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UNITED STATES TARIFF COMMISSION

**WOMEN'S DRESS AND CASUAL SHOES:
GENESCO, INC.
NASHVILLE, TENN.**

**Report to the President
on Worker Investigation No. TEA-W-155
Under Section 301(c)(2) of the Trade Expansion Act of 1962**



**TC Publication 521
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November 1972**

UNITED STATES TARIFF COMMISSION

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
November 13, 1972.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (TEA) (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made under section 301(c)(2) of that act relating to women's dress and casual shoes.

On the basis of petitions filed under section 301(a)(2) of the TEA on behalf of the former workers of the Carrollton, Ga., and Harrisburg, Pa., plants of Genesco, Inc., the Commission, on September 25, 1972, instituted the investigation (TEA-W-155) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for women (of the types provided for in items 700.20, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such firm or an appropriate subdivision thereof.

Public notice of the investigation was published in the Federal Register on September 29, 1972 (37 F.R. 20354). No public hearing was requested, and none was held.

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

Finding of the Commission

On the basis of its investigation, the Commission finds (Commissioner Moore dissenting) that articles like or directly competitive with footwear for women (of the types provided for in items 700.20, 700.43, 700.45, and 700.55 of the Tariff Schedules of the United States) produced at the Carrollton, Georgia, and Harrisburg, Pennsylvania, plants of Genesco, Inc., are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm, or an appropriate subdivision thereof.

Considerations Supporting the Commission's Finding 1/

Views of Chairman Bedell and Vice Chairman Parker

In this investigation we are concerned with petitions filed on behalf of workers formerly employed in two plants of Genesco, Inc.--one located at Carrollton, Ga., and the other at Harrisburg, Pa. The Carrollton plant produced women's casual shoes with vinyl uppers, and the Harrisburg plant produced women's dress shoes with leather uppers.

Under section 301(c)(2) of the Trade Expansion Act, four requirements must be met before the Commission may make an affirmative determination:

- (1) Imports of articles like or directly competitive with articles produced by the petitioning workers must be increasing;
- (2) The increase in imports must be a result in major part of concessions granted under trade agreements;
- (3) The workers concerned must be unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting in major part from trade-agreement concessions must be the major factor causing or threatening to cause the unemployment or underemployment.

Our determination in this proceeding is in the negative, because it is our judgement that the fourth criterion has not been met--namely, that the major factor causing, or threatening to cause, the unemployment or underemployment of the workers at the Carrollton, Ga. and Harrisburg, Pa. plants was not increased imports resulting in major part from trade-agreement concessions.

Carrollton, Ga., plant.--Genesco's Carrollton facility produced principally women's casual shoes with vinyl uppers and soles of rubberized plastic made by the cement process. The footwear was sold

1/ Commissioner Ablondi concurs in the result.

at retail in the price range of \$6 to \$9. Although nearly half of the imports of women's footwear in recent years have consisted of casual shoes selling in about the same price range as the footwear produced at Carrollton, such imports were not the major factor which led to the closing of the Carrollton establishment. Other more significant factors were involved. The Carrollton plant was the smallest of four Genesco plants making women's casual footwear selling at retail in the same price range as its Carrollton footwear. The plant had sustained net operating losses in each of the * * * fiscal years preceding its closing in October 1970; in fact, the largest loss occurred in * * *, the year of peak production and sales. Although the sales of the footwear made at the Carrollton plant had declined, there is no evidence to show that the output of that establishment was more vulnerable to imports than the footwear made in the other plants of Genesco which apparently did not suffer such a severe decline in output. Indeed, an official of a retail chain that had purchased a sizeable portion of the output of the Carrollton plant stated that his firm continued to buy similar footwear produced by other Genesco establishments after the Carrollton plant was closed. In 1971, production at the other 3 plants increased more than enough to make up for the lost production at Carrollton. There was no clear evidence that customers of these plants had shifted their purchases to imports. On the basis of the evidence, it is our conclusion that the closing of the Carrollton plant reflected a management decision to achieve more efficient use of its total facilities to produce casual footwear. We find that increased imports, although a contributing factor, were not the major factor causing the closing of

the Carrollton plant and the unemployment of its workers.

