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UNITED STATES TARIFF COMMISSION

FOOTWEAR FOR MEN:  
KOSS SHOE CO., INC.  
AUBURN, MAINE

Report to the President  
on Worker Investigation No. TEA-W-197  
Under Section 301(c)(2) of the Trade Expansion Act of 1962



TC Publication 589  
Washington, D. C.  
June 1973

UNITED STATES TARIFF COMMISSION

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C O N T E N T S

	<u>Page</u>
Report to the President-----	1
Finding of the Commission-----	2
Considerations supporting the Commission's finding-----	3
Views of Chairman Bedell, Vice Chairman Parker, and Commissioners Moore and Ablondi-----	3
Views of Commissioners Leonard and Young-----	6
Information obtained in the investigation:	
Description of articles under investigation-----	A-1
U.S. tariff treatment-----	A-5
U.S. consumption, production, and imports-----	A-7
Bowling shoes-----	A-9
Boots-----	A-9
Moccasins-----	A-9
Dress shoes-----	A-11
U.S. and foreign wage rates-----	A-12
Data relating to Koss Shoe Co.	
*          *          *          *          *          *          *	
Appendix A. Statistical tables-----	A-28
Appendix B. Help-wanted advertisements from the Lewiston (Maine) Daily Sun, May 8, 1973-----	A-34

Appendix Tables

1. U.S. rates of duty applicable to leather footwear of the types provided for in specified TSUS items, 1930 and GATT concessions to Jan. 1, 1972-----	A-29
2. Leather footwear, other than work and athletic, for men: U.S. rates of duty and imports for consumption, by specified TSUS items, 1966-72-----	A-30
3. Leather footwear (made principally by the cement process) for men (item 700.35): U.S. rates of duty and imports for consumption, 1939, and 1950-72-----	A-31
4. Footwear having supported-vinyl uppers for men, youths, and boys (item 700.55): U.S. rates of duty and imports for consumption, 1964-72-----	A-32
5. Athletic footwear for men: U.S. rates of duty and imports for consumption, by specified TSUSA items, 1968-72-----	A-33

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



REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
June 29, 1973.

To the President:

In accordance with section 301(f)(1) and section 301(f)(3) 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 the act in response to a petition filed on behalf of a group of former workers.

On April 30, 1973, the Commission received a petition filed on behalf of the former workers of the Koss Shoe Co., Auburn, Maine, for a determination of eligibility to apply for adjustment assistance under said act. On May 2, 1973, the Commission instituted an investigation (TEA-W-197) to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with men's footwear (of the types provided for in items 700.25, 700.26, 700.27, 700.29, 700.35, 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 (38 F.R. 11380) on May 7, 1973. No public hearing was requested, and none was held.

The information in this report was obtained from field investigations, including interviews with the petitioning workers, officials of Koss Shoe Co., and former customers of that firm, and from the Commission's files.

## Finding of the Commission

On the basis of its investigation, the Commission finds unani-  
mously that articles like or directly competitive with footwear for  
men (of the types provided for in items 700.25, 700.26, 700.27,  
700.29, 700.35, and 700.55 of the Tariff Schedules of the United  
States) produced by Koss Shoe Company, Inc., Auburn, Maine, are not,  
as a result in major part of concessions granted under trade agree-  
ments, being imported into the United States in such increased quanti-  
ties 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

### Views of Chairman Bedell, Vice Chairman Parker, and Commissioners Moore and Ablondi

Our determination in this investigation is in the negative because the criteria established by section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) have not been met. Before an affirmative determination can be made, the Commission must find that each of the following conditions has been satisfied:

- (1) Articles like or directly competitive with those produced by the workers' firm are being imported in increased quantities;
- (2) The increased imports are in major part the result of concessions granted under trade agreements;
- (3) A significant number or proportion of the firm's workers are unemployed or underemployed, or threatened with unemployment or underemployment; and
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing, or threatening to cause, the unemployment or underemployment of the workers.

