establishments-----	A-10
Major producing areas-----	A-11
Size groups-----	A-13
U.S. producers' efforts to compete with imports-----	A-15
Distribution of U.S. production and imports-----	A-16
The question of increased imports:	
U.S. imports-----	A-19
Ratio of imports to production-----	A-23
Principal supplying countries-----	A-27
Composition-----	A-29
Footwear for women and misses-----	A-35
Footwear for men, youths, and boys-----	A-35
Footwear for children and infants-----	A-35
Work footwear-----	A-39
Athletic footwear-----	A-39
Slippers-----	A-42
Data reported by respondents to importers' question- naire-----	A-46
Data reported by respondents to producers' question- naire-----	A-47
The question of serious injury, or the threat thereof, to the domestic industry:	
Capacity-----	A-48
Domestic production and shipments-----	A-50
Shipments from Puerto Rico-----	A-52
Composition of production-----	A-53
Footwear for women-----	A-53
Footwear for misses-----	A-54
Footwear for men-----	A-54
Footwear for youths and boys-----	A-55
Footwear for children-----	A-55
Footwear for infants-----	A-56
Athletic footwear-----	A-56
Slippers-----	A-56
Work shoes-----	A-56

CONTENTS

	<u>Page</u>
Information obtained in the investigation--Continued	
The question of serious injury, or the threat thereof, to the domestic industry--Continued	
Domestic production and shipments--Continued	
Information obtained from producers' question- naire-----	A-57
U.S. exports-----	A-59
U.S. producers' inventories-----	A-61
U.S. employment-----	A-62
Employee earnings: level and trend-----	A-65
Foreign wage rates-----	A-69
Characteristics of the work force-----	A-70
Productivity-----	A-72
Unemployment-----	A-78
Prices in the U.S. market:	
Pricing practices and markups-----	A-79
Price trends-----	A-80
Wholesale price ranges-----	A-86
Profit-and-loss experience of domestic producers-----	A-87
The question of imports as a substantial cause of serious injury:	
Apparent U.S. consumption-----	A-90
Imports and market penetration-----	A-94
Domestic and import prices-----	A-97
Appendix A. Part 1A of Schedule 7 of the Tariff Schedules of the United States Annotated (1976)-----	B-1
Appendix B. Statistical tables-----	C-1
Appendix C. * * *	D-1

CONTENTS

Appendix Tables

	<u>Page</u>
1. Nonrubber footwear (including zoris and paper slippers): U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 3-year averages 1954-62, annual 1963-75, January-September 1975, and January-September 1976-----	C-2
1a. Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 3-year averages 1954-62, annual 1963-75, January-September 1975, and January-September 1976 -----	C-3
1b. Footwear (including canvas footwear, zoris and paper slippers): U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 1963-75, January-September 1975 and January-September 1976 -----	C-4
2. Nonrubber footwear for women and misses (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976 -----	C-5
3. Nonrubber footwear for men, youths, and boys (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976-- -----	C-6
4. Nonrubber footwear for children and infants (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976-----	C-7
5. Work footwear: U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976-----	C-8
6. Athletic footwear: U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976-----	C-9
7. Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-10

CONTENTS

	<u>Page</u>
7a. Nonrubber footwear: U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-11
8. Footwear of leather: U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-12
9. Certain footwear of rubber or plastics (TSUS item 700.55-- including zoris): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-13
9a. Certain footwear of rubber or plastics (TSUS 700.55-- excluding zoris): U.S. imports for consumption by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-14
10. Other nonrubber footwear (including paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-15
10a. Other nonrubber footwear (excluding paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976-----	C-16
11. Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by types, 1971-75, January-August 1975, and January-August 1976-----	C-17
11a. Nonrubber footwear (excluding zoris and paper slippers): U.S. imports for consumption, by types, 1971-75, January-August 1975, and January-August 1976-----	C-18
12. Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by selected TSUS items, 1971-75-----	C-19
13. Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by types and TSUSA items, 1974 and 1975-----	C-20
14. Nonrubber footwear: Imports by respondents to importers' questionnaire, 1971-75, January-September 1975, and January-September 1976-----	C-25

CONTENTS

	<u>Page</u>
15. Nonrubber footwear: Imports by respondents to producers' questionnaire, 1971-75, January-September 1976-----	C-27
16. Nonrubber footwear: Shipments from Puerto Rico to the United States, by types, 1965-75-----	C-29
17. Nonrubber footwear: U.S. production, by types, 1968-75, January-August 1975, and January-August 1976-----	C-30
18a. Nonrubber footwear: U.S. production, by size-of-output and type of footwear produced, 1975-----	C-31
18b. Nonrubber footwear: Percentage distribution of U.S. production, by size-of-output and type of footwear produced, 1975-----	C-32
18c. Nonrubber footwear: U.S. production by types, 1975, January-September 1975, and January-September 1976-----	C-33
19. Nonrubber footwear: U.S. exports of domestic merchandise by principal markets, 1970-75, and January-August 1976---	C-35
20. Total U.S. employment in all manufacturing and average number of all employees, production workers, and women employees engaged in the production of nonrubber footwear, 5-year averages 1960-74, annual 1973-75, January-November 1975, and January-November 1976-----	C-36
21. Total employment, production workers and women employees engaged in the production of footwear, annual 1970-75, January-August 1975 and January-August 1976-----	C-37
22. U.S. employment in the production of nonrubber footwear and index of such employment, by principal producing States, selected years 1967-75, January-July 1975, and January-July 1976-----	C-38
23. Average hours, total and overtime, worked per week by production workers in all manufacturing and in the production of nonrubber goods and nonrubber footwear, 5-year averages 1960-74, annual 1973-75, and January-August 1976-----	C-39
24. Average hourly and weekly earnings of U.S. production workers in all manufacturing and in the production of nonrubber goods and nonrubber footwear, 5-year averages 1960-74, annual 1973-75, January-August 1975, and January-August 1976-----	C-40

CONTENTS

	<u>Page</u>
25. Real hourly and weekly earnings of U.S. production workers in all manufacturing and in the production of non-durable goods and nonrubber footwear, (using 1970 as base year), 1970-75, January-August 1975, and January-August 1976-----	C-41
26. Hourly earnings of production workers and estimated total compensation per hour worked in specified industries related to footwear in 8 countries, 1970-76-----	C-42
27. Average monthly labor turnover rates per 100 employees in all U.S. manufacturing and in the production of non-rubber footwear, 1970-75, and January-June 1976-----	C-44
28. Value added by manufacture per employee, in all U.S. manufacturing and in the production of nondurable goods and nonrubber footwear, and index of such value added, 1960-74-----	C-45
29. Expenditures per production worker for new plant and equipment, in all U.S. manufacturing, and in the production of nondurable goods and nonrubber footwear, and index of such expenditures, 1960-74-----	C-46
29a. Value of rented and owned assets per worker, U.S. and nonrubber footwear industry averages, 1968-72-----	C-47
30. Number of insured unemployed persons in all U.S. manufacturing and in the production of nondurable goods and leather and leather products (SIC No. 31), total, percent distribution, and as a percent: of insured unemployment (rate), monthly average 1970 to 1975 and by quarters January 1974-February 1976-----	C-48
31. Insured unemployed persons: Percent in manufacturing and in the production of nondurable goods and leather and leather products (SIC No. 31) claiming under 5 weeks and over 14 weeks of unemployment, monthly averages 1970 to 1975, and by quarters January 1974 to February 1976---	C-49
32. Indexes of U.S. wholesale prices for footwear and other selected commodities, 1960-75 and January-August 1976---	C-50
33. Indexes of U.S. consumer prices for footwear and other selected commodities, 1960-75 and January-August 1976---	C-51

CONTENTS

	<u>Page</u>
34. Wholesale price indexes for substitutes for leather-- polyvinyl chloride, rubber heels and soles and synthetic rubber, 1970-75, January-August 1975, and January- August 1976-----	C-52
35. Real consumption expenditures in the United States, total and per capita, for all goods and services, for footwear, and for clothing, 1970-75-----	C-53
36. Wholesale price indexes for total footwear, women's and misses' domestic footwear, and women's and misses' imported footwear, 1970-75, January-August 1975, and January-August 1976-----	C-54
37. Profit-and-loss experience of producers of footwear on total establishment operations in which footwear was produced for the year 1975 and two 6 month periods for 1975 and 1976-----	C-55
38. Profit-and-loss experience of producers of footwear on footwear operations only for the year 1975 and two 6-month periods 1975 and 1976-----	C-57
39. Nonrubber footwear: Percentage distribution of domestic and imported footwear, by types and by price ranges, 1975-----	C-59
40. U.S. wholesale price indexes for nonrubber footwear, by sectors and by quarters, 1970-76-----	C-60
41. Import wholesale price indexes for nonrubber footwear, by sectors and by quarters, 1970-76-----	C-61
42. Wholesale price indexes for domestically produced non- rubber footwear, by quarters, 1970-76-----	C-62
43. Wholesale price indexes for imported nonrubber footwear, by quarters, 1970-76-----	C-63

CONTENTS

Figures

	<u>Page</u>
1. Nonrubber footwear (including zoris and paper slippers): U.S. production, imports, and apparent consumption, 1970-76-----	A-20
1a. Nonrubber footwear (excluding zoris and paper slippers): U.S. production, imports, and apparent consumption, 1970-76-----	A-21
2. Nonrubber footwear (including zoris and paper slippers): Ratio of U.S. imports to domestic production and to con- sumption, 1970-76-----	A-25
2a. Nonrubber footwear (excluding zoris and paper slippers): Ratio of U.S. imports to domestic production and to consumption, 1970-76-----	A-26
3. Nonrubber footwear (excluding zoris and paper slippers): U.S. imports for consumption, 1970-76-----	A-34
4. Nonrubber footwear (other than athletic and work) for women and misses: U.S. production, imports for con- sumption, and apparent consumption, 1970-76-----	A-36
5. Nonrubber footwear (other than athletic and work) for men, youths, and boys: U.S. production, imports for consumption, and apparent consumption, 1970-76-----	A-37
6. Nonrubber footwear (other than athletic and work) for children and infants: U.S. production, imports for consumption, and apparent consumption, 1970-76-----	A-38
7. Work footwear: U.S. production, imports for consumption, and apparent consumption, 1970-76-----	A-40
8. Athletic footwear: U.S. production, imports for consump- tion, and apparent consumption, 1970-76-----	A-41
9. Number of all employees and production workers in non- rubber footwear industry, 1970-76-----	A-64
10. Real weekly earnings of production workers in all manu- facturing and in nonrubber footwear industry, 1970-76----	A-67
11. U.S. wholesale price indexes for footwear and selected commodities, 1960-76-----	A-82

CONTENTS

Figures

	<u>Page</u>
12. Price indexes for the domestic nonrubber footwear industry, and U.S. wholesale price index for all commodities, 1970-76-----	A-101
13. U.S. imports of nonrubber footwear: Price indexes, by categories, 1970-76-----	A-102
14. Price indexes of domestic and imported nonrubber footwear, 1970-76-----	A-103
15. Price indexes of domestic and imported footwear for women, misses, children, and infants, 1970-76-----	A-104
16. Price indexes of domestic and imported footwear for men, youths, and boys, 1970-76-----	A-105

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

REPORT TO THE PRESIDENT

U.S. International Trade Commission,
February 8, 1977.

To the President:

In accordance with section 201(d)(1) of the Trade Act of 1974 (88 Stat. 1978), the United States International Trade Commission herein reports the results of an investigation made under section 201(b)(1) of that act, relating to footwear.

The investigation was undertaken to determine whether--

footwear provided for in items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53 and 700.60), of the Tariff Schedules of the United States (TSUS),

is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Commission instituted the present investigation on October 5, 1976, following receipt, on September 28, 1976, of a resolution of the Senate Committee on Finance directing the Commission to conduct such an investigation and advising that it was the sense of the Committee that there was "good cause" within the meaning of section 201(e) of the Trade Act to reinvestigate the same subject matter within one year of reporting to the President on the results of a like investigation. 1/

1/ The resolution of the Finance Committee reads as follows--

. . . That (a) pursuant to section 201(b)(1) of the Trade Act of 1974, the United States International Trade Commission shall promptly make an

(continued)

The Commission, at the time of instituting the investigation, found the requisite good cause to exist.

Notice of the investigation and hearing was published in the Federal Register of October 12, 1976 (41 F.R. 44756). A public hearing in connection with the investigation was held in Washington, D.C., December 7-9, 1976. All interested parties were afforded an opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 2/

(Continued)

investigation to determine whether footwear is being imported into the United States in such increased quantities as to be a substantial cause [of serious injury], or threat thereof . . . to the domestic industry producing an article like or directly competitive with the imported footwear. For purposes of this resolution, the term "footwear" means articles classified under items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53 and 700.60), of the Tariff Schedules of the United States (19 U.S.C. 1202).

(b) It is the sense of the Committee that changed circumstances, including increasing imports and rapidly deteriorating economic conditions in the domestic footwear industry, constitute good cause, within the meaning of section 201(e) of such Act, to commence an investigation.

2/ Attached to the original report sent to the President, and available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

The information for this report was obtained from questionnaires sent to domestic manufacturers and importers, the Commission's files, other government agencies, the Commission's prior footwear investigation investigation No. (TA-201-7), evidence presented at the hearings, briefs filed by interested parties, and from other sources.

DETERMINATIONS, FINDINGS, AND
RECOMMENDATIONS OF THE COMMISSION

On the basis of its investigation, the Commission determines that footwear, provided for in TSUS items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53, 700.54, and 700.60, and disposable footwear designed for one-time use provided for in item 700.85 1/) is being imported into the United States in such increased quantities as to be a substantial cause of serious injury 2/ to the domestic industry producing articles like or directly competitive with the imported articles.

Findings and Recommendations

Commissioners Minchew, Parker, Moore, and Bedell find and recommend that to prevent or remedy the injury found to exist, it is necessary to impose a tariff-rate quota system for the ensuing five-year period applying to all footwear covered by the Commission's notice of investigation (except zories provided for in item 700.54 of the TSUS; disposable footwear, designed for one-time use, provided for in item 700.85; and athletic footwear as defined in Schedule 7, Part 1A, statistical headnote 1(a), in whatever item provided for, if valued over \$8 per pair) with the existing rates of duty applying to footwear within the quotas, and rates of duty hereinafter specified applying to footwear imports outside the quotas and with

1/ Commissioners Leonard and Ablondi do not except item 700.54.

Commissioner Ablondi does not except disposable footwear designed for one-time use provided for in item 700.85.

2/ Commissioners Moore and Bedell find both serious injury and the threat thereof with respect to the domestic industry concerned.

the quotas established and allocated to countries, subject to rates of duty provided for in rate of duty column numbered 1 of the TSUS as set forth below.

<u>Country</u>	<u>Quota Quantity</u> (1,000 prs.)
Republic of China (Taiwan)-----	88,284
Italy-----	62,603
Spain-----	35,033
Brazil-----	21,324
Republic of Korea-----	9,202
Japan-----	5,855
Hong Kong-----	5,580
Argentina-----	5,328
Mexico-----	4,145
Greece-----	3,238
France-----	2,965
India-----	2,924
Romania-----	2,817
Austria-----	2,746
Canada-----	2,534
Yugoslavia-----	1,784
Poland-----	1,677
West Germany-----	1,668
Colombia-----	1,164
United Kingdom-----	896
Ireland-----	785
Switzerland-----	363
All other-----	2,667
Total-----	265,582

All imports outside the specified quota quantities should be assessed with rates of duty as follows:

For the first 3 years-----	40% <u>1/</u>
For the fourth year-----	30%
For the fifth year-----	20%

If our recommended, or similar, tariff-rate quota system should be proclaimed, we suggest that the Commission should, where appropriate,

1/ Commissioner Minchew finds and recommends that the over-quota rate should be staged down to 35 percent in the third year.

initiate an investigation under section 203(i) of the Trade Act of 1974 to determine whether the country allocations should be relaxed to provide equitable allocations for new entrants to the U.S. market.

Commissioner Leonard finds and recommends that the imposition of duties as follows, in lieu of existing rates of duty, is necessary to remedy the serious injury:

Footwear provided for in TSUS items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53, and 700.60, and disposable footwear designed for one-time use provided for in items 700.85):

<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>
<u>year</u>	<u>year</u>	<u>year</u>	<u>year</u>	<u>year</u>
30%	30%	28%	25%	20%

Commissioner Ablondi finds and recommends that adjustment assistance under Chapters 2, 3, and 4 of the Trade Act of 1974 can effectively remedy the serious injury suffered by the domestic footwear industry.

Views of Chairman Daniel Minchew, Vice Chairman
Joseph O. Parker, and Commissioners George M. Moore
and Catherine Bedell

The present investigation, conducted under section 201 of the Trade Act of 1974 (19 U.S.C. 2251), was instituted by the United States International Trade Commission on October 5, 1976, to determine whether footwear, provided for in items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53, and 700.60), of the Tariff Schedules of the United States (TSUS), is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles.

The Commission instituted the investigation following receipt, on September 28, 1976, of a resolution 1/ by the Committee on Finance of the United States Senate directing the Commission to conduct such an investigation and advising that it was the sense of the Committee that there was "good cause" within the meaning of section 201(e) of the Trade Act to reinvestigate the same subject matter within 1 year of reporting to the President on the results of a like investigation. The Commission, at the time of instituting the present investigation, determined that such good cause existed.

This is the third escape-clause investigation of imports of footwear which the Commission has conducted since 1971. An equally divided Commission reported to the President in January 1971 on investigation

1/ The resolution of the Committee on Finance is set forth in footnote 1 on p. 1 of this report.

No. TEA-I-18, conducted under section 301(b) of the Trade Expansion Act of 1962 1/; the President took no action following receipt of that report. The Commission reported to the President in February 1976 on investigation No. TA-201-7, conducted, as in the present case, under section 201 of the Trade Act of 1974. 2/ The Commission made a unanimous affirmative determination of injury in that case, and three Commissioners (Leonard, Moore and Bedell) recommended that higher tariffs were necessary to remedy the injury, two Commissioners (Minchew and Parker) recommended a system of tariff-rate quotas, and one Commissioner (Ablondi) recommended adjustment assistance. The President, in April 1976, determined that relief should be provided to the domestic footwear industry in the form of adjustment assistance. 3/

The Trade Act of 1974 requires that each of the following conditions be met before an affirmative determination can be made:

- 1) There are increased imports (either actual or relative to domestic production) of an article into the United States;
- 2) A domestic industry producing an article like or directly competitive with the imported article is seriously injured, or threatened with serious injury; and
- 3) Such increased imports of an article are a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

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

2/ *Footwear: Report to the President on Investigation No. TA-201-7 . . .*, USITC Publication 758, 1976.

3/ H. Doc. 94458, Apr. 26, 1976.

Determination and finding

After considering the evidence obtained by the Commission in this investigation, we have determined that footwear of the types under investigation, except zoris provided for in TSUS item 700.54 and disposable paper footwear provided for in TSUS item 700.85, is being imported into the United States in such increased quantities as to be a substantial cause of serious injury 1/ to the domestic industry producing like or directly competitive articles. 2/

Further, we find, pursuant to section 201(d)(1) of the Trade Act, that import restrictions in the form of a tariff-rate-quota system, as heretofore set forth, are necessary to remedy the injury.

The domestic industry

It is our view that the domestic industry which is being seriously injured by the imported articles consists of the facilities in the United States devoted to the production of nonrubber footwear (hereinafter referred to as footwear) like or directly competitive with the imported footwear covered in this investigation. Such footwear includes footwear for women, misses, men, youths, boys, children, infants, work footwear, and athletic footwear.

1/ Commissioners Moore and Bedell have determined that increased imports are a substantial cause of serious injury and the threat thereof to the domestic industry described below.

2/ Zoris and disposable paper footwear comparable to those imported under TSUS items 700.54 and 700.85, respectively, are not produced domestically in significant commercial quantities. These articles will not be further discussed in this opinion.

Increased imports

The first of the three criteria requires a finding that there are increased imports. The Trade Act provides, in section 201(b)(2)(C), that an increase in imports has occurred when the increase is "either actual or relative to domestic production." Thus, the requirement is satisfied when the increase is in actual or absolute terms or when the level of imports is declining in actual terms but is increasing relative to domestic production.

Imports have increased both in actual terms and relative to domestic production in every year since 1968 except 1974. Imports rose continuously from 181.5 million pairs in 1968 to 307.5 million pairs in 1973, declined to 266.4 million pairs in 1974, and increased to 287.7 million pairs in 1975. ^{1/} Imports were 213.8 million pairs for the first 9 months of 1975 and 289.8 million pairs for the first 9 months of 1976. Thus, during the period since the most recent Commission investigation of footwear, imports have increased by approximately 80 million pairs, a 60 percent greater increase than the increase in domestic production. The ratio of imports to production increased from 28 percent in 1968 to 63 percent in 1973, declined marginally to 59 percent in 1974, and increased sharply to 70 percent in 1975. The ratio was 71 percent for the first 9 months of 1975 and a sharply higher 83 percent for the first 9 months of 1976. This evidence clearly shows that the first criterion set forth above is satisfied.

^{1/} All figures in this section are for imports of all nonrubber footwear except zoris and disposable paper footwear.

Serious injury

The second criterion concerns the question of whether the domestic industry is suffering "serious injury, or the threat thereof." The Trade Act does not define the term "serious injury" but instead provides guidelines in the form of economic factors which the Commission is to take into account. Under section 201(b)(2) the Commission is to take into account "all economic factors which it considers relevant, including (but not limited to)--(A). . . , the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, and significant unemployment or underemployment within the industry"

The evidence shows that there is presently a significant idling of productive facilities within the domestic industry. Utilization of capacity, domestic production, and the number of domestic firms and establishments producing footwear have all declined in recent years. Capacity utilization for firms producing footwear was 69 percent in 1975, 4 percentage points lower than the 73-percent level recorded in 1974 and 9 percentage points lower than the 78-percent level recorded in 1972.

The evidence from the most recent data available shows the number of firms producing footwear has declined sharply in recent years, from 597 firms in 1969 to 376 in 1975. Further, the number of producing establishments declined from about 900 in 1969 to approximately 780 in 1975. Thus, a significant number of productive facilities have been idled, and the utilization of capacity in those still producing is declining.

The profit and loss experience of domestic producers of footwear varies widely, with a number of firms (usually the larger firms) operating at a better level of profit. The profit level for the industry as a whole, however, has been low and many firms have been forced out of business. Limited data indicate that there was some improvement in the profitability of the domestic industry during the first 6 months of 1976, accompanying the increase in domestic production. However, this increase was short-lived and domestic production resumed its downward trend in the latter half of 1976. Production during the last 6 months of 1976 declined below the level of production in the corresponding period in 1975.

There is evidence of continuing significant unemployment and underemployment in the domestic footwear industry. Employment in the industry has declined sharply from the 1965-69 average of 205,000 production workers. Employment, as measured by the number of production workers, stood at 164,000 in 1973 and declined continuously to a level of 141,000 in 1975 before increasing to an average of 151,000 for the first 9 months of 1976--still far below the employment level in 1973. The average total hours worked per week by footwear workers, 38.0 in the January-August 1976 period, lags behind the levels for all manufacturing (40.0 hours) and nondurable goods (39.2 hours). Unemployment among workers in the footwear industry is running at an estimated 10 to 12 percent, well above the level of unemployment for all workers. It is evident from the record in this investigation that the second criterion set forth above is satisfied.

Substantial cause

Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." Thus, increased imports must be both an "important" cause of injury and "not less than any other cause." Section 201(b)(2) further provides that in determining "substantial cause" the Commission "shall take into account all economic factors which it considers relevant, including (but not limited to) . . . an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers."

The evidence before the Commission clearly shows increased imports to be a substantial cause of serious injury to the domestic industry. As stated above, imports have increased both actually and relative to domestic production, and the proportion of the domestic market supplied by imports has increased from 26 percent in 1969 to 37 percent in 1974, 41 percent in 1975, and 46 percent in the first 9 months of 1976. 1/

Numerous factors--the recent recession, the inability to keep pace with technological and style changes, and decreased productivity, among others--have been alleged by some witnesses as more important causes than imports of any injury to the domestic footwear industry. We have considered those factors and have concluded that, even though they may have contributed in part, imports have been the most important cause of injury.

1/ Base figures used in calculating percentages exclude zoris and disposable paper footwear.

Both the level of imports and the ratio of imports to consumption have continued to increase in both good and bad economic years. In the one recent year that imports declined--the 1974 recession year--overall domestic footwear consumption declined sharply.

Information available to the Commission shows that the domestic industry is made up of a wide variety of firms with a great diversity in size and efficiency. While many U.S. shoe-producing firms are highly efficient, the record shows that imports generally undersell domestic footwear and are continuing to capture an increasing share of the U.S. market.

Finally, while the labor-intensive nature of the footwear industry may allow some foreign manufacturers to produce short runs of some types of footwear with which domestic producers have difficulty in competing, as a general rule there are no special or inherent style or quality factors in imported footwear.

In view of the above, we conclude that imports are a substantial cause of serious injury and that the third criterion is satisfied.

Conclusion

After considering all of the evidence developed during this investigation, we conclude that all three of the statutory criteria are satisfied and therefore make an affirmative injury determination.

Recommended Relief

Section 201(d) of the Trade Act requires that if the Commission makes an affirmative determination of serious injury or the threat thereof, it must find the amount of import relief necessary to prevent or

remedy such injury or, if it finds that adjustment assistance can effectively remedy the injury, recommend the provision of such assistance.

Pursuant to this section, the remedies which may be recommended are:

(1) an increase in, or the imposition of, a duty or import restriction, or (2) adjustment assistance. The purpose of such relief, as stated by the Senate Finance Committee in its report on the bill which became the Trade Act, is to give the domestic industry "sufficient time to adjust to freer international competition." 1/ Of the alternative remedies authorized by the statute, we have determined that a tariff-rate quota is the most appropriate remedy under the circumstances of this case.

In making our recommendation of relief, we have considered, pursuant to section 201(d)(1)(B) of the Trade Act, whether adjustment assistance can effectively remedy the injury we have found to exist. The firms and workers in the domestic industry are presently eligible for adjustment assistance on an expedited basis as a result of the previous injury determination of the Commission and the action taken by the President. The evidence before the Commission indicates that adjustment assistance, even though available on an expedited basis, has not and in our judgment will not, under existing competitive conditions, provide effective relief to remedy the serious injury found to exist.

In making our determination, we also considered whether either a quota or an increase in the rate of duty on all imports would be the appropriate remedy in the circumstances revealed by the Commission

1/ *Trade Reform Act of 1974: Report of the Committee on Finance . . .*, S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, p. 119.

investigation. An absolute quota could eliminate imports as a competitive force above the level of the quota. This would tend to reduce the incentive for the domestic industry to make vigorous efforts to adjust to import competition. Since footwear is not a fungible product, an absolute quota would, among other things, unnecessarily restrict the consumers' freedom of choice and prevent them from buying imported shoes irrespective of price or the availability in the domestic market of the type of shoes desired, once the quota had been filled.

An increase in tariffs might burden all consumers with additional costs which, in our judgment, are not essential to provide an effective remedy for the domestic industry. It is not necessary to subject all imports of shoes to additional duties in order to provide the domestic industry with improved competitive conditions, reasonable assurance against excessive imports, and the necessary encouragement and opportunity to adjust to freer international trade.

The tariff-rate quota as recommended herein, we believe, will effectively remedy the serious injury found to exist by improving the competitive position of the domestic industry and providing a brake on excessive imports. The domestic industry will have the assurance that, for a period of 5 years, imports in excess of certain specified levels will be subject to additional duties so that the industry may make adjustments as may be necessary to enable it to meet import competition.

Specifically, we recommend that imports of footwear above 265 million pairs, allocated on a country-by-country basis, be subjected to an ad valorem tariff rate of 40 percent for the first 3 years the remedy is

in effect. 1/ This ad valorem rate of duty would be reduced to 30 percent during the fourth year and 20 percent during the fifth year. Thereafter, the ad valorem rate will return to presently existing levels which average about 10 percent on all nonrubber footwear. Under the tariff-rate quota recommended herein, each supplying country will be permitted to export to the United States, without any additional duties above those currently in effect, a quantity of shoes based on the history of exports to the United States during a representative period. Thus, in our judgment, it is likely that the tariff-rate quota we have recommended will require less compensation, if compensation is required under the provisions of the General Agreement on Tariffs and Trade, than might be the situation if either a quota or a general increase in tariffs were recommended.

We recommend that the tariff-rate quota apply to athletic footwear having a value of \$8 per pair or less. Athletic footwear having a value over \$8 per pair consists primarily of special purpose and high-priced athletic footwear which currently accounts for approximately 15 percent of imports of all athletic footwear. Since the determination in the last Commission investigation imports of athletic footwear valued over \$8 per pair, f.o.b. foreign port, have decreased. Thus, the evidence

1/ Chairman Minchew differs with the other Commissioners adopting a tariff-rate quota in that he would reduce the tariff level above the base to 35 percent in the third year. While generally in agreement with Vice Chairman Parker and Commissioners Bedell and Moore as to the need for a period of relative security for the footwear industry early in the remedy period, he feels that the remedy should prepare the domestic industry for a return to import competition. He feels that the shock of a rapid reduction in tariff levels toward the end of the remedy period could have the effect of undoing the positive effects gained during the early period of the remedy.

in the record before the Commission does not indicate that any additional import limitations on such high-priced athletic footwear are necessary to remedy the injury to the domestic industry found to exist.

Views of Commissioner Will E. Leonard

This present investigation on shoes under section 201 of the Trade Act of 1974 is the second investigation of identical scope by the Commission within 1 year. It was instituted on October 5, 1976, a majority of the Commission having determined, pursuant to section 201(e) of the Trade Act, that good cause existed for such reinvestigation within 1 year. Although I voted that good cause did not exist under section 201(e) when the Commission considered that question, I have of course participated in this investigation and made a decision on the issues before the Commission in the investigation.

Determination and finding

Having reviewed the evidence gathered by the Commission in the course of the current investigation on shoes (investigation No. TA-201-18), as well as the evidence gathered in the previous investigation (No. TA-201-7), I determine that the criteria as set forth in section 201(b)(1) of the Trade Act for an industry to be eligible for relief from imports have been met with respect to the imports, except as noted, that are the subject of this investigation. Specifically, I determine that shoes that are the subject of this investigation, except disposable paper footwear provided for in TSUS item 700.85, 1/ are

1/ Disposable paper footwear is designed for one-time use, and neither it nor a directly competitive article is produced in this country in significant commercial quantities. Therefore, imports of such article cannot be a substantial cause of the requisite statutory injury to a domestic industry producing a like or directly competitive article. My determination with respect to such disposable shoes is thus in the negative, and such shoes will not be further discussed in this opinion.

being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing shoes like or directly competitive with such imported shoes.

Further, I find, pursuant to section 201(d)(1) of the Trade Act, that increased rates of duty as set forth later in these views are necessary to remedy the serious injury that I find to exist.

Eligibility for import relief

For my views concerning the definition of the domestic industry and the criteria of increased imports, serious injury, and substantial cause, which criteria must be satisfied if a domestic industry is to be eligible for import relief, the reader is referred to the analysis and conclusions contained in my opinion set forth in the Commission's February 1976 report to the President on shoes. 1/

Since that report was sent to the President on February 22, 1976, additional facts concerning imports, injury, and the cause of injury have come to light. Imports of shoes have continued to increase. Imports 2/ for the full year 1975 were 307.8 million pairs, up from 289.9 million pairs in 1974, and imports for the first 9 months of 1976 were 315.8 million pairs as compared with 231.5 million pairs in the corresponding period of 1975. The ratio of imports to total domestic production of shoes 3/

1/ Footwear: Report to the President on Investigation No. TA-201-7 . . . , USITC Publication 758, 1976, pp. 23-45.

2/ Import figures in these views include data for all shoes defined in the notice of investigation except disposable paper shoes provided for in TSUS item 700.85.

3/ Figures for domestic shoe production include both rubber- and non-rubber-shoe production.

has also increased, from 48 percent in 1974 to 56 percent in 1975, and from 58 percent in the first 9 months of 1975 to 71 percent in the corresponding period of 1976.

A significant number of shoe-production workers remain unemployed. Unemployment among shoe workers is estimated to be about 10 to 12 percent, considerably above the national average. Total shoe-production-worker employment was 170,000 workers in the period January-August 1976, up 6.3 percent over the 160,000 level of the corresponding 1975 period, but well below the levels of recent years--177,000 in 1974, 194,000 in 1972, and 207,000 in 1970, for example.

Levels of profitability for nonrubber-shoe producers, which constitute the bulk of the industry and on which the Commission gathered reliable data, remain unreasonably low for a significant number of firms. The ratio of net operating profit to net sales before taxes for nonrubber-shoe producers has ranged from approximately 5 to 6 percent in recent years, well below the level of 8 to 9 percent for all manufacturers. The nonrubber-shoe industry was somewhat more profitable during the first 6 months of 1976 as compared with the corresponding period of 1975, but there is continuing evidence that a significant number of firms in the industry are unable to operate at a reasonable level of profit.

There is also continuing evidence of a significant idling of productive facilities in the domestic industry, despite some improvement in this indicator during the first 6 months of 1976. Capacity utilization for nonrubber-shoe producers was 69 percent in 1975 (the latest full year for which data were available), 4 percentage points below the 1973 level and 9 percentage points below the 1972 level. Further, the number of nonrubber-

shoe firms and producing establishments declined to 367 and 780, respectively, in 1975, down from 597 and 900, respectively, in 1969. Interim data indicate that there was a minimal net increase in nonrubber-shoe-producing establishments in the first 6 months of 1976.

Argument was made at the Commission's public hearing held December 7-9, 1976, that much of the apparent upturn in the industry in the first 6 months of 1976 was attributable to a shifting to domestic sourcing by shoe retailers anticipating an increase in import restraints as a result of the Commission's last investigation. It was also asserted that a downturn in domestic ordering occurred after April 1976, when the President announced that relief would be in the form of adjustment assistance. Whether the reason for the upturn is as predicated above or whether it results from a lessening of recessionary pressures or other factors, the fact remains that even if the domestic industry is in an improved condition compared with its condition when the Commission last examined it, it is still seriously injured.

Further, imports remain a substantial cause of the serious injury. The ratio of imports to domestic consumption 1/ has continued to rise, from 32 percent in 1974 to 35 percent in 1975, and from 35 percent in the first 9 months of 1975 to 41 percent in the first 9 months of 1976. No important new causes of the injury being experienced by the domestic industry have been posited since the previous investigation on shoes.

In conclusion, the new facts gathered by the Commission since the completion of the previous shoe investigation do not, in my view, alter

1/ Imports include all imported shoes described in the Commission's notice of investigation except imports of disposable paper shoes. Consumption includes all rubber and nonrubber shoes, except disposable paper shoes.

the result that I reached in that earlier investigation, viz., that increased imports of footwear provided for in TSUS items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53, and 700.60, and disposable paper footwear provided for in item 700.85), are a substantial cause of serious injury to the domestic industry producing footwear.

Finding with respect to import relief

Section 201(d)(1) of the Trade Act provides, in part, that if the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in section 201(b)(1), it shall--

(A) find the amount of the increase in, or imposition of, any duty or import restriction on such article which is necessary to prevent or remedy such injury, or

(B) if it determines that adjustment assistance under chapters 2, 3, and 4 can effectively remedy such injury, recommend the provision of such assistance . . .

In view of my determination of serious injury to the domestic shoe industry and the eligibility of the industry for relief, I find that the imposition of duties as follows, in lieu of existing rates of duty, is necessary to remedy the serious injury:

Footwear, provided for in TSUS items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53, and 700.60, and disposable paper footwear designed for one-time use provided for in item 700.85):

<u>1st</u> <u>year</u>	<u>2d</u> <u>year</u>	<u>3d</u> <u>year</u>	<u>4th</u> <u>year</u>	<u>5th</u> <u>year</u>
30%	30%	28%	25%	20%

The domestic industry is now operating at 75 percent of its capacity and had excess capacity of more than 100 million pairs of shoes. It employed about 170,000 people in 1976, but its unemployment rate recently has ranged from 10 to 12 percent. A significant number of firms in the industry are still operating at a loss or at low levels of profit. A continuation of the present trend of increased imports, which is a virtual certainty in the absence of restraints, would only exacerbate the industry's plight; domestic production of shoes would probably decrease in 1977 from the level in 1976 by approximately 17 million pairs, with employment decreasing in 1977 from the number in 1976 by 6,000 workers. 1/

I believe the remedy I propose will relieve the existing domestic industry of the serious injury it is suffering and permit it the opportunity to adjust to the competition of imports. I estimate 2/ that the

1/ The basis for these estimates is as follows: It is believed that total consumption of nonrubber shoes in the United States will continue to increase and should amount to 880 million pairs in 1977, an increase of 30 million pairs above the consumption in 1976. With no remedy, imports would increase to about 437 million pairs in 1977, and domestic production would decline to about 443 million pairs for the domestic market. Exports are estimated at about 5 million pairs in each year. In 1976, the domestic nonrubber-shoe industry produced an estimated 460 million pairs for the domestic market. The average annual output of nonrubber shoes per worker has been almost 3,000 pairs during the last few years. Thus, the 17-million-pair decrease in 1977 that results from subtracting the 443-million-pair projected production in 1977, absent relief, from the 460-million-pair production in 1976 will result in the loss of approximately 6,000 jobs.

2/ The following assumptions are the bases for the cited effects of the remedy I have found required. It is believed that total consumption of nonrubber shoes in the United States will continue to increase and will amount to 880 million pairs in 1977, an increase of 30 million pairs above the consumption in 1976. With no remedy, imports would increase to about 437 million pairs in 1977, and domestic production would decline to about 443 million pairs for the domestic market. Exports are estimated at about 5 million pairs in each year. But a 30-percent tariff on imports would hold imports in 1977 to about 390 million pairs, approximately the same level as in 1976. This decline in imports is based on the assumption

(Continued)

relief I have found necessary to remedy the serious injury would interrupt the trend of increasing imports but would still permit imports for the next year at the approximate level of 1976, thus insuring consumer choice. As a result, the domestic industry could be expected to produce about 47 million more pairs of shoes in 1977 than it would produce if no remedy were provided, or about 30 million pairs more than it produced in 1976. With this increased production, 16,000 more workers would be employed in 1977 than if no relief were granted, or 10,000 more than were employed by the industry in 1976. The general profit picture of the industry would improve as domestic output increased and production facilities were used more extensively. While the gains to the industry that have been outlined here would apply for the first year that the higher duties might be in effect, these gains would be maintained for several years under the remedy I propose, and if serious adjustment efforts are made by the domestic industry, these gains could be maintained for an extended period.

In arriving at the above finding on remedy, I considered the remedy requested by the domestic industry for the imposition of an absolute quota on imports of shoes, such quota set at 287 million pairs annually. That remedy would stimulate a much larger increase in domestic production and put many more thousands of additional workers on the payroll than would my

(Continued)

that one-half of the duty increase is passed on to consumers, and the relative import-domestic price elasticity of demand is -1.33. With consumption of 880 million pairs in 1977 and imports of 390 million pairs, the domestic industry would produce 490 million pairs for the domestic market, compared with only 460 million pairs in 1976. Thus, domestic production of nonrubber shoes in 1977 would be 47 million pairs more than it would be if no remedy were provided, or 30 million pairs more than in 1976. The average annual output of nonrubber shoes per worker has been almost 3,000 pairs during the last few years. Therefore, employment would be about 16,000 more than it would be in the absence of a remedy, and 10,000 more than in 1976.

remedy. In fact, in my opinion, the remedy would provide more relief than is necessary to remedy the injury being experienced, and would have serious adverse effects which the proposed tariff avoids. Not the least of the possible adverse effects of too much relief could be that the domestic industry would not make as serious and strenuous an effort to adjust to the import competition as would be the case if relief were adequate but still required serious adjustment efforts if the benefits were to be maintained for an extended period.

I also considered a lesser remedy than the one I have recommended, namely, the tariff-rate quota recommended by several of my fellow Commissioners. I have doubts, however, that their tariff-rate quota as constructed would sufficiently remedy the serious injury to the domestic industry because the expected increases in domestic production and employment would be only half the increases that would result from raising the duty to 30 percent in lieu of existing rates. Such relief for the domestic industry could not only prove to be ineffective but also remove for some years the possibility of additional remedies for this industry under section 203 of the Trade Act. This is because section 203(j) precludes such remedies for the 2-year period following the termination of any prior remedies.

I further considered the question of whether adjustment assistance, as administered by the Departments of Commerce and Labor, was alone an adequate remedy for the injury being suffered by the domestic industry and concluded that it was not. The injury to the domestic industry, while concentrated among smaller shoe producers, is widespread, and it would require tens of millions of Federal and State dollars to begin to alleviate the injury with

adjustment assistance. Further, because of certification requirements and administrative procedures, relief is slow to reach affected persons and firms, and the industry can ill afford further extended delays in relief. Finally, I would even question the effectiveness of such relief alone, given adequate funding and expeditious provision. For example, workers in the shoe industry are often female, older, and low skilled. If they were not employed by a shoe firm, these workers might not have the qualifications to enter the work force in another industry, and the provision for retraining found in the law relating to adjustment assistance has been utilized only to a limited extent.

Additional considerations

The Commission, pursuant to its statutory authority in investigations such as the subject one, is to find the relief necessary to prevent or remedy serious injury which it determines to exist in the domestic industry. The statutory focus of the Commission's efforts regarding appropriate relief is the domestic industry and what is appropriate to make it healthy again and permit it to adjust to import competition. However, when the Commission's findings on remedy are sent to the President, the President may consider many other policy issues in determining what should actually be the relief provided the subject industry, if any. A list of such considerations is found in section 202(c) of the Trade Act. The following are comments upon some of these considerations for the purpose of aiding the President in determining what relief should ultimately issue.

Adjustment possible.--One consideration for the President to take into account is whether successful adjustment to import competition will occur as

a result of import relief. Of course, successful adjustment is tied to many considerations, not the least of which is the actual relief granted and its adequacy in deflecting competition to permit adjustment. Assuming adequate relief, there is evidence that the domestic industry will make adjustments.

Import competition has been present for the past 20 to 25 years. In an effort to remain competitive, domestic producers tried to provide better service to customers, expanded their sales force, expanded their market areas, consolidated and merged firms and establishments, implemented cost-reducing measures such as pay cuts, increased their quality control and product testing, began importing shoes, and diversified into products other than shoes. Other measures taken by domestic producers to remain competitive include: Building new manufacturing plants and modernizing existing plants, adopting new manufacturing processes to reduce costs, updating machinery consistently for lower operating costs, converting plants from declining processes and styling features to those growing in popularity, increasing frequency of style changes to meet fashion and lifestyle changes, broadening the product line, and concentrating on productivity improvements to reduce product cost.

There is reason to expect that these efforts will continue during any period of import relief. I have been impressed with the fact that domestic shoe manufacturers and workers are well aware that any period of import relief granted as a result of this investigation may well be the last opportunity they will have to adjust to import competition in an orderly manner. While there is no guarantee that the domestic shoe industry will not deteriorate further, I believe there is a good chance for successful adjustment to competition.

Consumer and other costs.--Regarding the cost to the U.S. consumers of various remedies proposed, in general, the greater is the degree of relief provided to the industry, the higher the cost will be to U.S. consumers. The absolute quota discussed herein would cost U.S. consumers probably in excess of \$1.5 billion in the first year. The remedy I have found necessary, an increase in duties, would cost U.S. consumers about \$340 million in the first year, less than a quarter of the cost of the quota. 1/ Also, in contrast to a quota, a tariff provides Government revenue which will, to some extent, offset the costs to consumers. While the tariff-rate quota found necessary by some Commissioners would cost consumers less than the tariff increase, it also provides substantially less relief. Indeed, if one were to achieve the same level of protection by way of a tariff-rate quota as is provided by the tariff increase I have found required, the cost to consumers under the tariff-rate-quota scheme would actually exceed by approximately \$40 million in the first year the cost of the tariff increase. 2/

1/ It is assumed that half of the duty increase is passed on to consumers in the form of higher prices, resulting in a price increase of 87 cents per pair of imported shoes at the retail level. With imports estimated at 390 million pairs, the cost to consumers of the increased tariff would be about \$340 million. It is further assumed that the domestic industry can expand production by 30 million pairs over 1976 levels without incurring increased unit costs and without the necessity to raise prices because of the expanded output. The domestic industry now has more than 100 million pairs of excess capacity and, even after expanding output by 30 million pairs, would still be operating at only 80 percent of capacity.

2/ A tariff-rate quota, if it were to provide the same protection from imports as a duty of 30 percent, would have a quota base of 160 million pairs. In that event, 160 million pairs would enter at the existing rates, and all imports above 160 million pairs would bear duties of 40 percent. Such a tariff-rate quota would cost consumers about \$380 million, which would be significantly higher than the \$340 million cost of a straight 30-percent duty on all imports. The cost would be higher because only 160 million pairs would enter at the existing duties, while the remaining pairs would enter at the much higher duty of 40 percent.

Further, the administrative costs of a remedy that would raise the duty to 30 percent in lieu of existing rates would be less than the costs of administering an absolute quota or a tariff-rate quota. In both of the latter remedies, the Customs Service would be required to monitor imports by countries and in addition would be required to apply two different duty rates in the case of a tariff-rate quota.

Finally, it should not be overlooked that import restraints can affect levels of activity and employment in the retail trade and at the ports. However, it would appear that both an increase in duty to 30 percent in lieu of existing rates as I find necessary and the tariff-rate quota proposed by the majority of the Commission would neither reduce the present level of consumption nor decrease imports over present levels. Estimated consumption under both the tariff proposal and the tariff-rate-quota proposal would be well ahead of the 850 million figure for 1976. Estimated imports under my tariff proposal would be 390 million pairs in 1977, the same as in 1976, while under the tariff-rate-quota plan, imports in 1977 would climb somewhat above the 1976 figure. Without any relief, imports would climb to approximately 437 million pairs. A quota of 287 million pairs annually, as proposed by the domestic industry, would lead to only a marginal increase in consumption in 1977 over 1976 and an absolute decrease in imports in 1977 of 103 million pairs.

International relations.--Another consideration which the President must take into account is the effect of import relief on the international economic interests of the United States.

The following table gives the 1975 balance of trade with the United States, 1973 gross domestic product (GDP), 1973 shoe exports to the United States, and shoe exports as a percentage of the GDP for the top 23 U.S. shoe suppliers.

1975 balance of trade, 1973 gross domestic product (GDP), 1973 shoe exports, and 1973 shoe exports as a percentage of GDP, by major U.S. suppliers, of shoes 1/

Country	1975 balance of trade with the United States	1973 GDP	1973 shoe ex- ports to the United States	1973 shoe exports to the United States as a percent of GDP
	Million dollars	Million dollars	Million dollars	Percent
Italy-----	-410.3	138,624	360.8	0.26
Spain-----	-1,325.1	70,853	189.2	0.27
Republic of China--	+285.7	10,184	118.7	1.17
Brazil-----	-1,589.1	77,866	81.3	0.10
Republic of Korea--	-318.9	12,458	16.8	0.14
France-----	-866.6	248,922	21.9	0.01
Yugoslavia-----	-67.7	18,926	7.8	0.04
Greece-----	-339.7	16,172	13.9	0.09
Mexico-----	-2,077.8	49,568	14.0	0.03
Canada-----	+410.9	121,376	15.9	0.01
W. Germany-----	+214.9	347,018	17.5	0.01
Poland-----	-340.2	64,500	4.3	0.01
Austria-----	+61.9	27,235	16.6	0.06
Romania-----	-57.6	33,200	8.6	0.03
Ireland-----	-12.6	6,502	6.3	0.10
United Kingdom----	-752.0	174,431	9.9	0.01
Japan-----	+1,859.7	407,918	13.6	<u>2/</u>
Switzerland-----	-273.8	39,829	7.7	0.02
India-----	-741.1	74,645	3.1	<u>2/</u>
Czechoslovakia----	-18.5	41,900	5.2	0.01
Argentina-----	-413.2	36,533	16.7	0.05
Colombia-----	-47.3	10,214	2.9	0.03
Hong Kong-----	+764.6	5,898	21.9	3.71

1/ Includes zoris and paper slippers.

2/ Less than 0.005 percent.

Source: FT990, U.N. Yearbook of National Accounts Statistics, vol.III, 1975, International Financial Statistics, Selected Trade and Economic Data of the Centrally Planned Economies, U.S. Department of Commerce.

In 1975, only 6 countries of the 23 reflected in the preceding table--the Republic of China, Canada, West Germany, Austria, Japan, and Hong Kong--had surpluses in their balances of trade with the United States. Ten of the countries--the Republic of China, Brazil, Hong Kong, Republic of Korea, Yugoslavia, Mexico, Romania, India, Argentina, and Colombia--are considered developing countries for the purposes of the U.S. Generalized System of Preferences. Shoe exports made up less than 1 percent of the gross domestic product for all of the countries except the Republic of China and Hong Kong, but in dollar value they are an important export item to several of the countries.