Harrisburg, Pa. plant.--The Harrisburg plant produced women's high-fashion leather dress shoes selling in the \$30 to \$40 a pair retail price range. The market served by the Harrisburg establishment--high-priced women's fashion footwear--is very volatile and has been subject in recent years to many style changes. Price, although important, is not usually the overriding consideration on the part of consumers buying high-price footwear; quality, style and fit are relatively more important. Imports supply only a fraction of the U.S. market in the price range of the footwear produced by the Harrisburg plant; thus, import competition is less severe at this level than at the lower price levels. While import competition undoubtedly was a factor, the closing of the plant was not in major part the result of concessions granted under trade agreements. Other factors were of greater significance. Consumer tastes in recent years have shifted away from dress shoes and more toward casual footwear. Sales were lost to other styles of footwear not produced at Harrisburg. Moreover, some sales were lost to more inexpensive shoes (both imported and domestically-produced) as rising costs forced Genesco to increase its prices. Beginning in fiscal year *** the plant consistently operated at a loss. Since it was the smallest of the Genesco establishments producing women's dress shoes and worker productivity had been dropping, the management decided to close the Harrisburg establishment and shift residual production to another Genesco plant. Thus, market changes and corporate policies, rather than any decisive shift toward imports by Genesco's customers, were more important factors resulting in the

closing of the plant and the unemployment of the workers.

Based on the foregoing considerations, we conclude that imports were not the major factor causing unemployment of the workers at the Harrisburg plant of Genesco, Inc.

Views of Commissioners Leonard and Young

Our determination in the instant case is negative because the increase in imports of any footwear like or directly competitive with that produced by the Carrollton, Ga. and Harrisburg, Pa., plants of Genesco, Inc., is not the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 1/

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

Dissenting Views of Commissioner Moore

For the reasons cited in my affirmative opinions in previous worker cases 1/ involving ladies' footwear of the kind produced at the Carrollton Ga. plant of Genesco, Inc., it is my determination that the petitioning former workers of the Carrollton plant are eligible to apply for adjustment assistance under the provisions of the Trade Expansion Act of 1962.

1/ Women's and Misses' Footwear: Workers of . . . , Goldberg Bros., Inc., Haverhill, Mass., . . . , Kramer Shoe Co., Inc., Haverhill, Mass., . . . , Report to the President on workers investigation nos. TEA-W-. . . 41 . . . 49 . . . , TC Publication 361, February 1971; Women's, Youths', Boys' and Children's Footwear: Workers of Ornsteen Shoe Co., Inc., Haverhill, Mass., . . . , Sinclair Shoe Co., Haverhill, Mass., . . . Report to the President on worker investigations Nos. TEA-W-71 . . . 75 . . . , TC Publication 378, March 1971; Women's, Misses', Men's, Youths', and Boys' Footwear: Workers of . . . , Francine Shoe Co., Norway, Maine . . . , report to the President Worker investigation No. TEA-W . . . 107 . . . , TC Publication 426, October 1971; women's Dress Shoes: Pittsfield Shoe Corp., Pittsfield, N.H., Report to the President on Worker Investigation No. TEA-W-130 . . . , TC Publication 478, April 1972; women's Casual Shoes: Wilson Shoe Corp., Chamokin, Pa., Report to the President on Worker Investigation No. TEA-W-141 . . . , TC Publication 493, June 1972; and women's Footwear: Frank N. Heatter Co., Inc., Worcester, Mass., Report to the President on worker investigation No. TEA-W-146 . . . , TC Publication 510, September 1972. (See also, U.S. Tariff Commission, Nonrubber Footwear: Report to the President on investigation No. TEA-1-15 . . . , TC Publication 359, 1971, pp. 5-24a; and women's and Misses' Dress Shoes with Leather, Vinyl, or Fabric Uppers . . . , TC Publication 323, June 1970, pp. 11-14.)