In the instant case, we find that condition (4) has not been satisfied; namely, increased imports resulting from trade-agreement concessions of articles like or directly competitive with the footwear produced by the Koss Shoe Co., Inc., Auburn, Maine, have not been the major factor causing, or threatening to cause, the unemployment or underemployment of its workers. Under the circumstances, it is not necessary to reach a conclusion respecting the first three conditions. Our determination is based on the following considerations.

The Koss Shoe Co. manufactured several types and a variety of styles of footwear for men only, all with leather uppers. Such footwear consisted of bowling shoes, dress shoes, several types of boots, and hand-sewn moccasins. In 1972 the bulk of the firm's bowling shoes, retailed for \$18 to \$19 a pair; hand-sewn moccasins, for about \$14 a pair; dress shoes, for \$10 to \$12 a pair; and boots, for \$20 to \$40 a pair, depending on type.

In 1972, bowling shoes were the principal footwear produced by Koss Shoe, accounting for approximately 35 percent of the firm's total value of sales. When Koss Shoe ceased production of footwear in July 1972, its principal customer for bowling shoes--a customer which accounted for 27 percent of total sales and which had not reduced its purchases--switched, not to imports, but to footwear produced by another domestic manufacturer for the types of bowling shoes formerly supplied by Koss Shoe. Moreover, imports of bowling shoes have been negligible. Clearly, then, imports of footwear like or directly competitive with the bowling shoes produced by Koss Shoe had no adverse impact on the firm's operations.

In 1968 and 1969, hand-sewn moccasins were the largest selling item of Koss Shoe, accounting for about a third of the firm's total sales in those years; in 1971 and 1972, however, such footwear accounted for only about a tenth of sales. This decline in sales resulted not from increased imports, but from a decline in the demand for such footwear. Moccasins were popular casual shoes in the 1950's but declined in popularity beginning in the mid-1960's; they have been



replaced in the market by a variety of casual shoes; U.S. consumption of men's soled moccasins declined from 14.2 million pairs in 1966 to 2.9 million pairs in 1972. Thus, in our view, the decline in sales of moccasins after 1966 occurred, not as a result of increased imports, but because the demand for such footwear was contracting while other types of casual shoes were becoming increasingly more popular with consumers.

Dress shoes and several types of boots accounted for the remainder of output by Koss Shoe. Imports of these types of footwear rose significantly during the period 1966-72, while domestic production increased only slightly. Although imports of dress shoes and boots may have been a factor in the deterioration of sales of Koss Shoe, still, in our view, they were not the major factor. Evidence exists that Koss Shoe was unresponsive to the style changes that have occurred with greater frequency in recent years in men's shoe fashions and that the firm's management was unwilling to make the necessary investment to meet competitive conditions. In this connection, some of the major customers of Koss Shoe switched largely to other domestic manufacturers as a source of supply. Moreover, sharp increases in operating costs, including markedly higher prices for leather--particularly for that required for boots--added to the firm's competitive problems. In our judgment, these were the major factors, not increased imports, that caused the decline in sales of men's dress shoes and boots.

On the basis of the above considerations, we have concluded that imports were not the major factor causing the unemployment of the workers at the Koss Shoe Co., Inc., Auburn, Maine.

Views of Commissioners Leonard and Young

Our determination in the instant case is negative because one of the statutory criteria has not been met, i.e., that the increase in imports of footwear like or directly competitive with that produced by the Koss Shoe Co., Inc., Auburn, Me., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in statements of our views in earlier Commission investigations under the Trade Expansion Act. 1/

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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 and Men's Dress and Casual Footwear: Bates Shoe Division, Wolverine World Wide, Inc. . . . , Report to the President on Worker Investigation No. TEA-W-175 . . . , TC Publication 558, March 1973, pp. 8-13.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The Koss Shoe Co., Auburn, Maine, which ceased production of footwear on July 17, 1972, 1/ manufactured men's footwear only. From 1970 until the plant ceased the production of footwear, bowling shoes were the principal product, accounting for about 35 percent of the total value of sales; various styles of dress shoes accounted for approximately 30 percent; several styles of boots accounted for 25 percent; and hand-sewn moccasins, for about 10 percent. All footwear manufactured by Koss Shoe had leather uppers, and virtually all of it was constructed by either the Goodyear welt or the cement process. During January 1, 1971 to July 17, 1972, the bulk of the bowling shoes produced by Koss Shoe retailed at \$18 to \$19 a pair; dress shoes, at \$10 to \$12 a pair; boots, at \$20 to \$40 a pair, depending on type (i.e., hiking, zipper, harness, and cowboy); and hand-sewn moccasins, at about \$14 a pair.

