

**UNITED STATES TARIFF COMMISSION**

**FOOTWEAR FOR WOMEN:  
NINA FOOTWEAR CO., INC.  
LONG ISLAND CITY, N. Y.**

**Report to the President  
on Investigation No. TEA-F-58  
Under Section 301(c)(1) of the Trade Expansion Act of 1962**



**TC Publication 656  
Washington, D. C.  
March 1974**

**UNITED STATES TARIFF COMMISSION**

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
March 25, 1974.

To the President:

In accordance with sections 301(f)(1) and (f)(3) of the Trade Expansion Act of 1962 (19 U.S.C. 1901), the U.S. Tariff Commission herein reports the results of investigation No. TEA-F-58 made under section 301(c)(1) of the act to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with footwear for women (of the types provided for in items 700.45 and 700.55 of the Tariff Schedules of the United States (TSUS)) produced by Nina Footwear Co., Inc., Long Island City, N.Y., are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

The investigation was instituted on January 31, 1974, on the basis of a petition for adjustment assistance filed under section 301(a)(2) of the act on behalf of the firm.

Notice of the investigation was published in the Federal Register (39 F.R. 4821) on February 7, 1974. No public hearing was requested, and none was held.

In the course of the investigation, the Commission obtained information from officials of Nina Footwear Co., from customers of the firm, from official Government statistics, and from its own files.

Nina Footwear Co., Inc., was the subject of a previous Commission investigation of a petition for adjustment assistance filed on behalf of the

firm's workers. In that case the Commission made an affirmative determination. (See Footwear for Women, Nina Footwear Co., Inc. . . . : Report to the President on Worker Investigation No. TEA-W-210 . . . , TC Publication 621, 1973.)

#### Finding of the Commission

On the basis of its investigation, the Commission finds 1/ (Commissioner Moore dissenting) that articles like or directly competitive with footwear for women manufactured by Nina Footwear Co., Inc., Long Island City, N.Y. are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the firm.

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1/ Chairman Bedell did not participate in the decision.

Views of Vice Chairman Parker and  
Commissioner Ablondi

We have made a negative determination for the reason that increased imports resulting in major part from trade agreement concessions are not the major factor causing or threatening to cause the serious injury allegedly suffered by the complainant firm. Having so determined, it is unnecessary for us to consider the other statutory criteria.

The company's financial statements indicate that in 1969, when Nina began importing substantial quantities of footwear, it was in good financial condition. As Nina increased its imports, its domestic production decreased and the company's records show a mixed pattern of profitability. Despite the allegation of serious injury resulting from concession-generated imports, Nina in 1972 had one of its most profitable years. It was also a year of a substantial increase in its own imports. The record does not show that Nina's shift to imports was caused by competition from imports or that it was losing customers because of import competition. On the contrary, Nina's customers over the past several years remained substantially the same. They continued to purchase Nina's domestically produced shoes with apparent satisfaction until Nina began supplying them with almost identical shoes of foreign origin under the Nina labels. Nina's customers shifted to imports primarily because of Nina's decision to supply its customers with imported footwear.

The rather large loss reflected by Nina in 1973 occurred when Nina discontinued production at its New York factory and resorted entirely to imports. Similarly, losses in 1971 were attributable in part to a shutdown of its Puerto Rican plant. These losses were attributable in

part to the write offs taken for the closings. Information available for 1974, thus far, indicates that Nina's operations are profitable.

The case at hand is illustrative of the situation where an affirmative finding by the Tariff Commission for a firm's workers 1/ under section 301(c)(2) of the Trade Expansion Act of 1962 (TEA) does not establish a conclusive presumption that the conditions are met for an affirmative decision for the firm under section 301(c)(1). The statutory language does not impose a requirement of parallelism in the Commission's findings for workers and the workers' firm. The parallel wording of sections 301(c)(1) and 301(c)(2) diverges at the point in the statute specifying the result required for an affirmative determination. For workers there must be "unemployment or underemployment of a significant number or proportion of the workers," while for firms the result must be "serious injury to the firm." In the case of Nina Footwear, only the former result is established.