INFORMATION OBTAINED IN THE INVESTIGATION

Description of Articles Under Investigation

This investigation involves two of some 28 domestic shoe plants of Genesco, Inc., Nashville, Tenn., an international corporation that concentrates operations in the apparel industry. The Carrollton, Ga., facility, which ceased production in October 1970 and closed about November 1, 1970, produced women's vinyl casual shoes made by the cement process. Shoes shipped from the Carrollton plant retailed in the \$6 to \$9 price range. The second establishment, located in Harrisburg, Pa., closed in May 1972. It manufactured women's leather dress shoes also made by the cement process. Shoes produced at the Harrisburg plant retailed from \$30 to \$40 a pair.

The principal features of women's shoes that determine the activities for which a particular pair is suitable--and thus the trade designations such as "dress," "casual," and "slippers"--are the cut of the uppers, the style and height of the heels, the material used for the uppers, the kind of ornamentation, and the material and construction of the sole. In general or commercial usage, however, these descriptive terms for footwear may have various meanings. Some of them are specifically defined for tariff purposes in the headnotes (including the statistical headnotes) to part 1A of schedule 7 of the Tariff Schedules of the United States Annotated (TSUSA). 1/

1/ For further discussion of these descriptive terms plus additional information in regard to nonrubber footwear (e.g., factors affecting U.S. consumption and marketing channels), see U.S. Tariff Commission, Nonrubber Footwear: Report to the President on Investigation No. TEA-I-18... , TC Publication 559, 1971.

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

For many years the principal type of dress shoe worn by women in the United States was the classic pump--a closed-toe, closed-back, slip-on shoe without fasteners, with lightweight soles, and with heels of 2 inches or higher. Depending upon fashion changes, dress shoes may be open- or closed-heel shoes with straps, laces, or tongues over the instep and may include high-heeled sandals with open toes, open heels, and uppers of narrow strips of leather or other material.

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

The range of styles in and quality of footwear increased greatly during the 1960's as a result of new materials, technological developments in production, and new fashions in wearing apparel. Simultaneously, consumer interest in this wide variety of footwear (as well as of clothing) also increased, reflecting the changing age structure of the population, increasing per capita income, and a growth in time

for leisure activities. Following these developments the distinction between dress and casual shoes and attire diminished.

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

For several decades the principal method of attaching the outsole to women's shoes has been the cement process (the method used at both the Carrollton and Harrisburg plants), whereby the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. An estimated 80 percent of total U.S. output of women's shoes in recent years (and probably an even higher percentage of the domestic output of dress shoes) has been made by the cement process. This process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes except the turn (or turned) process. In the turn process, which is currently used in very minor degree in the United States to produce dress shoes, 1/ the footwear is initially lasted inside out and then turned right side out for the finishing operations.

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

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

Imports entered under TSUS item 700.43, which provides for certain leather footwear having a foreign (export) value of not over \$2.50 a pair, as well as those entered under TSUS item 700.45, which provides for certain leather footwear valued over \$2.50 a pair, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, about half of the combined imports entered under these two items in recent years have consisted of women's sandals having a retail selling price of about \$3 to \$9 a pair. The remainder probably consisted predominantly of women's cement-process dress shoes of moderate prices (i.e., in the retail-price range of \$8 to \$20 a pair) but also included sturdy types with vulcanized or injection-molded soles, lightweight slippers suitable principally for housewear, and expensive high-fashion types. Imported women's leather footwear made by the turn process and dutiable under TSUS item 700.20 does not differ significantly in appearance from the leather dress shoes entered under items 700.43 and 700.45.

Women's footwear with supported vinyl uppers that has entered under TSUS item 700.55 in recent years has consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length and for sale mostly at \$5 to \$6 a pair at self-service counters in variety stores, discount

stores, and department-store basements and (2) folding slippers and sandals, usually selling at retail for less than \$2 a pair. It is believed that before 1970 only a negligible portion of the annual imports of women's dress shoes and boots admitted under item 700.55 retailed at more than \$10 a pair. In 1971, imports of such footwear retailing at more than \$10 a pair (mostly just over that price) totaled an estimated 5 million to 10 million pairs.