Compensation or foreign retaliation for imposing restrictions on U.S. shoe imports.--Because of the magnitude of U.S. shoe imports--roughly \$1.5 billion in 1976--and the importance of shoes in exports of the major suppliers, imposition of restrictions by the United States on that trade would probably entail either the payment of compensation by the United States or retaliation by foreign supplying countries. ^{1/} In such cases, compensation normally takes the form of lower duties on U.S. imports of other products, while retaliation would probably involve the imposition of higher foreign import duties, or quantitative or other restrictions, affecting U.S. imports.

The specific products which would be affected and the impact of such actions cannot be positively determined in advance. However, the value of U.S. imports of shoes on which import restraints could be imposed indicates that the compensation demanded of the United States could involve actions with respect to several billion dollars of imports. The precise amount of

^{1/} Retaliation or compensation is permitted under the General Agreement on Tariffs and Trade, to which the United States and virtually all supplying countries are Contracting Parties. The Republic of China is not a Contracting Party.

imports affected and the action required with respect to such imports would vary, of course, depending upon the level of relief. Assuming, for example, that the average duty on shoe imports is raised by 20 percentage points to approximately 30 percent ad valorem, the customary formula for compensation would call for a 20-percentage point reduction in duties on other articles with total imports of about \$1.5 billion. If a rate reduction of this magnitude cannot be made (the average level of U.S. tariffs on dutiable imports in 1975 was below 6 percent ad valorem), then a proportional increase in the trade coverage is expected. Trade restrictions not justifiable under the GATT which currently apply to U.S. exports to some of the supplying countries, particularly the developing nations, may provide offsets to avoid paying some of the compensation which would be demanded.

Listed below are the principal dutiable products, ^{1/} other than shoes, imported from the five top suppliers of shoes. These are possible products which would be involved in the payment of compensation by the United States.

<u>TSUS item</u>	<u>Article</u>	<u>1975 imports</u> <u>(Million dollars)</u>	<u>Ad valorem</u> <u>equivalent</u>
From Italy:			
692.10	Motor vehicles	326.3	3.0
608.87	Plates and sheets of iron or steel, pickled or cold rolled	71.6	8.0
772.51	Pneumatic tires	64.9	4.0
475.10	Crude petroleum 25 ⁰ A.P.I. or more	52.2	.7
167.30	Still wine, not over 14 percent alcohol	44.7	10.0

^{1/} Several of the principal exports of Taiwan, Brazil, and Korea are duty free under the Generalized System of Preferences. Such items are not included in the list of "principal dutiable products."

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975</u> <u>imports</u> <u>(Million dollars)</u>	<u>Ad valorem</u> <u>equivalent</u>
From the Republic of China:			
685.20	Television apparatus	220.1	5.0
382.78	Women's knit wearing apparel, of man-made fibers	192.7	38.5
380.81	Mens knit wearing apparel, of man-made fiber	66.0	39.8
687.60	Electronic tubes, photo- cells, etc.	50.1	6.0
240.17	Philippine-mahogany plywood	45.7	20.0
From Spain:			
772.51	Pneumatic tires	63.9	4.0
148.50	Olives, pitted or stuffed	50.9	6.3
626.02	Zinc, unwrought	18.9	2.1
167.35	Sherry wine	18.1	9.2
791.75	Wearing apparel, of leather, n.s.p.f.	11.5	6.0
167.30	Still wine, not over 14 per- cent alcohol	11.1	14.1
692.50	Motorcycles	9.3	5.0
522.21	Fluorspar	8.9	2.7
176.30	Olive oil, in bulk containers	8.6	3.4
608.87	Plates and sheets of iron or steel, pickled or cold rolled	8.6	8.0
692.27	Body parts for motor vehicles	8.4	4.0
608.84	Plates and sheets of iron or steel, not pickled or cold rolled	8.2	7.5
176.29	Olive oil, other than bulk	7.2	4.6
274.60	Lithographs	6.7	.3
From Brazil:			
685.21	Solid-state radio receivers for motor vehicles	36.6	10.4
475.10	Crude petroleum, 25° A.P.I. or more	9.9	.6
165.35	Citrus fruit juice	9.8	101.0
107.60	Beef and veal, prepared or preserved, n.s.p.f.	9.6	10.0
475.05	Crude petroleum, under 25° A.P.I.	8.9	.5
706.08	Luggage and handbags, of leather	8.4	10.0
475.25	Motor fuel	7.8	4.2
692.20	Bodies and chassis for auto- mobiles, trucks, and motor buses	7.7	4.0

<u>TSUS</u> <u>item</u>	<u>Article</u>	<u>1975</u> <u>imports</u> (Million dollars)	<u>Ad valorem</u> <u>equivalent</u>
687.60	Electronic tubes, photo-cells; etc,	6.9	6.0
170.60	Scrap tobacco	6.8	27.1
607.31	Ferrochromium	6.7	1.7
382.78	Women's knit wearing apparel, of man-made fibers	5.8	40.5
607.80	Ferroalloys, n.e.s.	5.8	5.0
608.71	Wire rods of iron or steel, not tempered	3.8	2.7
121.57	Leather, n.e.s., not fancy	3.3	5.0
366.24	Cotton towels	3.1	14.0
706.05	Leather flat goods	2.9	8.0
335.95	Woven fabrics, of vegetable fibers, n.e.s.	2.1	5.0
320.20	Woven cotton fabrics	2.0	10.5

From the Republic of Korea:

382.78	Women's knit wearing apparel of man-made fibers	114.6	39.0
240.17	Philippine-mahogany plywood	111.8	20.0
687.60	Electronic tubes, photo-cells, etc.	104.5	6.0
772.30	Wearing apparel n.s.p.f., of rubber or plastics	74.9	12.5
380.84	Men's wearing apparel, of man-made fibers, not knit	71.8	34.1
380.81	Men's knit wearing apparel, of man-made fibers	49.6	39.0

In the event supplying countries should choose to retaliate against a U.S. restriction on shoe imports rather than negotiate compensation, the following list of principal U.S. exports in 1975 to the leading shoe suppliers may give some indication of products which could be affected by retaliation.

Principal U.S. exports to Italy:

	<u>Million dollars</u>
Corn, unmilled	328.3
Coal	212.8
Soybeans	182.5
Aircraft and aircraft parts and accessories	143.4
Wheat, unmilled	74.5
Office machines, n.e.c., and office machine parts	66.0

Principal U.S. exports to Italy--ContinuedMillion dollars

Iron and steel scrap	57.5
Woodpulp, sulphate	56.1
Fertilizer, n.e.c.	55.4
Electrical measuring and controlling apparatus, n.e.c.	54.5
Organic chemicals	54.3
Telecommunications equipment, n.e.c.	53.9
Tobacco, unmanufactured	51.2

Principal U.S. exports to the Republic of China:

Soybeans	211.1
Raw cotton	122.7
Aircraft, n.e.c., and aircraft parts and accessories	87.8
Corn, unmilled	82.0
Wheat, unmilled	72.2
Electronic tubes, etc., n.e.c., and parts	55.1
Organic chemicals	51.8
Telecommunication equipment, n.e.c.	41.0
Heating and cooling machinery and equipment and parts	35.8
Pumps, centrifuges, etc., and parts	30.4

Principal U.S. exports to Spain:

Corn, unmilled	404.7
Soybeans	299.9
Coal	149.3
Iron and steel scrap	132.9
Nuclear reactors and parts, n.e.c.	82.6
Aircraft	60.2
Electrical power machinery and parts	50.6
Machinery and mechanical appliances, n.e.c.	35.6
Office machines, n.e.c., and parts	34.2
Organic chemicals	33.5
Construction and mining machinery, n.e.c., and parts	32.8

Principal U.S. exports to Brazil:

Wheat, unmilled	274.4
Organic chemicals	168.2
Aircraft	145.9
Coal	115.8
Mechanical handling machinery and equipment parts	85.8
Fertilizer, n.e.c.	81.0
Construction and mining machinery, n.e.c., and parts	73.7

Principal U.S. exports to Brazil--Continued

	<u>Million dollars</u>
Motor vehicle and tractor parts and accessories, n.e.c.	72.2
Telecommunication equipment, n.e.c.	71.8
Insecticides, fungicides, and similar products	56.9
Phosphatic fertilizer	55.7
Machine tools for working metal	55.5

Principal U.S. exports to the Republic of Korea:

Wheat, unmilled	269.2
Raw cotton	237.3
Rice	170.7
Electronic tubes, etc., n.e.c., and parts	90.4
Aircraft	83.6
Iron and steel scrap	65.0
Corn, unmilled	43.7
Hides, cattle and horse	34.7
Natural phosphates	30.5

Conclusion

I have carefully considered the evidence available to the Commission in this investigation and have determined that the domestic shoe industry is eligible for relief. Further, I have found that the increase in tariffs proposed is necessary to remedy the serious injury being suffered by the industry. The decision as to what relief actually will be given to the domestic industry is now in the hands of the President, whose considerations in this respect encompass broad national interests beyond the criteria I am permitted to consider in my making my decision.

Views of Commissioner Italo H. Ablondi

On September 28, 1976, the Commission received a resolution of the Senate Finance Committee stating that it was the sense of the committee that "good cause" existed for a reinvestigation under section 201 of the Trade Act of 1974. Subsequently, the Commission determined "good cause" to exist within the meaning of section 201(e) 2/ of the act, and on October 5, 1976, the present investigation was instituted.

Under section 201(e), the Commission is required to determine whether good cause exists to institute a new investigation within 1 year of reporting to the President on the results of a previous investigation under section 201 on the same subject matter. I believe that a request by the President, the Special Representative for Trade Negotiations (STR), the House Ways and Means Committee, or the Senate Finance Committee constitutes sufficient reason and cause for the Commission to undertake an investigation under the circumstances stated in section 201(e). With respect to section 201(e), the Senate report states: 2/

The Committee believes that this exception is necessary for those instances in which an industry can produce, to the satisfaction of the Commission, sufficient new evidence to warrant reconsideration of the case. (Emphasis added.)

1/ 19 U.S.C. 2251(e).

2/ Trade Reform Act of 1974: Report of the Committee on Finance . . . , S. Rept. No. 93-1298 (93d Cong., 2d sess.), 1974, p. 123.

Nowhere is it suggested that the President, STR, Senate Finance Committee, or House Ways and Means Committee are required to produce evidence that reconsideration is warranted.

However, industry representatives are required to include evidence establishing the need for a new investigation with their petitions. ^{1/} With respect to such petitions, the Commission has the authority not to reinvestigate. Such authority is intended to prevent unsuccessful petitioners from forcing the Commission to reinvestigate when to do so would merely duplicate the previous effort without a reasonable basis for reaching a different determination. It thus appears that the intent of the Congress was to reserve to the named congressional committees, the President, and the STR the right to require the Commission to institute an investigation, even when such investigation comes within the provisions of section 201(e).

Determination

Upon review of all the information obtained in this investigation I have determined that footwear is being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing articles like or directly competitive with the imported articles.

Although I have again determined that the criteria for an affirmative determination are satisfied, I am encouraged by the fact that since the

^{1/} Sect. 201(a)(1) states: "A petition . . . for import relief . . . may be filed . . . by an entity, including a trade association, firm, certified or recognized union, or group of workers, which is representative of an industry."

last investigation, conditions within the domestic industry have generally improved. During the first three quarters of 1976, domestic production increased 16 percent over that in the corresponding period of 1975. During the same period, unemployment declined from 13.7 percent to 10.8 percent, and employment of production workers rose by over 8 percent. Profits, though still low for small domestic producers, have increased; for the largest domestic firms, the increases have been substantial. These improvements occurred despite increasing imports and in the absence of import restrictions. I sincerely hope that the improvements realized since the last investigation can be continued and even accelerated in the future.

Adjustment assistance

Addressing the remedy options available to the Commission, the Senate report notes (at p. 123):

. . . The Committee amended the House bill to permit the Commission to recommend adjustment assistance, in lieu of import relief in circumstances in which the Commission determines that such assistance would be a more effective remedy to the serious injury than import relief.

It is further noted (at pp. 125-126):

The Committee bill would require the President to provide import relief whenever the Commission determined that there is serious injury, or the threat thereof, to an industry in the United States unless the Commission recommends that the adjustment assistance offers a satisfactory alternative. . . . This /adjustment assistance/ would afford the President the flexibility to avoid the imposition of import relief restrictions, in any case where the Commission finds that adjustment assistance would be a more effective remedy than import relief.

After reviewing all the information received by the Commission during this investigation, I have determined that adjustment assistance under title II, chapters 2, 3, and 4, would be a more effective remedy for the injury which I have found to exist than import relief and, therefore, recommend the provision of such assistance.

In my opinion, information received since the last investigation provides no basis upon which to change my earlier recommendation. Available evidence continues to support the view that among footwear firms there exists a dual industry, composed, on one hand, of a relatively small number of large, viable, and competitive firms--which account for a substantial share of U.S. output--and, on the other hand, hundreds of small, marginal, and increasingly uncompetitive firms whose output is declining 1/. The injury to the industry caused by imports is confined, in my judgment, to the latter group, yet the proposed remedy will benefit only those large firms capable of expanding their domestic production and thereby reaping the benefits of increased demand for the domestic product that would initially result from the imposition of import restrictions. These firms are clearly not in need of protection against imports. Therefore, I have recommended a remedy that unlike import relief, which provides industrywide protection, would assist only those firms which are actually being injured.

The evidence in this case reveals a direct relationship between firm size and profitability wherein profits increase with production. The following data confirms that conclusion: during the first 6 months of 1976, the ratio of net operating profit to net sales averaged 2.8 percent for firms producing under 200,000 pairs annually, 4.2 percent

1/ The character of the domestic industry has changed very little over the years. As early as 1959, in United States v. Brown Shoe Company, 179 F. Supp. 721, aff'd 370 U.S. 294(1962), Judge Weber described the industry in the following manner:

" . . . A small group of firms control a sizeable segment of the market. These firms definitely set the price and style trends. These firms are better able to meet the style trends and finance the change over. These firms are better able to acquire company owned stores and thus acquire ready-made markets for their production. These firms are better able to meet the changing conditions of the retail markets and to dominate the mass market in the low and medium priced fields."

for firms producing between 200,000 and 500,000 pairs, 4.8 percent for firms producing between 500,000 and 1 million pairs annually, 6.4 percent for firms producing 1 million to 2 million pairs, 7.2 percent for firms with annual production ranging between 2 million and 4 million pairs, and for the largest firms, those producing over 4 million pairs annually, the ratio was 8.2 percent. Significantly, profits of the largest firms nearly doubled during the first 6 months of 1976, compared with profits in the corresponding period of 1975, increasing from 4.2 percent to 8.2 percent; for firms in the smallest size group (under 200,000 pairs) profits increased by only 0.3 percent between the two 6-month periods.

Not surprisingly, the largest producers have been increasing their share of total domestic output. In 1969, firms producing over 4 million pairs annually accounted for 37 percent of total production; by 1975 their share had jumped to 50 percent. In comparison, the percentage of total production accounted for by firms producing under 2 million pairs annually declined by 13 percent, precisely the amount gained by the largest producers. Moreover, while the number of companies in the smaller size categories has declined in recent years, the number of firms in the largest category has remained unchanged.

This data clearly demonstrates that the injury that has occurred has been confined to small- and medium-size producers, and that such injury has worked largely to the advantage of the largest producers, which have continued to expand their share of domestic output while maintaining healthy financial positions.

I believe that if the remedy recommended by the majority was imposed, small- and medium-size producers, already in a tenuous competitive position, would be faced with even greater competitive pressure from the large domestic firms. The result would be a continuation of the deterioration of the smaller firms and a corresponding increase in the share of domestic production held by the largest domestic producers. This conclusion is supported by the unique character and pattern of worldwide footwear production.

Given its relatively low capital requirements and its amenability to the use of unskilled labor, the worldwide footwear industry behaves in a remarkably footloose manner. It is a migrating industry, characterized by a never-ending search for new production sites which offer lower labor costs, a fact attested to during the hearings by a representative of the domestic industry in response to a question regarding shifts of production from one area to another:

Mr. Lockridge: . . . May I say we have an inherent situation where I don't care what you are doing in a particular occasion. If you are making shoes over 40 or 50 years in a given locality, or in a particular building, you gradually get into personnel situations that increase your costs as you go along. The more years you operate in a given place, the higher the costs get

Within the United States, the mobility of the industry has been well documented, as a part of the growth of the "Sunbelt," in contrast to the relative decline in the number of production facilities in those areas where footwear production has historically been concentrated. Moreover, the shifting location of footwear manufacturing within the

United States has, of course, been overlaid upon a general and considerable decline in the worldwide industry, the consequence of a broader, international migratory pattern which continues to show footwear makers departing the industrial countries to tap the low-cost, unskilled labor pools of the developing nations.

Italy, a dominant force in the world footwear industry, has failed to generate any substantial growth trend in exports of footwear through the 1970's. Spain, a low-cost area in the midst of the more highly industrialized areas of Western Europe, has fared somewhat better, with a 22-percent average annual growth in exports of footwear between 1970 and 1975. However, the rising stars on the footwear trade scene clearly are countries with still lower costs, including Brazil (30.7 percent average annual footwear export growth between 1971 and 1974); Taiwan (32.4 percent a year, 1969 through 1975); and the Republic of Korea (40 percent a year between 1970 and 1975).

Given the dynamic international footwear-manufacturing environment, it is highly doubtful that the injury remedy proposed by the majority of the Commission in this case--namely a tariff-rate quota--can in fact provide the desired relief to the U.S. nonrubber footwear industry. The proposed remedy will accelerate, rather than slow down the migratory shifts of the industry both in the United States and abroad. The changing locations of economic activity domestically have little to do with imports and import competition; they are rational responses by businessmen to patterns of relative factor costs that are internal to the U.S. economy. Abroad, protective efforts by the United States can only induce foreign footwear manufacturers to intensify their

search for production locations offering costs sufficiently low that they will be able to offer their output at prices low enough to render the above-quota tariff rates inoperable as protective devices. Sooner or later, foreign manufacturers will find a way--i.e., low-cost producing locations--to offer their wares competitively in the U.S. market, thus leaping the above-quota-tariff wall and placing the domestic industry in precisely the same condition that it is in now. That is, the largest producers will continue to compete successfully against imports while the rest of the industry deteriorates under the pressure of competition both from imports and from the dominant domestic firms.

It should also be noted that the footwear most likely to be affected by the majority recommendation would be that which is coming from the Republic of China (Taiwan) and Korea, two countries which have experienced the greatest increase in footwear shipments to the United States since 1974. ^{1/} Hence, in 1977 only 88.3 million pairs from Taiwan and 9.2 million pairs from Korea would be within the quota, numbers far smaller than the estimated 180 million pairs from Taiwan in 1976 and 55 million from Korea. Therefore, the proposed tariff-rate quota would principally affect imports from these two countries, which have a low value. Only a small percentage of U.S. shoe firms manufacture shoes of comparable quality for the prices at which the Taiwanese and Korean shoes sell. Thus, even with the imposition of the higher rates of duty contemplated by the majority recommendation, it is very doubtful that a sufficient quantity of comparably priced shoes could be produced domestically.

^{1/} 1974 is the base year for allocating the quota by country, as specified in the majority recommendation.

Since the burden of duty increases would fall principally on low-priced shoes, it would be the low-income segment of the population which would be most affected by the price rise of such footwear. This places a disproportionate burden of the consumer costs on that segment which is least able to afford it, while higher priced footwear imports (e.g., from Italy and Spain), would be little affected.

It has been less than 10 months since the President announced his decision directing that expedited adjustment assistance be provided to firms and workers in the footwear industry. An attempt to assess the effectiveness of a program on the basis of operations over such a short span of time is both unfair and unwarranted. Economic conditions within the domestic industry have been deteriorating over a period of many years. To think that these economic conditions can be reversed in a period of several months is clearly unrealistic. The impact of trade adjustment assistance will probably not be immediately ascertainable. To a large extent the program's success or failure will rest on the willingness of the industry to take advantage of the assistance provided. That only relatively few firms and worker groups have sought such relief since the President's decision is not, as some have asserted, a relevant index of the program's worth, but rather an indication of the extent to which the domestic industry has heretofore been willing to help itself.

To be effective, the Trade Adjustment Assistance Program requires cooperative action between Government and industry. Although the Government is required to make potential petitioners aware of the assistance program, 1/ firms and workers themselves must initiate the action. In other words, to receive adjustment assistance one must apply

1/ Following the President's decision, the Department of Commerce sent information about the Trade Adjustment Assistance Program to 589 U.S. rubber and nonrubber footwear companies.

for adjustment assistance. Since the President's announcement, only 11 firms have filed petitions with the Department of Commerce for certification, and 55 petitions (through October 1976), have been received by the Department of Labor. These figures represent a very small percentage of all firms and worker groups constituting the domestic nonrubber footwear industry. 1/

As I noted in my opinion in the previous footwear investigation, I believe that insufficient funds have been made available to the Department of Commerce's Trade Adjustment Assistance Program. 2/ In fiscal year 1976, the Department of Commerce budgeted \$17 million for financial assistance for firms and \$3 million for technical assistance for firms. The same amounts have been budgeted for financial and technical assistance for fiscal year 1977 and for the proposed fiscal year 1978 budget. I consider these amounts insufficient to effectively deal with the problems of the footwear industry alone, not to mention the requirements of firms in other industries.

According to the latest official data, 376 firms are producing nonrubber footwear. The vast majority of these firms are small- and medium-size operations and are obvious candidates for the types of assistance available through the program. Under the Trade Act of 1974, the Department of Commerce may provide up to 75 percent of the cost of the development and implementation of recovery plans. Financial assistance may be provided in the form of direct loans not to exceed

1/ For the first 9 months of 1976, the average monthly employment of production and related workers was 150,800. Since the President's decision through October 30, 1976, 55 petitions representing a total of 8,700 shoe workers were received by the Department of Labor.

2/ The budget of the Department of Labor for trade adjustment allowances is open ended. The current revised expected obligation for fiscal year 1977 is \$240 million.

\$1 million, loan guarantees not to exceed \$3 million, or a combination not to exceed \$4 million. To date, under the Trade Act of 1974, five footwear firms have received adjustment assistance totaling \$4,330,000. All of the assistance was in the form of direct loans ranging in amounts from \$700,000 to \$1 million. Given both the number of firms within the industry which may qualify for assistance and the amounts of assistance each firm would require, it is obvious that at current levels the program is seriously underfunded. 1/

Upon announcing his decision of April 16, 1976, the President issued instructions to the Secretary of Commerce to file supplementary budget requests for adjustment assistance funds if necessary to carry out the program. To date, supplementary funds have not been requested. I urge that this be done as soon as possible. Furthermore, I urge the Congress to substantially increase appropriations for the Department of Commerce's program for fiscal year 1978. It is imperative that the industry know that the administration and the Congress are strongly committed to the program as a viable means of remedying the problems of import-impacted industries. That commitment can only be demonstrated by making sufficient funds available to the program to accomplish its objectives. If this is not done and in time the program is not functioning as intended, then adjustment assistance should be eliminated as an option available to this Commission under the act.

1/ The Department of Commerce conducted a study of domestic nonrubber footwear firms to determine the number of firms which have been or likely to be certified eligible for adjustment assistance. In its report to the President, issued March 5, 1976, Commerce estimated that if the President offered adjustment assistance - as did occur - as the only remedy for import injury available, more than 200 firms would petition for certification of which 150 would be found eligible.

In summary, I remain persuaded that through the vigorous application of an adequately funded and properly administrated adjustment assistance program, the problems currently besetting the domestic industry can be alleviated.

Additional information

I believe that the Commission has an obligation to provide the President with information in its possession regarding its remedy recommendations. Specifically, the Commission should apprise the President of its estimate of the impact of import relief on consumer prices as well as certain international consequences.

Section 202(c) of the Trade Act of 1974 provides, in part, the following:

In determining whether to provide import relief and what method and amount of import relief he will provide pursuant to section 203, the President shall take into account, in addition to such other considerations as he may deem relevant--

(4) the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles

(6) the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation.

During the course of its investigation, the Commission expends substantial resources gathering information relating to the above-mentioned factors. Perhaps more than any other agency, the Commission is in a position to provide the President with this information. It is only logical, therefore, that the Commission should include such information in its report in order that the President might be fully apprised of all

information relevant to his decision. The following information is provided for that purpose.

A. The impact of proposed remedies on consumer costs

The major impact of the tariff-rate quota based on 1974 imports will be felt by the Taiwanese and the Koreans. The quota for Taiwan is 88.3 million pairs, while imports in 1976 are estimated at 180 million. For Korea the corresponding figures are 9.2 million pairs and 55 million pairs. This means that not only will there be price increases on imported footwear from these countries, but also domestic footwear producers will be able to take advantage of a higher price setup for their own products without losing their market share. A higher domestic price would raise the costs to consumers of the majority recommendation above \$190 million. For example, for every 1-percent rise in the price of domestically produced footwear resulting from the suggested majority remedy, there would be an additional consumer cost of up to \$70 million. Should domestic manufacturers take advantage of the complete rise in prices of imports by increasing their prices by 5 percent, then the total cost to consumers might rise by as much as \$550 million annually. In an economy in which there is little downward pressure on prices, this could result in a consumer cost over 5-years of up to \$2.7 billion. Furthermore, any shifts from domestically produced footwear to imports would result in increased upward price pressure on imports. The inflationary impact on consumers of price increases in footwear tends to be quite high owing to the relatively inelastic demand for all footwear.

Another likely result of the imposition of a tariff-rate quota would be a shift in the composition of imports from lower priced to higher priced items in order for importers to maintain or increase their margins. The greater this shift, the higher will be the costs to the consumer. Furthermore, the reduced supply of lower priced footwear will probably result in higher prices for this segment of the market. While domestic producers may be able to meet some of the shortfall in lower priced footwear, they will do so at higher prices than currently prevail, for at current prices most domestic footwear producers find it difficult to compete with lower priced imports. It appears that the low-income consumer of footwear bears a disproportionate burden of the consumer costs.

An increase in average duty levels for footwear to 30 percent would result in a substantial cost to U.S. consumers. Upward price pressures would be experienced by all imports. The Commission staff estimates conservatively that the costs of this remedy to consumers would approximate \$340 million. This figure is conservative as it does not project any price increases by domestic producers of footwear. A price increase by the latter of about half the percentage increase estimated for importers would double the estimated consumer costs.^{1/} For a 5-year period this would result in total consumer costs of a range of up to \$3 billion to \$3.5 billion. A tariff increase would increase consumer costs, but these costs would apply to all footwear being imported, rather than impose most of the burden on purchasers of low priced footwear.

^{1/} The Council on Wage and Price Stability estimates indicate an even greater consumer cost. Their projected cost of \$2.4 billion is suggestive of an upper limit, or maximum, impact on consumers for one year.

B. International compensation for imposing restrictions on
U.S. imports of footwear

The current column 1 rates of duty on footwear, with one insignificant exception, were established as a result of concessions negotiated under the General Agreement on Tariffs and Trade (GATT) and are listed in the U.S. schedule of concessions which is annexed to, and is a part of, that agreement. Article II of the GATT specifies that a contracting party shall not impose duties in excess of those in its schedule of concessions under the agreement. Article XI prohibits import restrictions other than duties, except under certain conditions. The "escape clause" of the GATT, article XIX, permits a contracting party to impose higher rates of duty or other import restrictions in certain circumstances, but other contracting parties affected by such actions have the right to suspend the application of substantially equivalent concessions to imports from the country taking the escape action.

Article XIX does not require countries taking escape action to compensate other contracting parties, but the right of affected countries to retaliate has generally been a strong motivation for negotiation of compensation. However, in the present footwear case, which involves possibly as much as 1.5 billion dollars' worth of 1976 imports, both of the alternatives--retaliation or compensation--pose exceptionally difficult problems.

Footwear exports are of critical importance to the principal exporting countries. Footwear is the leading manufactured export from Brazil and Spain and is one of the principal exports from Italy, Korea, and Taiwan, the other major suppliers. The United States is the largest

footwear export market for Brazil, Spain, Korea, and Taiwan, and the second largest for Italy. It must be presumed that imposition of significant restrictions in the form of substantially higher duties or quotas, on trade of such importance to the economies of those countries will entail either immediate retaliation damaging to U.S. exports or the granting of compensatory concessions on a volume of U.S. imports which, depending upon the actual restrictions imposed on footwear, could exceed, by several times, the trade in footwear.

Various considerations enter into the calculation and negotiation of compensation for an escape action, but a general rule for actions involving duty increases has been that compensatory duty reductions equivalent to the duty increases should be made on an amount of trade equal to trade in the articles on which the duty is increased. Thus, if a duty is raised by 20 percentage points on 1.5 billion dollars' worth of imports, a 20-percentage-point reduction is expected on an equivalent amount of imports. If a smaller rate reduction is offered as compensation, a proportional increase in trade coverage is expected, and vice versa. For example, in the above illustration, if only a 10-percentage-point reduction is offered, the expected trade coverage would increase to \$3 billion. Of course, such factors as the specific products on which new concessions are offered, their future trade prospects, and a judgment of the severity of the impact of the trade restrictions which have been imposed in the escape action naturally affect the actual contents on any compensation package ultimately settled on in negotiations.

Again, returning to the present footwear case, if the average level of duties is increased across the board by approximately 20 percentage points, as one Commissioner has proposed, the United States would be expected to offer compensatory reductions of 20 percentage points on approximately 1.5 billion dollars' worth of imports.^{1/} For a rate reduction of this magnitude to be made under the President's present tariff-cutting authority, the current rate would have to be about 34 percent ad valorem. There are relatively few items in the U.S. tariff schedules with such rates. (The average level for dutiable goods, based on 1975 imports, is only 5.8 percent ad valorem.) Hence, the trade coverage of concessions would have to be greatly expanded.

Compensation required for imposition of a tariff-rate quota would possibly be less, depending on the over quota rates. Using the above general rule, however, a rough calculation based on the proposed tariff-rate quota reveals a possible compensation demand for a 30-percentage-point reduction on about 480 million dollars' worth of imports. Given the relatively small rate reductions which actually are possible with current rate levels, the trade coverage on which rate reductions would be expected quickly increases into billions of dollars.

^{1/} These amounts are based on the average level of duties on footwear. Actual duties range from free to 20 percent ad valorem.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

The Commission instituted the present investigation on October 5, 1976, following receipt, on September 28, 1976, of a resolution of the Committee on Finance of the Senate--

. . . That (a) pursuant to section 201(b)(1) of the Trade Act of 1974, the United States International Trade Commission shall promptly make an investigation to determine whether footwear is being imported into the United States in such increased quantities as to be a substantial cause [of serious injury], or threat thereof . . . to the domestic industry producing an article like or directly competitive with the imported footwear. For purposes of this resolution, the term "footwear" means articles classified under items 700.05 through 700.85, inclusive (except items 700.51, 700.52, 700.53 and 700.60), of the Tariff Schedules of the United States (19 U.S.C. 1202).

(b) It is the sense of the Committee that changed circumstances, including increasing imports and rapidly deteriorating economic conditions in the domestic footwear industry, constitute good cause, within the meaning of section 201(e) of such Act, to commence an investigation.

The scope of the Commission's investigation is the same as that requested by the Finance Committee resolution.

Notice of the institution of the investigation and the public hearing was published in the Federal Register of October 12, 1976 (41 F.R. 44756). Notice of the prehearing conference to be held on November 16, 1976, in connection with the public hearing was published in the Federal Register of November 11, 1976 (41. F.R. 49897), and notice of the Commission's order concerning the outcome of the pre-hearing conference was published in the Federal Register of

November 24, 1976 (41 F.R. 51887). In addition, copies of all notices were posted at the Commission's offices in Washington, D.C. and New York City.

The public hearing was held in the Commission's hearing room in Washington, D.C., on December 7-9, 1976. All interested parties were afforded an opportunity to be present, to produce evidence, and to be heard.

At the time of instituting the present investigation, the Commission determined "good cause" to exist within the meaning of section 201(e) of the Trade Act of 1974 (19 U.S.C. 2251(e)) for instituting a new investigation within 1 year of reporting to the President on the results of a previous investigation under section 201 on the same subject matter. The Commission completed investigation No. TA-201-7, Footwear, an investigation of like scope, on February 20, 1976. The Commission unanimously determined that the domestic footwear industry was suffering the requisite injury and the Commissioners recommended that the President provide relief. 1/ On April 16, 1976, the President announced that he had determined that expedited adjustment assistance would be the most effective remedy for the injury suffered by the U.S. footwear industry and its employees and that the provision of import relief involving import restraints would not be in the national economic interest. The President directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance filed by footwear firms producing articles

1/ Chairman Leonard and Commissioners Moore and Bedell recommended that the President proclaim import relief in the form of higher tariffs; Vice Chairman Minchew and Commissioner Parker recommended a system of tariff-rate quotas; and Commissioner Ablondi recommended adjustment assistance. See Footwear: Report to the President on Investigation No. TA-201-7 . . ., USITC Publication 758, February 1976.

covered by the Commission's report and their workers. The President's determination was published in the Federal Register of April 20, 1976 (41 F.R. 16545).

The Commission also announced in its notice of investigation that it intended to expedite its investigation and to submit its report to the President as soon as possible.

Information for this report was obtained from domestic producers, importers, and retailers, from the Commission's files, from other Government agencies, and from other sources. Because of the expeditious nature of this investigation, and since less than 1 year has elapsed since the Commission's previous report and determination, this report will focus primarily on changes in trends and developments that have occurred since the earlier investigation.

Previous Investigations

In recent years, the Commission has conducted a number of investigations on the footwear industry. The Commission reported to the President on February 20, 1976, the results of its investigations made under section 201(b)(1) of the Trade Act of 1974. The investigation was instituted on September 17, 1975, following receipt of a petition for import relief filed by the American Footwear Industries Association, the Boot and Shoe Workers' Union, and the United Shoe Workers of America. 1/ The Commission unanimously found that increased imports were a substantial cause of serious injury to the domestic industry; three Commissioners recommended tariff increases, two recommended tariff-rate quotas, and one recommended adjustment assistance as the appropriate relief to remedy the injury.

On April 16, 1976, President Ford determined that adjustment assistance was the most effective remedy for the injury to the U.S. footwear industry found by the Commission. The President directed the Secretaries of Commerce and Labor to give expeditious consideration to any petitions for adjustment assistance and he directed the Special Representative for Trade Negotiations to monitor U.S. footwear trade.

On January 15, 1969, the Commission issued a report on an investigation (No. 332-56) instituted at the request of the President under section 332 of the Tariff Act of 1930, in which it gathered information

1/ Footwear: Report to the President on Investigation No. TA-201-7
. . . , USITC Publication 758, 1976.

on the economic condition of domestic nonrubber footwear manufacturers, and the effects of imports upon those manufacturers. 1/

In December 1969, the Commission issued a report on an investigation (No. 322-62) supplementing the previous section 332 investigation. This investigation was instituted by the Commission on its own motion to provide a current assessment of trends in domestic production and imports. 2/

On January 15, 1971, the Commission reported to the President on an investigation (No. TEA-I-18) conducted under section 301(b)(1) of the Trade Expansion Act of 1962 (TEA) at the request of the President. The Commission was equally divided on the question of injury and the President took no action as a result of the Commission's report. 3/

The Commission also conducted 155 footwear firm and worker "adjustment assistance" investigations under sections 301(c)(1) (firms) and 301(c)(2) (workers) of the TEA between 1963 and April 1975, when the Trade Act transferred such authority to the Departments of Commerce and Labor respectively. Of these, 128 were worker cases, and 27 were firm cases. The Commission made affirmative findings in 23 of the worker cases and 7 of the firm cases, negative determinations in 79 of the worker cases and 14 of the

1/ Nonrubber Footwear: Report to the President on Investigation No. 332-56 . . . , TC Publication 276, 1969.

2/ Nonrubber Footwear: Report on Investigation No. 332-62 . . . , TC Publication 307, 1969.

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

firm cases, and was equally divided in 26 of the worker cases and 6 of the firm cases.

The Commission has conducted two investigations on footwear under the Antidumping Act, 1921, as amended. The first in 1966, on leather work shoes from Czechoslovakia, resulted in a unanimously negative determination. 1/ The second in 1975, on welt work shoes from Romania, resulted in a negative determination (Commissioners Leonard and Parker dissenting). 2/

The U.S. Treasury Department has conducted a number of countervailing-duty investigations concerning footwear from Spain, Brazil, Argentina, Republic of Korea, and Taiwan. Countervailing duties have been imposed on nonrubber footwear imported into the United States from Spain, Brazil, Korea, and Taiwan. An affirmative finding was made with respect to rubber footwear from Korea; however, the imposition of countervailing duties was waived under the provisions of the Trade Act of 1974. A negative finding was made with respect to nonrubber footwear from Argentina.

The Commission earlier this year conducted an investigation under section 303(b) of the Tariff Act of 1930, as amended, to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of footwear known as zoris from the Republic of China (Taiwan) into the United States after receiving advice from the

1/ Leather Work Shoes from Czechoslovakia: Determination of No Injury or Likelihood Thereof in Investigation No. AA1921-48 . . . , TC Publication 185, 1966.

2/ Welt Work Shoes From Romania: Determination of No Injury or Likelihood Thereof in Investigation No. AA1921-144 . . . , USITC Publication 731, 1975.

Department of the Treasury that a bounty or grant was being paid with respect to imports of such footwear. On September 22, 1976, the Commission made a unanimous negative determination as a result of that investigation. 1/

Description of Products

The imported footwear cited in the notice of this investigation covers a wide variety of footwear, including dress, athletic, and work shoes, boots, sandals, clogs, zoris (which are generally considered to be rubber footwear), and other casual footwear. All of this footwear (except for zoris) is usually referred to as nonrubber footwear. However, all of it will be referred to as nonrubber footwear in this report. The imported footwear excluded in the notice of investigation includes (1) protective-type footwear (rubbers, arctics, galoshes, overshoes, and other footwear of rubber and plastics) described in TSUS items 700.51, 700.52, and 700.53, and (2) certain footwear with uppers of fabric and soles of rubber or plastics described in item 700.60, which includes footwear commonly referred to as sneakers, tennis and basketball shoes, and a variety of slippers, boots, and other footwear designed for leisure, street, or beach wear. 2/

1/ Certain Zoris from the Republic of China (Taiwan): Determination of No Injury or Likelihood Thereof, or Prevention of Establishment in Investigation No. 303-TA-1 . . . , USITC Publication 787, 1976.

2/ Pt. 1A of schedule 7 of the TSUS, which is reproduced in app. A. covers articles of footwear.

Nonrubber footwear is produced by establishments included in industry Nos. 3142, 3143, 3144, and 3149 of the Standard Industrial Classification (SIC). Industry No. 3142 consists of establishments primarily engaged in manufacturing house slippers, and industry No. 3143 consists of establishments engaged in manufacturing men's footwear (other than athletic footwear). Establishments manufacturing women's footwear (other than athletic footwear) are included in industry No. 3144, and establishments manufacturing athletic footwear and footwear for misses, infants, and children are included in industry No. 3149. Both protective-type footwear and certain footwear with uppers of fabric and soles of rubber or plastics are produced principally by establishments in industry No. 3021 (rubber footwear).

In 1975, as well as throughout the past decade, about half the nonrubber footwear produced in the United States was manufactured by the cement process 1/ and slightly more than an eighth, by the welt process. 2/ However, with respect to the upper material used in the manufacture of nonrubber footwear in the United States, there has been a definite shift from leather to the use of manmade materials. In 1975, about half the production of nonrubber footwear was produced with uppers of all leather, compared with two-thirds in 1970 and about three-fourths in 1965. This shift is a result of the increased cost of leather

1/ In the cement process, the outsole is affixed to the upper by an adhesive without sewing.

2/ In the welt process, a welt, a narrow strip of leather, extends around the edge of the thread portion of the sole, and the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole is sewed or cemented to the welt.

and the general acceptance by consumers of uppers of supported vinyl or other manmade materials. With respect to imported footwear, about two-fifths of the total imports during the past decade had uppers of leather.

In general or commercial usage the descriptive terms for footwear (e.g., dress and casual) may have various meanings. Some terms are defined for tariff purposes in the headnotes (including statistical headnotes) to part 1A of schedule 7 (app. A), but there is no standard definition for a dress or casual shoe. Beginning in the late 1960's the footwear market underwent a transformation relating to the changing life style of the consumer. Owing to the decline in strict dress codes and the emphasis on more casual dress, footwear for all persons became subject to frequent and rapid style change. The major fashion change that occurred during this period and continued up until 1975 was the change of interest from the shoe upper to the shoe bottom (sole and heel). With footwear bottoms the main interest in shoe design, soles (platforms) with 1 inch or more in thickness became popular. Although platforms or heavy soles became less extreme by 1973, many of today's shoe designs are modifications of the earlier platform styles. Although fashion continues to be a major factor in footwear, today's consumer is also interested in comfort and shoes that conform to a casual life style. The popularity of wedge-heeled shoes and sandalized footwear reflects this trend. Even though there is still an endless number of styles of shoes on the market, we are in an era of more refined shoes, and a large volume of traditional shoes with single soles is being offered.

Domestic Producers

Number of firms and establishments

Nonrubber footwear is produced in about 36 States, and from all indications the number of firms and establishments producing such footwear has continued to decline in recent years. Data supplied by the Bureau of the Census indicate, as shown in the table below, that the number of firms producing nonrubber footwear declined by about a third between 1969 and 1974. In 1975, 376 firms reported production of such footwear--a decline of 8 percent from the previous year.

Nonrubber footwear: Number of U.S. producing companies, by
SIC product classes, 1969, 1974, and 1975

SIC product class	1969	1974	1975	Net change, 1975 from 1974
Shoes and slippers, except rubber, total--	597	409	376	-33
Shoes, total-----	503	358	328	-30
Athletic <u>1</u> /-----	81	67	66	-1
Men's work-----	79	54	52	-2
Men's (except work)---	122	119	113	-6
Youths' and boys'----	80	63	64	+1
Women's-----	283	214	199	-15
Misses'-----	86	58	57	-1
Children's-----	109	81	77	-4
Infants' and babies'-----	98	75	70	-5
Slippers-----	147	86	80	-6

1/ Includes miscellaneous footwear reported under SIC class 3141798 in 1967 and 1969 and under SIC class 3149400 in 1974.

Source: U.S. Bureau of the Census.

Note.--The sum of the companies for each product class is greater than the total number of producing companies because a single company may produce more than one class of product and would appear in the count of each product class for which it has production.

The number of establishments producing nonrubber footwear in the United States and Puerto Rico has also declined. It is estimated that between 1974 and 1975 the number of establishments producing such footwear in the United States declined from 825 to 780; while in Puerto Rico the number of establishments producing nonrubber footwear declined from about 27 to 24. With respect to production of rubber and plastics footwear in SIC industry 3021, an estimated 85 establishments reported the production of such footwear in 1975 compared with 106 in 1972.

Major producing areas

As shown in the following table, the Middle Atlantic and New England States are still the leading producing areas of nonrubber footwear, even though they registered substantial decreases in production of 26 percent and 46 percent, respectively, from 1965 to 1973, the most recent year for which official statistics are available. During the same time Maine, New Hampshire, and Massachusetts suffered the largest decreases, between 43 and 49 percent. Only Wisconsin, Tennessee, and "other States" (not identified) had increases in production during those years--5 percent, 1 percent, and 23 percent, respectively. In 1973, producers in the Middle Atlantic area accounted for 27 percent of total production; those in New England, for 22 percent; those in the East North Central area, for 12 percent; and those in other divisions, mainly the South and West, for 39 percent.

Footwear: U.S. production, by geographic areas, 1965-73 1/

(In thousands of pairs)

Geographic area	1965	1966	1967	1968	1969	1970	1971	1972	1973		
									Quantity	Percentage share of total	Percentage decrease, 1973 from 1965
United States, total-----	626,227	641,696	599,964	642,422	576,961	562,318	535,777	526,655	488,326	100	22
New England, total-----	200,515	202,972	189,494	198,436	167,795	166,043	147,266	125,820	107,632	22	46
Maine-----	62,048	62,854	57,499	58,364	50,406	51,138	40,258	35,055	31,741	6	49
New Hampshire-----	45,442	46,052	44,698	46,364	38,618	36,990	36,736	31,216	25,364	5	44
Massachusetts-----	83,639	85,368	79,190	85,210	71,167	71,668	64,972	56,216	48,073	10	43
Other States 2/-----	9,386	8,698	8,107	8,498	7,604	6,257	5,300	5,333	2,454	1	74
Middle Atlantic, total---	177,723	179,293	165,077	178,067	156,201	152,408	144,190	144,162	131,856	27	26
New York-----	74,326	74,101	66,366	76,598	62,627	64,091	58,406	56,546	50,928	10	31
New Jersey-----	15,846	16,355	16,508	16,386	15,529	15,276	14,184	15,602	14,565	3	8
Pennsylvania-----	87,551	88,837	80,203	85,085	78,045	73,041	71,600	72,014	66,363	14	24
East North Central, total--	70,042	69,836	64,017	63,287	65,131	62,823	57,710	61,139	59,527	12	15
Ohio-----	19,068	19,716	19,453	16,920	17,916	17,255	16,333	16,710	15,662	3	18
Illinois-----	23,655	22,967	19,164	19,393	19,271	18,466	16,737	18,793	18,616	4	21
Wisconsin-----	14,057	14,695	13,859	14,250	14,303	15,527	14,577	15,078	14,779	3	5
Indiana and Michigan---	13,262	12,458	11,541	12,724	13,641	11,575	10,063	10,558	10,470	2	21
Other divisions, total----	177,947	189,595	185,376	202,632	187,834	181,044	186,611	195,534	189,311	39	6
Missouri-----	53,643	54,227	50,572	56,528	49,325	46,549	46,286	52,164	49,410	10	8
Tennessee-----	37,645	41,641	59,539	40,857	38,432	39,998	42,565	41,833	38,198	8	1
Arkansas-----	20,454	21,641	20,929	21,180	19,402	19,497	18,507	21,143	20,249	4	1
Other States 2/-----	66,205	72,086	72,336	84,067	80,475	75,000	79,253	80,394	81,454	17	23

1/ Data for 1974 are not available.

2/ No further enumeration of States is provided in official statistics for the later years of the table.

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

Size groups

The annual output of companies producing nonrubber footwear in 1975 ranged from less than 1,000 pairs to nearly 22 million pairs per firm. In that year 21 companies, each of which produced at least 4 million pairs, accounted for about 50 percent of the domestic output of such footwear; 65 companies, each producing from 1 million to 4 million pairs, accounted for 29 percent; and 292 companies, each producing less than a million pairs, accounted for 22 percent of the domestic output. The following table shows the number of companies producing nonrubber footwear and their share of the total output, by size of output, in 1969, 1974, and 1975.

Nonrubber footwear: Number of U.S. producing companies, by size of output, 1969, 1974, and 1975

Size-of-output group	Number of companies					Percent of total output				
	1969	1974	1975	Net change		1969	1974	1975	Change in per-	
				1975 over	1974				centage points	1975 over 1974
Less than 200,000 pairs---	192	139	129	-10	2	2	2	2	-	-
200,000 to 499,999 pairs--	146	105	92	-13	8	8	7	7	-1	-1
500,000 to 999,999 pairs--	113	65	71	+6	14	10	12	12	+2	+2
1,000,000 to 1,999,999										
pairs-----	93	57	42	-15	24	17	14	14	-3	-3
2,000,000 to 3,999,999										
pairs-----	32	22	23	+1	15	13	15	15	+2	+2
4,000,000 pairs or more---	21	21	21	-	37	50	50	50	-	-
Total-----	597	409	376	-33	100	100	100	100	-	-

Source: Compiled from data supplied by the U.S. Bureau of the Census.

U.S. producers' efforts to compete with imports

Questionnaire responses from the Commission's previous investigation (No. TA-201-7) indicate that annual expenditures on new plants rose by 25.7 percent from 1970 to 1974, and purchases of machinery and equipment increased by 47.7 percent.

The following tabulation shows capital expenditures for facilities which were used directly or indirectly in the manufacture of U.S. nonrubber footwear during 1975 and 1976. Expenditures on new plants amounted to \$9.2 million in 1975, compared with \$4.7 million in 1976. Expenditures for machinery and equipment dropped from \$13.2 million in 1975 to \$11.2 million in 1976. Expenditures by U.S. producers on new or additional plants, additions to existing plants, and all purchases of machinery and other equipment for 1975 and 1976 are as follows:

	<u>Plant</u>	<u>Machinery and equipment</u> (1,000 dollars)
1975-----	9,234	13,172
1976-----	4,685	11,217

In response to questionnaires, written statements on competitive efforts were reported by 36 U.S. producers. These efforts included better service to customers; expanded sales force; expanded market area; cost-reduction measures such as pay cuts, increased quality control, and product testing; importation of footwear; and diversification into products other than footwear. Producers' statements describing efforts made by their firm or workers in 1976 to compete more effectively in the U.S. market are included in this report in appendix C.

Distribution of U.S. Production and Imports

Information from the Commission's previous report (Investigation No. TA-201-7) shows that more than 85 percent of the quantity of footwear produced by domestic manufacturers during the years 1969-1974 was sold directly to retail outlets. Data obtained from domestic producers of nonrubber footwear 1/ during 1975, January-September 1975, and January-September 1976 showed that 82 percent of the quantity of footwear produced by them was sold directly to retail outlets. Slightly less than 20 percent of producers' sales were through retail outlets owned or leased by either their firm or their parent firm, while nearly 65 percent were through retail outlets owned or leased by other firms.