Bowling shoes are specially designed athletic footwear and are classified as such in the tariff schedules. They are constructed with leather soles and with uppers of either leather or vinyl; the uppers produced by Koss Shoe were entirely of leather.

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1/ Koss Shoe did not terminate all operations until Nov. 18, 1972. During the 4-month period beginning in mid-July, the company engaged in contract work (cutting and stitching leather uppers) for two footwear producers situated in Maine.

For many years the term "dress shoes" generally referred to footwear intended principally for business and social activities. Similarly, the term "casual shoes" referred to footwear designed especially for informal occasions. In recent years, however, the distinction between dress and casual shoes has diminished as men's footwear has become more responsive to fashion changes.

Male consumers have followed the lead of women in using a greater variety of shoes for leisure wear and semidress occasions. There has been a shift from lightweight styling of men's dress and casual footwear to the heavy, bulky, and more flamboyant fashions. Currently, many styles of slip-ons are popular, including those with and without moc-toes, with adjustable straps or gores, and with high tongues and metal buckles.

Moccasins, whether hand-sewn or machine-sewn, are one of the most traditional of the growing variety of footwear styles for dress and casual wear. Such footwear attained its greatest popularity in the fifties, but has suffered a marked decline in consumer acceptance since the mid-1960's. Boots of a wide variety of styles, materials, and heights have become increasingly popular and are selling in large volume. Among popular boots for casual and everyday wear are chukka boots; the moc-toe boots with adjustable strap and buckle; hiking boots, which are similar in appearance to a work shoe, calf-height boots, such as the harness boot, with a square toe ornamented with leather straps and hardware such as buckles or metal rings; and cowboy boots, which are similar to harness boots except that the toe is more pointed

and they are not equipped with straps and hardware. Men's plain-toe boots in various heights, usually of fine leather and constructed with side zippers, have become appropriate wear for dress as well as for casual occasions.

As mentioned earlier, virtually all footwear produced by Koss Shoe was manufactured by either the welt or cement process. <sup>1/</sup> In the welt process a narrow strip of supple leather or manmade material, called the welt, is sewed to the shoe upper and to a lip on the surface of the insole; the outsole is then sewed and/or cemented to the welt. Welt shoes are considered heavier in weight and appearance than those made by other processes. In the cement process of construction, the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing. The cement process permits narrow edges on the outsole to give a trim appearance and produces a lighter and more flexible shoe than other processes used for men's footwear.

Leather shoes constructed by other miscellaneous processes, such as the stitchdown or injection-molded process, do not differ significantly from those of welt and cement construction in styling and appearance.

In 1971 about 40 percent of the men's shoes produced in the United States were made by the welt process, about 35 percent by the cement process, and the remainder by miscellaneous processes, including the injection-molded and the stitchdown. With respect to imported

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<sup>1/</sup> The Littleway process (i.e., attaching the sole to a moccasin bottom with one or two rows of lockstitches) was employed to a small extent by Koss Shoe in the manufacture of hand-sewn moccasins.

shoes for men, it is estimated that about 15 percent were made by the welt process, about 65 percent by the cement process, and the remainder by miscellaneous processes.

The major part of all men's dress shoes, boots, bowling shoes, and moccasins sold in the United States are made with uppers of leather. In 1972 the U.S. output of men's footwear with uppers of leather accounted for about 75 to 80 percent of the total output, whereas approximately 55 percent of imported footwear for men had leather uppers.