U.S. Tariff Treatment

In the Tariff Act of 1930, women's leather footwear was originally dutiable under paragraph 1530(e) at 20 percent ad valorem. Such footwear is provided for in the TSUS, which became effective on August 31, 1963, in items 700.43 and 700.45. The rate of duty was reduced for the first time effective January 1, 1968, pursuant to concessions granted during the Kennedy Round of trade negotiations. The current rate for item 700.43 is 15 percent ad valorem, and that for item 700.45 is 10 percent.

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

Supported vinyl was not used for uppers until the late 1940's or early 1950's. Prior to the effective date of the TSUS, imports of women's supported-vinyl-upper footwear, which were small, were not classifiable under any one provision of the Tariff Act. They were classifiable principally--

(1) By similitude (similarity), at the rate of 20 percent ad valorem applicable to leather footwear in paragraph 1530(e). 1/

(2) Under paragraph 1537(b) as footwear in chief value of india rubber, at the trade-agreement rate of 12.5 percent ad valorem where the soles were in chief value of india rubber.

(3) Under paragraph 1539(b) at the reduced rate of 21¢ per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin acting as the chief binding agent.

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

Table 1 in the appendix shows the reductions in rates of duty resulting from trade-agreement concessions granted under the GATT for footwear of the types now dutiable under items 700.20, 700.43, 700.45, and 700.55. Tables 2 through 4 show estimated U.S. imports of women's shoes admitted under the TSUS items mentioned above and the applicable rates of duty. Table 5 shows the amount of duty collected, based on specified values, on women's footwear entered

1/ The principal kinds of footwear with supported vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable under this paragraph.

under items 700.43, 700.45, and 700.55, on the effective dates of the Tariff Act of 1930, the TSUS, and the Kennedy Round stages of trade concessions.

U.S. Consumption, Production, and Imports

During the period 1965-71, apparent annual U.S. consumption of all women's shoes (including dress and casual) rose from an estimated 386 million pairs to 417 million pairs, while annual U.S. production of such footwear declined from 319 million pairs to 237 million pairs. As annual imports almost tripled during this period, their share of the market increased from 17 percent to 45 percent. Imports accounted for 48 percent of the market in the first half of 1972, as shown in the following table.

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

Period	Pro- duction <u>1/</u>	Im- ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Million</u> <u>pairs</u>	<u>Percent</u>
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
January-June:				
1971-----	127	112	239	47
1972-----	118	111	229	48

1/ Production represents the output of women's and misses' footwear as reported by the U.S. Bureau of the Census, plus shipments to the U.S. mainland from Puerto Rico.

2/ Partly estimated from the official statistics for footwear of the kinds described in part 1A of schedule 7 of the TSUS except imports described in items 700.32, 700.51, 700.52, 700.53, and 700.60 and except zoris (very inexpensive thonged sandals of rubber or plastics), dutiable under item 700.55. Includes imports of misses' footwear, which have been negligible compared with those of women's.

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1971 amounted to about 1 million pairs.

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

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

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

of women's dress shoes supplied by imports increased from 2 percent in 1965 to 26 percent in the first half of 1972, as shown in the following table.

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

Period	Pro- duction <u>1/</u>	Im- ports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	200	4	204	2
1966-----	206	7	213	3
1967-----	188	11	199	6
1968-----	210	21	231	9
1969-----	177	28	205	14
1970-----	165	36	201	18
1971-----	156	43	199	22
January-June:				
1971-----	85	28	113	25
1972-----	80	28	108	26

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

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

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

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

A-11 through A-31

Data Relating to Genesco, Inc.