Data obtained from importers 2/ of nonrubber footwear indicate that 90 percent of imported sales in 1975 were through retail outlets. This pattern has remained relatively stable since 1971. Data on distribution of sales by importers for the January-September 1975-76 periods are not available; it is believed.

The following table shows the percentage distribution of sales of nonrubber footwear by respondents to producers' and importers'

1/ Questionnaire sample represents about half of total U.S. production.

2/ Questionnaire sample represents nearly 40 percent of total U.S. imports of footwear.

questionnaires for 1971-75, January-September 1975, and January-September 1976.

Nonrubber footwear: Percentage distribution of sales by respondents to producers' and importers' questionnaires, by types of market outlet, 1971-75, January-September 1975, and January-September 1976 ^{1/}

Type of market outlet	1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976
By producers:							
Retail stores:							
Owned or leased by firm or parent firm-----	13.1	14.6	14.8	14.0	17.0	17.9	17.2
Owned or leased by other firms-----	73.7	71.2	72.6	72.5	65.1	64.3	64.9
Jobbers or wholesalers-----	10.9	11.5	10.0	10.6	10.0	9.8	10.0
Other-----	2.2	2.7	2.7	2.9	7.9	8.0	7.9
Total ^{3/} -----	100.0	100.0	100.0	100.0	100.0	100.0	100.0
By importers:							
Retail stores:							
Owned or leased by firm or parent firm-----	52.6	55.2	56.9	60.3	45.7	^{2/}	^{2/}
Owned or leased by other firms-----	37.8	34.3	30.0	30.0	44.6	^{2/}	^{2/}
Jobbers or wholesalers-----	6.0	6.9	7.0	6.7	5.1	^{2/}	^{2/}
Other-----	3.6	3.6	6.1	3.0	4.6	^{2/}	^{2/}
Total ^{3/} -----	100.0	100.0	100.0	100.0	100.0		

A-18

^{1/} Data for 1971-74 from investigation No. TA-201-7; data for 1975, January-September 1975, and January-September 1976 from investigation No. TA-201-18.

^{2/} Not available.

^{3/} Because of rounding, figures may not add to totals shown.

Source: Compiled from data submitted in response to questionnaire of the U.S. International Trade Commission by producers and importers of nonrubber footwear.

The Question of Increased Imports

U.S. imports

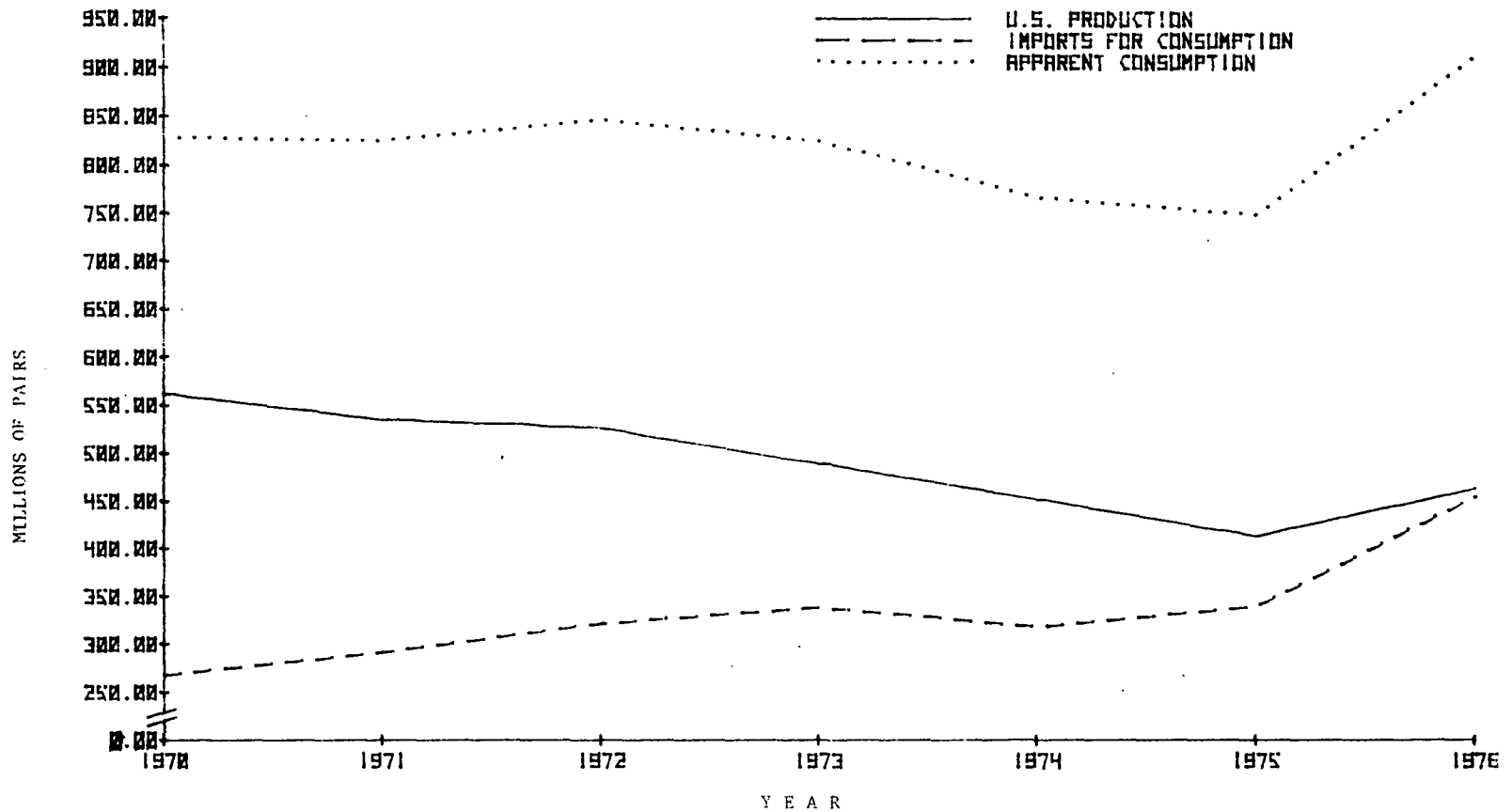
U.S. imports of nonrubber footwear (including zoris and paper slippers), as shown in table 1, in appendix B, have been on an upward trend since the mid-1950's. Such imports rose during the period 1970-75 from 268 million pairs to 340 million pairs--or by nearly 30 percent (figure 1). They continued their climb in January- September 1976 when they amounted to 341 million pairs, compared with 256 million pairs in the same period of 1975--an increase of 33 percent. In terms of value, imports of nonrubber footwear increased sharply from \$563 million in 1970 to \$1.1 billion in 1975. Table 1a and figure 1a show U.S. imports of nonrubber footwear excluding zoris and paper slippers. Table 1b shows production of nonrubber footwear and canvas footwear (sneakers) and imports of all footwear cited in the notice of the investigation.

U.S. imports of zoris--sandal-type footwear of rubber or plastics -- which are provided for in TSUS item 700.54 1/ and thus included in this investigation--have been on a downward path since the mid-1960's. Zoris are worn primarily as beach sandals or shower slippers. Imports of such footwear dropped from 26 million pairs in 1970 to 20 million pairs in 1975. The average unit value of zoris increased during this period from \$0.12 per pair to \$0.32 per pair.

1/ Prior to Jan. 1, 1976, zoris were provided for in TSUSA item 700.5520.

FIGURE 1

Nonrubber footwear (including zoris and paper slippers): U.S. production, imports, and apparent consumption, 1970-76 1/2



A-20

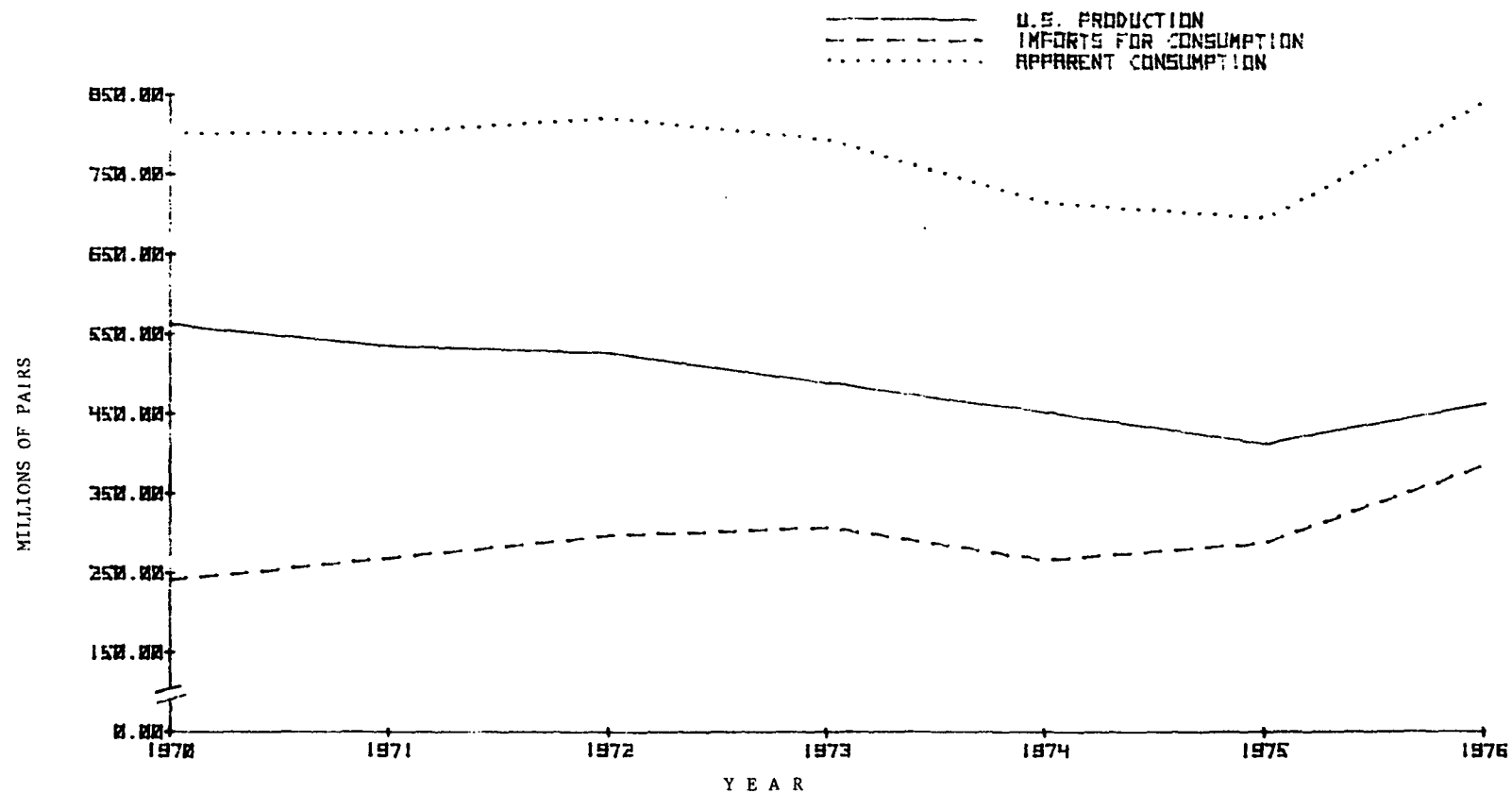
1/ Data on imports includes all imports cited in the notice of investigation.

2/ Annual rate for first 9 months of 1976.

Source: Based on data in table 1.

FIGURE 1a

Nonrubber footwear (excluding zoris and paper slippers): U.S. production, imports, and apparent consumption, 1970-76 1/



1/ Annual rate for first 9 months of 1976.

Source: Based on data in table 1a.

Disposable paper slippers from Mexico are entered under TSUS item 700.85 and are consequently also included in this investigation. ^{1/} Such slippers (which are valued at about 10 cents per pair) amounted to an estimated 8 million pairs in 1973, 28 million pairs in 1974, and 32 million pairs in 1975.

U.S. imports of protective-type footwear, which are provided for in TSUS items 700.51-700.53 and which are not described in the notice of investigation, declined from 15 million pairs in 1970 to 11 million pairs in 1973 and to 4 million pairs in 1975. Part of the decline in 1975 can be attributed to a large volume of imports of protective-type footwear, because of a change in construction, being classified by the U.S. Customs Service under TSUS item 700.60.

U.S. imports of footwear with fabric uppers and soles of rubber or plastics that are provided for in TSUS item 700.60 (and also excluded in the notice of investigation) more than doubled during the past decade. Such footwear consists of tennis oxfords, basketball shoes, footwear commonly referred to as sneakers, slippers, scuffs, and a variety of boots. U.S. imports of such footwear rose from 50 million pairs in 1970 to 74 million pairs in 1975. In recent years, nearly two-thirds of the imports have consisted of slippers, scuffs, and other footwear deemed by the U.S. Customs Service as "not like or

^{1/} Disposable paper slippers were imported in substantial volume beginning in 1973. These slippers, which are worn over shoes, are designed for use as a safety precaution against static electricity in hospitals. They are entered principally under item 807.00 of the TSUS, which means that the duty is assessed only on the value added by the Mexican fabricator. Components of the shoe covering are shipped to fabricators in Mexico for assembly and then returned to the United States.

similar to U.S. footwear" and thus not dutiable on the American-selling-price (ASP) basis of valuation. ^{1/} Imports of such footwear have been on an upward path during the past decade, while imports principally of sneaker-type footwear, dutiable on the ASP basis of valuation, have been on an irregular trend.

The following table shows U.S. imports of nonrubber footwear (except zoris and paper slippers), zoris separately, and footwear admitted under item 700.60 during 1970-75, January-August 1975, and January-August 1976.

Ratio of imports to production

Not only has there been an absolute increase in imports of nonrubber footwear since the mid-1950's, but there has also been an increase relative to domestic production of such footwear (table 1). The ratio of imports to production rose from 48 percent in 1970 to 82 percent in 1975 (figure 2). It was 100 percent in January-August 1976, compared with 88 percent in the same period of 1975. Figure 2a shows the ratio of imports of nonrubber footwear, excluding zoris and paper slippers, to production and consumption for the period 1970-75.

^{1/} Footwear admitted under TSUS item 700.60 and deemed by the U.S. Customs Service as "not like or similar to U.S. footwear" is dutiable at the rate of 20 percent ad valorem. Footwear deemed as "like or similar to U.S. footwear" is dutiable at a substantially higher rate of duty.

Nonrubber footwear, zoris, and certain footwear with fabric uppers and soles of rubber or plastics: U.S. imports for consumption, 1970-75, January-August 1975, and January-August 1976

Period			Footwear with fabric uppers and soles of rubber or plastics		Total
	Nonrubber footwear <u>1/</u>	Zoris <u>2/</u>	Similar to U.S. foot- wear <u>3/</u>	Not similar to U.S. foot- wear <u>4/</u>	
Quantity (million pairs)					
1970-----	242	26	18	32	50
1971-----	269	23	28	34	62
1972-----	297	25	20	38	58
1973-----	308	23	24	42	66
1974-----	266	23	26	41	67
1975-----	288	20	24	50	74
Jan-Aug.---					
1975-----	192	17	18	33	51
1976-----	262	25	20	57	77
Value (million dollars)					
1970-----	559	3	17	57	44
1971-----	678	3	29	33	62
1972-----	835	4	24	33	57
1973-----	975	4	37	42	79
1974-----	981	6	68	64	132
1975-----	1,132	6	69	78	147
Jan.-Aug.---					
1975-----	756	5	50	52	102
1976-----	978	5	66	81	147
Unit value (per pair)					
1970-----	\$2.31	\$0.12	\$0.95	\$0.87	\$0.90
1971-----	2.53	.14	1.02	.96	.99
1972-----	2.81	.14	1.21	.88	.99
1973-----	3.17	.17	1.52	1.00	1.19
1974-----	3.68	.26	2.59	1.56	1.96
1975-----	3.93	.32	2.95	1.55	2.00
Jan.-Aug.---					
1975-----	3.94	.30	2.81	1.59	2.02
1976-----	3.73	.22	2.32	1.43	1.92

1/ Does not include zoris or paper slippers.

2/ Footwear entered under TSUSA item 700.5520 (700.54 in 1976).

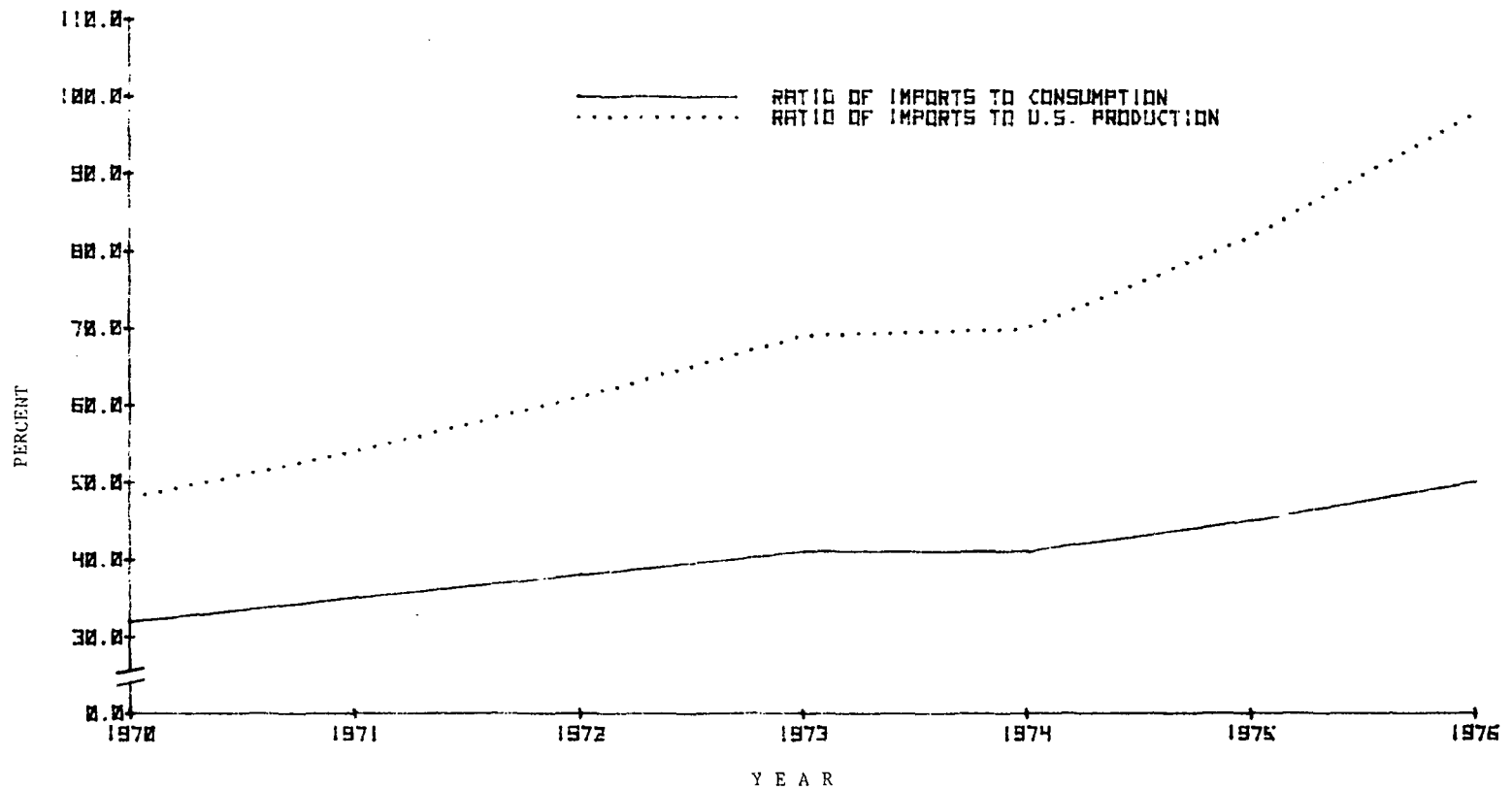
3/ Footwear admitted under TSUSA items 700.6005-700.6030 and dutiable on the ASP basis of valuation.

4/ Footwear admitted under TSUSA items 700.6035-700.6060 and not subject to duty on the ASP basis of valuation.

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

FIGURE 2

Nonrubber footwear (including zoris and paper slippers): Ratio of U.S. imports to domestic production and to consumption, 1970-76, 1/

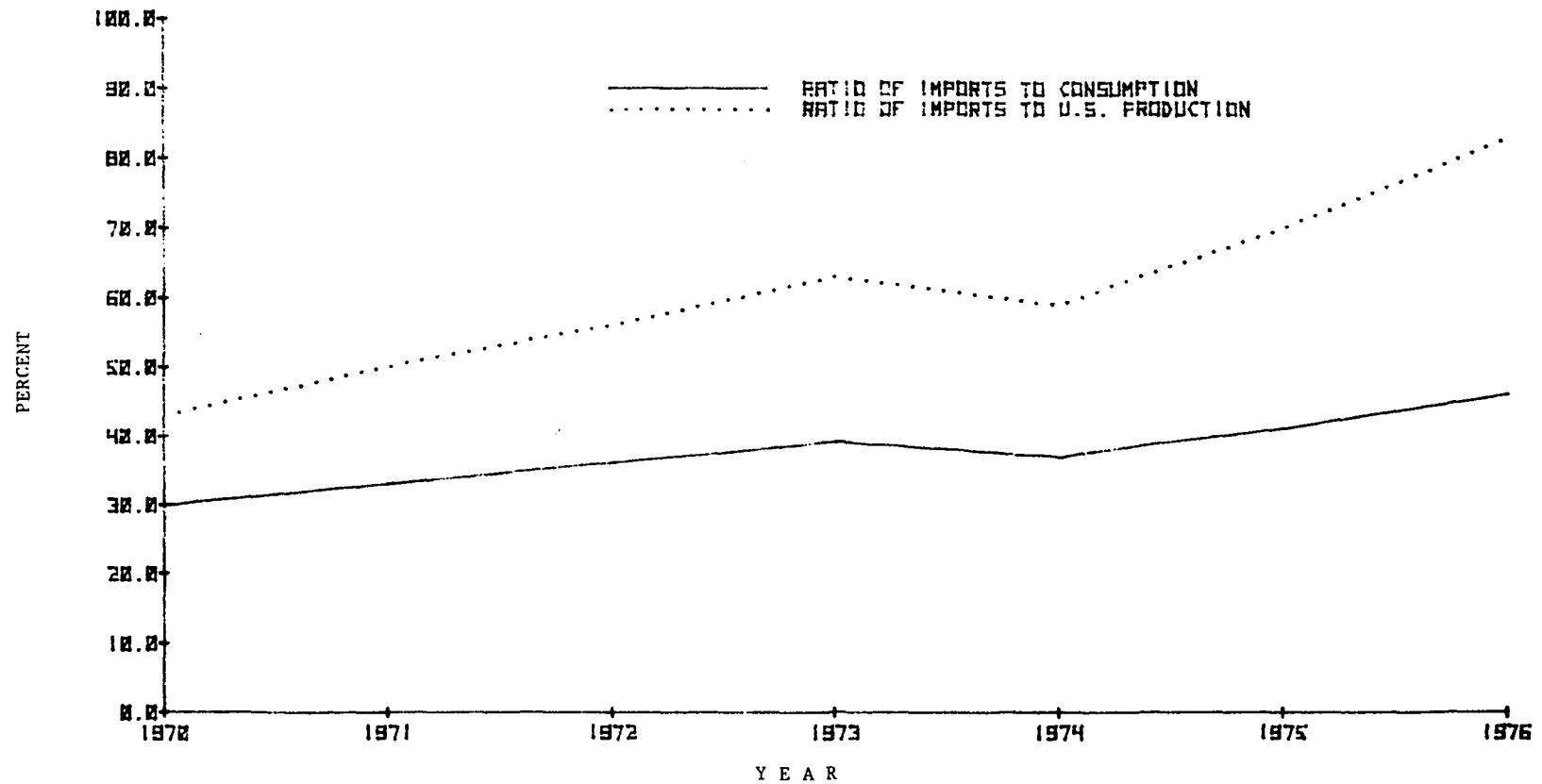


1/ Data on imports include all imports cited in the notice of investigation.

Source: Based on data in table 1.

FIGURE 2a

Nonrubber footwear (excluding zippers and paper slippers): Ratio of U.S. imports to domestic production and to consumption, 1970-76



Source: Based on data in table 1a.

During the period 1970-75, as shown in the table on the following page, the ratio of imports of athletic footwear to production increased from 44 percent to 213 percent; the ratio of imports of footwear for women and misses increased from 66 percent to 114 percent, and the ratio of imports of footwear for men, youths, and boys increased from 45 percent to 63 percent. In January-June 1976, there was a significant increase in the ratio of imports to production with respect to each type of footwear compared with the corresponding period of 1975, with the exception of footwear for women and misses, which declined slightly. For information in regard to absolute figures, see tables 2-6.

Principal supplying countries

In terms of quantity, Taiwan, Italy, Spain, and Brazil have been the principal suppliers of nonrubber footwear to the United States in recent years (see tables 7, 8, 9, and 10). ^{1/} In 1975, Taiwan supplied 33 percent of the total imports; Italy, 16 percent; Spain, 11 percent; and Brazil, 8 percent. During 1974-75, in terms of quantity, imports of nonrubber footwear from Spain, Taiwan, and Brazil increased by 10, 15, and 24 percent, respectively; imports from Italy continued to trend downward, and imports from Korea nearly doubled.

^{1/} See tables 7a, 9a, and 10a for data on imports of nonrubber footwear, excluding zoris and paper slippers.

Mexico has also been a major supplier of nonrubber footwear; however, the imports have consisted principally of paper slippers.

Nonrubber footwear (excluding zoris and paper slippers): Ratio of imports to U.S. production, 1/ by types, 1970-75, January-September 1975, and January-September 1976

(In percent)

Type	1970	1971	1972	1973	1974	1975	January-September--	
							1975	1976
Work-----	5	5	6	<u>2/</u> 10	<u>2/</u> 11	<u>2/</u> 8	<u>2/</u> 11	<u>2/</u> 21
Athletic-----	44	63	67	60	80	213	200	325
Other:								
Women and								
misses-----	66	78	91	107	100	114	118	121
Men, youths								
and boys -----	45	56	54	56	52	63	61	79
Children and								
infants-----	38	41	54	53	43	44	44	53
Slippers <u>3/</u> -----	-	-	-	-	-	-	-	-
Total-----	43	50	56	63	59	70	71	83

1/ Based on quantity.

2/ Data not comparable with those for 1970-72. The production data reported for years prior to 1973 include all work shoes regardless of ankle height; those for 1973 and subsequent years include only such shoes of ankle height or higher. (In 1972, production of work shoes less than 6 inches high amounted to 8 million pairs.)

3/ U.S. imports of leather slippers entered under TSUS item 700.32 have been negligible in recent years. However, it should be noted that the definition of slippers is a restrictive definition that applies to only a part of the slippers imported into the United States.

Source: Compiled from official statistics of the U.S. Department of Commerce (a small part of the imports are estimated, on the basis of official statistics).

As shown in the following table, Taiwan accounted for 73 percent of the total imports of footwear of plastics in 1975, while Italy, Spain, and Brazil together accounted for nearly 70 percent of the total imports of footwear of leather. Imports of footwear of plastics from Taiwan had an average dutiable value of \$1.31 a pair; footwear of leather from Italy, Spain, and Brazil had an average dutiable value of \$6.39, \$6.18, and \$4.58 a pair, respectively.

Composition

U.S. imports of footwear of leather (items 700.05-700.45), which had an average dutiable value of \$5.75 a pair in 1975, have supplied about two-fifths of the total imports by volume in recent years (table 11); 1/ footwear with uppers principally of supported vinyl, which had an average value of \$1.71 a pair in 1975, accounted for most of the remainder. The great bulk of the footwear considered in this investigation is entered under four TSUS items--700.35, 700.43, 700.45, and 700.55 (tables 12 and 13).

As shown in the table on page A-31, about two-thirds of the total imports entered in 1975 were admitted under items 700.45 and 700.55.

1/ See table 11a for U.S. imports of nonrubber footwear, excluding zoris, and paper slippers, by types.

Nonrubber footwear (including zoris and paper slippers): U.S. imports
for consumption, by types of material and principal sources, 1975

Source	Leather	Plastics <u>1/</u>	Other	Total
Quantity (1,000 pairs)				
Republic of China (Taiwan)--	6,117	99,828	4,533	110,478
Italy-----	41,202	11,326	1,966	54,494
Spain-----	31,641	6,032	742	38,415
Brazil-----	26,091	65	311	26,467
Hong Kong-----	186	15,290	1,594	17,070
All other-----	43,588	5,205	43,928	92,721
Total-----	148,825	137,746	53,074	339,645
Value (1,000 dollars)				
Republic of China (Taiwan)--	22,111	131,247	6,812	160,170
Italy-----	263,407	58,405	8,609	330,421
Spain-----	195,387	26,510	4,333	226,230
Brazil-----	119,398	42	1,215	120,655
Hong Kong-----	602	5,862	805	7,269
All other-----	254,664	13,389	29,033	297,086
Total-----	855,569	235,455	50,807	1,141,831
Unit value (per pair)				
Republic of China (Taiwan)--	\$3.61	\$1.31	\$1.50	\$1.45
Italy-----	6.39	5.16	4.38	8.60
Spain-----	6.18	4.39	5.84	8.55
Brazil-----	4.58	.65	3.91	4.56
Hong Kong-----	3.24	.38	.51	.43
All other-----	5.84	2.57	.66	3.20
Average-----	5.75	1.71	.96	3.36
Percent of total quantity				
Republic of China (Taiwan)--	4	73	9	33
Italy-----	28	8	4	16
Spain-----	21	4	<u>2/</u>	11
Brazil-----	18	<u>2/</u>	<u>2/</u>	8
Hong Kong-----	<u>2/</u>	11	3	5
All other-----	29	4	84	27
Total-----	100	100	100	100

1/ Footwear having uppers principally of supported vinyl and zoris.

2/ Less than 0.5 percent.

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

Nonrubber footwear: U.S. imports for consumption, by selected
TSUS items, 1975

Item No.	Description	Quantity	Value	Unit value	Share of total quantity
		<u>1,000</u>	<u>1,000</u>		
		<u>pairs</u>	<u>dollars</u>	<u>Per pair</u>	<u>Percent</u>
	Footwear of leather:				
	Other:				
700.35	For men, youths, and boys-----	52,450	341,062	\$6.50	15
	For other persons:				
700.43	Valued not over \$2.50 per pair-----	12,270	21,979	1.79	4
700.45	Valued over \$2.50: per pair-----	76,974	441,704	5.74	23
700.55	Certain footwear of rubber or plastics---	137,746	235,455	1.71	41

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

As shown in the following table, during the period 1971-75, U.S. imports of women's and misses' footwear supplied over two-thirds of the total imports; imports of men's, youths', and boys' footwear supplied nearly a fourth of the total; and imports of children's and infants' footwear supplied most of the remainder (figure 3).

Nonrubber footwear: U.S. imports for consumption, by types, 1971-75 1/

Type	1971	1972	1973	1974	1975
Quantity (millions of pairs)					
Athletic-----	5	6	6	8	17
Work-----	2	2	3	3	2
All other: <u>2/</u>					
Men, youths, and boys----	57	62	66	73	83
Women and misses-----	181	199	215	191	199
Children and infants-----	22	27	26	19	19
Total-----	269	297	316	294	320
Percent of total					
Athletic-----	3	2	2	3	3
Work-----	1	1	1	1	1
All other: <u>2/</u>					
Men, youths, and boys----	21	21	21	25	24
Women and misses-----	67	67	68	65	66
Children and infants-----	8	9	8	6	6
Total-----	100	100	100	100	100

1/ Data on imports include paper slippers; however, they do not include data on zoris, which are not reported by sex.

Nonrubber slippers (item 700.32), as defined in subpt. 1A, head-note 2(e) is a restrictive category that applies to only a small part of the slippers imported into the United States. Imports of such slippers amounted to less than 500,000 pairs in each of the years shown in 1975, slippers entered under TSUS item 700.32 amounted to 40,000 pairs.

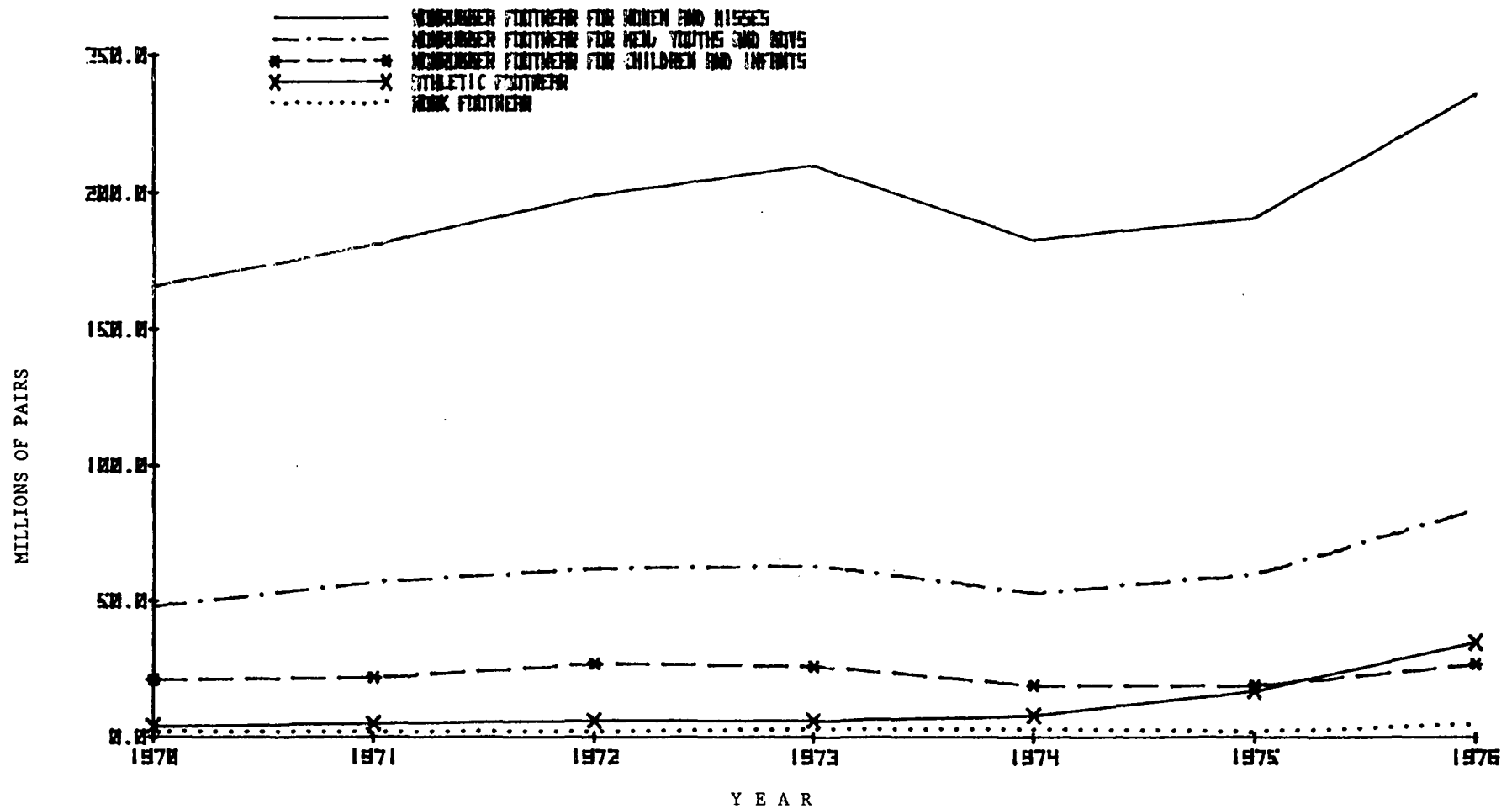
2/ A small part of the imports are estimated from official statistics.

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

Note.--Because of rounding, figures may not add to the totals shown.

FIGURE 3

Nonrubber footwear (excluding zoris and paper slippers): U.S. imports for consumption, 1970-76 1/



1/ Annual rate for first 9 months of 1976

Source: Based on data in table 2-6.

Footwear for women and misses.--Figure 4 shows that U.S. imports of nonrubber footwear for women and misses 1/ increased from 166 million pairs in 1970 to 210 million pairs in 1973. They then dropped significantly in 1974, but rose to 191 million pairs in 1975 (table 2). Imports continued their upward climb during the first 9 months of 1976 when they amounted to 177 million pairs compared with 143 million pairs during the corresponding period of 1975. Taiwan, Italy, Spain, and Brazil have been the principal suppliers of footwear for women and misses.

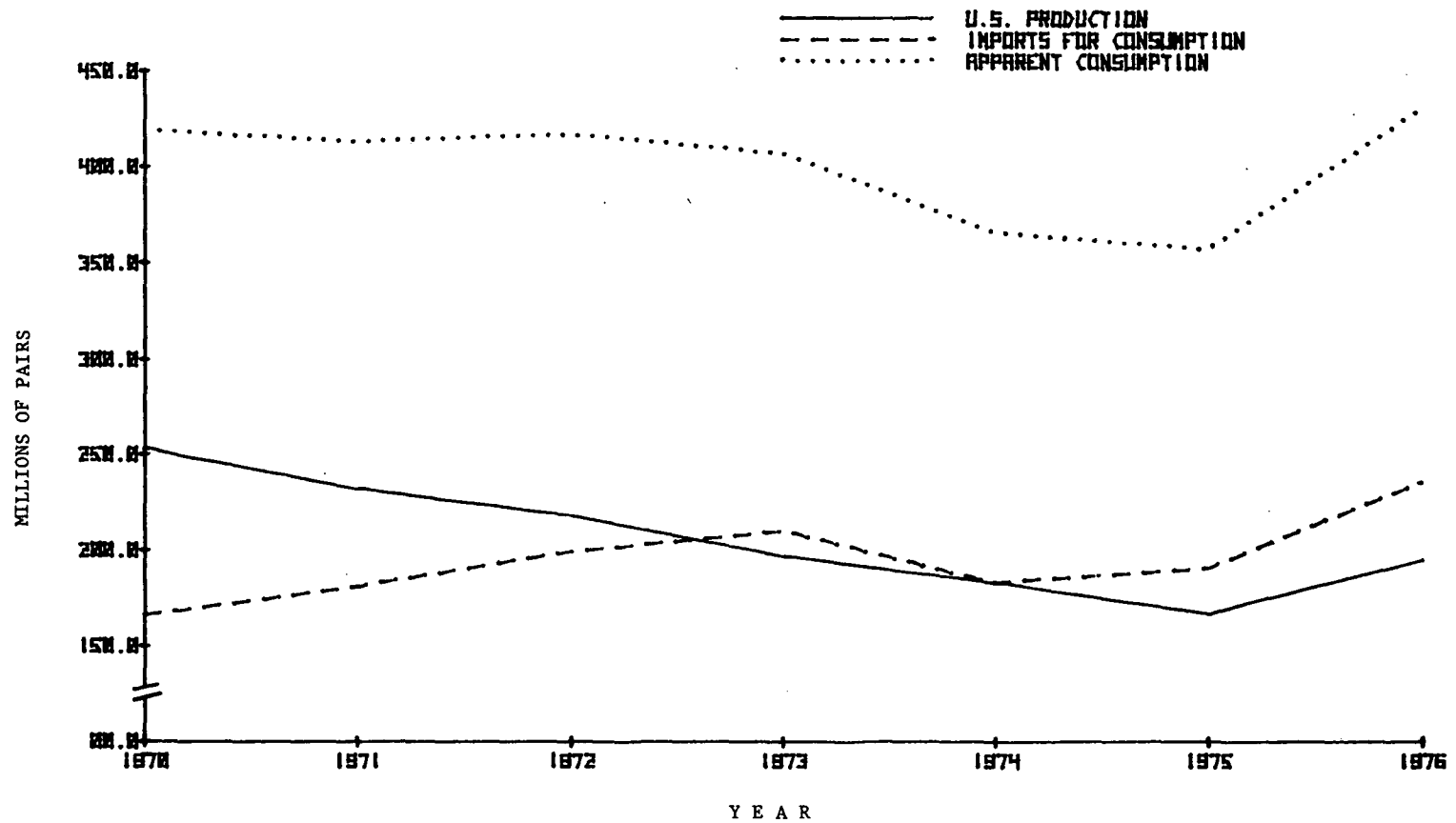
Footwear for men, youths, and boys.--U.S. imports of nonrubber footwear for men, youths, and boys 1/ were on an upward path during the period 1970-73, from 48 million pairs to 63 million pairs (see figure 5 and table 3). They then declined appreciably to 53 million pairs in 1974, but increased to 60 million pairs in 1975. Imports in the first 9 months were nearly 50 percent ahead of import in the same period of 1975. In recent years Taiwan, Italy and Spain have been the principal suppliers by such footwear.

Footwear for children and infants.--During the period 1970-73, imports of nonrubber footwear for children and infants, as shown in figure 6 and table 4, climbed from 21 million pairs to 26 million pairs. In 1974 they dropped to 19 million pairs, and they were at the same level in 1975. In January-September 1976, imports amounted to 20 million pairs compared with 14 million pairs in the corresponding period of 1975. Taiwan, Spain, and Italy have been the principal suppliers of such footwear.

1/ Excluding zoris and paper slippers.

FIGURE 4

Nonrubber footwear (other than athletic and work) for women and misses: U.S. production, imports for consumption, and apparent consumption, 1970-76 1/

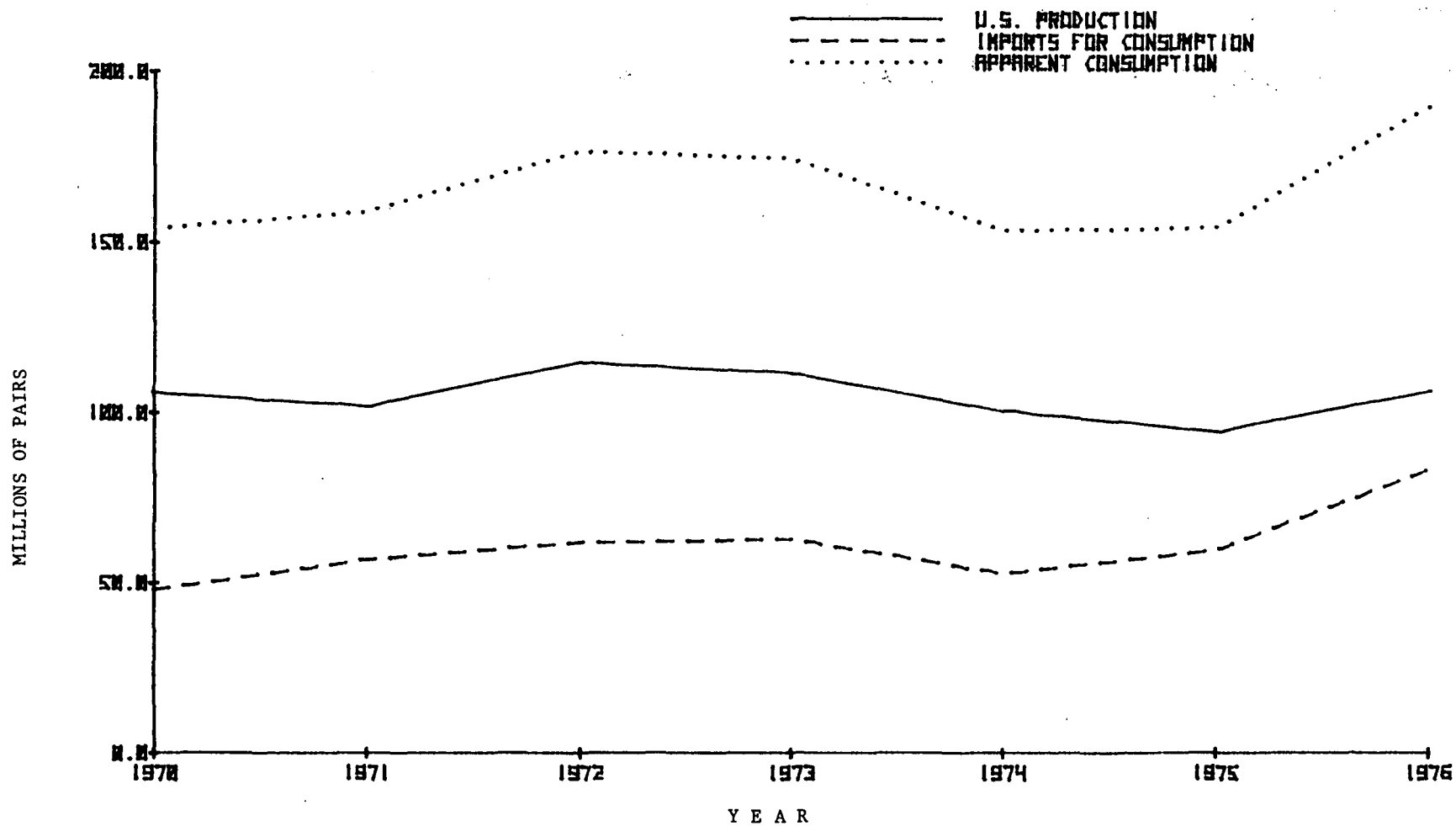


1/ Annual rate for first 9 months of 1976.

Source: Based on data in table 2.

FIGURE 5

Nonrubber footwear (other than athletic and work) for men, youths, and boys: U.S. production, imports for consumption and apparent consumption, 1970-76 ^{1/}

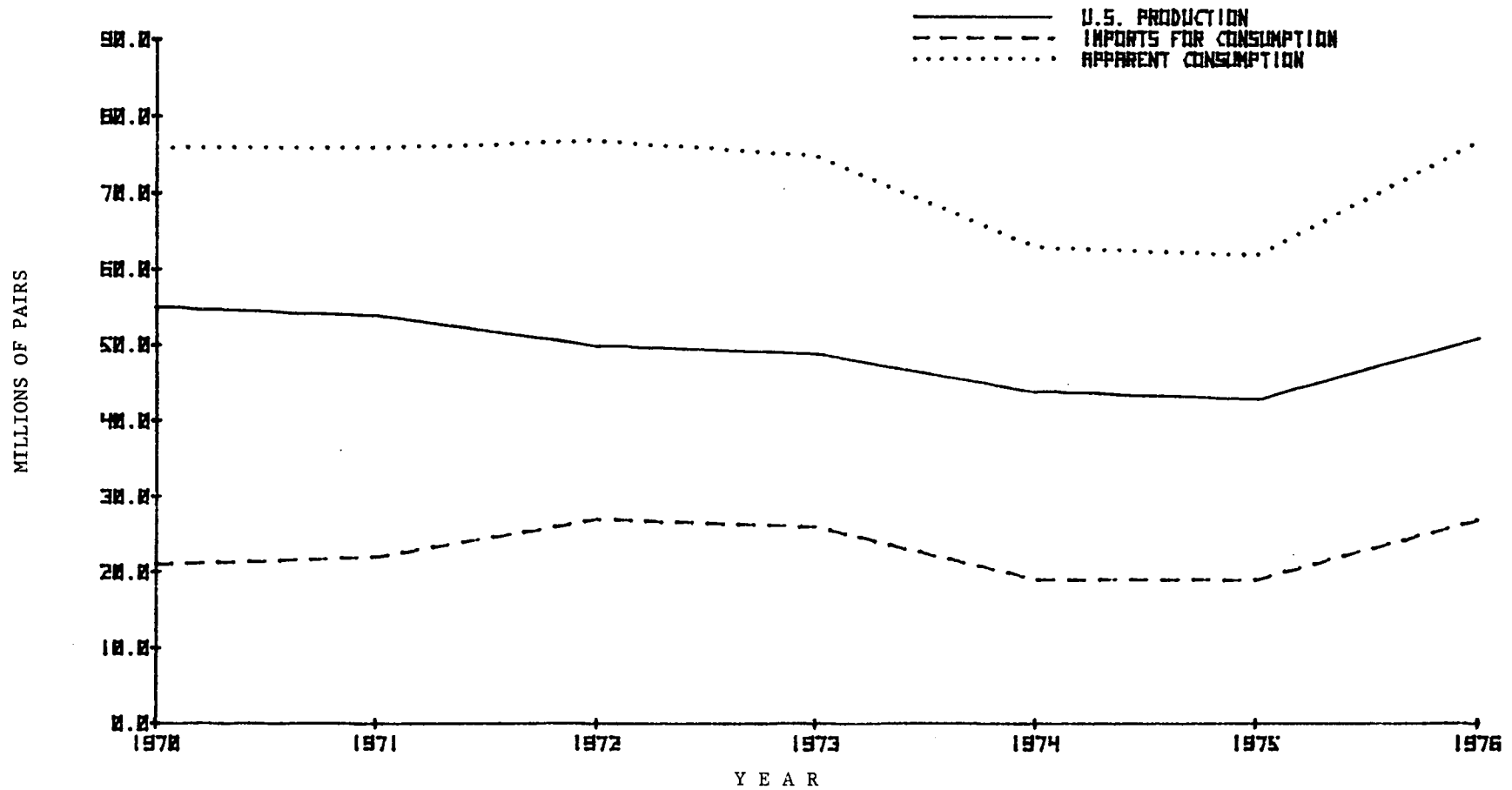


^{1/} Annual rate for first 9 months of 1976.