From the foregoing, it is apparent that Nina is not suffering serious injury within the meaning of the TEA because of concession-generated import competition.

In our opinion, Nina Footwear does not meet the requirements of section 301(c)(1) of the TEA.

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1/ On October 30, 1973, the U.S. Tariff Commission reported to the President that the former workers of Nina Footwear Co., Inc., had met the requirements of the Trade Expansion Act of 1962 to apply to the Department of Labor for adjustment assistance. Chairman Bedell, Vice Chairman Parker, and Commissioners Moore and Ablondi constituted the majority. Commissioner Leonard Dissented, and Commissioner Young did not participate. See TC Publication 621.

## 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 Nina Footwear Co., Inc., Long Island City, N.Y., is the result in major part of concessions granted under trade agreements. Our reasoning in support of this determination is set forth in a statement 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, 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, 1972, pp. 11-25.

### Dissenting Views of Commissioner Moore

Based on the evidence available to the Commission in connection with this proceeding, my determination is in the affirmative.

It is my view that increased imports resulting in major part from trade-agreement concessions are the major factor causing serious injury to Nina Footwear Co., Inc., Long Island City, N.Y., and consequently this firm, having met the requirements of section 301(c)(1) of the Trade Expansion Act of 1962, is entitled to apply for adjustment assistance.

## INFORMATION OBTAINED IN THE INVESTIGATION

## Description of Articles Under Investigation

The output of Nina Footwear Co., Inc., Long Island City, N.Y., before the cessation of operations in August 1973 1/ consisted of women's dress and casual shoes--made by the cement process--that retailed at about \$18 to \$30 a pair, with the bulk retailing at about \$25 a pair. In recent years, women's casual shoes with uppers of vinyl accounted for the major part of the output of the firm, and women's dress and casual shoes with leather uppers accounted for the remainder.

The principal features of women's shoes that determine the occasion or activity 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 1, subpart A of schedule 7 of the Tariff Schedules of the United States Annotated (TSUSA).

As a share 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. The term "dress shoes," originally limited only to shoes worn on formal occasions, is now used to describe footwear of

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1/ The date reported as the closing date of Nina's last remaining plant in a letter from the plant's general manager was incorrectly reported as July 1973 (see page A-38).

the types generally worn for street wear and for business and social activities. Depending upon fashion designs, 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 materials. Women's shoes intended for formal wear, which are also regarded as dress shoes, are sometimes referred to as evening shoes, slippers, or sandals. The term "dress shoes" does not include footwear especially made for athletic, occupational, and leisure activities.

The materials used for the uppers of dress shoes are usually finer (i.e., less sturdy) than those of other types of footwear. Uppers may be of calf, kid, or reptile leathers; of silk, rayon, linen, satin, brocade, velvet, or metallic fabrics; or of supported vinyls or other plastics.

Women's footwear for casual wear, not considered dress shoes, includes certain sandals, wedge-heeled shoes, flats, clogs, loafers, desert boots, moccasins, and sneakers. Casual shoes usually have a lower heel than dress shoes and are generally constructed to withstand harder wear.

The range of styles and the 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; and this trend has continued into the 1970's. Simultaneously, consumers demanded footwear designed for specific purposes. Women today wear dress and casual shoes suitable to their lifestyles.

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. With the advent of new fashions in wearing apparel, the pump declined in popularity in the late 1960's. In 1967 the chunky style (monster) shoe appeared, marking the beginning of a style revolution in women's footwear. With footwear becoming an important accessory to fashion, footwear styles changed rapidly. A great variety of designs were introduced creating an even wider choice for the footwear consumer.

In the late 1960's, formfitting calf-length boots became fashionable, along with the miniskirt and other new dress styles, and continued to be popular throughout 1970 and 1971. The popularity of boots during this period undoubtedly had an adverse effect on the demand for other types of women's footwear. However, with the switch by women to other types of wearing apparel, such as pants suits, which did not complement boot designs, the market for such boots diminished markedly in 1972. In 1973, ankle-high boots for casual wear and higher boots with more functional designs replaced the formfitting or stretch calf-length fashion boots.