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APPENDIX A
STATISTICAL TABLES

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

TSUS Item No.	Abbreviated description	Rate of duty			
		July 1, 1934 ^{1/}	GATT concession ^{2/}		
		Rate	Rate	Effective date	
		Percent ad val.	Percent ad val.		
	Leather footwear:				
700.20	Turn or turned-----	10 ^{3/}	5	5	May 30, 1950-Dec. 31, 1967.
			4	4	Jan. 1, 1968-Dec. 31, 1969.
			3	3	Jan. 1, 1970-Dec. 31, 1971.
			2.5	2.5	Jan. 1, 1972.
	"Other" (including cement process):				
700.43	Valued not over \$2.50 per pair----	20	19	19	Jan. 1-Dec. 31, 1968.
			18	18	Jan. 1-Dec. 31, 1969.
			17	17	Jan. 1-Dec. 31, 1970.
			16	16	Jan. 1-Dec. 31, 1971.
			15	15	Jan. 1, 1972.
700.45	Valued over \$2.50 per pair-----	20	18	18	Jan. 1-Dec. 31, 1968.
			16	16	Jan. 1-Dec. 31, 1969.
			14	14	Jan. 1-Dec. 31, 1970.
			12	12	Jan. 1-Dec. 31, 1971.
			10	10	Jan. 1, 1972.
700.55	Footwear having uppers of supported vinyl.	Princi-	^{5/} 12.5	12.5	Aug. 31, 1963-Dec. 31, 1967.
		pally	11	11	Jan. 1-Dec. 31, 1968.
		20 ^{4/}	10	10	Jan. 1-Dec. 31, 1969.
			8.5	8.5	Jan. 1-Dec. 31, 1970.
			7	7	Jan. 1-Dec. 31, 1971.
			6	6	Jan. 1, 1972.

^{1/} Except as noted, the rate on July 1, 1934, was the same as the original rate in the Tariff Act of 1930, effective June 18, 1930.

^{2/} For concessions granted in the Kennedy Round, effective Jan. 1, 1968, the table shows staged rates scheduled to become effective up to and including Jan. 1, 1972.

^{3/} Effective Jan. 1, 1932, the statutory rate of 20 percent ad valorem was reduced to 10 percent ad valorem, pursuant to sec. 336 of the Tariff Act of 1930.

^{4/} Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude provisions of par. 1559, at the rate provided for "similar" leather footwear in par. 1530(e). The column 2 rate for item 700.55 is 35 percent.

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

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 20, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

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

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

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

2/ GATT concession, effective May 30, 1950.

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

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

Period	Rate of duty		Quantity	
	700.43	700.45	700.43	700.45
	Percent ad val.	Percent ad val.	Million pairs	Million pairs
1939-----	20		2	
1946-----	20		1	
1955-----	20		1	
1956-----	20		1	
1957-----	20		2	
1958-----	20		9	
1959-----	20		5	
1960-----	20		7	
1961-----	20		9	
1962-----	20		12	
1963-----	20		17	
1964-----	20		19	
1965-----	20		21	
1966-----	20		28	
1967-----	20		38	
1968 ^{2/} -----	19	18	34	20
1969 ^{2/} -----	18	16	29	27
1970 ^{2/} -----	17	14	37	35
1971 ^{2/} -----	16	12	33	44
January-June:				
1971-----	16	12	26	23
1972-----	15	10	19	32

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

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

Source: Compiled from official statistics of the U.S. Department of Commerce; data shown for the years prior to 1964 are partly estimated.

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

Period	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	<u>1,000</u> pairs	<u>1,000</u> dollars	<u>Per</u> pair
1934-----	<u>1/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1964-----	<u>3/</u> 12.5	27,574	12,429	\$0.45
1965-----	12.5	29,579	13,564	.46
1966-----	12.5	33,239	17,024	.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
January-June:				
1971-----	7	54,340	54,047	.99
1972-----	6	49,382	53,625	1.09

1/ During the period before the TSUS became effective, footwear with supported vinyl uppers (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1530(e), principally 20 percent ad valorem. The column 2 rate for item 700.55 is 35 percent.

2/ Not available.

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

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

Note.--Data are not available on U.S. imports of footwear with supported vinyl uppers for the years prior to 1964. Such imports were probably negligible in the mid-1950's.