Source: Based on data in table 3.

FIGURE 6

Nonrubber footwear (other than athletic and work) for children and infants: U.S. production, imports for consumption, and apparent consumption, 1970-76 1/



1/ Annual rate for first 9 months of 1976.

Source: Based on data in table 4.

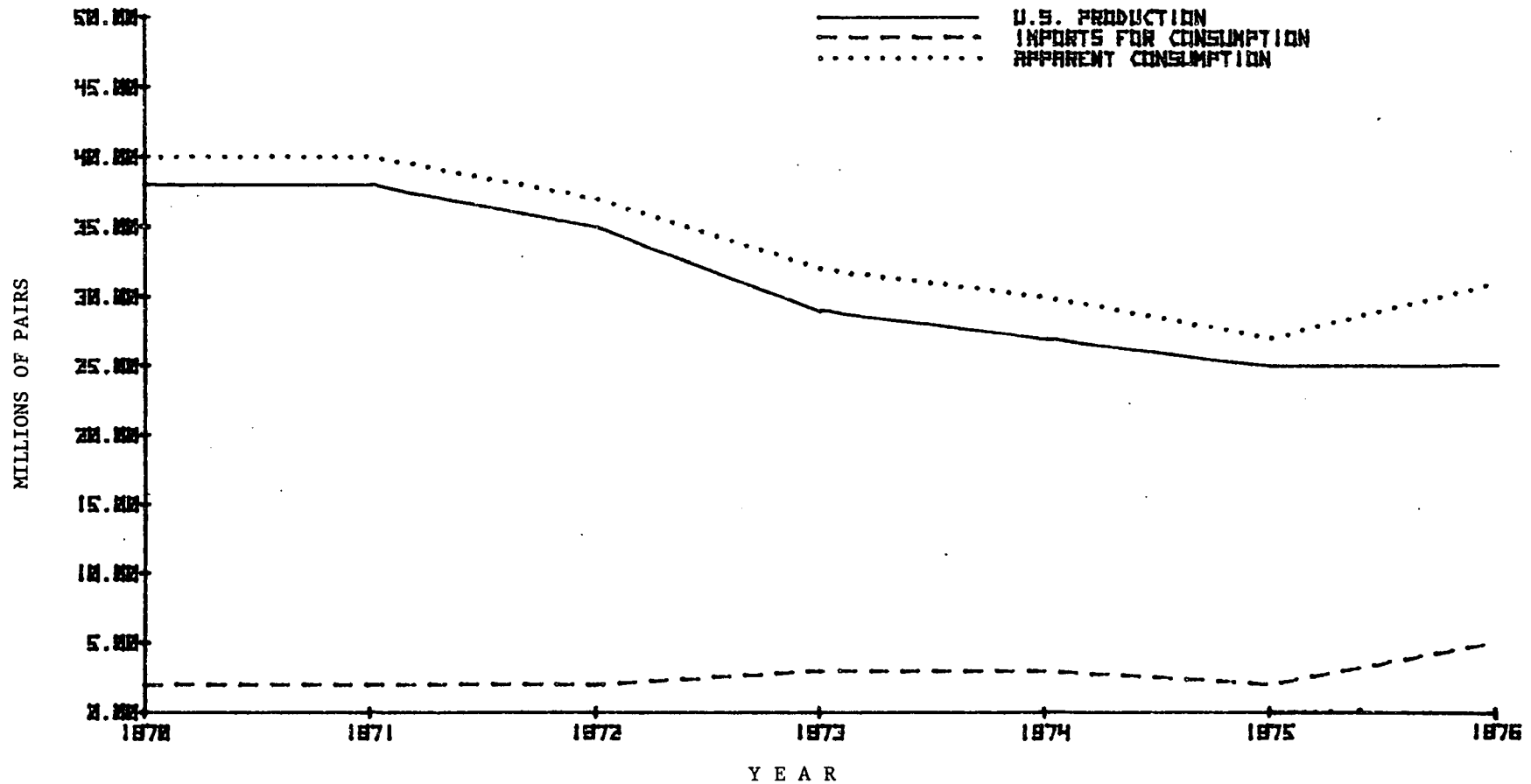
Work footwear.--Figure 7 and table 5 show that U.S. imports of work footwear 1/ as reported in official statistics amounted to 2 million pairs in each of the years 1970-72, but increased to 3 million pairs in 1973 and 1974. In 1975 imports were at the 1970-72 level. In January-September 1976, imports amounted to 4 million pairs compared to 2 million pairs in the same period of 1975. It should be noted that production data shown for the period 1973-75 represent production of work shoes of ankle height or higher only (including steel-toed shoes), while data for previous years represent production of both oxford-height and above-the-ankle types. Romania, Korea, and Canada have been the principal suppliers of work shoes in recent years.

Athletic footwear.--Figure 8 and table 6 show that U.S. imports of athletic footwear doubled during the period 1970-74, from 4 million to 8 million pairs, and more than doubled in 1975. During January-September 1976, imports again more than doubled compared with the corresponding period of 1975. It should be noted that the data on imports do not include footwear with permanently attached skates, while the data on production include such footwear. In recent years, imports of shoes with skates attached have been estimated at about 1 million to 4 million pairs annually. Also, some imports consist of ski boots and high-quality, high-priced specialized athletic shoes of which there is relatively little domestic production.

1/ Work footwear is described in subpt. 1A, statistical headnote 1(b) of schedule 7 as footwear "having outsoles 1/4 inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle." Although the above description refers only to above-the-ankle-type footwear, customs officials in New York and Baltimore report that oxford-height work shoes are generally included as work footwear under the item.

FIGURE 7

Work footwear: U.S. production, imports for consumption, and apparent consumption, 1970-76 1/

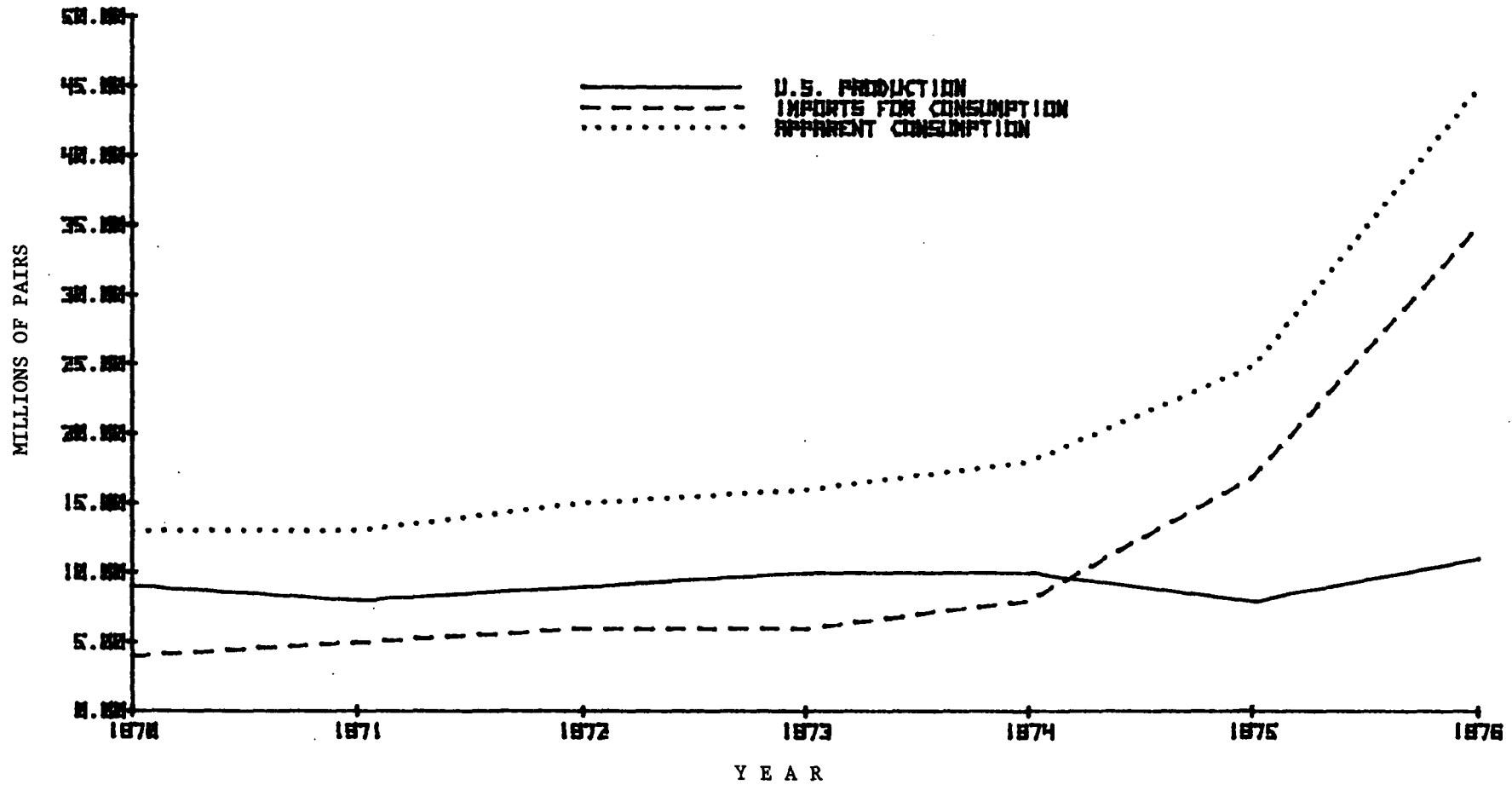


1/ Annual rate for first 9 months of 1976.

Source: Based on data in table 5.

FIGURE 8

Work footwear: U.S. production, imports for consumption, and apparent consumption, 1970-76 1/



1/ Annual rate for first 9 months of 1976.

Source: Based on data in table 6.

U.S. imports of athletic footwear entered under TSUSA item 700.3515, which include athletic footwear of leather other than welt footwear and ski boots, supplied the great bulk of the imports, as shown in the following table. Imports in that category increased from 1 million pairs in 1968 to nearly 15 million pairs in 1975. The increased popularity of specialized athletic footwear with leather uppers probably accounted for the substantial increase in imports (see table on page A-44).

Slippers.--U.S. imports of leather slippers entered under TSUS item 700.32 have been negligible in recent years, as shown in the table on page A-48. However, it should be noted that the definition of slippers is a restrictive definition that applies to only a small part of the slippers imported into the United States. According to part 1, subpart A, statistical headnote 1(b) of schedule 7 of the TSUS, the term slippers (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by

Athletic footwear: U.S. imports for consumption, by TSUSA items. 1968 and 1975

TSUSA No.	Description	Quantity		Value		Principal source and value in 1975
		1968	1975	1968	1975	
		<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	
	Footwear of leather:	<u>pairs</u>	<u>pairs</u>	<u>dollars</u>	<u>dollars</u>	
	Valued over \$6.80					
	per pair:					
700.2800	Welt ski boots--	351	2	6,372	37	Norway, \$32,000
700.2920	Other welt	57	96	643	2,024	France, \$925,000; United Kingdom
	athletic foot-					\$499,000; Italy, \$496,000
	wear.					West Germany, \$320,000;
						Switzerland, \$231,000
700.3505	"Other" ski boots--	222	198	3,417	2,545	Norway, \$1,101,000; Italy \$925,000;
700.3515	"Other" athletic					
	footwear-----	1,004	15,454	4,768	103,833	France, \$26,798,000; Yugoslavia,
						\$24,774,000; West Germany,
						\$12,069,000
	Valued not over					
	\$2.50 per					
	pair:					
700.4305	Athletic foot-	20	98	16	180	Republic of Korea, \$164,000
	wear for					
	women, misses,					
	infants, and					
	children.					
	Valued over \$2.50					
	per pair:					
700.4505	Athletic foot-	111	975	1,519	6,995	Republic of Korea, \$1,550,000;
	wear for women,					France, \$2,263,000; Sweden
	misses,					\$782,000; Norway, \$282,000
	infants, and					
	children.					
	Total-----	1,765	16,817	16,735	115,614	

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

Athletic footwear (TSUSA item 700.3515): U.S. imports for consumption, by
principal sources, 1975

Source	Quantity	Value	Unit value
	<u>1,000</u>	<u>1,000</u>	
	<u>pairs</u>	<u>dollars</u>	<u>Per pair</u>
France-----	2,872	26,798	\$9.33
Yugoslavia-----	2,773	24,774	8.93
Republic of Korea-----	4,702	16,649	3.54
West Germany-----	1,204	12,069	10.02
Republic of China (Taiwan)-----	1,768	6,964	3.94
Italy-----	347	4,899	14.12
Colombia-----	661	3,567	5.40
Japan-----	410	3,079	7.51
Sweden-----	111	1,309	11.79
Canada-----	109	832	7.63
United Kingdom-----	121	777	6.42
Spain-----	53	423	7.98
Poland-----	123	419	3.41
All other-----	200	1,274	6.37
Total-----	15,454	103,833	6.72

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

a blown sponge-rubber midsole created and simultaneously vulcanized thereto. Imports of slippers of the type produced by the domestic footwear industry are entered under various TSUS item numbers. The bulk of the imports are probably entered under items 700.55 and 700.60.

Slippers (TSUS item 700.32): U.S. imports for consumption, 1970-75, January-June 1975, and January-June 1976

Period	Quantity	Value	Unit value
	1,000	<u>1,000</u>	
	<u>pairs</u>	<u>dollars</u>	<u>Per pair</u>
1970-----	313	808	\$2.58
1971-----	206	549	2.67
1972-----	100	288	2.88
1973-----	85	246	2.89
1974-----	65	250	3.85
1975-----	40	132	3.30
January-June--			
1975-----	13	47	3.62
1976-----	16	42	2.63

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

Data reported by respondents to importers' questionnaire

Data reported by importers which accounted for 38 percent of total nonrubber footwear imported for 1975 are shown in table 14. According to the data reported, imports increased during the 9 month period January-September 1976, compared with the corresponding period of 1975, as follows: Footwear for men (30 percent), for youths and boys (50 percent), for women (12 percent), for misses (50 percent), and for children and infants (36 percent). Women's footwear accounted for the largest share (62 percent) of total imports during this period; followed by men's footwear (19 percent), youths and boys (6 percent), misses (5 percent), and children and infants (8 percent).

Data reported by respondents to producers' questionnaire

Data reported by domestic producers with respect to their imports of nonrubber footwear are shown in table 15. Data was reported by producers for the period 1971-75, January-September 1975, and January-September 1976. During this time, men's footwear accounted for over half of the total imports entered by these producers. Dress and work shoes were the largest categories in the men's imported footwear. Twenty-one percent of such imports were reported as having an importers' selling price of less than \$6 a pair. With respect to imports of women's footwear which accounted for about a fourth of total imports by domestic firms sandals and dress shoes were the largest items. Twenty percent of the imports of women's shoes in 1975 had a net selling price of less than \$4 a pair. In 1975 and the first 6 months of 1976, over half of the imports of children's and infants' footwear entered by U.S. producers had an importers' net selling price of less than \$4 a pair.

The Question of Serious Injury, or the Threat Thereof, to
the Domestic Industry

Capacity

According to data supplied by the American Footwear Industries Association, the utilization of capacity in the nonrubber footwear industry has continued on a downward path. As shown in the table below, the utilization of capacity declined from 78 percent in 1972 to 73 percent in 1974 and to 69 percent in 1975. Data with respect to utilization of capacity by type of footwear produced are shown on the next page.

Nonrubber footwear: Utilization of plant capacity, 1970-75

	1970	1971	1972	1973	1974	1975
Plant capacity						
(million pairs)--	738.6	695.8	673.0	653.4	619.4	598.2
Actual production						
(million pairs)--	562.3	535.8	526.7	488.3	453.0	413.1
Percent utilization						
of capacity-----	76.1	77.0	78.2	74.7	73.1	69.1

Source: American Footwear Industries Association.

Nonrubber footwear: Utilization of capacity, by types of footwear,
1970-75 1/

(In percent)						
Year	Men's shoes	Women's shoes	All other shoes	Total shoes	Slippers	Total footwear excluding rubber
1970-----	87.8	72.9	74.6	76.7	73.6	76.1
1971-----	87.6	71.3	76.9	76.6	79.1	77.0
1972-----	89.3	73.4	78.6	78.9	75.7	78.2
1973-----	82.8	73.2	74.6	76.2	70.2	75.0
1974-----	77.0	77.0	69.6	75.0	65.9	73.1
1975-----	74.1	75.2	65.8	72.4	56.5	69.1

1/ Total effective capacity is the sum of monthly production peaks for each type of footwear over a 36-month period ending December 31 of the years involved.

Source: American Footwear Industries Association.

Domestic production and shipments

The average annual U.S. production of nonrubber footwear, shown in the table below, increased from 608 million pairs during 1960-64 to 617 million pairs during 1965-69. Such production, which has declined annually and without interruption since 1968, totaled 413 million pairs in 1975--27 percent below the level of production in 1970 and 36 percent below that in 1968. During January-August 1976, production was 17 percent higher than in the corresponding period of 1975 increasing from 263 million pairs to 310 million pairs.

Nonrubber footwear: U.S. production and shipments, annual averages 1960-64 and 1965-69, by years 1970-75 and for the periods January-August 1975 and January-August 1976

Period	Production	Shipments		
		Quantity	Value	Unit
		: Million	: Million	: Per
	<u>pairs</u>	<u>pairs</u>	<u>dollars</u>	<u>pair</u>
1960-64-----	608.5	609.3	2,310.9	\$3.79
1965-69-----	617.5	620.5	2,795.3	4.50
1970-----	562.3	569.0	2,942.7	5.17
1971-----	535.8	552.1	2,919.5	5.29
1972-----	526.7	553.9	3,079.5	5.56
1973-----	490.0	488.2	3,047.5	6.24
1974-----	453.0	453.1	3,173.2	7.00
1975-----	413.1	419.2	3,145.3	7.50
January-August--				
1975-----	263.3	265.7	2,001.0	7.53
1976-----	310.6	310.7	2,043.6	6.58

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

As shown above, shipments of domestic footwear increased from an average of 609 million pairs a year during 1960-64 to 621 million pairs

annually during 1965-69. Shipments, which have approximated production, declined irregularly from 639 million pairs in 1968 to a low of 419 million pairs in 1975--26 percent below the level of shipments in 1970 and 34 percent lower than in 1968. Shipments during January-August 1976 increased by 17 percent, totaling 311 million pairs as compared with 266 million pairs for the corresponding 1975 period.

The wholesale value of domestic footwear shipments increased irregularly from an average of \$2.3 billion during 1960-64 to \$3.2 billion in 1974 but declined slightly in 1975 (by \$28 million). The value of such shipments in January-August 1976 totaled \$2 billion--2 percent above the value of shipments in the corresponding period of 1975. The average value of shipments per pair increased without interruption from \$3.79 during 1960-64 to \$7.50 in 1975. During January-August 1976, the average unit value per pair was \$6.58, down from \$7.53 for the corresponding 1975 period.

U.S. production of footwear with fabric uppers and soles of rubber or plastics (described in TSUS item 700.60), decreased from 155 million pairs in 1968 to 137 million pairs in 1970 and then rose sharply to 158 million pairs in 1971 before declining to 138 million pairs in 1975. 1/ Such production declined during January-June 1976, compared with that in the corresponding period of 1975, dropping from 73 million

1/ The ratio of imports to consumption ranged from 12 to 15 percent from 1968 to 1975, with no apparent trend. The ratio of imports to production ranged from 13 to 17 percent during the same period.

pairs to 68 million pairs, as shown in the following tabulation:

<u>Period</u>	<u>U.S. production</u> <u>(million pairs)</u>
1968-----	155
1969-----	141
1970-----	137
1971-----	158
1972-----	154
1973-----	151
1974-----	147
1975-----	138
January-June--	
1975-----	73
1976-----	68

U.S. production of rubber and plastic protective footwear (described in TSUS items 700.51, 700.52, and 700.53) amounted to 13.6 million pairs in 1975. Annual shipments of protective footwear in 1975 were 14.7 million pairs, valued at \$82.9 million.

Shipments from Puerto Rico.--In 1975, production of nonrubber footwear in Puerto Rico, which is part of the customs territory of the United States, was 9.8 million pairs, valued at \$41.9 million (table 16). Virtually all such footwear is shipped to the U.S. mainland. The quantity of such shipments accounted for about 2 percent of the total of Puerto Rican and U.S. shipments. Shipments from Puerto Rico to the United States had increased from 7 million pairs, valued at \$26 million, in 1965 to a peak of more than 14 million pairs, valued at nearly \$52 million, in 1970 before declining irregularly to the 1975 level.

Shipments of canvas footwear (described in TSUS item 700.60) from Puerto Rico declined from 11 million pairs in 1974 to 6 million pairs in 1975.

Composition of production.--Annual official production data are available for a number of broad categories of nonrubber footwear (table 17). The composition of production has not changed significantly in recent years. In 1975, as in 1974, footwear for women accounted for nearly two-fifths of annual production; footwear for men and slippers accounted for nearly a fifth each; footwear for youths and boys, misses, children, infants, and work, each accounted for about a twentieth; and athletic footwear accounted for the remainder. During the period 1968-75, slippers and footwear for men each increased their share of total U.S. production--from 16 percent to 17 percent and from 14 percent to 19 percent, respectively. During the same period the share of such production accounted for by women's footwear decreased from 44 percent to 37 percent. The share of such production of other types of footwear also did not change substantially throughout the period.

Footwear for women.--U.S. production of women's footwear, 1/ including dress, street, and work shoes (as reported in official statistics 2/), has declined continuously from 284 million pairs in 1968 to 154 million pairs in 1975 (table 17). Production of such footwear in the first 8 months of 1976 showed a significant increase, compared with that in the corresponding period of 1975--from 96 million pairs to 120 million pairs.

1/ The term "women's" is used here, as in the TSUS, to differentiate a size category of footwear, not the age of wearer, as follows: footwear in American women's sizes 4 and larger.

2/ In SIC industry No. 3144 (women's footwear, except athletic).

Footwear for misses.--U.S. production of footwear for misses 1/ averaged about 25 million pairs annually from 1969 to 1972 (table 17). By 1975 such production had decreased to 13 million pairs. Production in the first 8 months of 1976 was slightly higher than production in the corresponding period in 1975, increasing from 9 million pairs to 11 million pairs.

Footwear for men.--U.S. production of men's footwear averaged about 82 million pairs annually from 1969 to 1971, averaged about 90 million pairs in 1968 and in 1972 and 1973, decreased to 83 million pairs in 1974 and to 80 million pairs in 1975 (table 17). Such production increased from 51 million pairs in January-August 1975 to 59 million pairs in January-August 1976.

Footwear for youths and boys.--During the period 1968-73, U.S. production of footwear for youths and boys 3/ averaged 23 million pairs annually (table 17). Such production declined to 16 million pairs in 1975. During the first 8 months of 1975, such production amounted to 10 million pairs compared with 12 million pairs in the corresponding period of 1976.

1/ The term "misses" is used here, as in the TSUS, to differentiate a size category of footwear, not the age of wearer, as follows: American misses' sizes 12-1/2 and larger but not as large as American women's size 4. In SIC industry No. 3149 (footwear, except rubber, not elsewhere classified).

2/ The term "men's" is used here, as in the TSUS, to differentiate a size category of footwear (not including footwear commonly worn by both sexes), not the age of wearer, as follows: American men's sizes 6 and larger. In SIC industry No. 3143 (men's footwear, except athletic).

3/ The term "youths and boys" is used here, as in the TSUS, to differentiate a size category of footwear for males (not including footwear commonly worn by both sexes), not the age of wearer as follows: American youths' sizes 11-1/2 and larger but not as large as American men's size 6. In SIC industry No. 3149 (footwear, except rubber, not elsewhere classified).

Footwear for children.--Annual U.S. production of footwear for children 1/ declined from 31 million pairs in 1968 to 19 million pairs in 1975 (table 17). Production of such footwear, however, increased from 12 million pairs during the first 8 months of 1975 to 16 million pairs in the first 8 months of 1976.

Footwear for infants.--The annual U.S. production of footwear for infants 2/ averaged 28.5 million pairs from 1968 to 1971 and then declined to 24 million pairs in both 1974 and in 1975 (table 17). The pairage increased from 16 million during the first 8 months of 1975, to 18 million in the first 8 months of 1976.

Athletic footwear.--U.S. production of athletic footwear 3/ increased from 8 million pairs to 10 million pairs over the period 1968-74 but declined to 8 million pairs in 1975. However, it increased from 5 million pairs during the first 8 months of 1975 to 7 million pairs in the first 8 months of 1976.

1/ American children's sizes 8-1/2 and larger but not as large as American youths' size 11-1/2 and American misses' size 12-1/2. In SIC industry No. 3149 (footwear, except rubber, not elsewhere classified).

2/ Footwear smaller than American children's size 8-1/2. In SIC industry No. 3149 (footwear, except rubber, not elsewhere classified).

3/ In SIC industry No. 3149 (footwear, except rubber, not elsewhere classified). In the TSUS, athletic footwear covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games or sports. However, it excludes footwear with skates permanently attached (roller skates and ice skates) provided for in TSUS items 734.90 and 734.91. Domestic production data include footwear with skates permanently attached. During the period 1968-73, domestic production of roller skates is estimated to have been \$15 million annually. Estimates of U.S. production of ice skates, available on a quantity basis only, decreased from 2.0 million pairs in 1970 to an average of 1.3 million pairs annually in 1971-73.

Slippers.--U.S. production of slippers 1/ fluctuated during the period 1968-75 but showed an overall decline from 105 million pairs in 1968 to 71 million pairs in 1975. During both the first 8 months of 1975 and the first 8 months of 1976, production amounted to 46 million pairs.

Work shoes.--U.S. production of men's work shoes 2/ increased from 36 million pairs in 1968 to 38 million pairs in 1970 and 1971 (table 17). Such production then declined to 27 million pairs in 1974 and to 25 million pairs in 1975. During the first 8 months of 1975, production amounted to 16 million pairs but increased slightly to 17 million pairs during the corresponding period of 1976. However, it should be noted that the reporting definition for such footwear changed in 1973 to include only work shoes of ankle height or higher (including steel-toed shoes) and excluded work shoes of a height below the ankle, which had been included previously. In 1972, production of work shoes less than 6 inches high amounted to 8 million pairs.

1/ In SIC industry No. 3142 (house slippers of leather or other materials). Such production data are not comparable to slippers reported separately in the ISUS. Import data relate only to the type of leather slippers reported under HSUS item 700.52; imported slippers of other construction and material are not reported separately and are included in the import figures by the class of person for whom the footwear is imported.

2/ In SIC industry No. 3143 (men's footwear, except athletic).

Information obtained from producers' questionnaire.--Production data gathered from U.S. producers for 1975 and the first 9 months of 1975 and 1976 follow a similar trend with the information collected from the producers' questionnaire in the Commission's previous footwear case. ^{1/} Table 18a shows the quantity of domestic production by size of output and types of shoes produced in 1975. Information from 88 producers which account for approximately half of total U.S. production shows that firms producing more than 4 million pairs accounted for 72 percent of output. In most instances, every type of footwear, except athletic, shows increases in the proportion produced as the size of output increases in amount. Firms each producing 1,000,000 to 1,999,999 pairs accounted for 32 percent of athletic footwear.

About two-fifths of the footwear produced by the sample is footwear for women and misses, and about a third is footwear for men, youths, and boys (table 18b).

Table 18c shows the useable data collected by questionnaire from U.S. manufacturers which compares U.S. production of nonrubber footwear, by types, during the periods January-September 1975 and 1976.

^{1/} Footwear: Report to the President on Investigation No. TA-201-7
. . . , USITC Publication 758, 1976.

During the 9-month 1976 period, U.S. production of nonrubber footwear increased in all major categories over the corresponding 1975 period as shown below:

<u>Footwear for--</u>	<u>Percent increase</u>
Men-----	10
Youths and boys-----	12
Women-----	12
Misses-----	33
Children and infants-----	69
All other-----	<u>11</u>
Average-----	12

According to the information from questionnaires used above, men's nonrubber footwear accounted for 31 percent of total output during January-September 1976. Distribution of production, which did not change significantly from that in 1975, was 6 percent of total output for youths and boys, 44 percent for womens, 4 percent for misses, 1 percent for children and infants, and 14 percent for the all other categories during the 1976 period.

U.S. exports

As shown in the following table, U.S. exports of footwear increased steadily from 2.1 million pairs, valued at \$8.4 million, in 1971 to 4.6 million pairs, valued at \$29.6 million, in 1975. In the first 6 months of 1976, exports amounted 3.0 million pairs, valued at \$18.6 million.

In 1975, total exports accounted for less than 1 percent of total U.S. production. In 1975, U.S. exports of footwear for men accounted for 18 percent of total exports; those for women, for 20 percent; and house slippers, a growing export, for 12 percent. Footwear not elsewhere classified (n.e.c.) accounted for 27 percent. The remainder are scattered in small amounts in the other categories.

In terms of quantity the principal markets for nonrubber footwear in 1975 were Canada, Mexico, Japan, Bahamas, and the Republic of South Africa (table 19).

Nonrubber footwear: U.S. exports of domestic merchandise, by types, 1971-75,
January-August 1975, and January-August 1976

Type	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
For men-----	395	468	688	776	818	425	639
For youths and boys-----	40	45	120	131	81	40	32
For women-----	849	731	970	1,102	908	491	545
For misses-----	92	113	227	214	185	96	85
For children----	70	94	160	281	276	145	169
For infants-----	36	67	103	92	139	89	73
House slippers--	211	240	239	289	550	313	271
Footwear, n.e.c. <u>1</u> /-----	413	495	1,092	-	-	-	-
Athletic foot- wear <u>1</u> /-----	-	-	-	201	396	165	206
Footwear, n.e.c. <u>1</u> /-----	-	-	-	907	1,254	566	983
Total-----	2,106	2,253	3,599	3,993	4,607	2,330	3,003
	Value (1,000 dollars)						
For men-----	2,870	3,656	6,715	8,808	9,051	4,576	4,457
For youths and boys-----	87	96	367	424	254	111	118
For women-----	2,312	2,131	3,232	3,936	4,064	2,082	2,813
For misses-----	208	224	542	661	565	269	292
For children----	148	160	353	751	700	363	408
For infants-----	81	116	209	210	327	200	165
House slippers--	420	453	362	497	873	460	394
Footwear, n.e.c. <u>1</u> /-----	2,301	2,758	5,711	-	-	-	-
Athletic foot- wear <u>1</u> /-----	-	-	-	2,920	5,412	2,393	3,765
Footwear, n.e.c. <u>1</u> /-----	-	-	-	5,068	8,363	3,854	6,214
Total-----	8,427	9,594	17,491	23,275	29,609	14,308	18,626

1/ Footwear, n.e.c., was broken out into athletic footwear and footwear, n.e.c. in 1974.

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

U.S. producers' inventories

Data reported by producers indicate that their inventories tend to fall in the spring when retail sales are traditionally heavy and rise in the summer when sales are sluggish. As shown in the table below, producers' inventories dropped from 35 million pairs on June 30, 1975, to 27 million pairs on March 31, 1976, or by nearly a fourth. During this period, retail footwear sales were on an upward path; consequently, inventories were reduced. From March 31, 1976, to June 30, 1976, the value of inventories rose from \$168 million to \$219 million.

Nonrubber footwear: Inventories of U.S. producers on March 31, 1975, June 30, 1975, December 31, 1975, March 31, 1976, and June 30, 1976

Date	Quantity	Value
	<u>1,000</u>	<u>1,000</u>
	<u>pairs</u>	<u>dollars</u>
March 31, 1975-----	31,922	186,722
June 30, 1975-----	35,139	200,584
December 31, 1975-----	26,614	167,999
March 31, 1976-----	26,825	169,806
June 30, 1976-----	34,169	219,230

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission by producers of nonrubber footwear.

U.S. employment

In the first 11 months of 1976, total employment in the nonrubber footwear industry increased 5.6 percent over the level in the corresponding period of 1975, reversing the trend of falling employment which had persisted in the industry since 1968. A comparison with employees in all manufacturing during the same two periods shows a smaller increase of 3.3 percent. Nevertheless, employment in nonrubber footwear still lagged well behind employment in all manufacturing; in 1975, employment in nonrubber footwear was 27 percent below the average of 1960-64, whereas all manufacturing had a gain of 9 percent in employment over that period (table 20 and figure 9).

The number of production workers in the nonrubber footwear industry rose from 141,000 in the first 11 months of 1975 to 149,000 during the corresponding period of 1976, an increase of 5.7 percent. In the first 11 months of 1976, production workers increased to 87.1 percent of the total nonrubber footwear employees, the highest percentage since 1969. By comparison, the share of total employment for all manufacturing taken by production workers has dropped slightly from approximately 74 percent in the early 1960's to approximately 72 percent during the last several years.

The trend in employment in the combined nonrubber and rubber footwear industries parallels the trend in the nonrubber footwear industry (table 21). Total employment rose from 185,000 in the January-August 1975 period to 195,000 in the corresponding period of 1976, a gain of 5.4 percent. Employment in the rubber footwear industry has remained

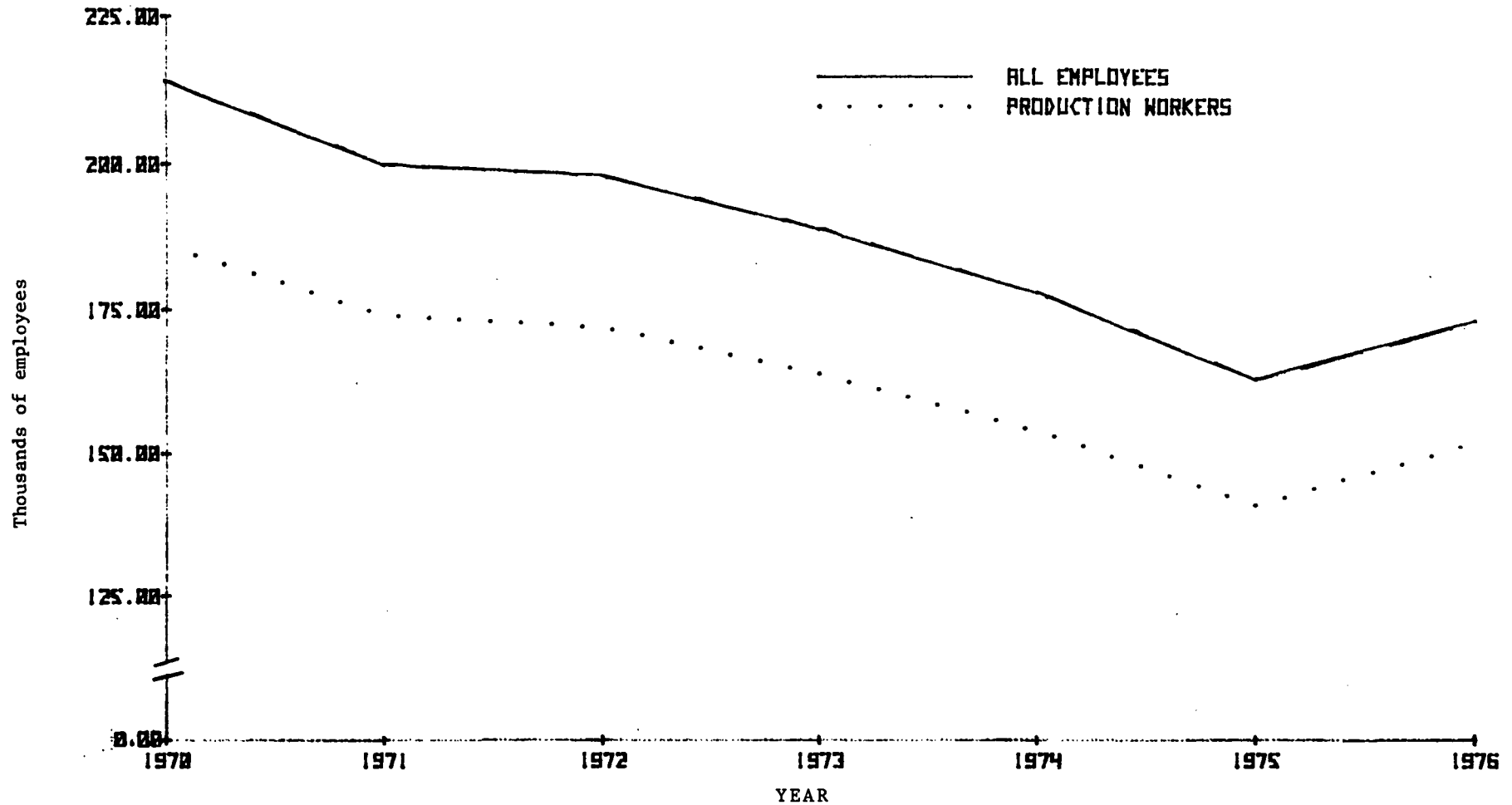
constant since 1970 at 0.1 percent of total manufacturing employment. The number of production workers in the combined rubber and nonrubber footwear industries rose 6.3 percent between January-August 1975 and January-August 1976.

The Bureau of Labor Statistics provides specific employment information for eight States--Massachusetts, Maine, New Hampshire, New York, Pennsylvania, Missouri, Illinois, and Wisconsin (table 22). ^{1/} Although these States accounted for a decreasing share of total non-rubber footwear employment between 1960 and the first 7 months of 1976, employment during January-July 1976 was 6,600 higher than in the corresponding period of 1975, reflecting rising employment throughout the industry. There were significant rises in employment in Maine, New Hampshire, Pennsylvania, and Missouri. These eight States accounted for 77.8 percent of total employment in 1960, 66.8 percent in 1969, 57.2 percent in 1975, and 56.8 percent in the first 7 months of 1976.

^{1/} Nonrubber footwear is produced in some 30 States in addition to those listed, principally Tennessee, Arkansas, Ohio and Kentucky.

FIGURE 9

Number of employees and production workers in nonrubber footwear industry, 1970-76 1/



1/ 1976 data represent first 8 months only.

Source: Based on data in table 20.

The average number of hours worked each week by production workers in nonrubber footwear establishments rose slightly in 1975 after hitting a 10-year low in 1974 (table 23). As table 23 shows, nonrubber footwear workers worked an average of 36.8 hours per week in 1974, increasing to 36.9 hours in 1975 and reaching 38.0 hours in the first 3 months of 1976. By comparison, the average number of weekly hours worked by production workers in all manufacturing fell to 39.4 in 1975, the lowest in 25 years, but rose to 40.0 in January-August 1976. Production workers in nonrubber footwear customarily work not only fewer total hours per week but also fewer overtime hours per week than the average for all manufacturing.

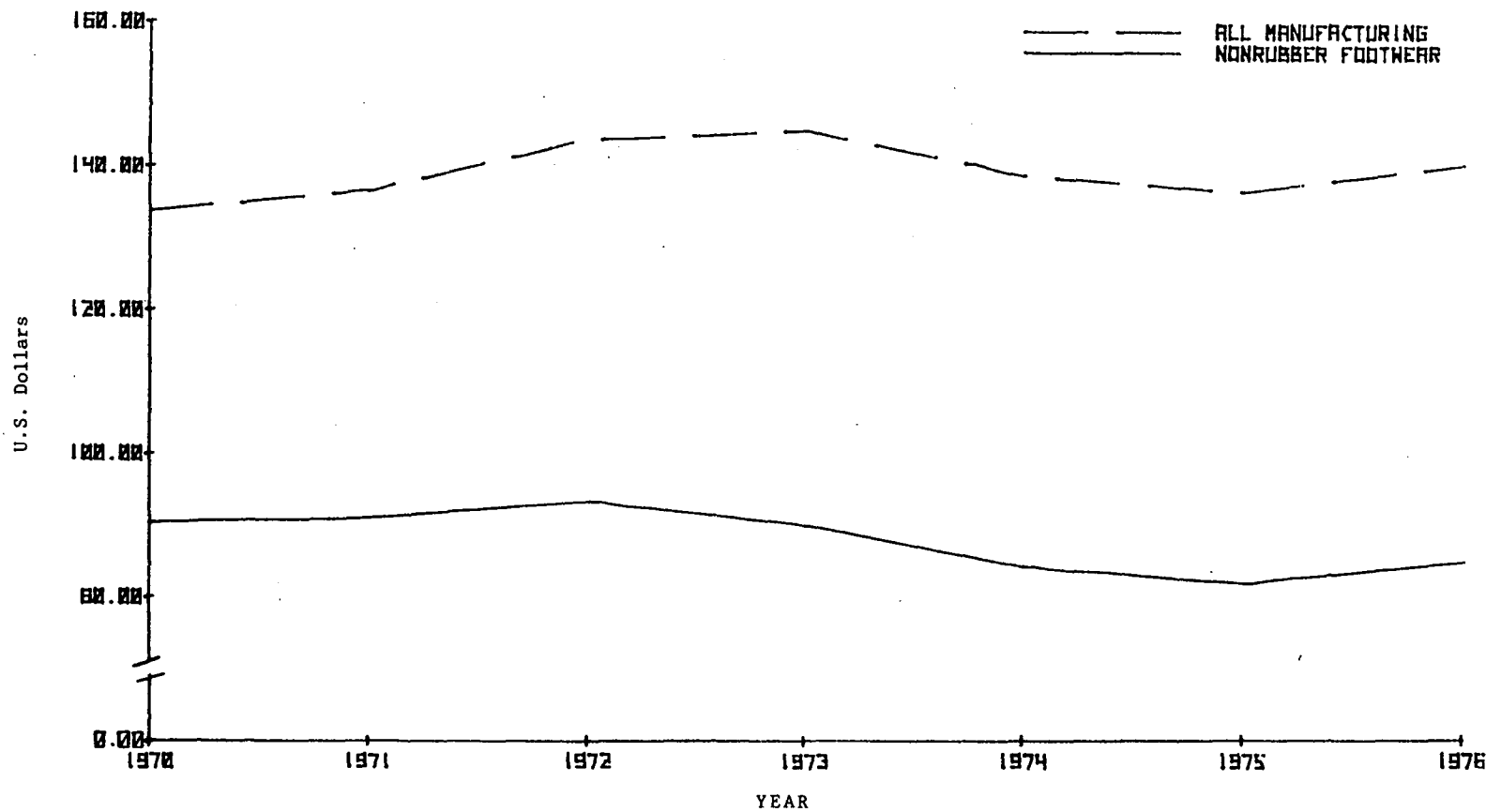
Employee earnings: level and trend.--Earnings in establishments producing nonrubber footwear have been historically among the lowest in manufacturing. For the period 1970-74, average hourly earnings in nonrubber footwear were 68.6 percent of those in all manufacturing (table 24); average weekly earnings were 64.1 percent of those in all manufacturing. In 1975, average hourly earnings in the nonrubber footwear industry fell to 64.0 percent of those in all manufacturing while average weekly earnings declined to 60.0 percent of those in all manufacturing. Comparing the first 8 months of 1976 to the corresponding period of 1975 shows that although average hourly earnings in nonrubber footwear declined as a percentage of hourly earnings in all manufacturing, average weekly earnings rose by 11.2 percent in the non-rubber footwear industry but by only 10.8 percent in all manufacturing.

Earnings of production workers in nonrubber footwear grew 4.9 percent annually during 1970-75 on an hourly basis, compared with 7.4 percent annually for all manufacturing, and grew 4.7 percent annually during 1970-75 on a weekly basis, compared with 7.2 percent for all manufacturing. In absolute terms the gap between the two groups widened from a differential of \$0.93 an hour in 1970 to \$1.86 an hour in January-August 1976. The divergence in weekly earnings rose from \$43.33 in 1970 to \$80.64 in the first 8 months of 1976.

Deflating table 24 by the Consumer Price Index for 1970 gives real earnings in 1970 dollars. Real hourly earnings rose for workers in all manufacturing from \$3.36 in 1970 to \$3.47 in 1975 and \$3.52 in the first 8 months of 1976. In contrast, real earnings for workers engaged in the production of nonrubber footwear fell between 1970 and 1975 from \$2.43 an hour to \$2.22, then rose in the first 8 months of 1976 to \$2.24. Hence while real wages in all manufacturing rose by 0.7 percent annually between 1970 and 1975, they declined by 1.8 percent annually in the nonrubber footwear industry. A worker in the nonrubber footwear industry earned an average of \$90.40 a week in 1970. In 1975, his earnings had fallen to \$81.99 in 1970 dollars, a decline of 9.3 percent in overall purchasing power. For the first 8 months of 1976, real weekly wages averaged \$84.93 (table 25 and figure 10).

FIGURE 10

Real weekly earnings of production workers in all manufacturing and in all nonrubber footwear industry, 1970-76 ^{1/}



^{1/} 1976 data represents first 8 months only.

Source: Based on data in table 25.

There are several reasons for the relatively low earnings and the slow growth of monetary wages (and thus a decline in real wages) in the nonrubber footwear industry. The low earnings level may result from the fairly low skill requirement for production workers in the industry and from the high ratio of production workers to total employees. In addition, there is a fairly high unemployment rate in the industry, as indicated by data on unemployment insurance. The below-average growth in wages appears to be attributable to a large extent to the below-average price increases in the industry during 1970-75, attributable in part in competitive pressures from both domestic and imported footwear.

The level and trend of earnings in the nonrubber footwear industry have several implications. The low earnings probably mean a continuation of the high turnover rate in the nonrubber footwear industry, as workers will have an incentive to look for better jobs elsewhere. It seems likely as well that more women than men, particularly in the older and younger age groups, will continue to enter the industry. Women workers have a higher average turnover rate than male production workers. With real labor costs decreasing, it appears that there will be little incentive from the low level of earnings for the industry to become more capital intensive, particularly in relation to other U.S. manufacturing industries.

Although the above analysis holds for the 1970-75 period, a continuation of the trend during the first 8 months of 1976, which saw rising wages in the nonrubber footwear industry relative to those in all manufacturing might require a change in the analysis. Rising wages in the nonrubber footwear industry may imply that the marginal productivity of labor in that industry is rising. This implication is supported by the productivity table on page A-73 which shows a higher level than that at any time since 1971. In addition, although the labor turnover rate in the nonrubber footwear industry was still higher in the first 8 months of 1976 than in all manufacturing (see table 27), there has been a larger net gain of employment in the nonrubber footwear industry than in all manufacturing.

Foreign wage rates.--In a highly labor-intensive industry such as that producing footwear, the wages paid to workers may have a significant relationship to the final price of the product. Foreign wage rates vary according to country (table 26), but all foreign wages are substantially lower than the U.S. wage. In 1975, hourly earnings in Korea and Taiwan averaged 14 percent of the U.S. rate, while hourly earnings in Italy and Japan averaged 66 percent. The range of estimated compensation per hour worked is from 13 percent of the U.S. rate in Korea and Taiwan to nearly 90 percent of the U.S. rate in Italy.

In the first 6 months of 1976, both average hourly earnings and estimated compensation in Korea and Taiwan were slightly less than 15 percent of the U.S. wage. Hourly wages and estimated compensation of Italian workers in U.S. dollar equivalents fell both absolutely and as a percentage of the U.S. rate in the first 6 months of 1976. Hourly earnings in Italy dropped to 52 percent of the U.S. rate while estimated compensation fell to 69 percent of the U.S. rate. 1/ Midyear 1976 estimates of Japanese earnings show an absolute increase in wages but a decrease relative to the U.S. wage. Although the United States had the lowest percentage increase in wages of all the countries studied during the 1970-76 period, it had the third largest wage increase (behind Brazil and Taiwan) in the 1975-76 period. 2/

Characteristics of the work force.--The work force of the non-rubber footwear industry differs from that in all manufacturing in various significant ways. Characteristics of the industry work force compared with those for all manufacturing are summarized below.

(1) Reflecting the high labor-intensiveness of the industry, production workers in 1975 constituted 86.5 percent of employees, compared with an average of 72 percent of all manufacturing.

(2) Almost 70 percent of total employment in nonrubber footwear consists of semiskilled job classifications; for all manufacturing, only 48 percent of all employees are classified as semiskilled operatives and kindred workers. Skilled craftsmen make up 14 percent of total employment in the nonrubber footwear industry, compared with 20 percent in all manufacturing. 3/

1/ Earnings in Italy in U.S. dollar equivalents in the first 6 months of 1976 are below 1975 earnings because of a change in the exchange rate.

2/ Figures for 1976 are a midyear estimate converted to U.S. dollars on the basis of selected midyear average daily exchange rates.

3/ U.S. Department of Commerce, Occupation by Industry, 1970 figures. Data for 1974 based on the Consumer Population Survey (Bureau of the Census), a survey of 47,000 households, show a similar breakdown.

(3) Women make up a substantially greater proportion of total employees in the footwear industry than they do among manufacturing industries. In 1975, about 66 percent of the total were women, compared with 29 percent in all manufacturing and 39 percent in nondurable goods. 1/ Moreover, although the number of female workers declined absolutely between 1970 and 1975, the ratio of female workers to total footwear employees increased from 63.2 percent in 1970 to the present 66.3 percent.