Changing fashions in women's apparel have continued to affect footwear since the early 1970's. As changes occurred in dress lengths and as trousers became increasingly acceptable as appropriate women's wear for almost every occasion, footwear styles with 1-inch soles, and even higher platforms, became popular. A variety of materials--plantation crepe, "marshmallow" (pliable synthetic), leather combinations, and various plastics--were used to make soles, concealed platforms, and wedges. Some bottom

assemblies were even colored, painted, or sculptured. During 1970-72 such platform styles dominated most women's footwear. In 1973, however, as women's fashions returned to the more classic or traditional styling, the classic pump design for footwear again became popular, a trend which has continued into 1974. Platforms are becoming less extreme, and footwear more feminine in style is now being offered. Examples of the new look include lighter sandalized (open) footwear with emphasis on bows, straps, slimmer high heels, and narrower toe shapes in both dress and casual footwear. There has also been a return to the low-heeled flat for casual wear.

As indicated previously, most of the footwear produced by Nina Footwear consisted of casual shoes constructed with uppers of vinyl and to a lesser extent, of leather--all made by the cement process. In this method of construction, which accounts for about 80 percent of the total U.S. output of all women's footwear, the outsole (or midsole, if any) is affixed to the upper by an adhesive without sewing.

It is estimated that about 60 percent of the women's shoes produced in 1973 had leather uppers, compared with nearly 70 percent in 1970. The American Footwear Industries Association (AFIA) indicates that owing to the recent shortage of hides and the consequent increases in prices of leather, prices of women's leather footwear have risen steadily. The president of the AFIA has further indicated that, as the price of leather footwear increased, shoes made from sophisticated manmade materials--polyurethane, polymeric and nylon velvets--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 young people but also to the more conservative styles. The following AFIA data illustrate the changes in the shares of the nonrubber footwear market supplied by leather and by manmade materials.

Percentages of total U.S. output of nonrubber footwear accounted for by leather and by manmade materials, specified years 1950 to 1975

Year	Leather	Manmade materials
1950-----	85	15
1960-----	76	24
1972-----	60	40
1973-----	54	46
1975 <u>1</u> /-----	50	50

1/ Estimated projection.

Source: American Footwear Industries Association.

Industry sources, however, report that owing to recent and possibly worsening shortages of petrochemically derived materials, a reversal is possible in the relationship between the proportion of leather and of manmade materials used in the production of footwear.

## U.S. Tariff Treatment

Applicable TSUS items

The great bulk of women's imported 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 items 700.43 and 700.45, which provide for leather footwear having a foreign (export) value of not over \$2.50 a pair, and over \$2.50 a pair, respectively, consist predominantly of women's footwear in a wide range of styles, types, and prices. In terms of quantity, a substantial part of the combined imports under these two items in recent years have consisted of women's sandals both for casual and for dress wear. The remainder have probably consisted predominantly of women's moderate-priced cement-process dress and casual shoes (i.e., in the retail-price range of \$8 to \$20 a pair). Women's imported 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; however, the imports of turned footwear under item 700.20 have been small.

Women's imported footwear with supported-vinyl uppers, dutiable under TSUS item 700.55, has in recent years consisted predominantly of two groups: (1) Street shoes of sturdy construction, produced in a single width for each particular length, for sale at self-service counters;

in variety stores, discount stores, and department-store basements and (2) folding slippers, sandals, and other inexpensive footwear. It is believed that 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 the period 1971 through 1973, the annual imports of such footwear retailing at more than \$10 a pair (mostly just over that price) probably accounted for less than 10 percent of the total imports.

#### Rates of duty

In the Tariff Act of 1930, women's leather footwear of cement-process construction 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, under 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 negotiations. The current rate for item 700.43 is 15 percent, and that for item 700.45 is 10 percent.