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

Effective date	Item 700.43			Item 700.45			Item 700.55 1/		
	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	Rate of duty	Duty collected based on value of	
	Percent ad val.	\$2.25 a pair	Percent ad val.	\$3.00 a pair	Percent ad val.	\$4.00 a pair	Percent ad val.	\$2.00 a pair	
June 18, 1930	20	\$0.45	20	\$0.60	20	\$0.80	17	\$0.70	
Aug. 31, 1963	20	.45	20	.60	20	.80	12.5	.25	
Jan. 1, 1968	19	.43	18	.54	18	.72	11	.22	
Jan. 1, 1969	18	.41	16	.48	16	.64	10	.20	
Jan. 1, 1970	17	.38	14	.42	14	.56	8.5	.17	
Jan. 1, 1971	16	.36	12	.36	12	.48	7	.14	
Jan. 1, 1972	15	.34	10	.30	10	.40	6	.12	

1/ Certain footwear having uppers of vinyl (or supported vinyl) are dutiable under item 700.55. During the period before the TSUS became effective (Aug. 31, 1963), such footwear (with soles other than india rubber) was generally dutiable by virtue of the similitude provisions of par. 1559 of the Tariff Act of 1930, at a rate provided for similar leather footwear in par. 1503(e), principally 20 percent. The column 2 rate established in the TSUS is 35 percent.

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

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

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

A-39 through A-42

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APPENDIX B
EXHIBITS SUBMITTED BY GENESCO, INC.

Genesco Park, Nashville, Tennessee, 37202

October 5, 1972

*James H. Check, Jr.
Vice-President*

Secretary
U. S. Tariff Commission
Washington, D. C. 20436

Dear Mr. Secretary:

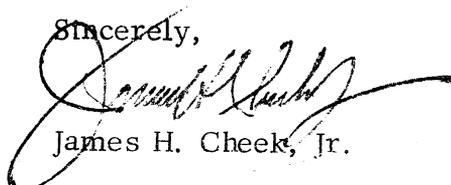
The entire U. S. shoe industry has seen steady attrition as a result of an increased flow of low priced imports. Within the last five years a large number of plants have ceased operation. Our Carrollton and Harrisburg plants are simply one part of this picture.

Both of these plants were basically equipped to manufacture women's shoes. The Carrollton plant produced very low priced shoes and the Harrisburg plant very high priced shoes. These are the two areas where imports have made their greatest penetration. In both cases the lower wage rates of foreign manufacturers and lowered tariffs have made domestic plants in these fields non-competitive from a price and quality viewpoint.

As a consequence, sales of shoes from Carrollton and Harrisburg gradually were lost until a point was reached where it was no longer economically feasible to continue operations.

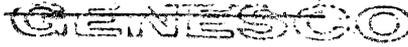
We feel very strongly that the closing of these two plants would not have taken place if we had not had the large surge of imports that has taken over 35% of the U. S. footwear market.

Sincerely,



James H. Check, Jr.

cf



A-45 Haverhill, Massachusetts, U.S.A. 01830

December 13, 1971

Bob Lipscomb
Division Personnel Director

Mrs. Evelyn S. England
Assistant UI Director, Claims
Georgia Department of Labor
Employment Security Agency
Atlanta, Georgia

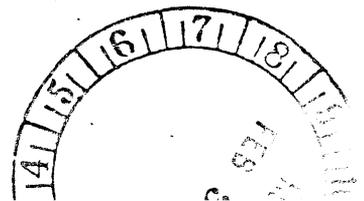
Dear Mrs. England:

I am enclosing information that I hope will aid you in determining whether the employees of our Carrollton, Georgia plant are qualified for assistance under the Trade Expansion Act of 1962.

In your letter of November 23, 1971, you listed four factors that must be met in order for the Tariff Commission to make a finding of injury from importation competition. In answering questions 1 and 2, I am using as reference the listed publication which is a Tariff Commission report to the President that was used to determine if the listed plants would be eligible for assistance under the Trade Expansion Act. The President found that the major factor in closing three of these plants was increasing imports.