Recent estimates of the American Footwear Industries Association (AFIA) show that owing to the shortage of hides and the consequent increases in prices of leather, by mid-1973, prices of men's leather footwear will be 3.3 to 4.9 percent higher than those prevailing 6 months earlier. The president of the AFIA has indicated that as the price of leather footwear has increased, shoes made from sophisticated manmade materials--polyurethane, porometrics, and nylon velvets--have gained a larger percentage of the U.S. market. Footwear of manmade materials lends itself not only to the multihued new platform styles favored by the young people, but also to the more conservative styles. The following data of the AFIA illustrate the inroads made by all footwear of manmade materials on the markets for footwear of leather:

<u>Year</u>	<u>Leather</u> <u>(percent)</u>	<u>Manmade</u> <u>(percent)</u>
1950-----	85	15
1960-----	76	24
1973 <u>1/</u> -----	67	33
1975 <u>1/</u> -----	50	50

1/ Data for this year are estimated.

## U.S. Tariff Treatment

Table 1 in appendix A shows the 1930 and concession rates under the General Agreement on Tariffs and Trade (GATT), including all stages of the Kennedy Round reductions, for items 700.25, 700.26, 700.27, 700.29, and 700.35, the TSUS items (excepting 700.25) under which most men's leather shoes of the type produced by Koss Shoe have been imported in recent years, and 700.55, under which men's shoes with supported vinyl uppers have been imported. Men's imported footwear in chief value of leather and of the type produced by Koss Shoe was originally dutiable in the Tariff Act of 1930 at 20 percent ad valorem under paragraph 1530(e). Welt footwear with a dutiable value of not over \$2.00 a pair (TSUS item 700.25) was reduced under the GATT to 17 percent ad valorem in three annual stages; the final stage became effective June 30, 1958. Imports under this provision, however, have been negligible (44,000 pairs, valued at \$66,000, in 1972) and have consisted of types considerably less expensive than the bulk of footwear produced by the Koss Shoe Co. Effective January 1, 1939, the rate on welt footwear with a dutiable value of over \$2.50 a pair (now TSUS items 700.26, 700.27, and 700.29) was reduced to 50 cents a pair, but not less than 10 percent ad valorem nor more than 20 percent ad valorem; and effective January 30, 1943, the rate on footwear of cement and miscellaneous processes (now TSUS item 700.35) was reduced to 10 percent ad valorem.

Supported vinyl was not used for uppers until the late 1940's or early 1950's. Prior to the effective date of the TSUS, imports of men's supported-vinyl-upper footwear, which were dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 10 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/
- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

On August 31, 1963, the effective date of the TSUS, a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. 2/ The current rate on footwear with supported vinyl uppers is 6 percent ad valorem.

Tables 2 through 5 show imports of men's footwear entered under the TSUSA items under review and applicable rates of duty.

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1/ The principal kinds of footwear with supported vinyl uppers now being imported (i.e., those with soles of vinyl or other plastics) would have been dutiable by virtue of the similitude provision at a rate of 10 percent ad valorem.

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



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

During the period 1966-72, apparent annual U.S. consumption of men's footwear (other than work and athletic), which includes dress shoes, boots, and moccasins of the types produced by the Koss Shoe Co., increased from 104 million pairs to 142 million pairs. Average annual U.S. production of such footwear declined from 88 million pairs during the period 1966-68 to 82 million pairs during 1969-71; production then increased to 91 million pairs in 1972. Trade sources indicate that the increase in production in 1972 resulted largely from increased demand for the new men's styles which were introduced that year. As annual imports of similar footwear more than tripled during 1966-72, their share of the domestic market rose from 14 percent to 36 percent, as shown in the following table.

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

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

1/ Includes U.S. production of men's footwear having vinyl uppers, which is estimated to have accounted for about 20 to 25 percent of the total annual output in 1972.

2/ Includes men's leather and vinyl footwear (other than work and athletic) entered under TSUS items 700.26, 700.27, 700.29, 700.35, and 700.55.

3/ Represents U.S. production plus imports without an allowance for exports, which in 1972 amounted to less than 0.5 million pairs.