(4) Nonrubber footwear workers are concentrated more heavily in the under-20 and over-60 age brackets than are workers in all manufacturing. In 1970, the last year for which data are available, 6.7 percent of employees in nonrubber footwear were under 20 and 10.6 percent were over 60, compared with 5.3 percent and 7.4 percent, respectively, in all manufacturing. 2/ The proportion of workers between 25 and 54 years of age was lower than the average in all manufacturing. 3/

(5) The turnover of employees in the nonrubber footwear industry is higher than the average for all manufacturing and has been rising

1/ U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, 1975.

2/ The interagency task force mentioned in the President's letter requesting the 1970 investigation of the industry noted in its report that the concentration of workers in the under-25 and over-60 age brackets results primarily from the large proportion of women in total employment (Report of the Task Force on Nonrubber Footwear), June 1970). A typical work pattern involves leaving the work force, at an early age, and returning after families have been raised.

3/ U.S. Department of Commerce, Detailed Characteristics, 1973.

steadily (table 27). A survey of 24 percent of the industry conducted by Kurt Salmon Associates, Inc., 1/ indicates an annual turnover rate of 73 percent in 1974. The highest turnover rate was observed in the South and the lowest, in the Midwest. The survey found that of non-rubber footwear employees who left voluntarily, 32 percent had found another job outside the industry, while only 0.8 percent had found another job within the industry. Furthermore, in a study by James E. McCarthy of workers in the shoe industry in Massachusetts who suffered layoffs, it was found that one-fourth of those laid off had never found another job even though at the time of the interview the workers had been laid off from 20 to 56 months. Half the workers in the sample were not employed full time. Moreover, for all workers, the mean change in real wage from prelayoff jobs to jobs held at the time of the interview was a reduction of \$17.81. 2/

Productivity.--The average annual output of nonrubber footwear per production worker, as well as the average output per man-hour worked by such employees, fell in 1975, but rose in the first 8 months of 1976 to its highest level since 1971, as indicated in the following table.

1/ Kurt Salmon Associates, Inc., management consultants, Atlanta, Ga., in conjunction with the American Footwear Industries Association, Turnover in the Footwear Industry, October 1975.

2/ James E. McCarthy, Adjustment to Import Competition, Federal Reserve Bank of Boston, June 1975.

Nonrubber footwear: Output per production worker and per man-hour,
1965-1975, January-August 1975, and January-August 1976

Year	Output per--			
	Production worker		Man-hour	
	Quantity	Index	Quantity	Index
	(Pairs)	(1967=100)	(Pairs)	(1967=100)
1965-----	2,996.2	101.4	1.52	101.3
1966-----	2,998.6	101.5	1.50	100.0
1967-----	2,955.7	100.0	1.50	100.0
1968-----	3,103.4	105.0	1.56	104.0
1969-----	2,914.1	98.5	1.52	101.3
1970-----	3,031.3	102.6	1.57	104.7
1971-----	3,086.4	104.4	1.58	105.3
1972-----	3,058.7	103.5	1.54	102.7
1973-----	2,982.3	100.9	1.51	100.7
1974-----	2,936.5	99.3	1.53	102.0
1975-----	2,929.6	99.1	1.53	102.0
Jan.-Aug.--				
1975-----	1,894.4	<u>1/</u>	1.47	98.0
1976-----	2,044.5	<u>2/</u>	1.54	102.7

1/ Index is 64.1. Adjusting this value to make it comparable to the year value gives 96.2.

2/ Index is 69.2. Adjusting this value to make it comparable to the year value gives 103.8.

Source: U.S. Department of Commerce, Bureau of the Census, Current Industrial Reports, Shoes and Slippers, by Type of Construction and Price Line, 1975, September 1976.

The average annual change in output per production worker in the nonrubber footwear industry during the period 1970-75 was -0.7 percent. The January-August 1975 index, 96.2, is the lowest of any yearly index cited by the table. Output per production worker rose 7.9 percent between this period and January-August 1976. Output per man-hour fell substantially in the first 8 months of 1975, but regained that loss in the first 8 months of 1976. The industry has had

difficulty in recent years in increasing its productivity partly because the many different varieties, colors, styles, and materials used in shoe manufacturing have not allowed utilization of longer more efficient production runs.

Another factor contributing to the low rate of productivity increase is the extremely small percentage of employees engaged in research and development.

Value added by manufacture per employee--often used as an alternative measure of productivity--in the production of nonrubber footwear is less than half the average in all manufacturing--\$11,472 and \$24,182, respectively in 1974 (the latest year for which data are available). Table 28 shows that, although value added per employee in the nonrubber footwear industry is below the average in all manufacturing, it increased by approximately the same percentage between 1960 and 1972. Between 1960 and 1972, value added in all manufacturing increased 93.3 percent, while that in the nonrubber footwear industry increased 90.0 percent. Between 1972 and 1974 however, value added in all manufacturing increased 23.2 percent compared to a 12.5 percent rise in the nonrubber footwear industry. The increase in the industry since 1970 was probably attributable to increasing wholesale prices for nonrubber footwear owing to inflation and/or upgrading of product lines. On the other hand, the comparatively low value added per employee in the industry, which has traditionally been regarded as labor intensive, may have resulted in part from its low investment record.

Table 29 shows that expenditures per production worker have increased more rapidly in the nonrubber footwear industry than in all manufacturing since 1960. In spite of this, expenditures per production worker have been much lower in the nonrubber footwear industry than in all manufacturing. In 1974, these expenditures averaged \$315 in the nonrubber footwear industry compared to \$2,544 in all manufacturing and \$2,920 for nondurable goods. It should be noted, however, that many establishments producing nonrubber footwear lease machinery and equipment, rather than purchase it outright. In addition, many firms follow the practice of expensing, rather than capitalizing, the costs of new lasts, dies, and patterns.

The value of rented assets is determined by the rental paid on a piece of property and includes depreciation, property and income taxes, return of investment, and often payments for repair and maintenance of the property. The tabulation below shows that the value of rented assets as a percentage of owned assets in 1968-72 was more than twice as high for the nonrubber footwear industry as it was for all industries:

<u>Year</u>	<u>U.S. industrial average (percent)</u>	<u>Leather shoe industry (percent)</u>
1968-----	10.8	27.8
1969-----	11.7	28.9
1970-----	13.4	29.3
1971-----	13.1	26.7
1972-----	12.4	31.2

Nevertheless, as can be seen from table 29a, the value of rented assets per worker in the nonrubber footwear industry averaged only about one-third of that in all U.S. industry in 1968-72. In 1972, the last year for which data are available, the value of rented assets per worker in the nonrubber footwear industry averaged \$427, the lowest value since 1969, compared with an average of \$1,538 for all industry.

The value of owned assets is defined as depreciation plus return on investment. ^{1/} In 1968-72, the average value of owned assets per worker was more than eight times as high for all industries as for the nonrubber footwear industry. Furthermore, the trend is of a slowly widening gap, both geometrically and arithmetically, between the values of rented and owned assets per worker in the nonrubber footwear industry and in U.S. industries as a whole, as evidenced by the smaller percentage increase in the footwear industry.

^{1/} George Stigler uses this method of computing the value of owned assets in Capital and Rates of Return in Manufacturing Industries. Book value is an alternative measure of owned assets; however, comparisons between industries are not as reliable, because of different accounting methods. Use of the book value measure does not alter the trend observed above.

Hence, the low value of rented assets, the low value of capital expenditures per employee, and the low value of capital utilized per worker confirm the high labor-intensiveness of the industry, both currently and potentially.

Unemployment.--Published data pertaining to unemployment in the nonrubber footwear industry are not available. A good indicator of the general trend of unemployment in the nonrubber footwear industry is the number of insured unemployed persons whose last employment was in establishments producing leather and leather products (SIC industry No. 31). 1/ From 1970 to 1975, the rate of unemployment for this broader industrial classification, about two-thirds of which is estimated to consist of footwear, was at least 50 percent higher than the average in all manufacturing. In the first 2 months of 1976, however, unemployment in the leather and leather products industry, while still over 8 percent, was less than in all manufacturing. As shown in table 30, the total number of insured unemployed in the leather and leather products industry ranged between 18,800 and 27,600 during the 1970-74 period. After reaching a high of 46,200 in the first 3 months of 1975, insured unemployment declined steadily through 1975. By January-February 1976, it had fallen to 23,000. Unemployed leather and leather products workers, who accounted for 3.2 percent of total insured unemployed persons in manufacturing in 1972 and 1973, made up only 1.8 percent of the total in January-February 1976.

1/ Insured unemployment represents the number of persons reporting a week of unemployment under an unemployment insurance program. Excluded are persons who have exhausted their benefits and workers who have not yet earned rights to unemployment insurance. Thus, such statistics probably understate the actual number of unemployed persons to some extent. Moreover, no information is available concerning the number of persons who leave an industry for other jobs or who voluntarily withdraw from the labor force and do not collect unemployment compensation.

The percent of insured unemployed persons in the leather and leather products industry claiming under 5-week unemployment compensation was generally higher than in all manufacturing during the period 1970-75, averaging 42.7 percent and 36.0 percent, respectively (table 31). In contrast, over the 5-year period, an average of 20.0 percent of the insured unemployed in leather and leather products claimed over 14 weeks unemployment compensation compared to 23.4 percent in all manufacturing.

Prices in the U.S. market

Pricing practices and markups.--As noted in the Commission's previous investigations, nonrubber footwear is often produced and marketed with a specific retail price in mind. Wholesalers will sell a given shoe at a price that will give the retailer a certain percentage markup if the shoe is retailed at a projected price--for example, \$10.99. Retailers follow the practice of backward pricing. This means that instead of selecting footwear on the basis of style, fashion, or material, and then retailing it at its corresponding markup price, the merchandiser first establishes basic retail price categories and then purchases shoes at a wholesale price for which the markup value fits his price categories. When production costs increase, producers may introduce changes in style or construction in order to continue supplying their customers with footwear in the usual price categories. Obviously, however, the ability of producers to achieve this objective is limited, since increasing production

costs and inflation eventually force producers to raise prices or discontinue low-end categories.

Although statistical data on retail markups are not available, representatives of the footwear industry generally agree that the retail markup on domestically produced nonrubber footwear currently averages about 50 percent of the retail price. It is often maintained by domestic producers that an important incentive for retailers to favor imported over domestic nonrubber footwear results from the common retail practice of taking a larger markup on less costly imported footwear and selling it at or near the same price as its domestic counterpart. Incentives for increasing retail markups whenever possible undoubtedly exist (e.g., rising retail costs and the greater uncertainty, risk, and delay in handling imported merchandise); however, according to a representative of the domestic shoe industry, the practice of taking larger markups on imports than on equivalent domestic shoes enables the taking of larger markdowns on imports, with the beneficial result of still maintaining larger gross profit margins. 1/

Price trends.--Wholesale and retail prices for footwear have increased absolutely since 1970, but at an average annual rate less than that for all commodities. Whereas the wholesale price index shows an average annual growth rate of 9.6 percent for all commodities

1/ Transcript of the TA-201-7 hearing, p. 86.

and a 10.2 percent for nondurable manufactured goods from 1970 to 1975, the comparable rate for footwear is 5.5 percent. For the same period, the Consumer Price Index shows an average annual growth rate of 6.8 percent for all commodities compared with 4.1 percent for footwear.

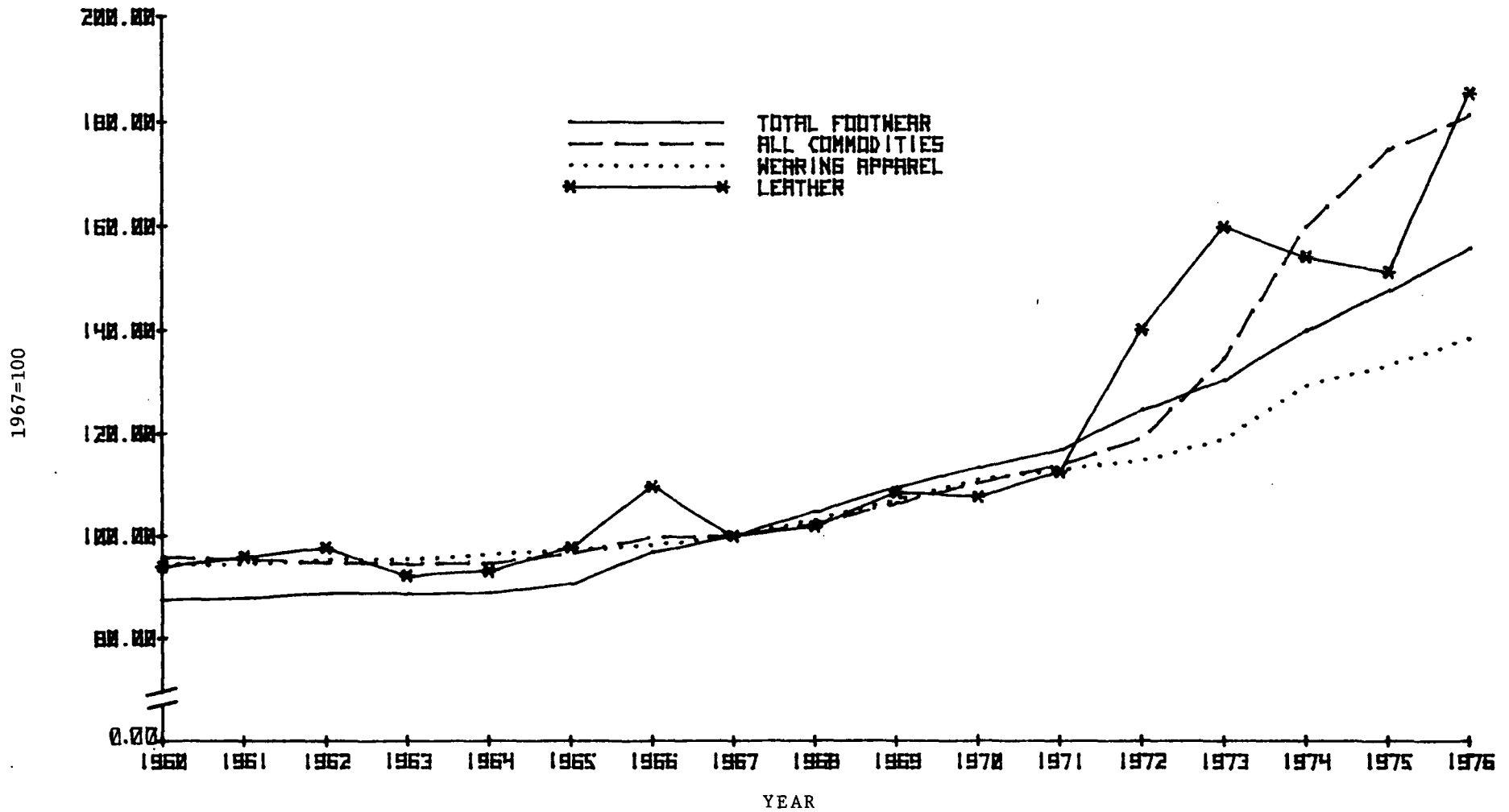
Within the footwear industry, wholesale prices for women's and misses' footwear and children's and infants' footwear increased from 1970 to 1975 at an average annual rate of 4.2 percent, or less than the industry average, while men's and boys' footwear rose by an average annual rate of 7.4 percent (table 32). The wholesale price for wearing apparel increased an average of 3.7 percent annually during this period. The following tabulation shows the wholesale price indexes computed by the Bureau of Labor Statistics (BLS) for January-August 1976, indicating how much prices have risen since 1967:

<u>Item</u>	<u>Index (1967=100)</u>
All commodities	181.5
Nondurable manufactured goods	181.2
Wearing apparel	138.6
Footwear (except rubber), total	156.0
Women's and misses'	145.5
Men's and boys'	172.0
Children's and infants'	148.9

BLS consumer price indexes show a similar trend, although prices of most items increased somewhat less rapidly than at the wholesale level (table 33). Between 1970 and 1975 the average annual price rise was 6.8 percent for all items and 4.1 percent for footwear. Comparing prices in the first 8 months of 1976 with those in the first 8 months of 1975 shows a slower annual growth rate of 6.1 percent

FIGURE 11

U.S. wholesale price indexes for footwear and selected commodities, 1960-76 1/



1/ 1976 data represents first 8 months only.

Source: Based on data in table 32.

for all items and 3.3 percent for footwear. Various consumer price indexes for 1975 were as follows (1967=100): All items--161.2; all items except food--157.1; apparel except footwear--140.6; and footwear--144.2.

The less rapid increase since 1970 in the wholesale prices of nonrubber footwear compared with those of all commodities appears to be caused by the following: (1) Hourly wages for production workers engaged in the production of nonrubber footwear rose less rapidly than in all manufacturing; and (2) until 1976 the wholesale price of leather, while rising substantially, grew at a less rapid rate than did all commodities. Although the price index for leather exceeded that for all commodities in the first 8 months of 1976, price changes of footwear tend to lag somewhat behind price changes of leather. In addition, there has been substantial substitution of nonleather materials such as vinyl, rubber, and synthetic rubber. For January-August 1976, the wholesale price index using 1967 as a base was 166.7 for rubber heels and soles and 154.3 for synthetic rubbers compared with 181.5 for all commodities. Data using 1967 as a base are not available for polyvinyl chloride (tables 32 and 34).

With an increased emphasis on style in recent years and with more rapid style changes, costs of lasts, dies, and patterns have risen since they must be changed more frequently. This helps explain why wholesale prices for nonrubber footwear rose at a faster rate in the 1970's than in the late 1960's.

Real expenditures for total personal consumption rose by 15.2 percent from 1970 to 1975, while real expenditures for shoes and other footwear increased by 13.4 percent. Table 35 shows that for the entire period 1970-75, the average annual percentage increase in real expenditures for total personal consumption was only 0.3 percent higher than for footwear. From 1970 to 1973 real expenditures for footwear increased 5.4 percent annually, exceeding an annual increase of 4.7 percent for all goods and services. From 1973 to 1975, however, real expenditures for footwear declined by 1.6 percent annually while for all goods and services it rose by 0.2 percent annually. In real per capita terms, expenditures for footwear increased at about the same rate as total per capita expenditures from 1970 to 1973; however, from 1973 to 1975 real per capita expenditures for footwear dropped by 4.4 percent, whereas total per capita expenditures declined by only 1.1 percent.

Hence, the slower rise in footwear expenditures helps explain price movements in the wholesale and retail markets only since 1973. It appears that since demand for footwear exceeded total demand between 1970 and 1973, footwear producers could have raised prices faster than they actually did. That this did not happen seems to be the result of highly competitive conditions within the industry. These could have been in the form of (1) severe competition among domestic firms, (2) competitive pressures resulting from imports, or (3) a combination of the first two conditions. While demand for all goods and services remained essentially stable between 1973 and 1975,

demand for footwear fell, making it difficult for domestic producers to raise prices. In addition, even if imports had remained stable during this period, the fall in demand would have kept domestic production from rising.

The only category of nonrubber footwear imports for which published wholesale price data are available is women's and misses' footwear (table 36). 1/ Using 1970 as a base, the index shows a higher average annual growth rate for women's and misses' imported footwear than for women's and misses' domestic footwear. Thus, for the period 1970-75, the gap between prices for domestic and imported footwear for women and misses has narrowed. This lends support to the contention of retailers that other factors along with price (specifically style, quality, and value) have been responsible for the increasing share of the market taken by imports.

1/ However, this index is based only on prices of imported leather-upper dress pumps and leather-upper sandals from Italy.

Wholesale price ranges.--Table 39 compares the percentage distribution of importers' sales with that of domestic sales, by types and price ranges, for 1975. 1/ For men's dress and casual shoes and boots, imports are dispersed relatively evenly among all price brackets while domestic production tends to be more concentrated in the middle and upper brackets. In the women's-flat-shoes category, 86 percent of imports fell into the two lowest price categories compared to 60 percent of domestic production. Women's shoes with heels 1 inch or higher make up the largest single category of imported shoes (47 percent of total imports); the imported shoes are concentrated in the lower price ranges, while domestic production is centered in the medium price ranges. Imported youths' and boys', misses', children's shoes, and slippers fall almost exclusively into the lowest price categories; domestic production of these shoes is concentrated in the medium price range. Over 60 percent of infants' shoes fell into the highest price category while domestic production was dispersed among the various price ranges. 2/

1/ Data on the percentage distribution of imports are available for the January-September 1976 period; however data on the percentage distribution of domestic production are available only on an annual basis. The composition of imports in 1976 was essentially similar to 1975. The share taken by women's shoes, 8/8 inch and up dropped 4 percentage points while the share taken by slippers rose by the same amount. Other categories differed by 1 percentage point, at most.

2/ The trend in imported infants' shoes was completely reversed in the first 9 months of 1976 when only 2 percent of the shoes fell into the highest price category.

Profit-and-loss experience of domestic producers

The financial data in this section have been compiled from responses to the questionnaire submitted by 88 producers of footwear. The questionnaire was sent to 179 firms, which included the 22 largest based on their production in 1974. Responses were received from 15 of the 22 manufacturers; these 15 accounted for approximately 47 percent of total footwear sales from questionnaire responses, and are included in this section of the report. The remaining companies were selected by random sample. The data for all of the companies were arrayed into 6 size groups based on production figures for 1975. Sales, profits, and so forth, by groups, for total establishment operations in which footwear was produced are shown in table 37; financial experience on their footwear operations only are shown in table 38. The establishment operations and footwear operations are virtually the same, with footwear accounting for approximately 97 percent of total operations in 1975. A comparison with financial data compiled in the previous investigation (No. TA-201-7) was not made because of the large discrepancy between the number of companies submitting financial information. In that investigation, data from 125 companies were compiled, while only 88 companies are represented in the current investigation.

On footwear operations alone each group showed a profit for the year 1975 with the second largest group showing the largest profit with a return of 7.5 percent on net sales. The smallest group (under 200,000 pair) had the smallest return of only 2.2 percent of net sales. The groups in total showed a profit of 5.4 percent of net sales.

Partial-year data were requested for 1975 and 1976. The period January-June was requested, but some companies could not furnish this, and others furnished data for different 6-months periods. The data supplied were used if it fell within a reasonable time period near the January-June period. Except for one group the partial year 1976 showed much improvement over 1975 both in sales and profits.

A separate calculation was made for women's and misses' and men's, youths', and boys' classes. There were 37 companies which produced 75 percent or more in one of these classes and were arrayed in the following manner:

<u>Group</u>	<u>Number of companies</u>
Less than 200,000-----	4
200,000 to 499,999-----	10
500,000 to 999,999-----	12
1,000,000 to 1,999,999-----	6
2,000,000 to 3,999,999-----	3
over 4,000,000-----	2

The result of this calculation is shown in the following table.

Footwear: Ratio of net operating profit (losses) to sales for all
U.S. producers and for U.S. producers of women's and men's footwear,
by size-of-output groups, accounting year 1975

Size-of-output group	All producers	Producers with 75% or more of 1975 production of footwear consisting of--	
		Women's and misses'	Men's, youths', and boys'
Less than 200,000-----	2.2	5.9	2.3
200,000 to 499,999-----	3.4	1.1	6.2
500,000 to 999,999-----	2.8	(2.6)	5.6
1,000,000 to 1,999,999-----	5.5	(1.6)	10.8
2,000,000 to 3,999,999-----	7.5	8.9	7.8
Over 4,000,000-----	5.7	1.0	<u>1/</u>

1/ There were no producers of over 4,000,000 pairs.

Source: Compiled from data submitted in response to questionnaire of
the U.S. International Trade Commission by producers of nonrubber
footwear.

The Question of Imports as Substantial Cause of Serious Injury

Apparent U.S. consumption

Nonrubber footwear is the predominant type of footwear sold in the United States, accounting for more than three-quarters of the consumption of all footwear other than the protective type during each of the years 1954-75.

Consumption of nonrubber footwear (see table 1) 1/ increased from 828 million pairs in 1970 to 846 million pairs in 1972--or by 2 percent. However, it declined annually thereafter and in 1975 amounted to 748 million pairs, 12 percent below the level of consumption in 1972 and 10 percent below that in 1970. Consumption during January-September 1976 was 684 million pairs compared with 554 million pairs during the corresponding period of 1975--an increase of 25 percent. Per capita consumption for the period 1970-75 dropped from 4.0 pairs to 3.5 pairs. Per capita consumption for the first 9 months of 1976--2.9 pairs--was slightly higher than that of the corresponding period in 1975, which was 2.3 pairs.

The following table shows apparent consumption of nonrubber footwear by the major categories. On the average, during 1970-75 athletic footwear accounted for about 3 percent of consumption, and work shoes for 4 percent. Nonrubber footwear for women and misses accounted for roughly half of sales; footwear for men, youths, and boys, for about a fifth; and footwear for children and infants, about a tenth.

1/ See table 1c for data excluding zoris and paper slippers.

The Question of Imports as Substantial Cause of Serious Injury

Apparent U.S. consumption

Nonrubber footwear is the predominant type of footwear sold in the United States, accounting for more than three-quarters of the consumption of all footwear other than the protective type during each of the years 1954-75.

Consumption of nonrubber footwear (see table 1) 1/ increased from 828 million pairs in 1970 to 846 million pairs in 1972--or by 2 percent. However, it declined annually thereafter and in 1975 amounted to 748 million pairs, 12 percent below the level of consumption in 1972 and 10 percent below that in 1970. Consumption during January-September 1976 was 684 million pairs compared with 554 million pairs during the corresponding period of 1975--an increase of 25 percent. Per capita consumption for the period 1970-75 dropped from 4.0 pairs to 3.5 pairs. Per capita consumption for the first 9 months of 1976--2.9 pairs--was slightly higher than that of the corresponding period in 1975, which was 2.3 pairs.

The following table shows apparent consumption of nonrubber footwear by the major categories. On the average, during 1970-75 athletic footwear accounted for about 3 percent of consumption, and work shoes for 4 percent. Nonrubber footwear for women and misses accounted for roughly half of sales; footwear for men, youths, and boys, for about a fifth; and footwear for children and infants, about a tenth.

1/ See table 1c for data excluding zoris and paper slippers.

Nonrubber footwear: U.S. production, imports for consumption, and
apparent consumption, by types, 1968-75

Item	1968	1969	1970	1971	1972	1973	1974	1975
Athletic:								
Production-----million pairs--	8	9	9	8	9	10	10	8
Imports-----do-----	2	2	4	5	6	6	8	17
Consumption-----do-----	10	11	13	13	15	16	18	25
Ratio of imports to consumption-----percent--	20	18	31	38	40	38	44	68
Work:								
Production ^{1/} -----million pairs--	36	35	38	38	35	29	27	25
Imports-----do-----	2	2	2	2	2	3	3	2
Consumption-----do-----	38	37	40	40	37	32	30	27
Ratio of imports to consumption-----percent--	5	5	5	5	5	9	10	7
Other:								
For women and misses:								
Production-----million pairs--	317	266	253	232	218	197	183	167
Imports-----do-----	133	140	166	181	199	210	183	191
Consumption-----do-----	450	406	419	413	417	407	366	358
Ratio of imports to consumption-----percent--	30	34	40	44	48	52	50	53
For men, youths, and boys:								
Production-----million pairs--	114	105	106	102	115	112	101	95
Imports-----do-----	51	38	48	57	62	63	53	60
Consumption-----do-----	145	143	154	159	177	175	154	155
Ratio of imports to consumption-----percent--	21	27	31	36	35	36	34	39
For children and infants:								
Production-----million pairs--	60	56	55	54	50	49	44	43
Imports-----do-----	14	19	21	22	27	26	19	19
Consumption-----do-----	74	75	76	76	77	75	63	62
Ratio of imports to consumption-----percent--	19	25	28	29	35	35	30	31

^{1/} The data reported for years prior to 1973 include all work shoes, regardless of ankle height; data for 1973 and subsequent years include only such shoes of ankle height or higher. In 1972, production of work shoes less than 6 inches high amounted to 8 million pairs.

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

Note.--Data on slippers are not reported above since comparable production and import data are not available.

As shown in the table on the following page, comparable data for the first 9 months of 1975 and 1976 indicate that apparent consumption of footwear in each category has increased. The most notable increase appeared in athletic footwear--a jump of 89 percent. During the same period consumption of women's and misses' footwear increased by 22 percent; men's, youths' and boys', by 25 percent; and children's and infant's, by 26 percent.

Nonrubber footwear: U.S. production, imports for consumption, and apparent consumption, by types, January-September 1975, and January-September 1976

Item	January-September		Percentage increase or decrease (-)
	1975	1976	
Athletic:			
Production-----million pairs--:	6	3	33
Imports-----do-----:	12	26	117
Consumption-----do-----:	18	34	89
Ratio of imports to consumption-----percent--:	67	77	15
Work:			
Production-----million pairs--:	18	19	6
Imports-----do-----:	2	4	100
Consumption-----do-----:	20	23	15
Ratio of imports to consumption-----percent--:	10	17	70
Other:			
For women and misses:			
Production-----million pairs--:	121	146	21
Imports-----do-----:	143	177	24
Consumption-----do-----:	264	323	22
Ratio of imports to consumption-----percent--:	54	55	2
For men, youths, and boys:			
Production-----million pairs--:	70	80	14
Imports-----do-----:	43	63	47
Consumption-----do-----:	113	143	25
Ratio of imports to consumption-----percent--:	38	44	16
For children and infants:			
Production-----million pairs--:	32	38	19
Imports-----do-----:	14	20	43
Consumption-----do-----:	46	58	26
Ratio of imports to consumption-----percent--:	30	35	17

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

Note.--Data on slippers are not reported above since comparable production and import data are not available.

Imports and market penetration

As shown in the table on the following page, U.S. imports of footwear for women and misses increased their share of the market from 30 percent in 1968 to 53 percent in 1975. Such imports accounted for 56 percent of the market in the first 6 months of 1975 and 55 percent during the corresponding period of 1976. Imports of nonrubber footwear for men, youths, and boys supplied 21 percent of apparent domestic consumption in 1968 and 36 percent in 1971; during the period 1972-75 imports of such footwear supplied two-fifths of the market. Such imports increased their share of the market to 43 percent in the first 6 months of 1976--an increase of 19 percent over the same period in 1975.

U.S. imports of footwear for children and infants rose from 19 percent of apparent domestic consumption in 1968 to 35 percent in 1972 and 1973. The ratio dropped to 31 percent in 1975, but then increased to 34 percent in the first 6 months of 1976. U.S. imports of work shoes supplied 5 percent of the market in the period 1968-72 and 7 percent in 1975, increasing to 13 percent in the first 6 months of 1976 (see footnote 2 of the table on following page).

The ratio of U.S. imports of athletic footwear to apparent domestic consumption of such footwear has been on an upward trend in recent years. Imports of athletic footwear supplied 20 percent of the market in 1968, 38 percent in 1971, and 68 percent in 1975. As a result of a substantial increase in imports of athletic footwear during the first 6 months of 1976, imports supplied 76 percent of the market in that period, compared with 67 percent in the corresponding period of 1975. However, it should

Nonrubber footwear: Ratio of imports to U.S. consumption, 1/ by types, 1968-75,
January-June 1975, and January-June 1976

(In percent)

Type	1968	1969	1970	1971	1972	1973	1974	1975	January-June--	
									1975	1976
Work-----	5	5	5	5	5	<u>2/</u> 9	<u>2/</u> 10	<u>2/</u> 7	<u>2/</u> 7	<u>2/</u> 13
Athletic-----	20	18	31	38	40	38	44	68	67	76
Other:										
Women's and										
misses'-----	30	34	40	44	48	52	50	53	56	55
Men's, youths'										
and boys'-----	21	27	31	36	35	36	34	39	36	43
Children's and										
infants'-----	19	25	28	29	35	35	30	31	31	34
Total-----	22	26	30	33	36	39	37	41	42	43

1/ Based on quantity; import data exclude zoris and paper slippers.

2/ Data not comparable with those for 1968-72. The production data reported for years prior to 1973 include all work shoes regardless of ankle height; those for 1973 and subsequent years include only such shoes of ankle height or higher. (In 1972, production of work shoes less than 6 inches high amounted to 8 million pairs.)

Source: Compiled from official statistics of the U.S. Department of Commerce (a small part of the imports are estimated, based on official statistics).

Note.--U.S. imports of leather slippers entered under TSUS item 700.32 have been negligible in recent years. However, it should be noted that the definition of slippers is a restrictive definition that applies to only a small part of the slippers imported into the United States.

be noted that a substantial portion of the imports include high-quality, high-priced, specialized athletic shoes of a type that are not produced to any great extent in the United States.

Precise data are not available with respect to imports of house slippers; thus, the share of the market supplied by such imports is not known. According to Customs Service there is a substantial volume of inexpensive slippers imported annually. It is estimated that such imports in recent years have accounted for between one-third and two-thirds of the market.

Other factors affecting the posture of the domestic footwear industry that should be examined in conjunction with imports as potential causes of serious injury include the impact of styles or fashion trends, and changes in population and disposable income. These were examined in detail in the Commission's previous report. 1/

1/ Footwear: Report to the President on Investigation No. TA-201-7
. . . , USITC Publication 758, 1976.

Domestic and Import Prices

Wholesale price data for the period 1970-76 were obtained in this investigation by means of special price questionnaires sent to a selected number of domestic producers and importers of non-rubber footwear. The objective was to obtain price data which would reflect wholesale price movements over time, with changes for styles and quality factored out to as great an extent as possible. Because many footwear products do change substantially over time, many respondents experienced difficulty with the questionnaire, particularly for the earlier years (1970 and 1971) owing to a lack of records and also because it was more difficult to remember the exact nature of style changes during earlier years.

Prices were sought for 14 product sectors, listed in the note to tables 40 and 41. The best responses were obtained for sectors A, E, and F, a fact which is not unexpected as these were the most popular types of footwear being sold in the United States during the period 1970-76. The prices were combined into indexes to reflect price movements, with January 1973 as a base. Tables 40 and 41 are the end products of this effort and are best interpreted together.

The price rises for the principal domestic sectors (A, E, and F) are comparable during this period. For imports, however, prices of men's shoes (A) appear to have gone up more rapidly than those for women's (sectors E and F), although the rise for imported medium-heel shoes (sector G) is much higher than for these other sectors. Price

increases for domestically produced work shoes (sector C) have been somewhat less than for imported work shoes; the price index of the domestic shoes rose from 90.53 in January-March 1972 to 131.46 in October-December 1976, compared with a rise from 91.74 to 134.84 in the same period for imported work shoes. Prices of imported women's boots have been increasing more rapidly than for other types of imported footwear, while those of imported slippers have been stable.

The overall price trends become more evident in tables 42 and 43 and in the accompanying figure (figs. 12-16). Since 1970, price movements for women's and men's nonrubber footwear have been very similar, while prices for all goods as measured by the wholesale price index have risen substantially more than for nonrubber footwear (table 42, fig. 12). Price movements for nonrubber footwear and for all goods were very similar from 1970 through early 1973, and then prices for all goods began rising at a much more rapid pace. Since footwear imports were generally rising from 1970 through 1973, and then declined in 1974 and 1975 relative to 1973, there seems to be little reason for imports to have caused this price gap beginning in 1973. Much of the large rise in the wholesale price index since early 1973 was due to the sharply escalating costs of raw materials, particularly those which are energy related. Footwear is much more labor intensive than other industries and much less energy dependent. Hence, it is likely that costs have risen more slowly for footwear. Real consumption for footwear rose at the same rate as for total personal consumption from 1970 to 1973. It declined 1.6 percent between 1973 and 1975,

while total personal consumption rose 0.2 percent in the period, a factor which helps to explain the widening price gap beginning in mid-1973.

Between 1970 and 1974, prices of imported and domestic footwear moved almost in tandem. Beginning in 1975, price increases in imported footwear systematically exceeded those of domestically produced footwear. By October-December 1976, the index for domestically produced footwear was 143.01 compared with 147.34 for imported footwear.

Wholesale price movements for imported footwear show a greater divergence in the pattern of men's and women's categories (table 43 and fig. 13). Between January-March and October-December of 1976, the price of men's imported footwear rose 4.43 percent compared with a rise of 2.65 percent for women's imported footwear.

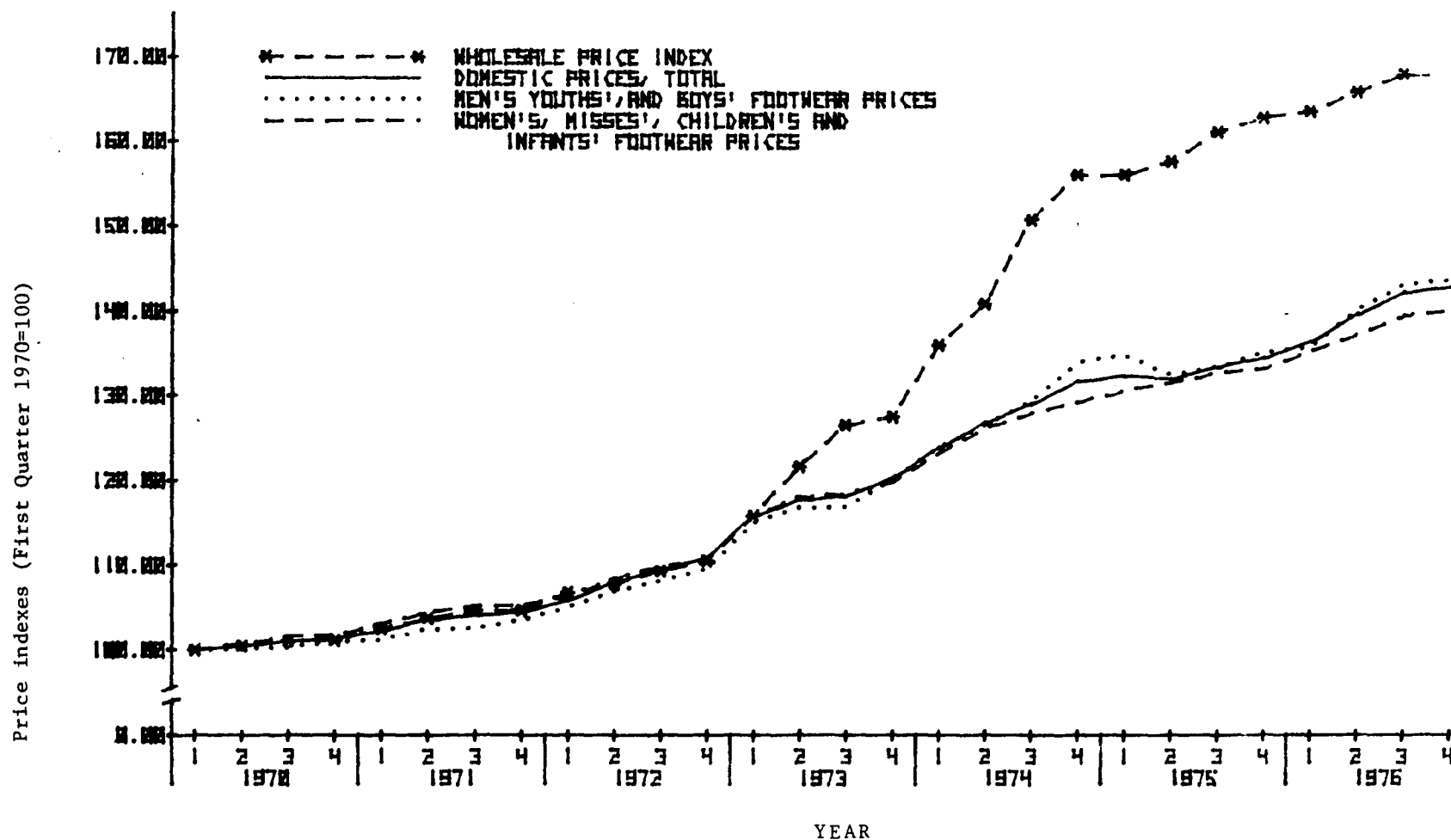
Sufficient price data is available to make comparisons between domestic and import price movements for women's footwear and for men's footwear (figs. 15 and 16). Prices for women's footwear generally moved together between 1970 and January-March 1975. Beginning in April-June 1975, price increases were greater for women's imported footwear than for women's domestic footwear. By October-December 1976, prices for women's imported footwear exceeded their 1970 level by almost 45 percent, compared with a 40 percent increase in women's domestic footwear. Domestic and import prices for the men's categories showed great similarity in movement through 1973. They diverged for awhile in 1974, and in 1975 and 1976 import prices

moved up much more rapidly than prices for men's domestic footwear. By October-December 1976, prices for men's imported footwear exceeded their 1970 level by 54 percent, compared with a 44 percent increase in men's domestic footwear.

That prices for imported footwear rose at a faster rate than prices for domestic footwear indicates that the price gap between the two is narrowing. It also is evidence that the relative price of imported footwear compared with that of domestic footwear remained relatively constant throughout the 1970's. If anything, price competition between the two has been increasing. Considering that foreign wage rates have been rising much more rapidly than domestic prices (table 26) in Appendix C, it is almost surprising that import prices have not increased even faster. Part of the explanation lies in the shifts taking place in production of footwear abroad. Relatively more U.S. imports have been coming in from Taiwan and Brazil at the expense of Japan and Italy, which have higher wages.

FIGURE 12

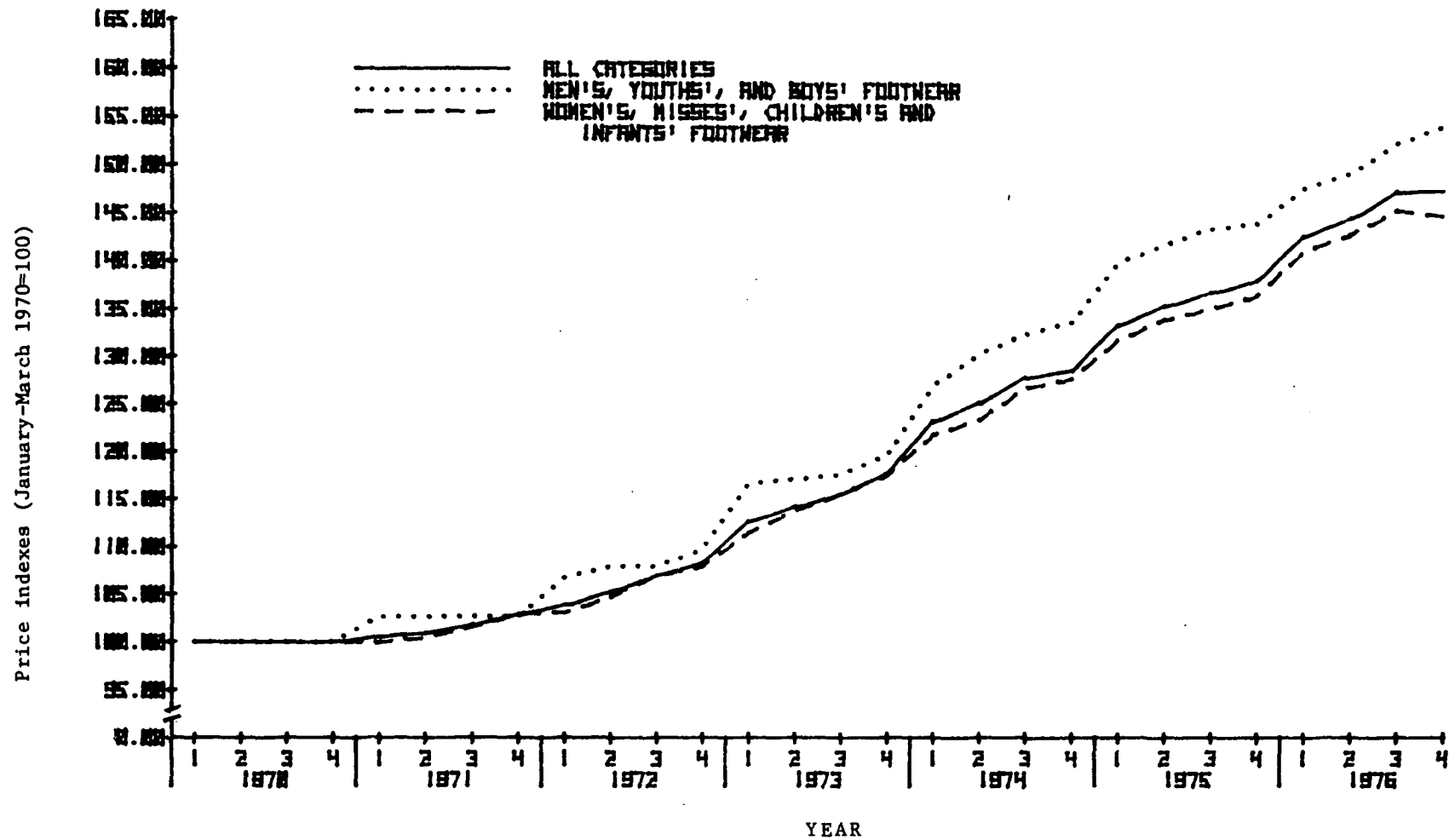
Price indexes for the domestic nonrubber footwear industry, and U.S. wholesale price index for all commodities, 1970-76



Source: Wholesale price index prepared by Bureau of Labor Statistics. Footwear price indexes based on table 3.

FIGURE 13

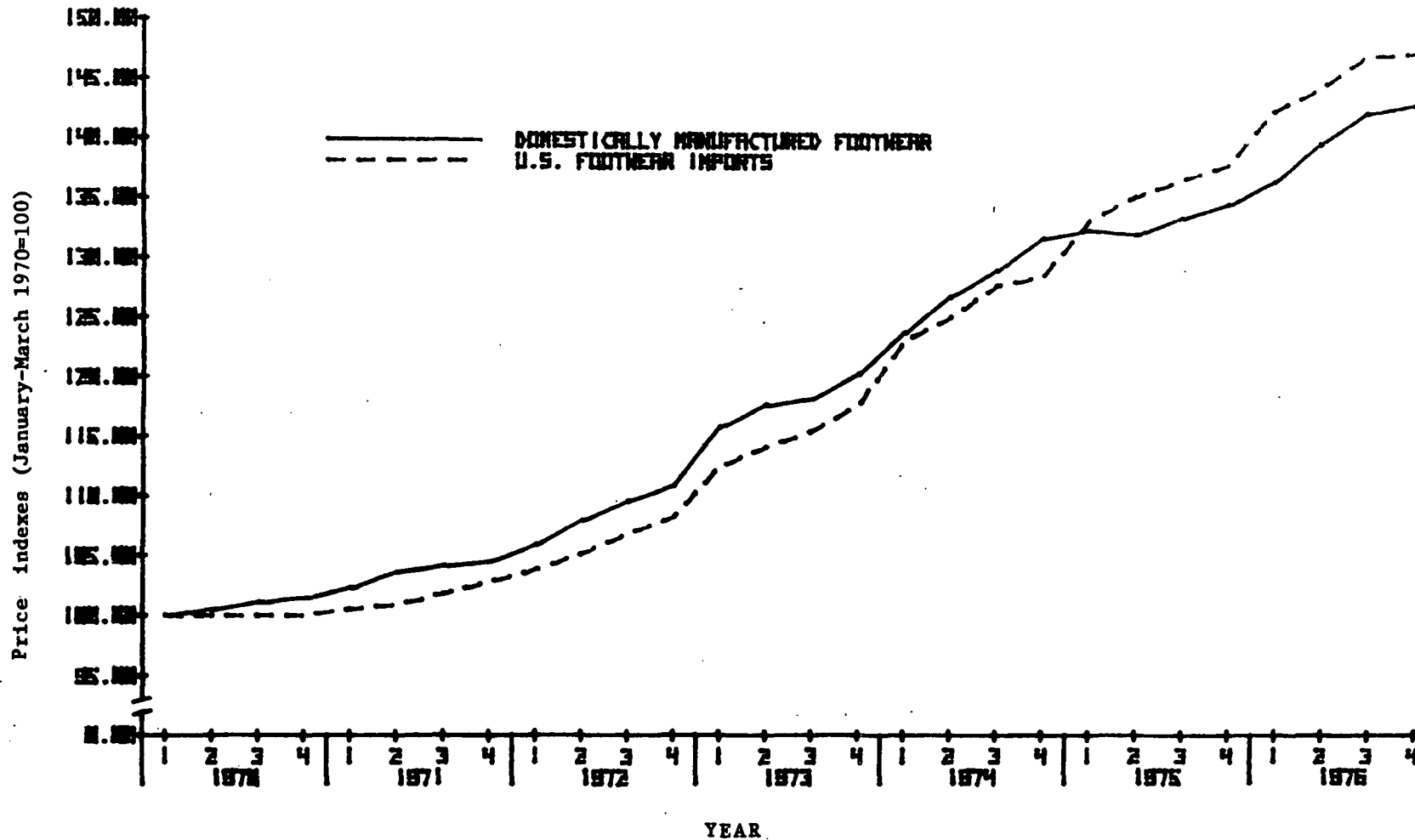
U.S. imports of nonrubber footwear: Price indexes, by categories, 1970-76



Source: Based on data in table 4.