Women's, Youth's, Boy's and Children's Footwear
Workers of --

- Orsteen Shoe Company, Inc. - Haverhill, Massachusetts
- Kleven Shoe Company, Inc. - North Brookfield, Massachusetts
(a GENESCO plant)
- Gamins Inc. , - Wilkes Barre, Pa.
- Andrew Geller, Inc. , - Brooklyn, N. Y.
- Sinclair Shoe Company - Haverhill, Massachusetts
- International Shoe Co. , - Jefferson City, Missouri
- United States Tariff Commission Report to the President



on Worker Investigations Nos. TEA-W-71 through TEA W-76 Under Section 301 (c) (2) of the Trade Expansion Act of 1962.

TC Publication 378
Washington, D. C.
March 1971

I am listing our findings in the areas that you requested.

1. Products like or directly competitive with the products which the workers produced at the plant are being imported in increased quantities. (See attachment I)

You will note that the chart (attachment I) shows a 23% ratio increase in the six years mentioned. Since the footwear made in Carrollton was non-rubber, it would also be included within these statistics.

2. The increased imports are, in major part, the result of concessions granted under the Trade Agreement (See attachment I, II-A, II-B)

In the above mentioned report by the Tariff Commission, the President determined that the footwear manufactured in those plants was of a type included in the concessions granted under the Trade Agreement. We feel that since the Sinclair Shoe plant produced women's vinyl shoes that were sold in a retail range of \$6 to \$7 per pair (attachment II-B) the shoes manufactured in Carrollton would also be included in the Trade Agreement concessions.

3. The increased imports must be the major factor causing the unemployment, underemployment or the threat of either.

It is our opinion that increased imports was the major factor in causing the unemployment of the employees in the Carrollton plant. In 1970, our company as well as others was competing with a substantial number of imports as well as general business conditions. Added to this, according to the January 15, 1971 American Footwear Manufacturers Association, imports of the type shoes produced in Carrollton increased 9.4% from January through

November of 1970. There are always other factors involved in closing a plant, but we feel the principal factor in this case was the continuing rise of imports.

4. The unemployment or underemployment or the threat of these conditions, must affect a significant number or proportion of workers of the firm or subdivision of the firm.

As you well know, the entire plant in Carrollton was affected by the above listed conditions.

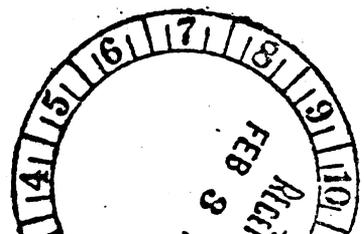
I sincerely hope that the enclosed information can be of value in assisting our former employees in Carrollton. If you have questions, do not hesitate to let me know.

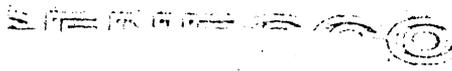
Sincerely,

Bob Lipscomb
Bob Lipscomb

BL/dt

Enclosures





A-48



News Release

Nothing to Wear

Genesco Public Relations Dept.
Footwear Division

Room 452 Genesco Park, Nashville, Tenn. 37202
Telephone: 615 — 747-7535 — 747-7536

FOR IMMEDIATE RELEASE

FROM: Gemco Public Relations Department
Footwear Manufacturing and Distribution
GENESCO, Inc.
Nashville, Tenn.

GENESCO, Inc. will close its footwear manufacturing plant in Carrollton, Georgia during the second week in October. The announcement is being made today by James H. Cheek, Director of Footwear Manufacturing for GENESCO.

"We regret very much that conditions have made it necessary to take this action. We feel that employer - employee relations in the Carrollton plant have been among the best in any of our plants."

The plant, which has been in operation since 1946, is one of two GENESCO footwear manufacturing plants which is being closed. The other is located in Atlanta.

While general business conditions in the shoe industry have been a contributing factor in the shutting down of operations, the main element has been the constant rise of footwear imports. According to Mr. Cheek, "Footwear, manufactured with cheap labor in foreign countries, is being brought into the United States in increasing quantities, making it difficult and sometimes impossible for companies to compete. This is what has happened in Carrollton. We had hoped that Congress would pass legislation to curb footwear imports, but as of yet, no bill has been passed. The footwear industry in America needs this help before too many other plants are forced to close their doors."