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

### Bowling shoes

Data are not separately available on U.S. consumption, production, and imports of bowling shoes of the types produced by Koss Shoe. However, it is estimated that annual domestic output of bowling shoes has trended upward in recent years, and amounted to about 1.4 million pairs, valued at \$9.5 million, in each of the years 1971 and 1972.

Imports of bowling shoes are known to be negligible. The bulk of those that have been imported have had vinyl uppers--unlike those produced by Koss Shoe which were all leather--and retailed at prices far below those of Koss Shoe.

### Boots

Data are not separately available on U.S. consumption, production, and imports of boots (hiking, zipper, harness, and cowboy) of the types produced by Koss Shoe. However, trade sources indicated that U.S. consumption of such footwear rose significantly during the period 1966-72 and was supplied largely by domestic production.

### Moccasins

During the period 1966-72, apparent annual U.S. consumption of soled moccasins for men decreased from a peak of 16.2 million pairs in 1967 to a low point of 2.9 million pairs in 1972, reflecting the declining popularity of such footwear. The annual U.S. production of such footwear declined from 16 million pairs in 1967 to 2 million pairs in 1972. Imports, however, increased from 200,000 pairs in 1968 to 900,000 pairs in 1972; consequently, as consumption steadily declined during this period, the share of the market supplied by imports increased from 1.5 percent to 31.0 percent, as shown in the following

Men's soled moccasins: U.S. production, imports for consumption, and apparent consumption, 1966-72

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	14	0.2	14.2	1.4
1967-----	16	.2	16.2	1.2
1968-----	13	.2	13.2	1.5
1969-----	10	.3	10.3	2.9
1970-----	7	.6	7.6	7.9
1971-----	5	.5	5.5	9.1
1972-----	2	.9	2.9	31.0

1/ Production data are from current Industrial Reports (M31-A) and reflect the output of hand-sewn soled moccasins, which are believed to account for virtually all of domestic output.

2/ Imports reflect entries reported by the U.S. Bureau of Customs under TSUSA item 700.3530.

3/ Apparent consumption represents U.S. production plus imports without an allowance for exports, which were estimated to be insignificant.

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

Dress shoes

Data on U.S. consumption, production, and imports of men's dress shoes are not reported separately in official statistics. However, estimates of U.S. consumption (production plus imports) of such shoes are shown in the table below:

Men's dress shoes: Estimated U.S. production, imports for consumption, and apparent consumption, 1966-72

Year	Estimated production <sup>1/</sup>	Estimated imports <sup>2/</sup>	Apparent consumption <sup>3/</sup>	Ratio of imports to consumption
	Million pairs	Million pairs	Million pairs	Percent
1966-----	67	8	75	11
1967-----	64	9	73	12
1968-----	67	13	80	16
1969-----	62	20	82	24
1970-----	63	22	85	26
1971-----	60	26	86	30
1972-----	68	27	95	28

<sup>1/</sup> Dress shoes are believed to account for about 3/4 of the total annual output of nonrubber footwear for men.

<sup>2/</sup> Dress shoes are estimated to account for about 3/4 of the total annual imports of men's leather footwear and about 1/5 of the annual imports of men's footwear having supported vinyl uppers.

<sup>3/</sup> Represents estimated production plus estimated imports without an allowance for exports, which in 1972 amounted to less than 0.5 million pairs.

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

## U.S. and Foreign Wage Rates

The table on the following page shows the published average hourly earnings and the estimated compensation per hour received by shoe workers in six countries in 1964, 1970, and 1971. It should be noted, however, that there are several difficulties involved in comparing these data. First, the definition for "shoe industry" varies among nations; in only two countries--Italy and the United States--are shoes specifically broken out from more encompassing industry classifications. This definitional problem makes it difficult to isolate the "shoe industry" in each country. Second, as footnote 1 to the table indicates, published hourly earnings in the various nations differ in composition. Third, total compensation for workers includes varying factors in the six countries.