FIGURE 14

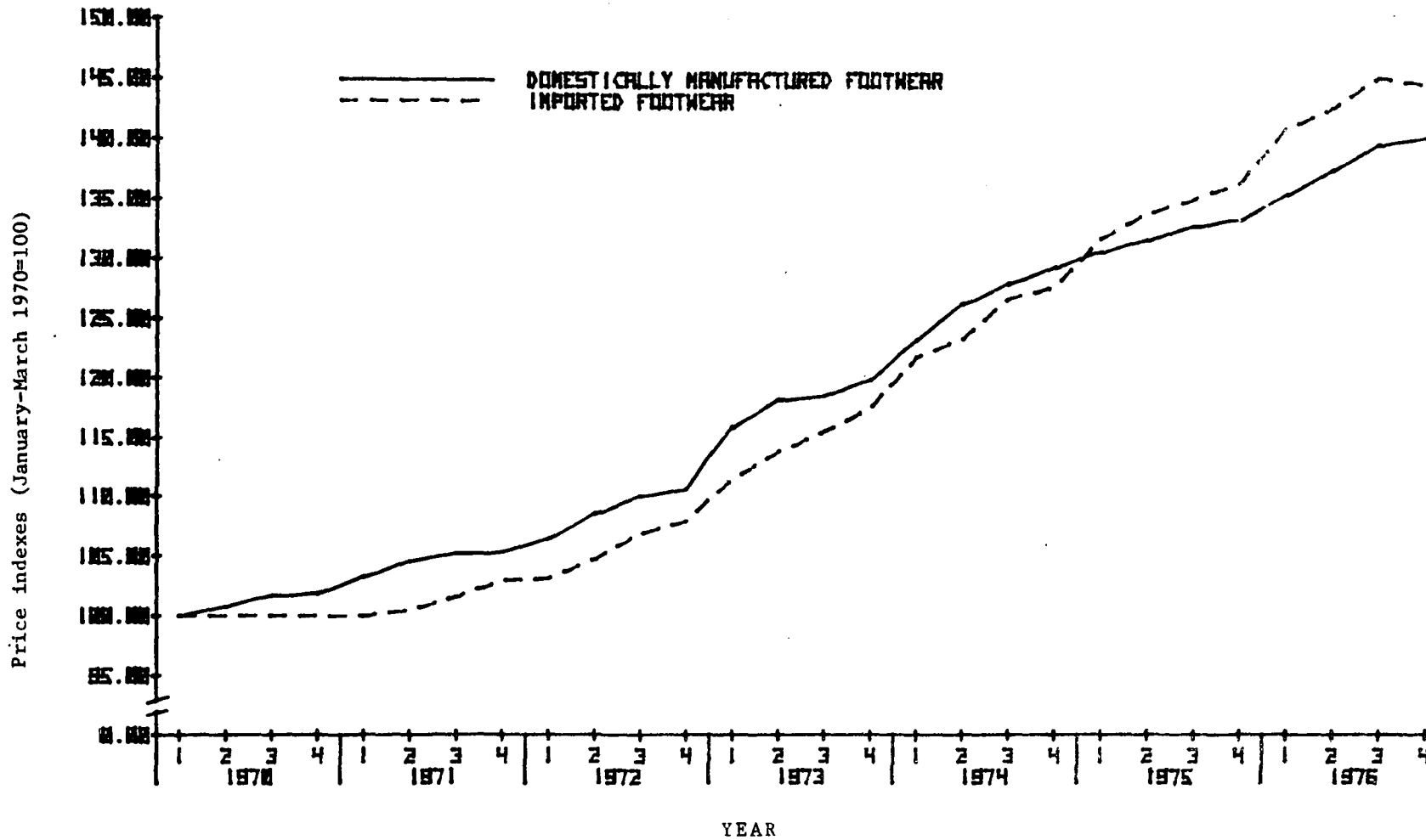
Price indexes of domestic and imported nonrubber footwear, 1970-76



Source: Based on data in tables 3 and 4.

FIGURE 15

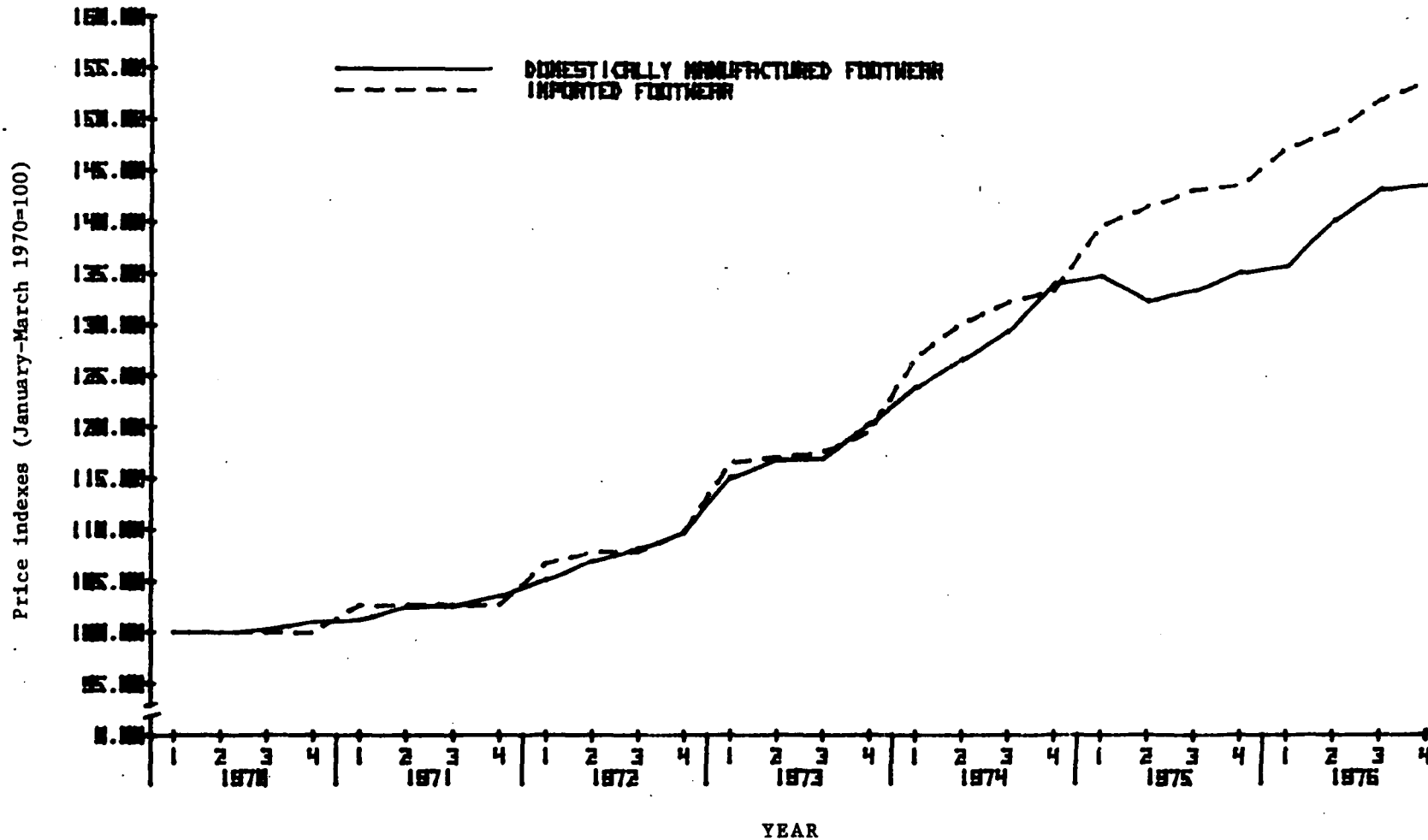
Price indexes of domestic and imported footwear for Women, Misses, Children,
and Infants, 1970-76



Source: Based on data in tables 3 and 4.

FIGURE 16

Price indexes of domestic and imported footwear for Men, Youths, and Boys, 1970-76



Source: Based on data in tables 3 and 4.

APPENDIX A

PART 1A OF SCHEDULE 7 OF THE TARIFF SCHEDULES OF
THE UNITED STATES ANNOTATED (1976)

B-2
TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1976)

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS Page 479

**Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods**

7 - 1 - A

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
					1	2
			<p>PART 1. - FOOTWEAR; HEADWEAR AND HAT BRAIDS; GLOVES; LUGGAGE, HANDBAGS, BILLFOLDS, AND OTHER FLAT GOODS</p> <p>Subpart A. - Footwear</p> <p><u>Subpart A headnotes:</u></p> <p>1. This subpart covers boots, shoes, slippers, sandals, moccasins, slipper socks (socks with applied soles of leather or other material), scuffs, overshoes, rubbers, arctics, galoshes, and all allied footwear (including athletic or sporting boots and shoes) of whatever material composed, and by whatever method constructed, all the foregoing designed for human wear except --</p> <p style="padding-left: 20px;">(i) footwear with permanently attached skates or snowshoes (see part 5D of this schedule),</p> <p style="padding-left: 20px;">(ii) hosiery (see part 6C of schedule 3), and</p> <p style="padding-left: 20px;">(iii) infants' knit footwear (see part 6F of schedule 3).</p> <p>2. For the purposes of this subpart --</p> <p style="padding-left: 20px;">(a) the term "huaraches" (item 700.05) means a type of leather-soled sandal having a woven-leather upper laced to the insole, with the insole machine-stitched to the outsole, and having a heel which is nailed on;</p> <p style="padding-left: 20px;">(b) the term "McKay-sewed footwear" (item 700.10) means footwear the soles of which are sewed to the upper by means of a McKay chainstitch, with the stitching passing through the outsole, upper, lining, and insole;</p> <p style="padding-left: 20px;">(c) the term "moccasins" (item 700.15) means footwear of the American Indian handicraft type, having no line of demarcation between the soles and the uppers;</p> <p style="padding-left: 20px;">(d) the term "welt footwear" (items 700.25 through 700.29) means footwear constructed with a welt, which extends around the edge of the tread portion of the sole, and in which the welt and shoe upper are sewed to a lip on the surface of the insole, and the outsole of which is sewed or cemented to the welt;</p> <p style="padding-left: 20px;">(e) the term "slippers" (item 700.32) means footwear of the slip-on type without laces, buckles, zippers, or other closures, the heel of which is of underwedge construction, and (1) having a leather upper permanently trimmed with a real or imitation fur collar, or (2) having a leather upper and a split leather tread sole (including heel) held together by a blown sponge-rubber midsole created and simultaneously vulcanized thereto;</p> <p style="padding-left: 20px;">(f) the term "footwear for men, youths, and boys" (item 700.35) covers footwear of American youths' size 11-1/2 and larger for males, and does not include footwear commonly worn by both sexes; and</p> <p style="padding-left: 20px;">(g) the term "fibers" means unspun fibrous vegetable materials, vegetable fibers, wool, silk, or other animal fibers, man-made fibers, paper yarns, or any combination thereof.</p>			

B-3
TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1976)

Page 480

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

7 - 1 - A

G S P	Item	Stat. Suf- fix	Articles	Units or Quantity	Rates of Duty	
					1	2
			<p>3.(a) For the purposes of items 700.51 through 700.58, the rubber or plastics forming the exterior surface area specified, if supported by fabric or other material, must coat or fill the supporting material with a quantity of rubber or plastics sufficient to visibly and significantly affect the surface otherwise than by change in color, whether or not the color has been changed thereby.</p> <p>(b) Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States.</p> <p><u>Subpart A statistical headnote:</u></p> <p>1. For the purposes of this subpart --</p> <p>(a) the term "athletic footwear" covers footwear of special construction for baseball, football, soccer, track, skating, skiing, and other athletic games, or sports;</p> <p>(b) the term "work footwear" covers footwear having outsoles 1/4 inch or over in thickness (measured at the ball of the foot) and having uppers of grain leather extending above the ankle;</p> <p>(c) the term "soled 'moccasins'" covers footwear in which the vamp extends completely under the foot, whether or not seamed, forming both the bottom and the sides to which an outsole is attached;</p> <p>(d) the term "cement footwear" covers footwear in which the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing, but not including footwear having vulcanized soles or injection molded soles;</p> <p>(e) the term "soft sole footwear" covers footwear in which the upper and the tread sole are sewn together in such manner that both are folded inward with their outer surfaces in contact inside the footwear at the seam;</p> <p>(f) the term "casual footwear" covers footwear constructed with a wedge heel, or with an open toe and so constructed that the heel of the foot is not over 1 inch above the ball of the foot;</p> <p>(g) the term "boots" covers footwear (other than footwear of oxford height) designed to be worn next to the sock rather than over the shoe;</p> <p>(h) the term "footwear for men" covers footwear of American men's size 6 and larger for males, and does not include footwear commonly worn by both sexes;</p> <p>(i) the term "footwear for youths and boys" covers footwear of American youths' size 11-1/2 and larger but not as large as American men's size 6, and does not include footwear commonly worn by both sexes;</p> <p>(j) the term "footwear for women" covers footwear of American women's size 4 and larger, whether for females or of types commonly worn by both sexes;</p> <p>(k) the term "footwear for misses" covers footwear of American misses' size 12-1/2 and larger but not as large as American women's size 4, whether for females or of types commonly worn by both sexes;</p> <p>(l) the term "footwear for children" covers footwear of American children's size 8-1/2 and larger but not as large as the footwear described in statistical headnotes (i) and (k);</p> <p>(m) the term "footwear for infants" covers all footwear not included in the foregoing statistical headnotes (h), (i), (j), (k), and (l); and</p> <p>(n) the term "oxford height" covers footwear the upper of which does not extend above the ankle.</p>			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1970)

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods7 - 1 - A
700.05 - 700.41

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
					1	2
			Footwear, of leather (except footwear with uppers of fibers):			
	700.05	00	Huaraches.....	Prs.....	20% ad val.	20% ad val.
	700.10	00	McKay sewed footwear.....	Prs.....	10% ad val.	30% ad val.
	700.15	00	Moccasins.....	Prs.....	10% ad val.	20% ad val.
	700.20		Turn or turned footwear.....		2.5% ad val.	10% ad val.
		20	For men, youths, and boys.....	Prs.		
		45	For women.....	Prs.		
		50	For misses.....	Prs.		
		60	For children and infants.....	Prs.		
			Welt footwear:			
	700.25	00	Valued not over \$2 per pair.....	Prs.....	17% ad val.	20% ad val.
	700.26		Valued over \$2 but not over \$5 per pair.....		17¢ per pair	20% ad val.
		10	Work footwear.....	Prs.		
			Other:			
		30	For men.....	Prs.		
		50	Other.....	Prs.		
	700.27		Valued over \$5 but not over \$6.80 per pair.....		5% ad val.	20% ad val.
		18	Work footwear.....	Prs.		
			Other:			
		38	For men.....	Prs.		
		48	Other.....	Prs.		
			Valued over \$6.80 per pair:			
	700.28	00	Ski boots.....	Prs.....	Free	20% ad val.
	700.29		Other.....		5% ad val.	20% ad val.
		20	Athletic footwear other than ski boots.....	Prs.		
		40	Work footwear.....	Prs.		
			Other:			
		60	For men.....	Prs.		
		80	Other.....	Prs.		
	700.30	00	Footwear with molded soles laced to uppers.....	Prs.....	5% ad val.	20% ad val.
	700.32	00	Slippers.....	Prs.....	5% ad val.	20% ad val.
			Other:			
	700.35		For men, youths, and boys.....		8.5% ad val.	20% ad val.
			Athletic footwear:			
		05	Ski boots.....	Prs.		
		15	Other athletic footwear.....	Prs.		
			Work footwear:			
		27	For men.....	Prs.		
		29	For youths and boys.....	Prs.		
			Soled "moccasins":			
		30	For men.....	Prs.		
		35	For youths and boys.....	Prs.		
			Other:			
			With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:			
		40	For men.....	Prs.		
		45	For youths and boys.....	Prs.		
			Cement footwear:			
		50	For men.....	Prs.		
		55	For youths and boys.....	Prs.		
			Other:			
		75	For men.....	Prs.		
		80	For youths and boys.....	Prs.		
			For other persons:			
	700.41		Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe.....		10% ad val.	20% ad val.
		10	For women.....	Prs.		
		20	For misses.....	Prs.		
		30	For children.....	Prs.		
		40	For infants.....	Prs.		

B-5
TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1976)

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS

7 - 1 - A

700.43 - 700.45

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
					1	2
			Footwear, of leather, etc. (con.):			
			Other (con.):			
			For other persons (con.):			
			Other:			
	700.43		Valued not over \$2.50 per pair.....	15% ad val.	20% ad val.
		05	Athletic footwear.....	Prs.		
			Casual footwear:			
		10	For women.....	Prs.		
		15	Other.....	Prs.		
			Soled "moccasins":			
		20	For women.....	Prs.		
		25	Other.....	Prs.		
			Other:			
			With soles vulcanized to			
			uppers or with soles			
			simultaneously molded			
			and attached to uppers:			
		30	For women.....	Prs.		
		35	Other.....	Prs.		
			Cement footwear:			
		40	For women.....	Prs.		
		45	For misses.....	Prs.		
		50	For children.....	Prs.		
		55	For infants.....	Prs.		
			Other:			
		60	For women.....	Prs.		
		65	For misses.....	Prs.		
		70	For children.....	Prs.		
		75	For infants.....	Prs.		
	700.45		Valued over \$2.50 per pair.....	10% ad val.	20% ad val.
		05	Athletic footwear.....	Prs.		
			Casual footwear:			
		10	For women.....	Prs.		
		15	Other.....	Prs.		
			Soled "moccasins":			
		20	For women.....	Prs.		
		25	Other.....	Prs.		
			Other:			
			With soles vulcanized to			
			uppers or with soles			
			simultaneously molded			
			and attached to uppers:			
		30	For women.....	Prs.		
		35	Other.....	Prs.		
			Cement footwear:			
		40	For women.....	Prs.		
		45	For misses.....	Prs.		
		50	For children.....	Prs.		
		55	For infants.....	Prs.		
			Other:			
		60	For women.....	Prs.		
		65	For misses.....	Prs.		
		70	For children.....	Prs.		
		75	For infants.....	Prs.		

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1976)

SCHEDULE 7. - SPECIFIED PRODUCTS; MISCELLANEOUS AND NONENUMERATED PRODUCTS 7-1-A

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage,
Handbags, Billfolds, and Other Flat Goods

700.51 - 700.60

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty	
					1	2
			Footwear (whether or not described elsewhere in this subpart) which is over 50 percent by weight of rubber or plastics or over 50 percent by weight of fibers and rubber or plastics with at least 10 percent by weight being rubber or plastics: Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching): Having soles and uppers of which over 90 percent of the exterior surface area is polyvinyl chloride, whether or not supported or lined with polyvinyl chloride but not otherwise supported or lined.....	Prs.....	12.5% ad val.	25% ad val.
	700.51	00				
			Footwear (except footwear provided for in item 700.51), the uppers of which do not extend above the ankle, designed for use without closures, whether or not supported or lined.....	Prs.....	25% ad val.	50% ad val.
	700.52	00				
			Other.....	Prs.....	37.5% ad val.	75% ad val.
	700.53	20	Boots.....	Prs.		
		40	Other.....	Prs.		
			Other footwear (except footwear having uppers of which over 50 percent of the exterior surface area is leather): Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing-like band applied or molded at the sole and overlapping the upper): Zoris (thonged sandals).....	Prs.....	6% ad val.	35% ad val.
A	700.54	00				
	700.58	23	Other.....	Prs.	6% ad val.	35% ad val.
			Soft sole footwear.....	Prs.		
			Footwear having supported vinyl uppers:			
		37	For men.....	Prs.		
		39	For youths and boys.....	Prs.		
		47	For women.....	Prs.		
		49	For misses.....	Prs.		
		57	For children.....	Prs.		
		59	For infants.....	Prs.		
			Other:			
		77	For men.....	Prs.		
		79	For youths and boys.....	Prs.		
		81	For women.....	Prs.		
		83	For misses.....	Prs.		
		85	For children.....	Prs.		
		87	For infants.....	Prs.		
	700.60		Other.....		20% ad val.	35% ad val.
			Like or similar to U.S. footwear:			
			Oxford height:			
		05	For men, youths, and boys.....	Prs.		
		15	For women and misses.....	Prs.		
		25	For children and infants.....	Prs.		
		30	Other.....	Prs.		
			Not like or similar to U.S. footwear:			
			Oxford height:			
		35	For men, youths, and boys.....	Prs.		
		45	For women and misses.....	Prs.		
		55	For children and infants.....	Prs.		
		60	Other.....	Prs.		

Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).

Part 1. - Footwear; Headwear and Hat Braids; Gloves; Luggage, Handbags, Billfolds, and Other Flat Goods

1. For the purposes of this subpart --
 (a) the term "**headwear**" includes hats, caps, berets, bonnets, hoods, and all other head coverings, of whatever material composed (including bodies, forms, plateaux, manchons, and shapes for headwear), designed for human wear, except infants' knit headwear, but does not include mufflers, scarves, shawls, mantillas, veils, and similar articles; hair nets; hair ornaments; or wigs and similar articles; and
 (b) the term "**caps**" (items 702.15 and 707.20) means headwear without a brim but with a shade or visor in front.

APPENDIX B
STATISTICAL TABLES

Table 1.--Nonrubber footwear (including zoris and paper slippers): U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 3-year averages 1954-62, annual 1963-75, January-September 1975, and January-September 1976 ^{1/}

Period	Production	Imports ^{2/}	Exports	Apparent consumption	Ratio of imports to consumption	Ratio of imports to production	Per capita consumption
	Million pairs	Million pairs	Million pairs	Million pairs	Percent	Percent	Number of pairs
3-year average:							
1954-56-----	569.2	10.0	4.6	574.6	2	2	3.46
1957-59-----	607.4	27.0	4.0	630.4	4	4	3.60
1960-62-----	608.7	57.0	3.0	662.7	9	9	3.61
Annual:							
1963-----	604.3	95.1	2.8	696.6	14	16	3.68
1964-----	612.8	112.8	2.8	722.3	16	18	3.76
1965-----	626.2	129.7	2.5	753.4	17	21	3.88
1966-----	641.7	133.5	2.7	772.5	17	21	3.93
1967-----	600.0	160.3	2.2	758.1	21	27	3.82
1968-----	642.4	211.2	2.4	851.2	25	35	4.24
1969-----	577.0	227.0	2.3	801.7	28	39	3.96
1970-----	562.3	267.9	2.2	828.0	32	48	4.04
1971-----	535.8	291.3	2.1	825.0	35	54	3.99
1972-----	526.7	322.1	2.3	846.5	38	61	4.05
1973-----	490.0	338.9	3.6	825.3	41	69	3.92
1974-----	453.0	318.0	4.0	767.0	41	70	3.62
1975-----	413.1	339.6	4.6	748.1	45	82	3.51
Jan.-Sept.--							
1975-----	301.0	256.4	^{3/} 3.5	553.9	46	85	2.60
1976-----	347.8	341.2	^{3/} 4.6	684.4	50	98	3.19

^{1/} Data on imports include all imports cited in the notice of investigation.

^{2/} Data for 1954-63 partly estimated. Data on zoris are not available for 1954-62.

^{3/} Estimated.

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

Table 1a.--Nonrubber footwear: U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 3-year averages 1954-62, annual 1963-75, January-September 1975, and January-September 1976

Period	Production	Imports ^{1/}	Exports	Apparent consumption	Ratio of imports to consumption	Ratio of imports to production	Per capita consumption
	Million pairs	Million pairs	Million pairs	Million pairs	Percent	Percent	Number of pairs
3-year average:							
1954-56-----	569.2	10.0	4.6	574.6	2	2	3.46
1957-59-----	607.4	27.0	4.0	630.4	4	4	3.60
1960-62-----	608.7	57.0	3.0	662.7	9	9	3.61
Annual:							
1963-----	604.3	67.0	2.8	668.5	10	11	3.53
1964-----	612.8	80.7	2.8	690.7	12	13	3.60
1965-----	626.2	96.0	2.5	719.7	13	15	3.70
1966-----	641.7	101.7	2.7	740.7	14	16	3.77
1967-----	600.0	133.3	2.2	731.1	18	22	3.68
1968-----	642.4	181.5	2.4	821.5	22	28	4.09
1969-----	577.0	202.2	2.3	776.9	26	35	3.83
1970-----	562.3	241.7	2.2	801.8	30	43	3.91
1971-----	535.8	268.6	2.1	802.3	33	50	3.88
1972-----	526.7	296.7	2.3	821.1	36	56	3.93
1973-----	490.0	307.5	3.6	793.9	39	63	3.77
1974-----	453.0	266.4	4.0	715.4	37	59	3.38
1975-----	413.1	287.7	4.6	696.2	41	70	3.26
Jan.-Sept.--							
1975-----	301.0	213.8	^{2/} 3.5	511.3	42	71	2.40
1976-----	347.8	289.8	^{2/} 4.6	633.0	46	83	2.95

^{1/} Data for 1954-63 partly estimated.

^{2/} Estimated.

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

Note.--Data on imports of so-called disposable paper slippers from Mexico, which were entered in substantial quantities beginning in 1973, have been excluded from this table. Such imports amounted to an estimated 32 million pairs in 1975. Data on zoris have also been excluded from this table; such imports amounted to 20 million pairs in 1975.

Table 1b.--Footwear (including canvas footwear, zoris, and paper slippers): U.S. production, imports for consumption, exports of domestic merchandise, apparent consumption, and per capita consumption, 1963-75, January-September 1975, and January-September 1976

Period	Production	Imports ^{1/}	Exports	Apparent consumption	Ratio of imports to consumption	Ratio of imports to production	Per capita consumption
	Million pairs	Million pairs	Million pairs	Million pairs	Percent	Percent	Number of pairs
1963-----	757.3	95.1	2.8	849.6	11	13	4.49
1964-----	774.4	112.8	2.8	884.3	13	15	4.61
1965-----	792.2	129.7	2.5	919.4	14	16	4.73
1966-----	801.7	133.5	2.7	932.5	14	17	4.74
1967-----	753.0	160.3	2.2	911.1	18	21	4.59
1968-----	797.4	211.2	2.4	1,006.2	21	26	5.01
1969-----	718.0	227.0	2.3	942.7	24	32	4.65
1970-----	^{2/} 699.3	267.9	2.2	965.0	28	38	4.71
1971-----	693.8	291.3	2.1	983.0	30	42	4.75
1972-----	680.7	322.1	2.3	1,000.5	32	47	4.79
1973-----	633.0	338.9	3.6	968.3	35	54	4.60
1974-----	600.0	318.0	4.0	914.0	35	53	4.31
1975-----	^{2/} 550.9	339.6	4.6	885.9	38	62	4.16
Jan.-Sept. --							
1975-----	401.2	256.4	^{3/} 3.5	654.1	39	64	3.08
1976-----	^{3/} 442.8	341.2	^{3/} 4.6	779.4	44	77	3.64

^{1/} Data on imports include all imports cited in the notice of investigation.

^{2/} Production of protective-type footwear was an estimated 31 million pairs in 1970 and, according to official data, 13.6 million pairs in 1975. Adjusting 1970 and 1975 data accordingly, total production increases to 730.3 million and 564.5 million pairs, respectively; apparent consumption increases to 820.0 and 899.5 million pairs; the ratio of imports to consumption becomes 27 and 38 percent; the ratio of imports to production declines to 37 and 60 percent; and per capita consumption increases to 4.86 and 4.22 pairs.

^{3/} Estimated.

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

Table 2.--Nonrubber footwear for women and misses (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976 ^{1/}

Period	Produ-	Imports ^{2/}	Apparent	Ratio of	
	tion		consump-	imports to--	
			tion ^{3/}	Consump-	Produc-
	Million	Million	Million	tion	tion
	pairs	pairs	pairs	Percent	Percent
1968-----	317	133	450	30	42
1969-----	266	140	406	34	53
1970-----	253	166	419	40	66
1971-----	232	181	413	44	78
1972-----	218	199	417	48	91
1973-----	197	210	407	52	107
1974-----	183	183	366	50	100
1975-----	167	191	358	53	114
Jan.-Sept.--					
1975-----	121	143	264	54	118
1976-----	146	177	323	55	121

^{1/} Data on imports do not include imports of zoris or paper slippers.

^{2/} A small part is estimated from official statistics of the U.S. Department of Commerce.

^{3/} Production plus imports without an allowance for exports, which in 1975 amounted to 1.1 million pairs.

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

Table 3.--Nonrubber footwear for men, youths, and boys (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976 ^{1/}

Period	Produc-	Imports ^{2/}	Apparent	Ratio of	
	tion		consump-	imports to--	
			tion ^{3/}	Consump-	Produc-
	Million	Million	Million	tion	tion
	pairs	pairs	pairs	Percent	Percent
1968-----	114	31	145	21	27
1969-----	105	38	143	27	36
1970-----	106	48	154	31	45
1971-----	102	57	159	36	56
1972-----	115	62	177	35	54
1973-----	112	63	175	36	56
1974-----	101	53	154	34	52
1975-----	95	60	155	39	63
Jan.-Sept.--					
1975-----	70	43	113	38	61
1976-----	80	63	143	44	79

^{1/} Data on imports do not include imports of zoris or paper slippers.

^{2/} A small part is estimated from official statistics of the U.S. Department of Commerce.

^{3/} Production plus imports without an allowance for exports, which in 1975 amounted to about 1 million pairs.

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

Table 4.--Nonrubber footwear for children and infants (other than athletic and work): U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976

Period	Production	Imports <u>1/</u>	Apparent consumption <u>2/</u>	Ratio of imports to--	
				Consumption	Production
	Million pairs	Million pairs	Million pairs	Percent	Percent
1968-----	60	14	74	19	23
1969-----	56	19	75	25	34
1970-----	55	21	76	28	38
1971-----	54	22	76	29	41
1972-----	50	27	77	35	54
1973-----	49	26	75	35	53
1974-----	44	19	63	30	43
1975-----	43	19	62	31	44
Jan.-Sept.--					
1975-----	32	14	46	30	44
1976-----	38	20	58	35	53

1/ A small part is estimated from official statistics of the U.S. Department of Commerce.

2/ Production plus imports without an allowance for exports, which in 1975 amounted to 415,000 pairs.

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

Table 5.--Work footwear: U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976

Period	Produc-	Imports	Apparent	Ratio of	
	tion 1/		consump-	imports to--	
	Million	Million	Million	Consump-	Produc-
	pairs	pairs	pairs	tion	tion
				Percent	Percent
1968-----	36	2	38	5	6
1969-----	35	2	37	5	6
1970-----	38	2	40	5	5
1971-----	38	2	40	5	5
1972-----	35	2	37	5	6
1973-----	29	3	32	9	10
1974-----	27	3	30	10	11
1975-----	25	2	27	7	8
Jan.-Sept.--					
1975-----	18	2	20	10	11
1976-----	19	4	23	17	21

1/ The data reported for years prior to 1973 include all "work shoes" regardless of ankle height; those for 1973 and subsequent years include only such shoes of ankle height or higher. (In 1972, production of work shoes less than 6 inches high amounted to 8 million pairs.)

2/ Production plus imports without an allowance for exports, which are believed to be negligible.

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

Table 6.--Athletic footwear: U.S. production, imports for consumption, and apparent consumption, 1968-75, January-September 1975, and January-September 1976

Period	Produc-	Imports	Apparent	Ratio of	
	tion		consump-	imports to--	
			tion ^{1/}	Consump-	Produc-
	Million	Million	Million	tion	tion
	pairs	pairs	pairs	Percent	Percent
1968-----	8	2	10	20	25
1969-----	9	2	11	18	22
1970-----	9	4	13	31	44
1971-----	8	5	13	38	63
1972-----	9	6	15	40	67
1973-----	10	6	16	38	60
1974-----	10	8	18	44	80
1975-----	8	17	25	68	213
Jan.-Sept.---					
1975-----	6	12	18	67	200
1976-----	8	26	34	77	325

^{1/} Production plus imports without an allowance for exports, which in 1975 amounted to 396,000 pairs.

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

Table 7.--Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
Italy-----	77,968	79,716	76,892	62,614	54,494	42,195	35,332
Spain-----	31,245	39,255	36,830	35,037	38,415	26,239	27,157
Republic of China: (Taiwan)-----	70,567	98,791	123,215	96,219	110,478	69,625	118,583
Brazil-----	8,200	11,809	19,528	21,338	26,467	17,272	20,662
Republic of Korea-----	3,300	8,021	7,176	9,202	15,967	8,258	27,603
France-----	2,886	2,957	2,742	2,965	3,808	2,659	2,352
Yugoslavia-----	540	1,232	965	1,784	2,959	2,150	2,232
Mexico-----	3,538	4,192	14,809	32,204	37,272	26,422	26,732
Greece-----	778	1,581	2,381	3,238	3,936	2,822	3,334
Canada-----	2,196	2,272	2,665	2,552	2,037	1,097	1,408
West Germany-----	2,455	2,666	1,816	1,668	1,551	1,196	983
Poland-----	613	1,065	1,349	1,679	3,061	2,052	3,554
Austria-----	364	1,374	3,108	2,746	1,553	614	701
Romania-----	682	1,068	2,467	2,817	2,288	1,593	2,744
Ireland-----	391	444	676	785	702	480	532
United Kingdom-----	2,326	1,603	1,064	955	687	433	538
Japan-----	64,856	35,775	11,869	6,933	5,081	3,425	3,345
Hong Kong-----	9,277	16,322	15,530	18,710	17,070	13,265	21,088
Switzerland-----	614	559	406	363	299	179	229
India-----	3,029	3,547	2,762	2,924	3,900	3,101	4,655
Czechoslovakia-----	1,605	1,928	1,343	841	1,059	709	554
Argentina-----	284	464	3,875	5,328	994	872	250
Colombia-----	285	545	740	1,164	1,007	778	530
All other-----	3,331	4,940	4,748	3,955	4,561	3,128	4,728
Total-----	291,330	322,126	338,956	318,021	339,646	230,564	309,826
	Value (1,000 dollars)						
Italy-----	285,205	337,304	360,779	323,577	330,421	240,879	227,378
Spain-----	125,295	171,434	189,202	192,818	226,230	152,295	158,309
Republic of China: (Taiwan)-----	51,156	80,490	118,740	131,961	160,171	97,786	191,036
Brazil-----	23,457	41,806	81,260	88,698	120,655	74,050	101,176
Republic of Korea-----	6,059	13,420	16,818	23,499	52,901	28,115	104,373
France-----	16,306	17,803	21,930	23,912	36,024	25,682	20,976
Yugoslavia-----	4,113	8,272	7,769	13,699	26,426	19,302	19,915
Mexico-----	9,585	9,792	14,048	22,268	24,857	16,487	18,823
Greece-----	5,137	8,959	13,863	18,306	22,884	15,776	21,527
Canada-----	10,007	11,377	15,850	15,332	16,974	9,669	12,235
West Germany-----	16,963	19,306	17,508	15,390	15,503	12,375	10,249
Poland-----	1,441	2,665	4,306	4,791	11,199	7,446	13,167
Austria-----	4,073	7,689	16,595	13,159	9,574	4,809	5,348
Romania-----	1,803	2,862	8,640	11,329	8,128	5,235	12,307
Ireland-----	2,996	3,857	6,297	8,154	8,125	5,678	6,159
United Kingdom-----	17,622	13,581	9,893	9,065	7,971	4,780	5,828
Japan-----	66,358	42,100	13,559	8,072	7,921	5,233	5,758
Hong Kong-----	5,313	5,778	5,725	7,764	7,269	4,883	7,533
Switzerland-----	8,988	9,316	7,699	6,737	7,052	4,398	5,194
India-----	3,190	3,845	3,090	3,922	6,548	5,068	9,924
Czechoslovakia-----	4,420	5,148	5,208	4,233	5,669	3,756	3,224
Argentina-----	1,040	2,057	16,719	23,681	5,258	4,412	1,510
Colombia-----	1,019	1,921	2,864	4,871	4,943	3,799	2,533
All other-----	9,997	17,735	21,860	13,917	19,128	11,289	21,879
Total-----	681,543	838,517	980,222	989,155	1,141,831	763,202	986,361

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

Table 7a.--Nonrubber footwear: U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
Italy-----	77,847	79,698	76,853	62,603	54,443	42,143	35,332
Spain-----	31,221	39,254	36,805	35,333	38,412	26,238	27,157
Republic of China (Taiwan)-----	64,786	91,253	111,703	88,284	103,443	63,910	111,372
Brazil-----	8,146	11,809	19,528	21,324	26,467	17,272	20,662
Republic of Korea-----	3,296	7,950	7,173	9,202	15,960	8,250	27,550
France-----	2,886	2,957	2,742	2,965	3,808	2,659	2,353
Yugoslavia-----	540	1,232	965	1,784	2,959	2,150	2,232
Greece-----	778	1,581	2,381	3,238	3,936	2,822	3,334
Mexico-----	3,538	4,044	6,664	4,145	5,477	4,065	4,426
Canada-----	2,196	2,272	2,665	2,534	2,037	1,097	1,408
West Germany-----	2,452	2,666	1,795	1,668	1,550	1,195	983
Poland-----	613	1,065	1,349	1,677	3,061	2,052	3,554
Austria-----	364	1,374	3,108	2,746	1,553	614	701
Romania-----	682	1,068	2,467	2,817	2,288	1,593	2,744
Ireland-----	391	444	676	785	702	480	532
United Kingdom-----	2,326	1,603	1,064	896	687	432	538
Japan-----	51,415	27,544	9,166	5,855	4,276	2,783	2,989
Switzerland-----	614	559	406	363	299	179	229
India-----	3,029	3,547	2,762	2,924	3,900	3,101	4,655
Czechoslovakia-----	1,605	1,928	1,343	841	1,059	709	554
Argentina-----	284	463	3,875	5,328	994	872	250
Colombia-----	285	545	740	1,164	1,007	778	530
Hong Kong-----	6,003	6,814	6,647	5,580	5,943	3,935	3,930
All other-----	3,328	5,033	4,672	2,667	3,503	2,185	4,203
Total-----	268,625	296,703	307,549	266,423	287,764	191,514	262,218
	Value (1,000 dollars)						
Italy-----	285,151	337,262	360,685	323,547	330,275	240,733	227,377
Spain-----	125,276	171,431	189,175	192,807	226,213	152,289	158,305
Republic of China (Taiwan)-----	50,355	79,326	116,587	129,468	157,338	95,746	189,254
Brazil-----	23,438	41,806	81,260	88,696	120,655	74,050	101,176
Republic of Korea-----	6,055	13,413	16,816	23,499	52,899	28,114	104,341
France-----	16,306	17,803	21,930	23,912	36,024	25,682	20,976
Yugoslavia-----	4,113	8,272	7,769	13,699	26,426	19,302	19,915
Greece-----	5,137	8,959	13,863	18,306	22,882	15,774	21,527
Mexico-----	9,585	9,791	13,352	20,007	21,792	14,397	16,309
Canada-----	10,007	11,377	15,850	15,313	16,974	9,669	12,235
West Germany-----	16,044	19,306	17,478	15,390	15,497	12,370	10,248
Poland-----	1,070	2,665	4,306	5,804	11,199	7,446	13,167
Austria-----	4,073	7,689	16,595	13,159	9,574	4,809	5,348
Romania-----	1,803	2,862	8,640	11,329	8,128	5,235	12,307
Ireland-----	2,996	3,857	6,297	8,154	8,125	5,678	6,159
United Kingdom-----	17,622	13,581	9,893	9,053	7,970	4,779	5,828
Japan-----	64,490	40,824	12,957	7,420	7,386	4,826	5,542
Switzerland-----	8,988	9,316	7,699	6,737	7,052	4,398	5,194
India-----	3,190	3,845	3,090	3,922	6,548	5,068	9,924
Czechoslovakia-----	4,420	5,148	5,208	4,233	5,669	3,756	3,224
Argentina-----	1,040	2,054	16,719	23,681	5,258	4,412	1,510
Colombia-----	1,019	1,921	2,864	4,871	4,943	3,799	2,533
Hong Kong-----	4,963	4,774	4,658	5,027	4,817	2,855	4,136
All other-----	11,241	17,724	21,793	12,633	18,756	10,944	21,783
Total-----	678,382	835,006	975,484	980,667	1,132,400	756,131	978,318

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

Note.--Data on imports of so-called disposable paper slippers from Mexico, which were entered in substantial quantities beginning in 1973, have been excluded from this table. Such imports amounted to an estimated 32 million pairs in 1975. Data on zoris have also been excluded from this table; such imports amounted to 20 million pairs in 1975.

Table 8.--Footwear of leather: U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
Quantity (1,000 pairs)							
Italy-----	69,637	69,234	58,456	43,702	41,203	31,718	27,542
Spain-----	28,236	35,123	30,751	28,405	31,641	21,568	22,085
Brazil-----	7,748	11,651	18,894	20,345	26,091	16,951	20,517
Republic of Korea-----	777	1,176	1,907	3,470	12,106	6,564	23,326
France-----	2,629	2,599	2,333	2,451	3,428	2,403	1,875
Yugoslavia-----	479	1,188	899	1,769	2,935	2,148	2,228
Republic of China: (Taiwan)-----	588	878	1,662	1,548	6,117	3,302	8,306
Mexico-----	3,229	2,635	2,509	2,903	3,136	2,143	2,223
Greece-----	763	1,525	1,991	2,006	2,415	1,647	2,451
West Germany-----	2,044	2,217	1,606	1,513	1,470	1,181	915
Canada-----	898	918	1,223	1,007	1,066	621	743
Poland-----	610	1,058	1,346	1,662	3,061	2,053	3,554
Romania-----	682	1,068	2,467	2,813	2,288	1,593	2,743
Ireland-----	391	444	670	762	697	479	530
United Kingdom-----	2,171	1,470	881	796	617	380	491
India-----	3,021	3,543	2,761	2,896	3,882	3,086	4,654
Switzerland-----	489	443	318	289	246	149	194
Czechoslovakia-----	1,605	1,928	1,343	841	1,059	799	554
Colombia-----	269	524	718	1,145	962	738	515
Japan-----	1,794	935	919	619	742	457	619
Argentina-----	261	419	3,640	5,090	872	762	249
All other-----	1,863	2,680	3,031	1,857	2,791	1,702	3,307
Total-----	130,184	143,656	140,325	127,889	148,825	102,354	129,621
Value (1,000 dollars)							
Italy-----	259,738	304,560	296,826	250,596	263,407	192,842	185,624
Spain-----	117,283	161,740	168,746	167,655	195,387	131,654	135,258
Brazil-----	23,283	41,679	79,502	86,289	119,398	73,025	100,602
Republic of Korea-----	2,957	5,061	9,935	16,747	47,950	25,739	96,167
France-----	14,215	15,549	18,639	20,512	33,607	24,030	17,891
Yugoslavia-----	3,400	7,667	6,708	13,353	26,008	19,272	19,850
Republic of China: (Taiwan)-----	808	1,732	4,870	6,590	22,111	11,953	31,252
Mexico-----	9,347	9,407	11,055	16,046	18,758	12,030	14,031
Greece-----	5,015	8,742	12,426	12,990	15,559	10,169	17,070
West Germany-----	13,536	15,840	14,702	14,234	15,138	12,278	9,734
Canada-----	6,907	8,481	11,651	11,313	13,917	8,166	9,860
Poland-----	1,437	2,680	4,298	5,789	11,199	7,446	13,167
Romania-----	1,803	2,862	8,640	11,325	8,127	5,235	12,303
Ireland-----	2,996	3,857	6,229	7,904	8,085	5,666	6,139
United Kingdom-----	17,063	12,972	8,837	8,329	7,462	4,426	5,433
India-----	3,184	3,841	3,089	3,836	6,499	5,030	9,922
Switzerland-----	6,449	6,556	5,255	5,718	5,776	3,674	4,369
Czechoslovakia-----	4,420	5,148	5,208	4,233	5,669	3,756	3,224
Colombia-----	1,005	1,906	2,834	4,814	4,833	3,700	2,510
Japan-----	5,873	4,007	5,171	3,797	4,770	3,024	4,084
Argentina-----	996	1,847	16,010	22,884	4,760	3,956	1,509
All other-----	7,830	12,009	17,843	11,461	17,149	10,135	18,072
Total-----	509,545	638,143	718,474	706,415	855,569	577,206	718,071

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

Table 9.--Certain footwear of rubber or plastics (TSUS item 700.55--including zoris):
U.S. imports for consumption, by principal sources, 1971-75, January-August 1975,
and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
Republic of China (Taiwan)-	68,989	95,923	115,936	89,195	99,829	63,211	103,715
Italy-----	7,865	9,661	15,897	16,590	11,326	8,809	6,428
Spain-----	2,933	4,014	5,495	5,830	6,032	4,123	4,551
Hong Kong-----	8,483	15,288	14,598	17,248	15,291	12,107	19,477
Austria-----	135	168	256	96	107	68	108
Japan-----	55,303	28,453	7,098	2,445	1,706	1,259	827
Republic of Korea-----	1,494	3,662	3,488	2,738	772	512	2,347
Mexico-----	306	203	449	692	582	436	716
Switzerland-----	116	115	85	69	49	26	34
Canada-----	749	763	835	816	273	118	227
All other-----	2,438	1,573	1,363	2,590	1,779	1,458	1,050
Total-----	148,811	159,823	165,500	138,309	137,746	92,127	139,480
	Value (1,000 dollars)						
Republic of China (Taiwan)-	49,263	76,551	108,224	117,943	131,247	81,069	150,147
Italy-----	24,328	30,110	56,785	65,769	58,405	41,083	35,333
Spain-----	7,843	9,387	18,304	20,938	26,510	17,321	20,539
Hong Kong-----	4,373	4,934	4,498	6,524	5,862	3,946	6,165
Austria-----	2,702	3,488	5,695	3,184	3,252	2,160	2,523
Japan-----	57,213	35,680	6,774	2,489	1,756	1,271	795
Republic of Korea-----	1,956	5,520	4,827	3,403	1,708	1,056	6,269
Mexico-----	206	193	768	1,790	1,470	1,101	1,684
Switzerland-----	2,498	2,750	2,423	1,001	1,263	713	823
Canada-----	1,577	1,345	2,558	1,822	809	332	813
All other-----	8,162	7,080	10,098	5,619	3,173	1,868	2,420
Total-----	160,121	177,038	220,954	230,482	235,455	151,920	227,511

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

Table 9a.--Certain footwear of rubber or plastics (TSUS 700.55 1/--excluding zoris): U.S. imports for consumption by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
Quantity (1,000 pairs)							
Republic of China (Taiwan)-----	63,209	88,385	104,423	81,260	92,794	57,500	96,505
Italy-----	7,865	9,661	15,897	16,590	11,274	8,757	6,428
Spain-----	2,933	4,014	5,495	5,830	6,029	4,121	4,550
Hong Kong-----	5,210	5,780	5,714	4,118	4,164	2,777	2,324
Austria-----	135	168	256	96	107	68	108
Republic of Korea-----	1,494	3,662	3,488	2,738	765	504	2,347
Mexico-----	306	203	449	692	577	431	715
Switzerland-----	116	115	85	69	49	26	34
Japan-----	41,862	20,222	4,394	1,367	901	616	475
Canada-----	749	763	835	816	273	818	227
All other-----	2,227	1,427	1,651	1,189	722	512	528
Total-----	126,106	134,400	142,687	114,765	117,655	75,430	114,241
Value (1,000 dollars)							
Republic of China (Taiwan)-----	48,462	75,387	106,071	115,450	128,414	79,028	148,366
Italy-----	24,328	30,110	56,785	65,769	58,260	40,937	35,333
Spain-----	7,843	9,387	18,304	20,938	26,493	17,314	20,535
Hong Kong-----	4,023	3,927	3,431	3,787	3,410	1,918	2,776
Austria-----	2,702	3,488	5,695	3,184	3,252	2,160	2,523
Republic of Korea-----	1,956	5,520	4,827	3,403	1,706	1,054	6,269
Mexico-----	206	193	768	1,790	1,461	1,093	1,683
Switzerland-----	2,498	2,750	2,423	1,001	1,263	713	823
Japan-----	55,345	34,404	6,172	1,837	1,220	865	580
Canada-----	1,577	1,345	2,558	1,822	809	332	813
All other-----	8,020	7,016	9,878	5,274	2,792	1,517	2,323
Total-----	156,960	173,527	216,912	224,255	229,080	146,931	222,024

1/ Effective June 1, 1976, Zoris were provided for in TSUS item 700.54.