GENESCO

Genesco Park • Nashville, Tennessee, U.S.A. 37202

September 25, 1970

Dear Genescan:

One of the most unpleasant things I have ever had to do is to tell you that for economic reasons, the Carrollton plant will cease operations. Shoes will be cut through October 5 and run out of the plant on a normal work schedule.

The economic conditions that make this necessary have been building up for a good many years. We have continually tried to make Carrollton a plant we could operate without a loss.

The best efforts of many people who have worked on this problem have been overshadowed by serious economic conditions - most of which are beyond our control.

In recent years, poor business conditions have caused a number of shoe companies to close plants because they could not continue operating them at a loss.

Imported shoes from foreign countries have undermined many shoe companies. Since January 1969, over 85 shoe plants have closed. Because of continuing losses, we regret that it has become necessary for this plant to cease production.

Many of you have spent most of your working life in the shoe business. We regret that this association cannot continue, as we feel we have had one of the best employer - employee relations that we have in the company.

There are many important details to be considered - many questions to be answered.

The problems you face are our main concern at this time. Each of you has a different situation. We want to deal with your questions and problems individually as quickly as we can.

There will be someone for you to talk with and help you in every way. There are a number of benefits available to you who continue working until your job is completed. I am giving you some general information about these benefits in the sheet attached. They will be covered in detail in a personal interview.

I have asked that additional people from the Personnel Department be here next week, to answer any questions that you may have.

I will keep you informed of developments as they materialize.

Sincerely,



GENESCO  Everything to Wear

Charles Marlin

GENESCO

Genesco Park · Nashville, Tennessee, U.S.A. 37202

April 12, 1972

Dear Genescan:

One of the most unpleasant things I have ever had to do is to tell you that for economic reasons, the Harrisburg plant will cease operations. Shoes will be cut through April 14 and run out of the plant on a normal work schedule.

The economic conditions that make this necessary have been building up for a good many years. We have continually tried to operate the Pennsylvania manufacturing facilities without continuing losses.

The best efforts of many people have been devoted to this problem. However, they have been overshadowed by serious economic conditions - most of which were beyond our control. In recent years, similar conditions have caused a number of shoe companies to close plants because they could not continue operating at a loss.

Imported shoes from foreign countries have undermined many companies. Since January 1969, over 209 shoe plants have closed. We regret that because of continuing losses, it has become necessary for this plant to cease production.

Many of you have spent most of your working life in the shoe business. We regret that this association cannot continue.

There are many important details to be considered - many questions to be answered.

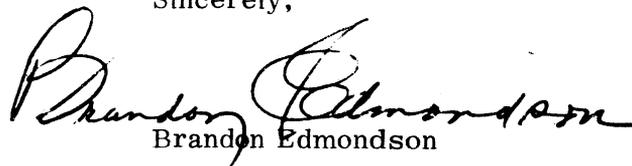
The problems you face are our main concern at this time. Each of you has a different situation. We want to deal with your questions and problems individually - as quickly as we can.

There will be someone for you to talk with and help you in every way. There are a number of benefits available to you who continue working until your job is completed.

I have asked that some additional people from the Personnel Department be here in the next few days to answer any questions that you may have.

I will keep you informed of developments as they materialize.

Sincerely,


Brandon Edmondson

Genesco to close Carlisle factory

NASHVILLE (FNS) — Genesco will close its Carlisle Shoe Co., women's footwear plant at Harrisburg, Pa., within the next month.

Both the increase in footwear imports and the over-all general business situation have made it impossible for us to operate this plant on a profitable basis," said James H. Cheek, director of footwear manufacturing for Genesco.

The plant, at 200 South 41st Street, has been making women's fashion footwear since 1947. This production will be absorbed by other Genesco women's footwear plants without any interruption of service to customers, Cheek said.

The plant employs about 210 persons. They will be offered jobs in Genesco apparel operations in Pennsylvania on a preferential basis.

FOOTWEAR NEWS, THURSDAY, APRIL 20, 1972

APPENDIX C

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