Hourly earnings of production workers and estimated total compensation per hour worked by them in specified industries related to footwear in 6 countries, 1964, 1970 and 1971

Country	Industry	Published average hourly earnings <sup>1/</sup>			Estimated compensation per hour worked <sup>2/</sup>		
		1964	1970	1971	1964	1970	1971
Brazil	Clothing and shoes	3/ \$0.23	4/ \$0.28	5/	5/	5/	5/
Italy	Shoes <sup>6/</sup>	.42	.65	\$0.90	\$0.71	\$1.19	\$1.67
Japan	Leather products <sup>7/</sup>	.37	.78	.92	.41	.88	1.03
Spain	Shoes, leather, and clothing	.23	.38	.46	5/	8/ .57	8/ .68
Taiwan	Leather and leather products <sup>7/</sup>	.12	.18	5/	9/ .14	9/ .21	5/
United States	Footwear, excluding rubber	1.77	2.43	2.53	2.10	2.96	3.09

<sup>1/</sup> Published earnings do not represent the same items of labor compensation in each country because of differences in the treatment of various supplementary benefits. Earnings generally refer to gross cash payments to wage workers before deductions for taxes and social security, and include overtime pay, shift differentials, regular bonuses and premiums, and cost-of-living adjustments. Holiday, vacation, and sick-leave pay, bonuses not paid regularly each pay period, and other supplementary benefits are included by some countries and excluded by others. The earnings data are per paid hour for some countries and per hour worked for other countries.

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

<sup>3/</sup> Average for 1966.

<sup>4/</sup> Average for 1969; monthly earnings of 211.60 cruzeiros converted to an hourly basis by assuming 195 hours of work per month.

<sup>5/</sup> Not available.

<sup>6/</sup> Approximately 15 percent of the workers in the Italian shoe industry are home workers who are paid at a lower wage rate than the factory workers in the industry.

<sup>7/</sup> The shoes shipped from Japan and Taiwan to the United States are principally of plastics. Separate data are not available on the plastic-footwear industries of these two countries. Approximately half of the workers in the Japanese-plastic shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastic-shoe industry are home workers.

<sup>8/</sup> The compensation factor included in this figure is employer social security payments, which range from 49 to 50 percent of payroll.

<sup>9/</sup> The published earnings data are computed per hour worked and include overtime pay, regular premiums, and bonuses; family allowances; the market value of payments in kind; and wages paid to persons absent from work. The compensation figure also includes annual bonuses.

Source: Based on data provided by U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labor Statistics 1971, International Labour Office, Geneva; Italy--Social Statistics (various issues), Statistical Office of the European Communities, Luxembourg and Brussels; Japan--Year Book of Labor Statistics (various issues), Ministry of Labor, Tokyo; Spain--Monthly Bulletin of Statistics (various issues) National Institute of Statistics, Madrid; and Taiwan--Report of Taiwan Labor Statistics 1971, Department of Construction, Provincial Government of Taiwan.

Note.--The exchange rates used to convert other currencies into U.S. dollars for 1971 are the average rates of exchange during 1971. Part of the increases in wages for Italy and Japan in 1971 is attributable to the change in the rates in 1971.

A-14 through A-27

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APPENDIX A  
STATISTICAL TABLES