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

Table 10.--Other nonrubber footwear (including paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
Italy-----	345	803	2,500	2,311	1,966	1,668	1,362
Greece-----	15	44	267	1,082	1,468	1,138	830
Republic of China: (Taiwan)-----	754	1,989	5,619	5,476	4,533	3,112	6,563
Austria-----	144	63	2,559	2,499	1,377	508	533
Mexico-----	4	1,206	11,851	28,604	33,554	23,843	23,793
Spain-----	52	116	559	798	742	549	521
Republic of Korea-----	1,013	3,107	1,777	2,994	3,089	1,182	1,931
Canada-----	549	591	606	712	697	358	439
France-----	77	163	250	423	350	228	360
Japan-----	7,760	6,388	3,853	3,868	2,633	1,709	1,899
Brazil-----	16	29	405	839	311	256	130
Sweden-----	197	834	674	175	181	121	369
Hong Kong-----	520	878	773	1,365	1,594	1,011	1,432
Argentina-----	40	43	232	235	122	111	1
Philippines-----	12	26	39	97	106	78	90
All other-----	838	2,367	718	345	351	211	472
Total-----	12,336	18,647	32,682	51,823	53,074	36,083	40,725
	Value (1,000 dollars)						
Italy-----	1,084	2,592	7,074	7,183	8,609	6,955	6,421
Greece-----	122	173	962	4,704	7,089	5,450	4,281
Republic of China: (Taiwan)-----	957	2,205	5,646	7,428	6,812	4,765	9,638
Austria-----	492	224	8,911	9,062	5,547	2,052	2,228
Mexico-----	31	189	2,224	4,431	4,629	3,356	3,108
Spain-----	150	304	2,125	4,215	4,333	3,321	2,512
Republic of Korea-----	1,140	2,831	2,054	3,349	3,243	1,320	1,937
Canada-----	1,522	1,551	1,641	2,178	2,248	1,171	1,562
France-----	241	450	1,054	2,041	1,986	1,283	2,101
Japan-----	3,272	2,413	1,614	1,786	1,395	938	879
Brazil-----	26	66	997	2,330	1,215	983	567
Sweden-----	590	2,798	2,721	787	1,030	669	2,239
Hong Kong-----	288	451	565	755	805	481	771
Argentina-----	74	205	699	778	498	456	1
Philippines-----	17	27	40	138	198	124	252
All other-----	1,871	6,857	2,467	1,093	1,170	752	2,282
Total-----	11,877	23,336	40,794	52,258	50,807	34,076	40,779

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

Table 10a.--"Other" nonrubber footwear (excluding paper slippers): U.S. imports for consumption, by principal sources, 1971-75, January-August 1975, and January-August 1976

Source	1971	1972	1973	1974	1975	January-August--		
						1975	1976	
	Quantity (1,000 pairs)							
Italy-----	345	803	2,500	2,311	1,966	1,668	1,362	
Greece-----	15	44	267	1,082	1,468	1,138	830	
Republic of China (Taiwan)-----	754	1,989	5,619	5,476	4,533	3,112	6,562	
Austria-----	144	63	2,559	2,499	1,377	508	533	
Spain-----	52	116	559	798	742	549	521	
Republic of Korea-----	1,013	3,107	1,777	2,994	3,089	1,182	1,877	
Canada-----	549	591	606	712	697	358	439	
France-----	77	163	250	423	350	228	360	
Mexico-----	4	1,206	3,706	550	1,764	1,491	1,488	
Japan-----	7,760	6,388	3,853	3,868	2,633	1,709	1,895	
Brazil-----	16	29	405	839	311	256	130	
Sweden-----	197	834	674	175	181	121	369	
Hong Kong-----	520	878	773	1,365	1,594	1,011	1,426	
Argentina-----	40	43	232	235	122	111	1	
Philippines-----	12	26	39	97	106	78	90	
All other-----	838	2,367	719	345	351	11	473	
Total-----	12,336	18,647	24,538	23,769	21,284	13,731	18,356	
	Value (1,000 dollars)							
Italy-----	1,084	2,592	7,074	7,183	8,609	6,955	6,421	
Greece-----	122	173	962	4,704	7,089	5,450	4,281	
Republic of China (Taiwan)-----	957	2,205	5,646	7,428	6,812	4,765	9,635	
Austria-----	492	224	8,911	9,062	5,547	2,052	2,228	
Spain-----	150	304	2,125	4,215	4,333	3,321	2,512	
Republic of Korea-----	1,140	2,831	2,054	3,349	3,243	1,320	1,905	
Canada-----	1,522	1,551	1,641	2,178	2,248	1,171	1,562	
France-----	241	450	1,054	2,041	1,986	1,283	2,101	
Mexico-----	31	189	1,529	2,171	1,572	1,274	596	
Japan-----	3,272	2,413	1,614	1,786	1,395	938	878	
Brazil-----	26	66	997	2,330	1,215	983	567	
Sweden-----	590	2,798	2,721	787	1,030	669	2,239	
Hong Kong-----	288	451	565	755	805	481	763	
Argentina-----	74	205	699	778	498	456	1	
Philippines-----	17	27	40	138	198	124	252	
All other-----	1,871	6,857	2,467	1,093	1,170	752	2,283	
Total-----	11,877	23,336	40,099	49,998	47,750	31,994	38,224	

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

Table 11.--Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by types, 1971-75, January-August 1975, and January-August 1976

Type	1971	1972	1973	1974	1975	January-August--	
						1975	1976
Quantity (1,000 pairs)							
Footwear of leather (except footwear with uppers of fibers)-----	130,183	143,656	140,325	127,889	148,825	102,354	129,621
Certain footwear of rubber or plastics-----	148,811	159,823	165,949	138,309	137,746	92,127	139,480
Other nonrubber footwear-----	12,336	18,647	32,682	51,823	51,823	36,083	40,725
Total-----	291,330	322,126	338,956	318,021	1/ 318,021	230,564	309,826
Value (1,000 dollars)							
Footwear of leather (except footwear with uppers of fibers)-----	509,525	638,143	718,474	706,415	855,569	577,206	718,071
Certain footwear of rubber or plastics-----	160,121	177,038	220,954	230,482	235,455	151,920	227,511
Other nonrubber footwear-----	11,897	23,336	40,794	52,258	50,807	34,076	40,779
Total-----	681,543	838,517	980,222	989,155	1,141,831	763,202	986,361
Unit value (per pair)							
Footwear of leather (except footwear with uppers of fibers)-----	\$3.91	\$4.44	\$5.12	\$5.52	\$5.75	\$5.64	\$5.54
Certain footwear of rubber or plastics-----	1.08	1.11	1.34	1.67	1.71	1.65	1.63
Other nonrubber footwear-----	.96	1.25	1.23	1.01	.96	.94	1.00
Average-----	2.34	2.60	2.97	3.11	3.36	3.31	3.18
Percent of total quantity							
Footwear of leather (except footwear with uppers of fibers)-----	45	45	41	40	44	44	42
Certain footwear of rubber or plastics-----	51	49	49	44	40	40	45
Other nonrubber footwear-----	4	6	10	16	16	16	13
Total-----	100	100	100	100	100	100	100

1/ Figures may not add to total, because of rounding.

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

Table 11a.--Nonrubber footwear (excluding zoris and paper slippers): U.S. imports for consumption, by types, 1971-75, January-August 1975, and January-August 1976

Type	1971	1972	1973	1974	1975	January-August--	
						1975	1976
	Quantity (1,000 pairs)						
Footwear of leather (except footwear with uppers of fibers)-----	130,183	143,656	140,325	127,889	148,825	102,354	129,621
Certain footwear of rubber or plastics-----	126,106	134,400	142,687	114,765	117,655	75,430	114,241
Other nonrubber footwear-----	12,336	18,647	24,537	23,769	21,283	13,731	18,356
Total-----	268,625	296,703	307,549	266,423	287,763	1/ 191,514	262,218
	Value (1,000 dollars)						
Footwear of leather (except footwear with uppers of fibers)-----	509,545	638,143	718,474	706,415	855,569	577,506	718,071
Certain footwear of rubber or plastics-----	156,960	173,527	216,912	224,255	229,081	146,931	222,024
Other nonrubber footwear-----	11,897	23,336	40,098	49,997	47,750	31,994	38,224
Total-----	678,402	835,006	975,484	980,667	1,132,400	756,131	1/ 978,318
	Unit value (per pair)						
Footwear of leather (except footwear with uppers of fibers)-----	\$3.91	\$4.44	\$5.12	\$5.52	\$5.75	\$5.64	\$5.54
Certain footwear of rubber or plastics-----	1.24	1.29	1.52	1.95	1.95	1.95	1.94
Other nonrubber footwear-----	.96	1.25	1.63	2.10	2.24	2.33	2.08
Average-----	2.53	2.81	3.17	3.68	3.94	3.95	3.73
	Percent of total quantity						
Footwear of leather (except footwear with uppers of fibers)-----	48	49	46	48	52	54	49
Certain footwear of rubber or plastics-----	47	45	46	43	41	39	44
Other nonrubber footwear-----	5	6	8	9	7	7	7
Total-----	100	100	100	100	100	100	100

1/ Figures may not add to total, because of rounding.

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

Table 12.—Nonrubber footwear (including zorrs and paper slippers): U.S. imports for consumption, by selected TSUS items, 1971-75

TSUS item	Description	1971	1972	1973	1974	1975
		Quantity (1,000 pairs)				
	Total, all nonrubber footwear-----	291,330	322,126	338,956	318,021	1/ 339,646
	Footwear of leather (except footwear with uppers of fibers), total-----	130,183	143,656	140,325	127,889	148,825
700.05	Huaraches-----	126	422	248	93	53
700.10	McKay-sewed footwear-----	28	25	30	32	17
700.15	Moccasins-----	387	259	187	221	209
700.20	Turn or turned footwear-----	1,671	1,627	1,217	828	710
	Welt footwear:					
700.25	Valued not over \$2 per pair-----	65	44	19	1	15
700.26	Valued over \$2 but not over \$5 per pair-----	2,109	1,998	2,399	1,838	1,108
700.27	Valued over \$5 but not over \$6.80 per pair-----	766	673	1,344	2,194	2,030
	Valued over \$6.80 per pair:					
700.28	Ski boots-----	56	19	9	4	2
700.29	Other-----	2,837	2,475	2,241	1,912	1,745
700.30	Footwear with molded soles laced to uppers-----	663	316	19	51	19
700.32	Slippers-----	206	100	85	65	40
	Other:					
700.35	For men, youths, and boys-----	34,571	38,232	38,176	37,843	52,450
	For other persons:					
700.41	Sandals of buffalo leather-----	1,252	1,946	1,607	1,111	1,183
	Other:					
700.43	Valued not over \$2.50 per pair-----	40,150	31,972	21,563	14,673	12,270
700.45	Valued over \$2.50 per pair-----	45,296	63,548	71,181	67,023	76,974
700.55	Footwear having uppers of plastics, total-----	148,811	159,823	165,949	138,309	137,746
	Other nonrubber footwear, total-----	12,336	18,647	32,682	51,823	53,074
	Footwear with uppers of fibers:					
	With soles of leather:					
700.66	Valued not over \$2.50 per pair-----	298	242	281	73	202
700.68	Valued over \$2.50 per pair-----	78	64	76	98	98
	With soles of material other than leather:					
700.70	With uppers of vegetable fibers-----	2,651	3,291	4,158	5,662	4,862
700.75	With soles and uppers of wool felt-----	2,953	4,819	2,303	2,291	2,801
700.80	Other-----	2,806	2,893	6,972	4,358	2,363
	Other footwear:					
700.83	Of wood-----	1,097	3,533	6,790	6,876	5,922
700.85	Other-----	2,453	3,805	12,102	32,465	36,826

See footnote at end of table.

Table 12.--Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by selected TSUS items, 1971-75--Continued

TSUS item	Description	1971	1972	1973	1974	1975
		Value (1,000 dollars)				
	Total, all nonrubber footwear-----	681,563	838,517	980,222	989,155	1,141,831
	Footwear of leather (except footwear with uppers of fibers), total-----	509,545	638,143	718,474	706,415	855,569
700.05	Huaraches-----	114	561	274	139	133
700.10	McKay-sewed footwear-----	195	213	249	205	132
700.15	Moccasins-----	504	407	432	507	388
700.20	Turn or turned footwear-----	10,134	9,570	7,212	4,859	4,631
	Welt footwear:					
700.25	Valued not over \$2 per pair-----	115	66	30	1	22
700.26	Valued over \$2 but not over \$5 per pair-----	7,944	7,437	9,960	8,001	4,940
700.27	Valued over \$5 but not over \$6.80 per pair-----	4,519	3,875	7,645	12,891	11,850
	Valued over \$6.80 per pair:					
700.28	Ski boots-----	930	319	132	78	37
700.29	Other-----	29,659	28,904	28,270	26,616	26,531
700.30	Footwear with molded soles laced to uppers-----	875	498	123	337	181
700.32	Slippers-----	549	288	246	250	132
	Other:					
700.35	For men, youths, and boys-----	161,216	218,155	256,589	259,800	341,062
	For other persons:					
700.41	Sandals of buffalo leather-----	1,434	2,096	1,833	1,574	1,847
	Other:					
700.43	Valued not over \$2.50 per pair-----	64,312	51,425	36,611	25,515	21,979
700.45	Valued over \$2.50 per pair-----	227,045	314,329	368,868	365,642	441,704
700.55	Footwear having uppers of plastics, total-----	160,121	177,038	220,954	230,482	235,455
	Other nonrubber footwear, total-----	11,897	23,336	40,794	52,258	50,807
	Footwear with uppers of fibers:					
	With soles of leather:					
700.66	Valued not over \$2.50 per pair-----	238	192	166	77	167
700.68	Valued over \$2.50 per pair-----	576	398	609	702	795
	With soles of material other than leather:					
700.70	With uppers of vegetable fibers-----	858	1,619	4,618	9,371	9,087
700.75	With soles and uppers of wool felt-----	4,626	6,095	3,466	4,287	4,677
700.80	Other-----	1,118	1,023	3,398	5,038	2,592
	Other footwear:					
700.83	Of wood-----	2,941	10,703	21,620	23,086	23,357
700.85	Other-----	1,540	3,306	6,917	9,697	10,132

1/ Figures may not add to total because of rounding.

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

Table 13.--Nonrubber footwear (including zoris and paper slippers): U.S. imports for consumption, by types and TSUSA items, 1974 and 1975

TSUSA item	Description	Quantity		Value		Unit value	
		1974	1975	1974	1975	1974	1975
		<u>1,000 pairs</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Per pair</u>	<u>Per pair</u>
	Total, all nonrubber footwear	318,021	1/ 339,646	989,155	1,141,831	\$3.11	\$3.36
	Footwear, of leather, total	127,889	148,825	706,415	855,569	5.52	5.75
700.0500	Moccasins	93	53	139	133	1.49	2.51
700.1000	McKav-sewed footwear	32	17	205	132	6.41	7.76
700.1500	Moccasins	221	209	507	388	2.29	1.86
	Turn or turned footwear:						
700.2020	For men, youths, and boys	27	40	211	309	7.81	7.73
700.2045	For women	785	666	4,589	4,303	5.85	6.46
700.2050	For misses	14	3	52	12	3.71	4.00
700.2060	For children and infants	2	1	7	7	3.50	7.00
	Welt footwear:						
700.2500	Valued not over \$2 per pair	1	15	1	22	1.00	1.47
	Valued over \$2 but not over \$5 per pair						
700.2610	Work footwear	1,061	558	4,643	2,500	4.38	4.48
	Other:						
700.2630	For men	689	515	2,983	2,290	4.33	4.45
700.2650	Other	88	35	375	150	4.26	4.29
	Valued over \$5 but not over \$6.80 per pair						
700.2718	Work footwear	1,334	1,060	7,655	6,112	5.74	5.77
	Other:						
700.2738	For men	788	923	4,745	5,473	6.02	5.93
700.2748	Other	72	47	491	265	6.82	5.64
	Valued over \$6.80 per pair:						
700.2800	Ski boots	4	2	78	37	19.50	18.50
	Other:						
700.2920	Athletic footwear other than ski boots	128	96	2,670	2,024	20.86	21.08
700.2940	Work footwear	386	472	3,328	4,111	8.62	8.71
	Other:						
700.2960	For men	1,213	989	17,744	17,149	14.63	17.34
700.2980	Other	185	188	2,874	3,247	15.54	17.27
700.3000	Footwear with molded soles laced to uppers	51	19	337	181	6.61	9.53
700.3200	Slippers	65	40	250	132	3.85	3.30
	Other:						
	For men, youths, and boys						
	Athletic footwear:						
700.3503	Ski boots	124	198	1,604	2,545	12.94	12.85
700.3515	Other athletic footwear	7,534	15,454	53,825	103,833	7.14	6.72
	Work footwear:						
700.3527	For men	450	460	3,599	4,163	8.00	9.05
700.3529	For youths and boys	36	40	126	245	3.50	6.13
	Solea "moccasins":						
700.3530	For men	871	484	6,982	3,580	8.02	7.40
700.3535	For youths and boys	124	164	453	577	3.65	3.52
	Other:						
	With soles vulcanized to uppers or with soles simultaneously molded and attached to uppers:						
700.3540	For men	1,782	1,922	11,724	13,642	6.58	7.10
700.3545	For youths and boys	244	281	795	921	3.26	3.28
	Cement footwear:						
700.3550	For men	19,620	22,284	140,275	156,719	7.15	7.03
700.3555	For youths and boys	1,793	3,755	5,919	13,215	3.30	3.52
	Other:						
700.3575	For men	4,753	6,229	32,610	37,432	6.86	6.01
700.3580	For youths and boys	512	1,179	1,888	4,190	3.69	3.55
	For other persons:						
	Sandals of buffalo leather, the uppers of which consist primarily of straps across the instep and big toe						
700.4110	For women	1,063	1,130	1,497	1,722	1.41	1.52
700.4120	For misses	30	15	42	46	1.40	3.07
700.4130	For children	13	22	16	50	1.23	2.27
700.4140	For infants	5	16	19	29	3.80	1.81

See footnote at end of table.

Table 13.--Nonrubber footwear (including soles and paper slippers): U.S. imports for consumption, by types and TSUSA items, 1974 and 1975--Continued

TSUSA item	Description	Quantity		Value		Unit value	
		1974	1975	1974	1975	1974	1975
		<u>1,000 pairs</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Per pair</u>	<u>Per pair</u>
	Footwear, of leather, etc. (con.):						
	Other (con.):						
	For other persons (con.):						
	Other:						
	Valued not over \$2.50 per pair.....						
700.4305	Athletic footwear.....	22	92	46	180	\$2.09	1.96
	Casual footwear:						
700.4310	For women.....	1,180	568	1,934	1,055	1.64	1.86
700.4315	Other.....	500	287	830	513	1.66	1.79
	Soled "moccasins":						
700.4320	For women.....	73	28	90	37	1.23	1.32
700.4325	Other.....	5	45	5	4	1.00	.80
	Other:						
	With soles vulcanized to up-						
	pers or with soles simulta-						
	neously molded and attached						
	to uppers:						
700.4330	For women.....	49	23	79	44	1.61	1.91
700.4335	Other.....	37	69	67	131	1.81	1.90
	Cement footwear:						
700.4340	For women.....	8,120	5,520	14,578	10,200	1.80	1.85
700.4345	For misses.....	460	680	864	1,265	1.88	1.86
700.4350	For children.....	1,790	2,284	3,078	4,069	1.72	1.78
700.4355	For infants.....	1,041	1,288	1,678	2,105	1.61	1.63
	Other:						
700.4360	For women.....	807	657	1,367	1,170	1.69	1.78
700.4365	For misses.....	47	47	86	90	1.83	1.91
700.4370	For children.....	438	478	668	749	1.53	1.57
700.4375	For infants.....	104	245	145	367	1.39	1.50
	Valued over \$2.50 per pair.....						
700.4505	Athletic footwear.....	531	975	4,392	6,995	8.27	7.17
	Casual footwear:						
700.4510	For women.....	7,733	8,809	36,600	44,574	4.73	5.06
700.4515	Other.....	135	227	518	821	3.84	3.62
	Soled "moccasins":						
700.4520	For women.....	282	78	2,326	764	8.25	9.79
700.4525	Other.....	13	14	92	72	7.08	5.14
	Other:						
	With soles vulcanized to up-						
	pers or with soles simulta-						
	neously molded and attached						
	to uppers:						
700.4530	For women.....	643	750	2,670	3,234	4.15	4.31
700.4535	Other.....	139	92	867	669	6.24	7.27
	Cement footwear:						
700.4540	For women.....	51,692	58,667	290,170	350,102	5.61	5.97
700.4545	For misses.....	243	692	1,292	2,384	5.32	4.31
700.4550	For children.....	1,095	1,933	4,449	7,484	4.06	3.87
700.4555	For infants.....	322	313	1,170	1,167	3.63	3.73
	Other:						
700.4560	For women.....	3,881	4,050	19,664	21,362	5.07	5.27
700.4565	For misses.....	76	113	429	530	5.64	4.69
700.4570	For children.....	176	216	691	789	3.93	3.65
700.4575	For infants.....	62	44	312	157	5.03	3.57

Table 13.—Nonrubber footwear (including zoria and paper slippers): U.S. imports for consumption, by types and TSUSA items, 1974 and 1975—Continued

TSUSA item	Description	Quantity		Value		Unit value	
		1974	1975	1974	1975	1974	1975
		<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>pairs</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Per</u> <u>pair</u>	<u>Per</u> <u>pair</u>
	Certain footwear of rubber or plastics, total	138,309	137,746	230,482	235,455	\$1.67	\$1.71
700.5520	Zories or thonged sandals	23,544	20,091	6,227	6,374	.26	.32
700.5523	Soft sole footwear	1,334	590	1,497	511	1.12	.87
	Footwear having supported vinyl upper						
700.5537	For men	9,454	8,876	28,118	27,768	2.97	3.13
700.5539	For youths and boys	3,501	4,098	6,335	7,519	1.81	1.83
700.5547	For women	70,446	72,304	127,598	129,974	1.81	1.80
700.5549	For misses	5,267	3,975	7,991	6,823	1.52	1.72
700.5557	For children	6,162	4,371	8,675	6,533	1.41	1.49
700.5559	For infants	1,653	1,725	1,807	1,985	1.09	1.15
	Other:						
700.5577	For men	2,328	2,584	10,837	9,375	4.66	3.63
700.5579	For youths and boys	450	802	887	1,710	1.97	2.13
700.5581	For women	11,844	15,986	27,562	33,926	2.33	2.12
700.5583	For misses	736	867	1,130	1,468	1.54	1.69
700.5585	For children	1,183	909	1,447	968	1.22	1.06
700.5587	For infants	407	568	371	521	.91	.92

Table 13.--Nonrubber footwear (including soles and paper slippers): U.S. imports for consumption, by types and TSUSA items, 1974 and 1975--
Continued

TSUSA item	Description	Quantity		Value		Unit value	
		1974	1975	1974	1975	1974	1975
		<u>1,000 pairs</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>Per pair</u>	<u>Per Pair</u>
	Other nonrubber footwear, total.....	51,823	53,074	52,258	50,807	\$1.01	.96
	Footwear, with uppers of fibers:						
	With soles of leather:						
	Valued not over \$2.50 per pair:						
	Slipper socks.....	14	120	13	94	.93	.78
700.6620	Other:						
	For men, youths, and boys.....	11	45	13	38	1.18	.84
700.6640	Other.....	48	37	51	35	1.06	.95
700.6660	Valued over \$2.50 per pair:						
	Slipper socks.....	6	4	24	15	4.00	3.75
700.6820	Other:						
	For men, youths, and boys.....	6	13	54	105	9.00	8.08
700.6840	Other.....	86	81	624	675	7.26	8.33
700.6860	With soles of material other than leather:						
	With uppers of vegetable fibers:						
	For men, youths, and boys.....	107	121	183	218	1.71	1.80
700.7020	For women.....	3,455	2,691	8,237	7,745	2.38	2.89
700.7065	For misses.....	118	125	180	303	1.53	2.42
700.7070	For children.....	33	133	50	136	1.52	1.02
700.7075	For infants.....	1,949	1,802	721	684	.37	.38
700.7080	With soles and uppers of wool felt:						
	For men.....	1,506	1,756	3,221	3,363	2.14	1.92
700.7510	For youths and boys.....	368	593	548	813	1.49	1.37
700.7520	For women.....	98	131	143	183	1.46	1.40
700.7530	For misses.....	92	104	129	126	1.40	1.21
700.7540	For children.....	211	162	225	141	1.07	.87
700.7550	For infants.....	16	55	21	51	1.31	.93
700.7560	Other:						
	For men, youths, and boys.....	1,219	410	1,852	463	1.52	1.13
700.8020	For women.....	1,607	1,056	2,235	1,678	1.39	1.59
700.8065	For misses.....	204	70	276	90	1.35	1.29
700.8070	For children.....	475	127	333	102	.70	.80
700.8075	For infants.....	853	700	342	260	.40	.37
700.8080	Other footwear:						
	Of wood:						
	For men.....	89	88	329	400	3.70	4.55
700.8310	For youths and boys.....	19	47	66	199	3.47	4.23
700.8320	For women.....	6,557	5,621	22,219	22,372	3.39	3.98
700.8330	For misses.....	113	115	308	304	2.73	2.64
700.8340	For children.....	77	49	149	74	1.94	1.51
700.8350	For infants.....	21	2	15	9	.71	4.50
700.8360	Other:						
	For men, youths, and boys.....	20,880	23,928	2,473	2,719	.12	.11
700.8520	For women.....	10,778	12,300	6,671	6,882	.62	.56
700.8565	For misses.....	130	181	170	201	1.31	1.11
700.8570	For children.....	366	228	277	206	.76	.90
700.8575	For infants.....	311	189	106	123	.34	.65
700.8580							

1/ Because of rounding figures may not add to totals shown.

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

Table 14.--Nonrubber footwear: Imports by respondents to importers' questionnaire, 1971-75, January-September 1975, and January-September 1976 1/

Type	(In thousands of pairs)						Jan.-Sept.--	
	1971	1972	1973	1974	1975		1975	1976
For men:								
Athletic-----	112	166	296	469	3,667		2,698	4,732
Work-----	1,373	1,186	2,107	2,304	798		450	889
House slippers-----	1,251	671	840	934	791		615	843
Other-----								
Boots:								
Fashion-----	377	440	432	338	534		430	294
Other-----	1,023	1,201	1,323	1,108	1,233		849	947
Casuals:								
Wood bottoms-----	56	78	103	134	419		208	348
Clogs-----	8	18	70	13	267		121	108
Sandals-----	1,181	1,176	1,525	1,706	1,884		1,380	2,015
Dress-----	3,862	5,383	5,255	4,422	5,925		4,164	5,140
All other-----	3,047	3,643	3,610	4,085	5,281		3,779	3,744
Total-----	12,290	13,962	15,581	15,513	20,809		14,694	19,060
Total men's pairs with an importers' net selling price of less than \$6 a pair-----	5,743	6,204	7,032	3,269	5,642		4,046	5,807
For youths and boys:								
Athletic-----	31	65	73	59	2,560		1,786	3,525
Work-----	308	46	113	178	56		54	67
House slippers-----	4	14	52	20	59		57	28
Other-----								
Boots:								
Fashion-----	13	18	46	31	69		69	67
Other-----	354	406	445	280	426		301	278
Casuals:								
Wood bottoms-----	-	-	-	-	54		34	117
Clogs-----	-	-	-	-	-		-	-
Sandals-----	483	648	701	663	828		686	549
Dress-----	209	258	391	337	69		61	62
All other-----	203	280	336	399	1,171		879	1,210
Total-----	1,605	1,736	2,157	1,967	5,292		3,927	5,903
Total youths' and boys' pairs with an importers' net selling price of less than \$6 a pair-----	1,327	678	1,786	1,517	3,972		3,067	4,326
For women:								
Athletic-----	28	56	94	84	1,728		1,001	1,915
House slippers-----	3,597	4,737	6,590	7,143	7,503		6,319	7,240
Other-----								
Boots:								
Fashion-----	2,427	3,594	3,538	714	997		646	1,733
Other-----	296	535	676	782	426		334	312
Casuals:								
Wood bottoms-----	263	455	1,087	2,644	3,429		2,739	2,358
Clogs-----	476	1,432	3,113	1,959	1,964		1,425	1,441
Sandals-----	16,397	21,146	26,158	27,785	31,812		25,896	26,954
Sport types:								
Crepe-sole types-----	2,612	3,802	5,100	6,889	5,436		4,874	7,260
Hard-sole types-----	2,881	5,085	3,982	3,416	5,018		3,899	3,443
Dress-----	6,324	8,153	10,394	10,550	6,939		5,183	5,926
All other-----	3,816	4,220	3,592	4,707	6,851		4,716	5,292
Total-----	39,117	53,215	64,324	66,773	73,103		57,032	63,893
Total women's pairs with an importers' net sell- ing price of less than \$4 a pair-----	13,746	18,432	26,050		21,064		19,325	23,121

See footnote at end of table.

Table 14.--Nonrubber footwear: Imports by respondents to importers' questionnaire, 1971-75, January-September 1975, and January-September 1976 1/--Continued

(In thousands of pairs)							
Type	1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976
For misses:							
Athletic-----	2	3	3	3	941	470	1,029
House slippers-----	33	34	39	43	23	109	149
Other:							
Boots:							
Fashion-----	362	618	41	17	26	10	22
Other-----	6	41	81	161	98	66	36
Casuals:							
Wood bottoms-----	50	75	112	189	273	236	346
Clogs-----	-	21	281	535	41	41	141
Sandals-----	1,151	1,519	2,078	2,042	1,749	1,514	1,627
Sport types:							
Crepe-sole types-----	2	28	73	174	280	221	679
Hard-sole types-----	128	305	177	151	340	280	251
Dress-----	20	26	155	204	196	114	315
All other-----	135	318	368	302	294	264	391
Total-----	1,899	2,988	3,408	3,821	4,261	3,325	4,986
Total misses' pairs with an importers' net selling price of less than \$4 a pair-----	1,688	2,621	2,912	3,247	2,254	1,985	2,811
For children and infants:							
Athletic-----	15	16	13	10	672	552	794
House slippers-----	300	421	253	259	693	593	764
Other:							
Boots:							
Fashion-----	592	361	41	57	72	40	42
Other-----	20	54	16	20	98	52	149
Casuals:							
Wood bottoms-----	10	10	28	58	37	24	175
Clogs-----	-	4	83	273	25	25	10
Sandals-----	1,063	1,478	1,835	1,597	2,619	2,272	3,232
Sport types:							
Crepe-sole types-----	25	65	89	157	125	112	343
Hard-sole types-----	36	60	64	118	142	135	131
Dress-----	38	80	274	203	156	87	372
All other-----	670	924	784	1,067	2,365	1,861	1,789
Total-----	2,769	3,473	3,480	3,819	7,004	5,753	7,801
Total children's and infants' pairs with an importers' net selling price of less than \$4 a pair-----	2,306	2,844	2,922	2,929	4,666	3,854	5,793

1/ Data for 1971-74 compiled by the U.S. International Trade Commission from data supplied by respondents to the importers' questionnaire in the Commission's report, Footwear: Report to the President on Investigation No. TA-201-7 . . . , USITC Publication 758, February 1976. Data for 1975, January-September 1975, and January-September 1976 compiled by the Commission from data supplied by respondents to the importers' questionnaire in investigation No. TA-201-18.

Source: Compiled by the U.S. International Trade Commission from data supplied by respondents to the importers' questionnaire on nonrubber footwear in investigation TA-201-7.

Note.--Individual items may not add to totals shown because of the inability of some firms to disaggregate their production by type of footwear.

Table 15.--Nonrubber footwear: Imports by respondents to producers' questionnaire, 1971-75, January-September 1975, and January-September 1976 1/

(In thousands of pairs)							
Type	1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976
For men:							
Athletic-----	18	20	96	173	247	222	384
Work-----	718	1,041	1,983	2,202	2,630	1,675	3,057
House slippers-----	-	-	-	-	17	10	14
Other:							
Boots:							
Fashion-----	564	610	448	438	238	163	199
Other-----	67	85	217	239	224	115	300
Casuals:							
Wood bottoms-----	231	256	294	257	8	7	27
Clogs-----	29	37	49	64	2	2	10
Sandals-----	391	344	600	422	324	237	275
Dress-----	2,678	3,352	3,607	3,370	1,929	1,544	1,551
All other-----	52	96	186	215	173	232	188
Total-----	4,699	5,841	7,480	7,380	5,792	4,207	6,005
Total men's pairs with an importers' net selling price of less than \$6 a pair-----	554	560	2,017	504	1,205	756	1,303
For youths and boys:							
Athletic-----	69	244	426	327	368	158	436
Work-----	-	18	47	85	71	67	8
House slippers-----	-	-	-	-	-	-	-
Other:							
Boots:							
Fashion-----	-	-	-	7	-	-	-
Other-----	-	6	8	39	5	5	22
Casuals:							
Wood bottoms-----	-	-	-	-	-	-	-
Clogs-----	-	-	-	-	-	-	-
Sandals-----	119	91	63	64	16	16	8
Dress-----	-	-	4	1	-	-	-
All other-----	97	83	101	48	34	18	12
Total-----	285	442	649	571	494	264	486
Total youths' and boys' pairs with an importers' net selling price of less than \$6 a pair-----	138	321	505	351	343	137	377
For women:							
Athletic-----	39	46	46	23	138	110	31
House slippers-----	17	529	1,053	1,817	2,173	1,461	3,435
Other:							
Boots:							
Fashion-----	1,131	1,250	338	157	62	31	42
Other-----	71	129	189	77	29	20	40
Casuals:							
Wood bottoms-----	83	108	121	137	176	165	257
Clogs-----	53	336	476	284	136	126	163
Sandals-----	12,999	12,415	12,046	10,239	4,850	3,700	4,056
Dress-----	785	1,315	1,653	1,359	3,947	2,710	3,221
All other-----	6	21	45	12	290	244	335
Total-----	14,335	18,883	19,057	17,803	11,801	8,567	11,580
Total women's pairs with an importers' net selling price of less than \$4 a pair-----	5,950	6,678	5,243	4,004	2,318	1,593	3,477

See footnote at end of table.

Table 15.--Nonrubber footwear: Imports by respondents to producers' questionnaire, 1971-75, January-September 1975, and January-September 1976. 1/--Continued

(In thousands of pairs)							
Type	1971	1972	1973	1974	1975	Jan.-Sept.--	
						1975	1976
For misses:							
Athletic-----	4	-	88	152	96	82	84
House slippers-----	-	-	-	-	-	-	-
Other:							
Boots:							
Fashion-----	42	51	11	3	2	1	2
Other-----	-	4	-	2	-	-	-
Casuals:							
Wood bottoms-----	-	-	-	-	54	2	9
Clogs-----	-	5	13	17	27	27	1
Sandals-----	966	1,149	1,157	933	159	122	98
Dress-----	4	6	52	17	54	11	2
All other-----	-	-	-	10	11	11	166
Total-----	1,020	1,221	1,360	1,244	376	256	360
Total misses' pairs with an importers' net selling price of less than \$4 a pair-----	895	926	1,069	812	57	53	22
For children and infants:							
Athletic-----	77	157	66	319	206	167	258
House slippers-----	-	-	-	-	-	-	-
Other:							
Boots:							
Fashion-----	-	3	-	-	-	-	-
Other-----	1	4	-	-	-	-	-
Casuals:							
Wood bottoms-----	-	-	-	-	4	-	1
Clogs-----	-	-	-	-	1	1	-
Sandals-----	466	644	460	434	82	55	68
Dress-----	-	1	32	10	2	1	-
All other-----	12	15	15	140	406	277	146
Total-----	566	824	585	924	701	501	473
Total children's and infants' pairs with an importers' net selling price of less than \$4 a pair-----	536	797	564	748	535	298	256

1/ Data for 1971-74 compiled by the U.S. International Trade Commission from data supplied by respondents to the producers' questionnaire in the Commission's report, Footwear, Report to the President on Investigation No. TA-201-7..., U.S. International Trade Commission Publication 758, February 1976. Data for 1975, January-September 1975, and Jan.-Sept. 1976 compiled by the Commission from data supplied by respondents to the importers' questionnaire in investigation No. TA-201-18.

Source: Compiled by the U.S. International Trade Commission from data supplied by respondents to the producers' questionnaire on nonrubber footwear.

Note.--Individual items may not add to total shown because of the inability of some firms to disaggregate their production by type of footwear.

Table 16.--Nonrubber footwear: Shipments from Puerto Rico to the United States, by types, 1965-75

Type	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Quantity (1,000 pairs)											
Men's, youths', and boys'-----	2,899	3,458	4,226	5,334	3,939	3,553	2,282	2,332	2,383	2,089	1,799
Women's and misses'-----	2,803	2,818	4,307	5,491	5,469	6,957	3,804	4,061	5,066	3,978	3,008
Children's and infants'-----	908	871	1,366	1,137	1,235	1,675	1,395	1,317	1,606	1,922	1,727
House slippers----	455	615	719	1,160	1,405	1,038	1,681	1,231	1,893	1,810	1,906
Other nonrubber footwear-----	384	213	300	526	995	1,124	815	1,030	767	1,007	1,315
Total-----	7,449	7,975	10,918	13,648	13,043	14,347	9,977	9,970	11,715	10,806	9,755
Value (1,000 dollars)											
Men's, youths', and boys'-----	10,932	16,445	21,343	24,785	17,468	14,160	9,387	9,936	12,316	11,197	10,054
Women's and misses'-----	9,026	9,448	14,738	19,785	20,573	24,709	13,739	15,772	19,585	16,930	13,556
Children's and infants'-----	3,110	3,043	4,993	4,158	4,300	5,723	5,537	5,422	7,081	8,823	7,472
House slippers----	1,158	1,156	1,304	2,440	2,434	2,715	3,116	3,150	5,332	3,665	3,658
Other nonrubber footwear-----	1,379	1,074	1,352	1,833	3,138	4,361	3,025	3,818	3,571	4,547	7,144
Total-----	25,605	31,166	43,730	53,001	47,913	51,668	34,804	38,098	47,885	45,162	41,884

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

Table 17.--Nonrubber footwear: U.S. production, by types, 1968-75, January-August 1975,
and January-August 1976

Type	1968	1969	1970	1971	1972	1973	1974	1975	January-August--	
									1975	1976
	Quantity (million pairs)									
Total-----	642	577	562	536	527	490	453	413	263	309
Athletic-----	8	9	9	8	9	10	10	8	5	7
Slippers-----	105	101	96	98	98	91	86	71	46	46
Work. 1/-----	36	35	38	38	35	29	27	25	16	17
All other:										
Men's-----	90	82	82	80	91	90	83	80	51	59
Youths' and										
boys'-----	24	23	24	22	24	22	18	16	10	12
Women's-----	284	238	230	207	193	179	167	154	96	120
Misses'-----	33	28	23	25	25	18	16	13	9	11
Children's-----	31	28	26	26	23	24	20	19	12	16
Infants'-----	29	28	29	28	27	25	24	24	16	18
Not specified										
by kind-----	2	4	5	4	2	2	2	3	2	3
	Percent of total									
Total-----	100	100	100	100	100	100	100	100	100	100
Athletic-----	1	2	2	1	2	2	2	2	2	2
Slippers-----	16	18	17	18	19	19	19	17	17	15
Work 1/-----	6	6	7	7	7	6	6	6	6	6
All other:										
Men's-----	14	14	15	15	17	18	18	19	19	19
Youths' and										
boys'-----	4	4	4	4	5	4	4	4	4	4
Women's-----	44	41	41	39	37	37	37	37	37	39
Misses'-----	5	5	4	5	5	4	4	3	3	4
Children's-----	5	5	5	5	4	4	4	5	5	5
Infants'-----	5	5	5	5	5	5	5	6	6	6
Not specified										
by kind-----	2/	1	1	1	2/	2/	2/	2/	2/	2/

1/ The data reported for years prior to 1973 include all work shoes regardless of ankle height; data for 1973 and subsequent years include only such shoes of ankle height or higher. (In 1972, work shoes less than 6 inches high amounted to 8 million pairs.)

2/ Less than 0.5 percent.

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 18a.--Nonrubber footwear: U.S. production, by size of output and type of footwear produced, 1975

Size-of-output group	Athletic footwear	Work Footwear	House Slippers	Other than athletic or work footwear or slippers			Total
				For men, youths, and boys	For women and misses	For children and infants	
Quantity (1,000 pairs)							
Less than 200,000 pairs each-----	607	104	336	364	220	152	1,783
200,000 to 499,999 pairs each-----	363	610	864	1,103	2,719	493	6,152
500,000 to 999,999 pairs each-----	-	788	474	1,781	7,618	2,757	13,418
1,000,000 to 1,999,999 pairs each-----	1,315	-	1,952	1,157	6,012	3,784	14,220
2,000,000 to 3,999,999 pairs each-----	770	5,597	-	6,582	1,422	1,458	15,829
4,000,000 pairs or more each-----	1,113	5,789	20,063	37,166	51,719	12,828	128,678
Total-----	4,168	12,888	23,689	48,153	69,710	21,472	180,080
Percent of total							
Less than 200,000 pairs each-----	15	1	1	1	<u>1</u> / ₁₀₀	1	1
200,000 to 499,999 pairs each-----	9	5	4	2	4	2	3
500,000 to 999,999 pairs each-----	-	6	2	4	11	13	7
1,000,000 to 1,999,999 pairs each-----	32	-	8	2	9	18	8
2,000,000 to 3,999,999 pairs each-----	18	43	-	14	2	7	9
4,000,000 pairs or more each-----	26	45	85	77	74	59	72
Total-----	100	100	100	100	100	100	100

1/ Less than 0.05 percent.

Source: Calculated by U.S. International Trade Commission from data supplied by domestic producers of nonrubber footwear.

Note.--Individual items may not add across to totals because of the inability of some firms to disaggregate their production by type of footwear.

Table 18b.--Nonrubber footwear: Percentage distribution of U.S. production, by size of output and type of footwear produced, 1975

Size-of-output group	(In percent)						
	Athletic footwear	Work footwear	House slippers	Other than athletic or work footwear, or slippers			Total
				For men, youths, and boys	For women and misses	For children and infants	
Less than 200,000 pairs each-----	33	6	20	20	12	9	
200,000 to 499,999 pairs each-----	6	10	14	18	44	8	100
500,000 to 999,999 pairs each-----	-	6	4	13	56	21	100
1,000,000 to 1,999,999 pairs each-----	9	-	14	8	42	27	100
2,000,000 to 3,999,999 pairs each-----	5	36	-	41	9	9	100
4,000,000 pairs or more each-----	1	4	16	29	40	10	100
Average-----	2	7	13	27	39	12	100

Source: Calculated by the U.S. International Trade Commission from data supplied by domestic producers of nonrubber footwear.

Note.--Individual items may not add across to totals because of rounding and the inability of some firms to disaggregate their production by type of footwear.

Table 18c.--Nonrubber footwear: U.S. production by types, 1975, January-September 1975, and January-September 1976

(In thousands of pairs)			
Type	1975	January-September--	
		1975	1976
For men:			
Athletic-----	2,125	1,558	1,765
Work-----	13,777	10,122	10,390
House slippers-----	1,365	1,222	1,202
Other:			
Boots:			
Fashion-----	8,580	6,036	6,681
Other-----	1,608	1,406	1,462
Casuals:			
Wood bottoms-----	147	-	-
Clogs-----	-	-	-
Sandals-----	442	315	286
Dress-----	23,130	16,930	19,082
All other-----	7,657	5,496	6,665
Total-----	58,831	43,085	47,533
For youths' and boys':			
Athletic-----	748	518	611
Work-----	639	563	419
House slippers-----	26	20	27
Other:			
Boots:			
Fashion-----	1,149	802	1,142
Other-----	423	394	288
Casuals:			
Wood bottoms-----	-	-	-
Clogs-----	-	-	-
Sandals-----	29	25	70
Dress-----	5,478	4,056	5,097
All other-----	2,173	1,945	1,670
Total-----	10,665	8,323	9,324
For women:			
Athletic-----	494	302	344
Work-----	406	307	369
House slippers-----	21,236	15,875	17,374
Other:			
Boots:			
Fashion-----	1,241	798	1,476
Other-----	309	241	368
Casuals:			
Wood bottoms-----	1,082	820	584
Clogs-----	3,801	2,849	345
Sandals-----	9,002	6,620	7,160
Dress-----	29,040	27,026	30,505
All other-----	9,024	6,613	10,193
Total-----	75,535	61,451	68,718

Table 18c.--Nonrubber footwear: U.S. production by types, 1975, January-September 1975, and January-September 1976--Cont'd.

(In thousands of pairs)			
Type	1975	January-September--	
		1975	1976
For misses:			
Athletic-----	40	18	28
Work-----	113	61	130
House slippers-----	166	106	90
Other:			
Boots:			
Fashion-----	613	445	486
Other-----	6	5	7
Casuals:			
Wood bottoms-----	-	-	-
Clogs-----	-	-	-
Sandals-----	1,063	839	579
Dress-----	3,114	2,111	3,687
All other-----	2,204	1,384	1,451
Total-----	6,627	4,851	6,458
For children and infants:			
Athletic-----	519	285	317
Work-----	572	101	179
House slippers-----	922	649	1,258
Total-----	2,012	1,035	1,754
Other:			
Boots:			
Fashion-----	1,144	825	183
Other-----	267	127	168
Casuals:			
Wood bottoms-----	-	-	-
Clogs-----	-	-	-
Sandals-----	996	698	895
Dress-----	9,805	7,413	7,568
All other-----	14,081	10,233	12,609
Total-----	26,293	19,296	21,423
Grand total-----	180,063	138,041	155,210

Source: Calculated by U.S. International Trade Commission from data supplied by domestic producers of nonrubber footwear.

Note.--Totals are not the same as those shown on other tables because of the inability of some firms to disaggregate their production by type of footwear.

Table 19.--Nonrubber footwear: U.S. exports of domestic merchandise by principal markets, 1970-75, and January-August 1976

Source	1970	1971	1972	1973	1974	1975	Jan.-Aug. 1/ 1976
Quantity (pair)							
Canada-----	280,729	336,812	362,408	710,645	999,840	1,279,628	1,515,118
Japan-----	67,280	73,980	123,212	335,708	325,501	350,447	224,660
Republic of South Africa-----	21,516	19,334	35,726	142,951	132,761	184,723	50,512
Mexico-----	482,163	480,703	431,673	841,474	529,638	422,312	452,470
Bahamas-----	227,884	249,131	267,435	266,895	270,885	274,713	229,654
Spain-----	27,736	51,562	41,295	50,763	76,786	54,122	33,615
United Kingdom-----	26,762	24,655	38,401	58,892	73,595	106,248	87,497
Bermuda-----	75,562	66,479	120,379	86,497	122,583	118,073	112,589
West Germany-----	39,272	47,334	34,639	36,263	58,655	87,787	81,393
Netherlands Antilles-----	138,975	115,909	154,230	113,804	161,820	150,637	129,449
Hong Kong-----	40,541	31,268	54,853	35,329	38,000	29,294	19,287
Libya-----	16,143	10,981	17,902	39,622	58,145	59,783	33,135
Australia-----	8,871	8,638	10,931	19,368	55,514	21,822	25,736
Panama-----	89,001	80,940	67,760	51,308	109,021	54,526	25,884
All other-----	611,639	508,141	491,778	809,798	980,227	1,414,157	1,067,571
Total-----	2,154,074	2,105,867	2,252,622	3,599,317	3,992,971	4,608,272	4,088,570
Value							
Canada-----	\$1,385,311	\$1,585,294	\$1,698,518	\$2,976,514	\$5,386,346	\$6,857,965	\$8,185,474
Japan-----	611,036	794,617	1,626,024	4,340,546	4,943,413	5,565,494	4,668,466
Republic of South Africa-----	204,366	244,520	300,014	1,031,712	1,375,249	2,388,489	900,166
Mexico-----	1,056,311	1,057,560	1,042,220	2,054,934	1,596,743	1,694,436	1,754,595
Bahamas-----	835,693	845,692	1,003,281	1,272,370	1,272,242	1,324,956	1,013,436
Spain-----	183,245	145,304	218,779	270,268	618,532	594,659	441,338
United Kingdom-----	132,391	117,155	165,357	253,417	396,779	590,816	505,950
Bermuda-----	281,721	291,277	378,580	333,704	532,773	575,173	634,099
West Germany-----	145,018	151,124	160,270	137,704	308,010	570,124	626,484
Netherlands Antilles-----	388,197	331,515	394,114	380,553	555,697	512,781	513,913
Hong Kong-----	319,843	235,765	290,797	382,921	536,959	505,247	349,729
Libya-----	100,546	87,930	114,762	274,583	399,179	298,967	245,937
Australia-----	74,395	69,385	92,540	115,523	444,442	192,921	283,049
Panama-----	373,926	315,667	290,003	262,838	469,067	190,343	49,608
All other-----	2,542,902	2,154,535	1,818,302	3,403,648	4,439,122	7,747,245	5,087,392
Total-----	8,634,901	8,427,340	9,593,561	17,491,235	23,274,553	29,609,316	25,259,636

1/ Country breakout for January-August 1975, is not available. (Total for January-August 1975, 3,065,979 pairs valued at 252.316).

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

Table 20.--Total U.S. employment in all manufacturing and average number of all employees, production workers, and women employees engaged in the production of nonrubber footwear, 5-year averages 1960-74, annual 1973-75, January-November 1975, and January-November 1976

Period	All manufacturing		Nonrubber footwear					
	All employees	Production workers	All employees		Production workers		Women employees	
			Number	Percent of all:	Number	Percent of all:	Number	Percent of all:
				manufacturing employees		footwear employees		footwear employees
	Thousands	Thousands	Thousands		Thousands		Thousands	
5-year average:								
1960-64-----	16,849	12,499	237	1.4	211	89.2	134	56.6
1965-69-----	19,327	14,264	233	1.2	205	88.0	142	60.8
1970-74-----	19,425	14,163	196	1.0	170	86.7	126	64.4
Annual:								
1973-----	20,068	14,760	189	0.9	164	86.9	123	64.9
1974-----	20,046	14,613	178	0.9	154	86.6	118	66.0
1975-----	18,347	13,070	163	0.9	141	86.5	108	66.3
January-November:								
1975-----	18,327	13,048	162	0.9	141	87.0	107	66.0
1976-----	18,940	13,613	171	0.9	149	87.1	1/	1/
Percentage increase or decrease(-):								
1975 over 1970-----	-0.1	-1.4	-5.3	-	-5.4	-	-4.4	-
1975 over 1974-----	-8.5	-10.6	-8.4	-	-8.4	-	-8.5	-
Jan.-Nov. 1976 over Jan.-Nov. 1975-----	3.3	4.3	5.6	-	5.7	-	1/	-

1/ Not available.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 21.--Total employment, production workers and women employees engaged in the production of footwear, annual 1970-75, January-August 1975 and January-August 1976 1/

Year	Total employment		Production workers		Women employees	
	Number	:Percent of all: :manufacturing : employees	Number	:Percent of all: :footwear : employees	Number	:Percent of all : footwear : employees
	Thousands		Thousands		Thousands	
1970-----	238	1.2	207	87.0	149	62.6
1971-----	226	1.2	196	86.7	143	63.3
1972-----	224	1.2	194	86.6	142	63.4
1973-----	216	1.1	188	87.0	139	64.4
1974-----	205	1.0	177	86.3	134	65.4
1975-----	187	1.0	161	86.1	122	65.1
January-August--						
1975-----	185	1.0	160	86.3	<u>2/</u>	<u>2/</u>
1976-----	195	1.0	170	87.3	<u>2/</u>	<u>2/</u>
Percent increase or decrease (-):						
1975 over 1970-----	-4.7	-	-4.9	-	-3.9	-
1975 over 1974-----	-8.8	-	-9.0	-	-9.0	-
Jan.-Aug. 1976 over Jan.-Aug. 1975-----	5.4	-	6.3	-	<u>2/</u>	-

1/ SIC categories 302 and 314.

2/ Not available on a monthly basis.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 22.--U.S. employment in the production of nonrubber footwear and index of such employment, by principal producing States, selected years 1967-75, January-July 1975, and January-July 1976

Year	Massachusetts	Maine	New Hampshire	New York	Pennsylvania	Missouri	Illinois	Wisconsin	U.S. total
Number of employees (In thousands)									
1967-----	31.0	24.9	17.7	23.0	26.9	25.3	10.2	9.1	231.6
1970-----	23.9	22.1	13.8	17.9	23.2	20.8	7.8	8.1	213.6
1974-----	15.9	15.4	8.9	12.6	18.0	20.1	7.0	7.3	178.1
1975-----	14.8	14.3	8.3	10.7	1/ 16.4	17.1	5.2	6.5	163.0
January-July--									
1975-----	14.6	13.6	8.1	10.5	1/ 16.3	16.8	5.5	6.6	160.4
1976-----	15.1	16.2	9.0	10.6	1/ 17.6	18.4	4.6	6.5	173.5
Index (1967=100)									
1967-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1970-----	77.1	85.0	77.5	86.9	91.3	86.7	85.7	94.2	92.2
1974-----	51.3	61.9	50.3	54.8	66.9	79.5	68.6	80.2	76.9
1975-----	47.7	57.4	46.9	46.5	61.0	67.6	51.0	71.4	70.4
January-July--									
1975-----	47.1	54.6	45.8	45.7	60.6	66.4	53.9	72.5	69.3
1976-----	48.7	65.1	54.2	46.1	65.4	72.7	45.1	71.4	74.9

1/ Available only for SIC 313.4.

Source: State agencies in cooperation with the U.S. Bureau of Labor Statistics.

Table 23.--Average hours, total and overtime, worked per week by production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear, 5-year averages 1960-74, annual 1973-75, and January-August 1976

Period	Average total hours per week <u>1/</u>			Average overtime hours per week		
	All manufac- turing	Nondurable goods	Nonrubber footwear	All manufac- turing	Nondurable goods	Nonrubber footwear
5-year averages:						
1960-64-----	40.2	39.5	37.1	2.7	2.7	1.2
1965-69-----	40.9	39.9	37.9	3.6	3.3	1.7
1970-74-----	40.2	39.4	37.5	3.3	3.1	1.8
Annual:						
1973-----	40.7	39.6	37.9	3.8	3.4	2.0
1974-----	40.0	39.1	36.8	3.2	3.0	1.6
1975-----	39.4	38.8	36.9	2.6	2.7	1.7
Jan.-Aug. 1976----	40.0	39.2	38.0	3.0	2.9	1.9

1/ Includes overtime counted on a straight-time basis.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 24.--Average hourly and weekly earnings of U.S. production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear, 5-year averages 1960-74, annual 1973-75, January-August 1975, and January-August 1976

Period	Average hourly earnings			Average weekly earnings		
	All manufac- turing	Nondurable goods	Nonrubber footwear	All manufac- turing	Nondurable goods	Nonrubber footwear
5-year averages:						
1960-64-----	\$2.39	\$2.17	\$1.68	\$96.24	\$85.61	\$62.17
1965-69-----	2.87	2.61	2.04	117.36	103.95	77.10
1970-74-----	3.85	3.50	2.64	154.66	137.01	99.19
Annual:						
1973-----	4.08	3.68	2.72	166.06	145.73	103.09
1974-----	4.41	3.99	2.91	176.40	156.01	107.09
1975-----	4.81	4.35	3.08	189.51	168.78	113.65
Jan.-Aug.--						
1975-----	4.75	4.30	3.05	185.19	164.26	110.37
1976-----	5.11	4.60	3.25	204.05	180.39	123.41
Average annual per- centage increase:						
1970-75-----	7.4	7.2	4.9	7.2	7.0	4.7
1974-75-----	9.1	9.0	5.8	7.4	8.2	6.1
Jan.-Aug. 1975-						
Jan.-Aug. 1976---	7.6	7.0	6.6	10.2	9.8	11.8

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 25.--Real hourly and weekly earnings of U.S. production workers in all manufacturing and in the production of nondurable goods and nonrubber footwear (using 1970 as base year), 1970-75, January-August 1975, and January-August 1976 1/

Period	Real hourly earnings			Real weekly earnings		
	All manu- facturing	Nondurable goods	Nonrubber footwear	All manu- facturing	Nondurable goods	Nonrubber footwear
1970-----	\$3.36	\$3.08	\$2.43	\$133.73	\$120.43	\$90.40
1971-----	3.42	3.12	2.43	136.57	122.84	90.97
1972-----	3.54	3.22	2.44	143.58	127.87	93.25
1973-----	3.57	3.22	2.38	145.10	127.34	90.08
1974-----	3.47	3.14	2.29	138.90	122.84	84.32
1975-----	3.47	3.14	2.22	136.72	121.77	81.99
January-August--						
1975-----	3.47	3.14	2.23	135.20	119.22	80.58
1976-----	3.52	3.17	2.24	140.42	124.14	84.93
Average annual percent-						
age increase or						
decrease (-):						
1970-75-----	0.7	0.4	-1.8	0.4	0.2	-1.9
Jan.-Aug. 1975-						
Jan.-Aug. 1976-----	1.4	1.0	.5	3.9	4.1	5.4

1/ Earnings are deflated by the Consumer Price Index after 1970 to show effect of price changes.

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

Table 26.---Hourly earnings of production workers and estimated total compensation per hour worked in specified industries related to footwear in 8 countries, 1970-76

(In U.S. dollars)								
Country	Industry	1970	1971	1972	1973	1974	1975	1976 ^{1/}
Published averaged hourly earnings ^{2/}								
Brazil-----	Clothing and footwear ^{3/ 4/} ----	\$0.30	\$0.32	\$0.34	\$0.38	\$0.43	\$0.51	\$0.62
Hong Kong-----	Rubber footwear ^{5/} -----	.32	.38	.43	.50	.55	.55	.59
Italy-----	Footwear ^{6/} -----	.60	.80	.93	1.14	1.30	^{7/} 2.07	^{7/} 1.79
Japan-----	Leather and leather products ^{8/} -----	.76	.86	1.21	1.57	1.82	2.00	2.16
Korea-----	Plastic products ^{3/ 9/} -----	.20	.20	.18	.28	.36	.42	.47
Spain-----	Clothing and footwear ^{3/ 10/} ----	.38	.42	.53	.68	.86	1.08	.98
Taiwan-----	Plastic products ^{9/} -----	^{11/}	^{11/}	^{12/} .19	.26	.36	.43	.52
United States----	Footwear, excluding rubber-----	2.43	2.53	2.63	2.72	2.91	3.08	3.42
Estimated compensation per hour worked ^{13/}								
Brazil-----	Clothing and footwear ^{3/ 4/} ----	\$0.39-\$0.42	\$0.41-\$0.45	\$0.45-\$0.48	\$0.50-\$0.54	\$0.56-\$0.60	\$0.66-\$0.71	\$0.81-\$0.87
Hong Kong-----	Rubber footwear ^{5/} -----	.35- .37	.41- .43	.47- .50	.55- .58	.60- .63	.61- .63	.65- .68
Italy-----	Footwear ^{6/} -----	1.10	1.46	1.69	2.06	2.35	3.43	2.99
Japan-----	Leather and leather products ^{8/} -----	.85	.96	1.34	1.76	2.00	2.22	2.40
Korea-----	Plastic products ^{3/ 9/} -----	.23- .25	.23- .25	.21- .23	.32- .35	.41- .45	.48- .53	.54- .59
Spain-----	Clothing and footwear ^{3/ 10/} ----	.53- .58	.59- .64	.74- .80	.99- 1.06	1.20- 1.29	1.51- 1.62	1.37- 1.47
Taiwan-----	Plastic products ^{9/} -----	^{11/}	^{11/}	.22- .23	.30- .32	.41- .43	.49- .52	.60- .62
United States----	Footwear, excluding rubber-----	2.97	3.09	3.21	3.37	3.62	3.88	4.33

^{1/} Preliminary estimates of midyear average hourly earnings and compensation per hour worked converted to U.S. dollars on the basis of the selected midyear average daily exchange rates.

^{2/} 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.

^{3/} All employees. In the developed countries, production worker earnings generally average 80 to 90 percent of all employee earnings.

^{4/} Wage adjustments in Brazil are governed by an official wage formula. The 1972 through 1975 earnings figures are estimated based on the average wage adjustments granted in the total private sector of the economy.

^{5/} Daily earnings converted to an hourly basis by assuming 9 hours of work per day.

^{6/} Data related to factory workers in establishments of 20 or more employees. In 1970, such workers accounted for nearly 2/3 of all footwear production workers, and homeworkers accounted for 8 to 9 percent of the total. Hourly compensation of all production workers in 1970, including homeworkers, has been estimated to be 90 percent or more of factory workers compensation in establishments of 20 or more employees.

Footnotes for table 26 --Continued

7/ Average hourly earnings not comparable with previous years because of a survey revision.

8/ Shoes exported from Japan to the United States are made principally of plastics materials. Data for only the leather and leather products industry, which includes leather footwear, are shown in the table, however, because adequate data are not available for plastic footwear. In the Japanese industrial classification system, plastic footwear is combined with rubber products. In 1970, less than 1/5 of the factory workers in the rubber products industry group were in plastic footwear plants and they were paid at a lower rate than most workers in the rubber products portion of the industry. In addition, about half of the workers in the plastic footwear industry are homeworkers, who are paid at a lower rate than factory workers. Nearly half of the workers in the leather footwear industry are also homeworkers. Based on information for the year 1970, average hourly compensation of all production workers in leather footwear, including homeworkers, was approximately 80 percent of factory worker compensation in the leather products industry, and hourly compensation in plastic footwear, including homeworkers, approximately 70 percent.

9/ The shoes shipped from Korea and Taiwan to the United States are principally of plastics.

10/ Approximately 40 percent of the workers in the Spanish footwear industry are homeworkers, who are paid at a lower rate than the factory workers in the industry.

11/ Not available.

12/ July-December 1972.

13/ 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 benefits 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.

Source: Brazil--Industrias de Transformacao, 1971, Department of Industry, Trade and Services, Brazil; Hong Kong--Annual Department Report, 1970-73, Commissioner of Labour, Hong Kong, and Wage Statistics, various issues, Census and Statistics Department, Hong Kong; Italy--Rassegna di Statistiche del Lavoro, various issues, Confederazione General dell'Industria Italiana, Rome; Japan--Year Book of Labour Statistics, various issues, and Monthly Labour Statistics and Research Bulletin, various issues, Ministry of Labour, Tokyo; Korea--Monthly Statistics of Korea, various issues, Economic Planning Board, Seoul; Spain--Year Book of Labour Statistics, 1974, International Labour Office, Geneva, and Boletin Mensual de Estadistica, various issues, Instituto Nacional de Estadistica, Madrid; and Taiwan--Monthly Bulletin of Labor Statistics, various issues, Directorate-General of Budget, Accounting, and Statistics, Taipei. Conversion from the currencies of the foreign countries to U.S. dollars was made on the basis of average daily exchange rates.

Note.--Prepared by the U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, Division of Foreign Labor Statistics and Trade, October 1976.

Table 27.--Average monthly labor turnover rates per 100 employees in all U.S. manufacturing and in the production of nonrubber footwear, 1970-75 and January-June 1976

Year	All manufacturing					Nonrubber footwear				
	Total	New	Total	Quits	Layoffs	Total	New	Total	Quits	Layoffs
	acces- sions	hires	sepa- rations			acces- sions	hires	sepa- rations		
1970-----	4.0	2.8	4.8	2.1	1.8	5.6	4.0	6.3	3.5	1.7
1971-----	3.9	2.6	4.2	1.8	1.6	5.8	3.9	6.2	3.3	1.9
1972-----	4.4	3.3	4.2	2.2	1.1	6.7	4.9	6.9	4.3	1.6
1973-----	4.8	3.9	4.6	2.7	.9	7.7	5.9	8.0	5.4	1.4
1974-----	4.2	3.2	4.8	2.3	1.5	6.8	4.9	8.0	4.8	2.0
1975-----	3.7	2.0	4.2	1.4	2.1	6.8	4.4	6.7	3.4	2.4
1976 (January-June)---	4.1	2.7	3.5	1.5	1.1	7.0	5.4	6.1	4.0	1.0

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 28.--Value added by manufacture per employee, in all U.S. manufacturing and in the production of nondurable goods and nonrubber footwear, and index of such value added, 1960-74

Year	Amount			Index (1967=100)		
	All manufac- turing	Nondurable goods	Nonrubber footwear	All manufac- turing	Nondurable goods	Nonrubber footwear
1960-----	\$10,155	\$10,325	\$5,366	72	71	70
1961-----	10,444	10,699	5,447	74	73	71
1962-----	11,085	11,238	5,635	78	77	73
1963-----	11,833	11,917	6,015	84	82	78
1964-----	12,507	12,540	6,522	88	86	85
1965-----	13,156	13,100	6,525	93	90	85
1966-----	13,785	13,806	6,977	97	95	91
1967-----	14,167	14,568	7,674	100	100	100
1968-----	15,259	15,602	8,448	108	107	110
1969-----	15,893	16,246	8,543	112	112	111
1970-----	16,415	17,101	9,202	116	117	120
1971-----	18,027	18,519	9,684	127	127	126
1972-----	19,629	19,898	10,194	139	137	133
1973-----	21,494	21,877	10,926	152	150	142
1974-----	24,182	25,426	11,472	171	175	149

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

Table 29.--Expenditures per production worker for new plant and equipment, in all U.S. manufacturing, and in the production of nondurable goods and nonrubber footwear, and index of such expenditures, 1960-74

Year	Amount			Index (1967=100)		
	All manu- facturing	Non- durable goods	Nonrubber footwear	All manu- facturing	Non- durable goods	Nonrubber footwear
1960-----	\$827	\$857	\$74	54	50	54
1961-----	830	934	109	54	54	79
1962-----	861	980	91	56	57	66
1963-----	930	1,003	102	60	58	74
1964-----	1,072	1,154	112	70	67	81
1965-----	1,271	1,400	118	82	82	86
1966-----	1,464	1,638	145	95	95	105
1967-----	1,541	1,715	138	100	100	100
1968-----	1,468	1,641	229	95	96	166
1969-----	1,553	1,747	174	101	102	126
1970-----	1,638	1,906	182	106	111	132
1971-----	1,627	1,955	194	106	114	141
1972-----	1,780	2,009	236	116	117	171
1973-----	1,895	2,142	292	123	125	212
1974-----	2,544	2,920	315	165	170	228

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

Table 29a.--Value of rented and owned assets per worker, U.S. and nonrubber footwear industry averages, 1968-72.

Year	Value of rented assets per worker		Value of owned assets per worker		Value of rented and owned assets per worker	
	U.S. average	Nonrubber footwear industry average	U.S. average	Nonrubber footwear industry average	U.S. average	Nonrubber footwear industry average
1968-----	\$943	\$288	\$8,758	\$1,035	\$9,701	\$1,323
1969-----	1,066	352	9,094	1,220	10,160	1,572
1970-----	1,232	447	9,455	1,181	10,687	1,628
1971-----	1,437	513	10,979	1,266	12,416	1,779
1972-----	1,538	427	12,368	1,371	13,906	1,798
Percent increase, 1972 over 1968-----	63.1	48.3	41.2	32.5	43.3	35.9

IRS Source Book, 1968-72.

Table 36.--Number of insured unemployed persons in all U.S. manufacturing and in the production of nondurable goods and leather and leather products (SIC No. 31), total, percent distribution, and as a percent of insured unemployment (rate), monthly average 1970 to 1975, and by quarters January 1974-February 1976 ^{1/}

Period	Number of insured unemployed persons in--			Insured unemployed persons as a percent of total in--			Rate of unemployment in-- ^{3/}		
	All	Non-	Leather	All	Non-	Leather	All	Non-	Leather
	manu-	dur-	and	manu-	dur-	and	manu-	dur-	and
	factur-	able	leather	factur-	able	leather	factur-	able	leather
	ing	goods	products	ing ^{2/}	goods ^{2/}	products ^{2/}	ing	goods	products
	Thousands	Thousands	Thousands				Percent	Percent	Percent
Monthly average:									
1970-----	918.2	385.7	25.1	51.0	42.2	2.7	4.5	4.6	6.9
1971-----	1,013.1	416.3	27.6	47.5	41.0	2.7	5.0	5.0	8.0
1972-----	732.9	352.5	23.0	39.8	48.6	3.2	3.8	4.3	7.2
1973-----	578.6	283.6	18.8	35.8	53.5	3.2	3.0	3.8	6.1
1974-----	898.7	415.4	22.9	40.0	46.5	2.5	4.5	5.0	7.5
1975-----	1,702.2	682.0	35.0	41.6	39.8	2.0	8.4	8.2	12.4
1974:									
January-March-----	963.0	426.2	22.9	37.4	44.3	2.3	4.9	5.2	7.5
April-June-----	799.7	375.9	16.4	39.4	47.0	2.0	4.0	4.5	5.4
July-September-----	766.0	373.7	23.5	40.3	48.7	3.0	3.8	4.5	7.7
October-December-----	1,066.0	485.9	28.6	42.9	45.8	2.7	5.2	5.8	9.5
1975:									
January-March-----	2,205.5	914.3	46.2	44.3	41.4	2.1	10.8	10.9	15.5
April-June-----	1,961.9	778.2	39.1	45.5	39.6	1.9	9.6	9.4	13.6
July-September-----	1,436.7	560.8	30.0	41.1	38.9	2.0	7.0	6.8	10.6
October-December-----	1,139.1	447.7	22.5	36.7	39.2	1.9	5.6	5.4	7.9
1976:									
January-February-----	1,284.5	543.8	23.0	33.6	42.3	1.8	8.7	6.6	8.1

^{1/} Figures are for the week including the 12th of the month. Includes Puerto Rico.

^{2/} Manufacturing percent is derived using total insured unemployed as a 100-percent base, while nondurable goods and leather and leather products used manufacturing as a 100-percent base (total equals mining and contract construction, manufacturing, public utilities, wholesale and retail trade, finance/insurance/real estate, services, state and local government, and all other).

^{3/} Insured unemployment as a percent of average covered employment for a 12-month period, usually with a lag of 6 to 9 months from the week of reference.

Source: U.S. Department of Labor, Manpower Administration, Unemployment Insurance Statistics, 1970-76.

Table 31.--Insured unemployed persons: Percent in manufacturing and in the production of nondurable goods and leather and leather products (SIC No. 31) claiming under 5 weeks and over 14 weeks of unemployment, monthly averages 1970 to 1975, and by quarters January 1974 to February 1976

(In percent)

Period	All manufacturing		Nondurable goods		Leather and leather products	
	Under	Over	Under	Over	Under	Over
	5 weeks	14 weeks	5 weeks	14 weeks	5 weeks	14 weeks
Monthly average:						
1970-----	41.6	17.9	44.6	16.4	49.2	15.2
1971-----	34.1	24.9	38.3	21.9	40.3	21.6
1972-----	34.8	24.7	37.8	22.1	40.3	20.4
1973-----	37.7	22.5	40.7	20.4	45.7	20.1
1974-----	38.8	20.7	39.7	19.9	46.4	16.6
1975-----	28.9	29.6	31.7	27.4	34.5	26.3
1974:						
January-March-----	40.7	16.0	39.5	17.2	45.0	15.1
April-June-----	29.9	27.0	34.4	23.5	37.2	23.1
July-September-----	39.2	23.6	39.5	22.3	54.3	14.2
October-December---	45.4	16.2	45.5	16.7	49.1	13.8
1975:						
January-March-----	35.3	16.7	38.3	16.0	42.8	14.5
April-June-----	23.8	34.5	27.1	31.5	26.9	29.6
July-September-----	26.5	35.9	28.5	33.1	35.7	33.6
October-December---	30.0	31.1	33.0	29.1	32.6	27.5
1976:						
January-February---	31.4	25.3	35.3	22.1	40.5	21.8

Source: U.S. Department of Labor, Manpower Administration, Unemployment Insurance Statistics, 1970-76.

Table 32.--Indexes of U.S. wholesale prices for footwear and other selected commodities, 1960-75 and January-August 1976

(1967=100)								
Period	Footwear (BLS code 043)				All commodities	Nondurable manufactured goods	Wearing apparel	Leather
	Total	Women's and misses'	Men's and boys'	Children's and infants'				
1960-----	87.6	89.7	84.8	86.5	95.9	92.6	94.5	94.1
1961-----	88.0	90.2	84.8	86.8	95.5	92.4	94.5	95.9
1962-----	88.9	90.8	86.5	87.5	94.8	95.1	95.4	97.7
1963-----	88.7	90.8	86.5	87.5	94.5	94.8	95.4	92.3
1964-----	88.9	90.3	86.8	87.8	94.7	94.7	96.4	93.2
1965-----	90.7	91.6	89.4	90.1	96.6	96.8	97.3	97.7
1966-----	96.8	96.8	97.0	96.6	99.8	100.0	98.2	109.6
1967-----	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968-----	104.8	109.3	103.6	107.4	102.5	101.5	103.2	101.9
1969-----	109.5	110.1	108.1	112.9	106.5	104.6	107.1	108.5
1970-----	113.3	114.1	111.7	117.0	110.4	108.2	111.0	107.7
1971-----	116.8	117.1	115.7	119.8	113.9	110.5	112.9	112.5
1972-----	124.5	123.3	125.9	126.1	119.1	114.7	114.8	140.3
1973-----	130.5	125.4	137.9	130.2	134.7	131.0	119.0	160.1
1974-----	140.0	132.8	140.0	138.5	160.1	159.5	129.5	154.3
1975-----	147.8	140.2	159.3	143.7	174.9	176.6	133.4	151.5
1976 (Jan.-Aug.)-----	156.0	145.5	172.0	148.9	181.5	181.2	138.6	185.7
Average annual percentage growth:								
1969 over 1965-----	4.8	4.7	4.9	5.8	2.5	2.0	2.4	2.7
1975 over 1970-----	5.5	4.2	7.4	4.2	9.6	10.3	3.7	7.1

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 33.--Indexes of U.S. consumer prices for footwear and other selected commodities, 1970-75, January-August 1975, and January-August 1976

(1967=100)					
Period	: All items	: All items except food	: Apparel except footwear	: Footwear ^{1/}	
1970-----	116.3	116.7	116.4		117.7
1971-----	121.3	122.1	119.9		121.9
1972-----	125.3	125.8	122.3		124.9
1973-----	133.1	130.7	126.5		130.2
1974-----	147.7	143.7	135.7		138.1
1975-----	161.2	157.1	140.6		144.2
January-August--					
1975-----	159.3	155.2	139.4		143.6
1976-----	169.0	165.6	143.0		148.4
Average annual growth rate:					
1975 over 1970-----	6.8	6.1	3.9		4.1
Jan.-Aug. 1976 over Jan.-Aug. 1975-----	6.1	6.7	2.6		3.3

^{1/} The Consumer Price Index for footwear includes items of both leather and nonleather.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 34.--Wholesale price indexes for substitutes for leather--polyvinyl chloride, rubber heels and soles and synthetic rubber 1970-75, January-August 1975, and January-August 1976

Year	Polyvinyl chloride	Rubber heels and soles	Synthetic rubber
	Index, 1970=100		
1970-----	100.0	100.0	100.0
1971-----	100.2	104.3	100.0
1972-----	100.6	104.8	100.2
1973-----	103.8	106.5	100.9
1974-----	145.1	129.6	129.7
1975-----	163.9	147.1	144.9
Jan.-Aug.--			
1975-----	164.1	145.1	144.9
1976-----	167.5	158.9	153.1
	Index, 1967=100		
1970-----	<u>1</u> /	104.9	100.8
1971-----	<u>1</u> /	109.4	100.8
1972-----	<u>1</u> /	109.9	101.0
1973-----	<u>1</u> /	111.7	101.7
1974-----	<u>1</u> /	136.0	130.7
1975-----	<u>1</u> /	154.3	146.1
Jan.-Aug.--			
1975-----	<u>1</u> /	152.2	146.1
1976-----	<u>1</u> /	166.7	154.3

1/ Not available.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 35.--Real consumption expenditures in the United States, total and per capita, for all goods and services, for footwear, and for clothing, 1970-75

(In constant 1972 dollars)

Period	: All goods : and services	: Footwear	: Clothing <u>1/</u>
	Total real consumption expenditures (Billion dollars)		
1970-----	\$668.9	\$8.2	\$41.0
1971-----	691.9	8.4	43.2
1972-----	733.0	8.9	46.2
1973-----	767.7	9.6	49.6
1974-----	759.1	9.2	49.8
1975-----	770.3	9.3	52.0
	Per capita expenditures <u>2/</u>		
1970-----	\$3,264.5	\$40.0	\$200.1
1971-----	3,341.7	40.6	208.6
1972-----	3,509.8	42.6	221.2
1973-----	3,648.6	45.6	235.7
1974-----	3,582.3	43.4	235.0
1975-----	3,607.3	43.6	243.5
	Average annual percentage increase or decrease (-) of per capita expenditures		
1970-73-----	4.7	5.4	6.6
1973-75-----	.2	-1.6	2.4
1970-75-----	2.9	2.6	4.9

1/ Includes accessories but excludes footwear.

2/ Computed using Current Population Reports, Population Estimates and Projections, July 1976.

Source: U.S. Department of Commerce, Office of Business Economics
U.S. National Income and Product Accounts, 1973 to Second Quarter
1976, Survey of Current Business, July 1976.

Table 36.--Wholesale price indexes for total footwear, women's and misses' domestic footwear, and women's and misses' imported footwear, 1970-75, January-August 1975, and January-August 1976

(1970=100)			
Period	Total footwear	Women's and misses' domestic footwear	Women's and misses' imported footwear ^{1/}
1970-----	100.0	100.0	100.0
1971-----	103.1	102.7	105.0
1972-----	109.9	108.1	112.6
1973-----	115.2	109.9	119.1
1974-----	123.6	116.4	123.1
1975-----	130.5	122.7	128.5
Jan.-Aug.--			
1975-----	129.4	121.9	128.4
1976-----	137.8	126.5	134.0
Average annual growth rate:			
1975 over 1970----	5.5	4.2	5.1
Jan.-Aug. 1976 over Jan.-Aug. 1975-----	6.5	3.8	4.4

^{1/} However, this index is based only on prices of imported leather-upper dress pumps and leather-upper sandals from Italy.

Source: Compiled from official statistics of the U.S. Bureau of Labor Statistics.

Table 37.--Profit-and-loss experience of producers of footwear on total establishment operations in which footwear was produced for the year 1975 and two 6 month periods for 1975 and 1976

Size group and year	Net sales	Cost of sales	Gross profit	Selling, administrative, and general expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
(Yearly production)	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Percent</u>
Under 200,000 pair:						
1975-----	109,844	69,857	39,987	30,103	9,884	9.0
6 months, 1975-----	37,068	23,743	13,325	11,240	2,085	5.6
6 months, 1976-----	47,757	30,537	17,220	14,927	2,293	4.8
200,000 to 499,999 pair:						
1975-----	204,170	165,100	39,070	31,483	7,587	3.7
6 months, 1975-----	26,742	22,163	4,579	4,332	247	0.9
6 months, 1976-----	87,160	70,307	16,853	12,727	4,126	4.7
500,000 to 999,999 pairs:						
1975-----	534,035	415,930	118,105	101,767	16,338	3.1
6 months, 1975-----	164,757	132,735	32,022	35,815	(3,793)	(2.3)
6 months, 1976-----	206,341	160,831	45,510	35,612	9,898	4.8
1,000,000 to 1,999,999 pairs:						
1975-----	231,862	183,742	48,120	36,769	11,351	4.9
6 months, 1975-----	94,861	74,464	20,397	17,043	3,354	3.5
6 months, 1976-----	112,330	85,774	26,556	19,399	7,157	6.4
2,000,000 to 3,999,999 pair:						
1975-----	691,363	511,272	180,091	128,513	51,578	7.5
6 months, 1975-----	304,860	223,967	80,893	58,110	22,783	7.5
6 months, 1976-----	384,446	287,464	96,982	69,222	27,760	7.2
Over 4,000,000 pair:						
1975-----	1,489,796	1,081,709	408,087	324,226	83,861	5.6
6 months, 1975-----	692,464	505,089	187,375	158,311	29,064	4.2
6 months, 1976-----	836,109	595,416	240,693	174,298	66,395	7.9

Table 37.--Profit-and-loss experience of producers of footwear on total establishment operations in which footwear was produced for the year 1975 and two 6 month periods for 1975 and 1976--
Continued

Size group and year	Net sales	Cost of sales	Gross profit	Selling, administrative, and general expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
(Yearly production)	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>1,000</u> <u>dollars</u>	<u>Percent</u>
Total-all categories:						
1975-----	3,261,070	2,427,610	833,460	652,861	180,599	5.5
6 months, 1975-----	1,320,752	982,161	338,591	284,851	53,740	4.1
6 months, 1976-----	1,674,143	1,230,329	443,814	326,185	117,629	7.0

Table 38.--Profit-and-loss experience of producers of footwear on footwear operations only for the year 1975 and two 6 month periods 1975 and 1976

Size group and year	Net sales	Cost of sales	Gross profit	Selling, administrative, and general expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
(Yearly production)	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	Percent
Under 200,000 pair:						
1975-----	39,491	29,882	9,609	8,726	883	2.2
6 months, 1975-----	13,640	10,330	3,310	2,972	338	2.5
6 months, 1976-----	17,633	13,676	3,957	3,458	499	2.8
200,000 to 499,999 pair:						
1975-----	184,548	149,217	35,331	29,032	6,299	3.4
6 months, 1975-----	57,660	48,784	8,876	8,632	244	0.4
6 months, 1976-----	74,742	60,991	13,751	10,611	3,140	4.2
500,000 to 999,999 pair:						
1975-----	522,504	407,805	114,699	99,926	14,773	2.8
6 months, 1975-----	164,757	132,735	32,022	35,815	(3,793)	(2.3)
6 months, 1976-----	206,341	160,831	45,510	35,612	9,898	4.8
1,000,000 to 1,999,999 pair:						
1975-----	231,863	183,742	48,121	36,769	11,352	5.5
6 months, 1975-----	94,861	74,464	20,397	17,043	3,354	3.5
6 months, 1976-----	112,333	85,774	26,559	19,399	7,160	6.4
2,000,000 to 3,999,999 pair:						
1975-----	691,363	511,272	180,091	128,513	51,578	7.5
6 months, 1975-----	304,860	223,967	80,893	58,110	22,783	7.5
6 months, 1976-----	384,446	287,464	96,982	69,222	27,760	7.2
Over 4,000,000 pair:						
1975-----	1,388,435	1,022,869	365,566	286,480	79,086	5.7
6 months, 1975-----	645,735	478,216	167,519	140,181	27,338	4.2
6 months, 1976-----	785,000	567,008	217,992	153,374	64,618	8.2

Table 38.--Profit-and-loss experience of producers of footwear on footwear operations only for the year 1975 and two 6 month periods 1975 and 1976--Continued

Size group and year	Net sales	Cost of sales	Gross profit	Selling : administrative, and general expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales
(Yearly production)	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	<u>1,000</u> dollars	Percent
Total all categories:						
1975-----	3,058,204	2,304,787	753,417	589,446	163,971	5.4
6 months, 1975-----	1,281,513	968,496	313,017	262,753	50,264	3.9
6 months, 1976-----	1,580,495	1,175,744	404,751	291,676	113,075	7.2

Source: Compiled from data submitted to the U.S. International Trade Commission by the domestic producers.

Table 39.--Nonrubber footwear: Percentage distribution of domestic and imported footwear, by types and by price ranges, 1975

Type and price range	Percent of domestic production	Percent of imports	Type and price range	Percent of domestic production	Percent of imports
Total-----	100	100	Total-----	100	100
Men's dress and casual shoes--	16	12	Women's boots, ankle height or higher-----	1	1
Less than \$6.00-----	9	26	Less than \$7.00-----	5	15
\$6.01-\$10.00-----	38	12	\$7.01-\$10.00-----	47	7
\$10.01-\$14.00-----	30	23	\$10.01-\$13.00-----	12	21
\$14.01-\$18.00-----	8	17	\$13.01-\$16.00-----	15	15
Greater than \$18.00-----	14	22	Greater than \$16.00-----	20	41
Total-----	100	100	Total-----	100	100
Men's boots and dress and casual shoes (except work), ankle height or higher-----	4	2	Misses' shoes-----	3	3
Less than \$6.00-----	1	17	Less than \$3.00-----	15	45
\$6.01-\$10.00-----	13	18	\$3.01-\$5.00-----	33	30
\$10.01-\$14.00-----	21	12	\$5.01-\$7.00-----	22	6
\$14.01-\$18.00-----	33	26	\$7.01-\$9.00-----	21	8
Greater than \$18.00-----	32	28	Greater than \$9.00-----	9	11
Total-----	100	100	Total-----	100	100
Men's work shoes, ankle height or higher (including steel-toe)-----	6	1	Children's shoes (including little boys')-----	5	4
Less than \$6.00-----	2	18	Less than \$3.00-----	15	41
\$6.01-\$9.00-----	8	49	\$3.01-\$5.00-----	38	46
\$9.01-\$12.00-----	22	11	\$5.01-\$7.00-----	25	3
\$12.01-\$15.00-----	40	13	\$7.01-\$9.00-----	18	3
Greater than \$15.00-----	27	9	Greater than \$9.00-----	4	7
Total-----	100	100	Total-----	100	100
Youths' and boys' shoes-----	4	2	Infants' and babies' shoes-----	6	4
Less than \$4.00-----	13	48	Less than \$2.00-----	23	13
\$4.01-\$6.00-----	26	34	\$2.01-\$3.00-----	27	19
\$6.01-\$8.00-----	36	7	\$3.01-\$4.00-----	18	3
\$8.01-\$10.00-----	20	4	\$4.01-\$5.00-----	8	1
Greater than \$10.00-----	5	7	Greater than \$5.00-----	25	63
Total-----	100	100	Total-----	100	100
Women's flat shoes, 7/8 inch and down-----	7	15	Athletic shoes (except sneakers)-----	2	-
Less than \$4.00-----	28	61	Slippers-----	17	9
\$4.01-\$6.00-----	32	25	Less than \$1.00-----	1	60
\$6.01-\$8.00-----	24	9	\$1.01-\$2.00-----	54	25
Greater than \$8.00-----	16	5	\$2.01-\$3.00-----	25	5
Total-----	100	100	\$3.01-\$4.00-----	10	4
Women's shoes, 8/8 inch and up-----	29	47	Greater than \$4.00-----	9	6
Less than \$4.00-----	5	35	Total-----	100	100
\$4.01-\$7.00-----	46	21	All other shoes and slippers, except those with sole vulcanized to fabric uppers-----	1	-
\$7.01-\$10.00-----	24	22			
\$10.01-\$13.00-----	17	10			
Greater than \$13.00-----	7	12			
Total-----	100	100			

Source: Domestic data compiled from official statistics of the U.S. Department of Commerce; import data compiled by U.S. International Trade Commission from data submitted in response to importers' questionnaires.

Note.--Because of rounding, figures may not add to the totals shown.

Table 40.--U.S. wholesale price indexes for nonrubber footwear, by sectors and by quarters, 1970-76

(January 1973=100)

Period	Sector									
	A	B <u>1/</u>	C	E	F	G	J <u>1/</u>	K <u>1/</u>	L <u>1/</u>	
1970:										
Jan.-Mar----	88.86	***	85.34	88.51	89.54	<u>1/</u> 87.04	***	***	***	
Apr.-June----	88.92	***	85.86	89.07	90.22	<u>1/</u> 88.20	***	***	***	
July-Sept----	89.17	***	86.23	90.41	91.08	<u>1/</u> 88.20	***	***	***	
Oct.-Dec----	89.78	***	86.42	90.95	91.08	<u>1/</u> 88.20	***	***	***	
1971:										
Jan.-Mar----	90.01	***	86.42	90.95	92.70	<u>1/</u> 89.74	***	***	***	
Apr.-June----	91.23	***	87.75	92.47	93.89	90.51	***	***	***	
July-Sept----	91.35	***	88.53	93.14	94.55	91.02	***	***	***	
Oct.-Dec----	91.74	***	88.53	93.14	94.67	91.28	***	***	***	
1972:										
Jan.-Mar----	93.28	***	90.53	93.14	95.59	93.67	***	***	***	
Apr.-June----	95.07	***	93.06	94.15	97.57	97.36	***	***	***	
July-Sept----	96.34	***	95.64	96.16	98.69	99.12	***	***	***	
Oct.-Dec----	97.53	***	99.35	97.41	98.77	100.00	***	***	***	
1973:										
Jan.-Mar----	102.53	***	100.43	103.59	102.75	103.56	***	***	***	
Apr.-June----	104.16	***	100.96	105.82	104.43	105.97	***	***	***	
July-Sept----	104.23	***	103.03	106.31	104.87	105.97	***	***	***	
Oct.-Dec----	106.71	***	104.91	108.05	106.20	106.38	***	***	***	
1974:										
Jan.-Mar----	110.30	***	107.92	110.90	108.14	109.90	***	***	***	
Apr.-June----	113.04	***	111.17	112.96	110.84	113.27	***	***	***	
July-Sept----	115.05	***	113.91	114.98	112.34	114.84	***	***	***	
Oct.-Dec----	119.23	***	116.35	116.51	113.62	116.20	***	***	***	
1975:										
Jan.-Mar----	120.05	***	114.17	117.85	114.77	116.47	***	***	***	
Apr.-June----	117.71	***	113.69	119.95	114.62	116.61	***	***	***	
July-Sept----	118.53	***	116.91	120.40	116.62	116.74	***	***	***	
Oct.-Dec----	119.61	***	119.13	120.86	117.12	117.51	***	***	***	
1976:										
Jan.-Mar----	120.04	***	122.95	122.52	119.16	117.40	***	***	***	
Apr.-June----	123.63	***	127.49	125.53	119.97	119.08	***	***	***	
July-Sept----	126.44	***	130.36	127.75	121.98	121.83	***	***	***	
Oct.-Dec----	126.87	***	131.46	129.03	122.09	122.47	***	***	***	

^{1/} Because of the limited number of respondents, data are confidential.^{2/} * * *

Source: Compiled from data submitted in response to price data questionnaire of the USITC by U.S. producers of footwear.

Note.--The sectors are described as follows:

- A. Men's dress and casual shoes.
- B. Men's boots, dress and casual (not work), ankle height or higher.
- C. Men's, youths', and boys' work shoes, ankle height or higher (including steel-toed shoes).
- E. Women's flat shoes, 7/8 inch and down.
- F. Women's low-heel shoes, 8/8-14/8 inch.
- G. Women's medium-heel shoes, 15/8-19/8 inch.
- J. Misses' shoes.
- K. Children's shoes (including little boys').
- L. Infants' and babies' shoes.

Table 41.--Import wholesale price indexes for nonrubber footwear, by sectors and by quarters, 1970-76

Period	(January 1973=100)											
	Sector											
	A	B	C	D	E	F	G	H 1/	I	K 1/	M 2/	N 2/
1970:												
Jan.-Mar----	85.73	-	-	-	95.78	***	-	-	***	-	-	***
Apr.-June----	85.73	-	-	-	95.78	88.20	-	-	***	-	-	***
July-Sept----	85.73	-	-	-	95.78	88.20	-	-	***	-	-	***
Oct.-Dec----	85.73	-	-	-	95.78	88.20	***	-	***	-	-	***
1971:												
Jan.-Mar----	88.04	-	-	-	95.78	88.20	***	-	85.30	-	78.95	***
Apr.-June----	88.04	-	-	-	96.00	88.38	***	-	85.30	-	78.95	***
July-Sept----	88.04	-	-	-	96.43	89.33	***	***	85.30	-	78.95	***
Oct.-Dec----	88.04	-	-	-	97.28	89.92	91.67	***	85.94	-	78.95	***
1972:												
Jan.-Mar----	91.50	-	91.74	-	95.11	90.76	95.32	***	85.94	-	78.95	***
Apr.-June----	92.52	-	91.74	-	95.27	92.33	97.14	***	90.39	-	78.95	***
July-Sept----	92.52	-	92.05	-	95.59	96.79	98.04	***	92.61	-	78.95	***
Oct.-Dec----	94.12	-	95.21	-	96.51	97.86	99.21	***	92.61	-	78.95	***
1973:												
Jan.-Mar----	100.00	100.00	100.00	100.00	100.70	100.00	100.00	***	100.00	***	100.00	100.00
Apr.-June----	100.59	100.24	100.00	100.00	104.03	100.44	101.93	***	103.81	***	100.00	100.00
July-Sept----	101.17	100.71	100.35	100.00	105.94	101.53	104.33	***	105.71	***	100.00	100.00
Oct.-Dec----	101.22	102.21	105.15	106.25	106.96	104.38	107.23	***	105.71	***	100.00	100.00
1974:												
Jan.-Mar----	106.97	106.93	112.90	115.42	109.74	108.49	110.18	***	111.09	***	115.17	100.00
Apr.-June----	109.44	111.01	112.99	118.31	110.90	108.27	112.31	***	116.90	***	117.99	100.00
July-Sept----	109.89	113.15	112.30	122.88	113.00	111.03	118.63	***	119.30	***	123.63	100.00
Oct.-Dec----	111.20	113.68	109.21	123.84	113.61	112.99	119.00	***	119.30	***	123.63	100.00
1975:												
Jan.-Mar----	117.27	116.75	113.96	129.74	117.79	113.67	120.94	***	122.26	***	123.63	103.97
Apr.-June----	117.48	122.89	114.77	130.26	119.87	114.85	124.32	***	124.14	***	123.63	105.95
July-Sept----	119.79	122.89	116.85	130.81	126.12	115.71	125.41	***	125.08	***	124.76	105.28
Oct.-Dec----	120.14	122.89	120.19	131.92	122.47	116.79	127.04	***	***	***	***	***
1976:												
Jan.-Mar----	122.54	123.79	128.64	139.04	127.04	118.85	131.02	***	***	***	***	***
Apr.-June----	123.67	123.79	132.09	142.60	128.59	119.55	132.63	***	***	***	***	***
July-Sept----	127.32	126.66	134.84	142.60	129.84	121.06	134.24	***	***	***	***	***
Oct.-Dec----	128.85	129.67	134.84	142.60	128.01	121.34	134.49	***	***	***	***	***

1/ Because of the limited number of respondents, data are confidential.

2/ Because of the limited number of respondents, data for 1970-72 are confidential.

3/ Average for November and December.

Source: Compiled from data submitted in response to the price data questionnaire of the U.S. ITC by U.S. importers of footwear.

Note.--The sectors are described as follows:

- A. Men's dress and casual shoes.
 B. Men's boots, dress and casual (not work), ankle height or higher.
 C. Men's, youths', and boys' work shoes, ankle height or higher (including steel-toed shoes).
 D. Youths' and boys' shoes (except work).
 E. Women's flat shoes, 7/8 inch and down.

- F. Women's low-heel shoes, 8/8-14/8 inch.
 G. Women's medium-heel shoes, 15/8-19/8 inch.
 H. Women's high-heel shoes, 20/8 inch and up.
 I. Women's boots, ankle height or higher.
 K. Children's shoes (including little boys').
 M. Athletic shoes (except sneakers).
 N. Slippers.

Table 42.--Wholesale price indexes for domestically produced nonrubber footwear, by quarters, 1970-7'6

(January-March 1970=100)			
Period	Nonrubber footwear <u>1/</u>	Women's, misses', children's, and infants' non-rubber footwear	Men's, youths', and boys' nonrubber footwear <u>2/</u>
1970:			
Jan.-Mar-----	100.00	100.00	100.00
Apr.-June-----	100.47	100.76	100.06
July-Sept-----	101.11	101.65	100.30
Oct.-Dec-----	101.49	101.84	101.05
1971:			
Jan.-Mar-----	102.29	103.17	101.28
Apr.-June-----	103.64	104.56	102.51
July-Sept-----	104.13	105.22	102.63
Oct.-Dec-----	104.51	105.32	103.57
1972:			
Jan.-Mar-----	105.91	106.43	105.11
Apr.-June-----	107.99	108.49	106.92
July-Sept-----	109.58	110.03	108.19
Oct.-Dec-----	110.91	110.63	109.70
1973:			
Jan.-Mar-----	115.78	115.89	115.09
Apr.-June-----	117.69	118.16	116.85
July-Sept-----	118.21	118.55	116.98
Oct.-Dec-----	120.34	119.90	120.29
1974:			
Jan.-Mar-----	123.83	123.25	123.96
Apr.-June-----	126.84	126.28	126.72
July-Sept-----	129.07	127.98	129.48
Oct.-Dec-----	131.78	129.36	134.12
1975:			
Jan.-Mar-----	132.50	130.68	134.96
Apr.-June-----	132.15	131.68	142.59
July-Sept-----	133.53	132.86	133.55
Oct.-Dec-----	134.67	133.39	135.35
1976:			
Jan.-Mar-----	136.56	135.49	135.97
Apr.-June-----	139.77	137.46	140.41
July-Sept-----	142.40	139.67	143.48
Oct.-Dec-----	143.01	140.26	143.91

1/ Excludes athletic and slippers.2/ Excludes work footwear.

Source: Prepared from responses in price data questionnaire for U.S. producers of footwear.

Table 43.--Wholesale price indexes for imported nonrubber footwear, by quarters, 1970-76

(January-March 1970=100)			
Period	Nonrubber footwear <u>1/</u>	Women's, misses', children's, and infants' non-rubber footwear	Men's, youths', and boys' nonrubber footwear <u>2/</u>
1970:			
Jan.-Mar-----	100.00	100.00	100.00
Apr.-June-----	100.00	100.00	100.00
July-Sept-----	100.00	100.00	100.00
Oct.-Dec-----	100.00	100.00	100.00
1971:			
Jan.-Mar-----	100.57	100.00	102.69
Apr.-June-----	100.94	100.46	102.69
July-Sept-----	101.83	101.59	102.69
Oct.-Dec-----	102.87	102.92	102.69
1972:			
Jan.-Mar-----	103.86	103.11	106.73
Apr.-June-----	105.25	104.70	107.92
July-Sept-----	106.89	106.91	107.92
Oct.-Dec-----	108.30	107.97	109.79
1973:			
Jan.-Mar-----	112.59	111.49	116.65
Apr.-June-----	114.19	113.78	117.09
July-Sept-----	115.51	115.58	117.59
Oct.-Dec-----	117.69	117.53	119.63
1974:			
Jan.-Mar-----	123.17	121.85	126.96
Apr.-June-----	125.16	123.40	130.36
July-Sept-----	127.85	126.77	132.40
Oct.-Dec-----	128.61	127.76	133.63
1975:			
Jan.-Mar-----	133.34	131.78	139.88
Apr.-June-----	135.33	133.93	141.76
July-Sept-----	136.74	135.15	143.39
Oct.-Dec-----	137.97	136.49	143.91
1976:			
Jan.-Mar-----	142.58	141.03	147.53
Apr.-June-----	144.45	142.79	149.19
July-Sept-----	147.18	145.32	152.30
Oct.-Dec-----	147.34	144.77	154.07

1/ Excludes athletic and slippers.2/ Excludes work footwear.

Source: Prepared from responses in price data questionnaire for U.S. importers of footwear.

D-1 through D-17

*

*

*

*

*

*

*

APPENDIX C

Library Cataloging Data

U.S. International Trade Commission.

Footwear. Report to the President
on investigation no. TA-201-18
under section 201 of the Trade act
of 1974. Washington, 1976.

54, A-165 p. 27 cm. (USITC
Publication 799)

1. Boots and shoes--Trade and manufacture--
U.S. 2. Boots and shoes--Tariff--U.S.
I. Title.