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

TSUS item No.	Abbreviated description	1930 rate	GATT concessions	
			Rate	Effective dates
		<u>Percent ad val.</u>	<u>Percent ad val. or cents per pair</u>	
	Leather footwear:			
	Welt, valued per pair--			
700.25	Not over \$2-----	20	19%	June 30, 1956-June 29, 1957.
			18%	June 30, 1957-June 29, 1958.
			17%	June 30, 1958, to date.
<u>1/</u> 700.26	Over \$2 but not over \$5--	20	40¢	Jan. 1, 1948-June 29, 1956.
			38¢	June 30, 1956-June 29, 1957.
			36¢	June 30, 1957-June 29, 1958.
			34¢	June 30, 1958-Dec. 31, 1967.
			30¢	Jan. 1-Dec. 31, 1968.
			27¢	Jan. 1-Dec. 31, 1969.
			23¢	Jan. 1-Dec. 31, 1970.
			20¢	Jan. 1-Dec. 31, 1971.
			17¢	Jan. 1, 1972.
<u>1/</u> 700.27	Over \$5 but not over \$6.80.	20	40¢	Jan. 1, 1948-June 29, 1956.
			38¢	June 30, 1956-June 29, 1957.
			36¢	June 30, 1957-June 29, 1958.
			34¢	June 30, 1958-Dec. 31, 1967.
			6% but not more than 34¢.	Jan. 1, 1968-Dec. 31, 1969.
			5.5% but not more than 34¢.	Jan. 1-Dec. 31, 1970.
			5%	Jan. 1, 1971.
<u>1/</u> 700.29	Over \$6.80 (except ski boots).	20	40¢ but not less than 5%.	Jan. 1, 1948-June 29, 1956.
			38¢ but not less than 5%.	June 30, 1956-June 29, 1957.
			36¢ but not less than 5%.	June 30, 1957-June 29, 1958.
			5%	June 30, 1958, to date.
700.35	"Other" footwear (including cement process) for men, youths, and boys.	20	10%	June 6, 1951-Dec. 31, 1967.
			9.5%	Jan. 1-Dec. 31, 1968.
			9.0%	Jan. 1, 1969-Dec. 31, 1970.
			8.5%	Jan. 1, 1971.
700.55	Footwear having uppers of supported vinyl.	Principally 20 <u>2/</u>	12.5% <u>3/</u>	Aug. 31, 1963-Dec. 31, 1967.
			11%	Jan. 1, 1968-Dec. 31, 1968.
			10%	Jan. 1, 1969-Dec. 31, 1969.
			8.5%	Jan. 1, 1970-Dec. 31, 1970.
			7%	Jan. 1, 1971-Dec. 31, 1971.
			6%	Jan. 1, 1972.

1/ New item effective Jan. 1, 1968.

2/ Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's and early 1960's, it was generally dutiable, by virtue of the similitude 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.

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

Note.--Pursuant to Presidential Proclamation No. 4074, effective from Aug. 16 to Dec. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

Table 4.--Footwear having supported vinyl uppers for men, youths, and boys (item 700.55): U.S. rates of duty and imports for consumption, 1964-72

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

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

2/ Partly estimated.

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

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

Table 5.--Athletic footwear for men: U.S. rates of duty and imports for consumption, by specified TSUSA items, 1968-72

Year	Item 700.2920 <u>1/</u>			Item 700.3515 <u>1/</u>		
	Tariff rate	Quantity	Value	Tariff rate	Quantity	Value
	<u>Percent ad val.</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>	<u>Percent ad val.</u>	<u>1,000 pairs</u>	<u>1,000 dollars</u>
1968-----	5	57	643	9.5	1,004	4,768
1969-----	5	96	1,007	9.0	1,685	8,505
1970-----	5	93	1,010	9.0	3,770	18,693
1971-----	5	137	1,139	8.5	4,888	25,860
1972-----	5	164	1,840	8.5	5,676	34,178

1/ TSUSA item 700.2920 provides for athletic footwear of welt construction valued over \$6.80 per pair; TSUSA item 700.3515 provides for athletic footwear of "other" types of construction. Imports of bowling shoes, which are negligible, are imported under these two TSUSA items.

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



APPENDIX B

HELP-WANTED ADVERTISEMENTS FROM THE  
LEWISTON (MAINE)  
DAILY SUN, MAY 8, 1973





The Lewiston (Maine) Daily Sun Tuesday, May 8, 1973

32 Help Wanted | 32 Help Wanted

**BONAN  
FOOTWEAR CO.**  
Production workers wanted for  
2nd. shift.  
Apply Personnel Office  
**BONAN FOOTWEAR CO., INC.**  
MERROW ROAD, AUB., ME.  
An Equal Opportunity Employer

**HOMEWORKERS**  
Positions  
Available  
For  
Experienced  
Stitchers  
Apply  
**BELLE-MOC INC.**  
Oxford St., Lew.