Prior to the Kennedy Round, the rate of duty on leather turn or turned footwear (now provided under TSUS item 700.20) was first reduced on January 1, 1932, from 20 percent ad valorem to 10 percent, pursuant to section 336 of the Tariff Act of 1930. The 10 percent rate, which was bound against increase in a concession granted to Switzerland, effective February 15, 1936, was reduced to 5 percent pursuant to 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 dutiable under various provisions of the Tariff Act, were classified principally--

- (1) By similitude, at the rate of 20 percent ad valorem applicable to leather footwear provided for in paragraph 1530(e). 1/
- (2) Under paragraph 1537(b) as articles in chief value of rubber, at the trade-agreement rate of 12.5 percent ad valorem, where the soles were of india rubber and constituted the chief value of the footwear in question.
- (3) Under paragraph 1539(b) at the reduced rate of 21 cents per pound plus 17 percent ad valorem where the footwear was in chief value of a product having a synthetic resin as the chief binding agent.

In the TSUS, a rate of 12.5 percent ad valorem was established for item 700.55 as the trade-agreement rate to replace the wide range of rates previously applicable to the various types of footwear provided for in this item. 2/ The current rate on footwear 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 and 3 show U.S. imports of women's shoes admitted under the TSUS items mentioned above and the 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 under par. 1530(e) at a rate of 20 percent ad valorem.

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

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

During the period 1965-73, apparent annual U.S. consumption of all women's nonrubber footwear rose from an estimated 386 million pairs in 1965 to a peak of 455 million pairs in 1968, and then declined to 402 million pairs in 1973. Annual U.S. production of such footwear declined from 319 million pairs in 1965 to 190 million pairs in 1973. Annual imports tripled during this period, and their share of the market increased without interruption from 17 percent to 53 percent, as shown on page A-10. Italy and Spain have been the principal suppliers of women's dress and casual leather footwear, the Republic of China (Taiwan) and Japan, the principal suppliers of such footwear made with vinyl uppers.

Data on U.S. consumption of women's dress shoes are not separately reported in official statistics. It is estimated, however, that during 1965-73 apparent annual U.S. consumption (production plus imports) of such footwear moved irregularly, rising from about 204 million pairs in 1965 to about 231 million in 1968 but declining to 180 million in 1973.

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 127 million pairs in 1973. Estimated imports rose from 4 million pairs in 1965 to 53 million pairs in 1973. The share of apparent annual U.S. consumption of women's dress shoes supplied by imports increased from 2 percent in 1965 to 29 percent in 1973, as shown on page A-11.

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

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	319	67	386	17
1966-----	323	70	393	18
1967-----	290	96	386	25
1968-----	322	133	455	29
1969-----	271	139	410	34
1970-----	260	165	425	39
1971-----	237	180	417	43
1972-----	223	198	421	47
1973-----	190	212	402	53

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

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

3/ Computed from U.S. production plus imports without an allowance for exports, which in 1973 amounted to about 1 million pairs.

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

Dress shoes for women: U.S. production, imports for consumption,  
and apparent consumption, 1965-73

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consump- tion <u>3/</u>	Ratio of imports to apparent consumption
	<u>Million pairs</u>	<u>Million pairs</u>	<u>Million pairs</u>	<u>Percent</u>
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
1972-----	150	50	200	25
1973-----	127	53	180	29

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

2/ In recent years, dress shoes are estimated to have accounted for about 1/4 of the total annual imports of women's and misses' footwear.

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

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

Estimates of U.S. consumption, production, and imports of women's casual footwear are shown in the following table. The table indicates that during the last 9-year period while domestic production was on a downward trend and imports more than doubled, apparent consumption fluctuated from 180 million pairs in 1966 to 224 million pairs in both 1968 and 1970 and was 222 million in 1973. It is estimated that the import share of domestic consumption increased from 35 percent in 1965 to 72 percent in 1973.

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

Year	Production <u>1/</u>	Imports <u>2/</u>	Apparent consumption <u>3/</u>	Ratio of imports to apparent consumption
	Million pairs	Million pairs	Million pairs	Percent
1965-----	119	63	182	35
1966-----	117	63	180	35
1967-----	102	85	187	45
1968-----	112	112	224	50
1969-----	94	111	205	54
1970-----	95	129	224	58
1971-----	81	137	218	63
1972-----	73	148	221	67
1973-----	63	159	222	72

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

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

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

Source: Estimated by the U.S. Tariff Commission from official statistics of the U.S. Department of Commerce.

## Prices

As indicated earlier in this report, the women's shoes produced by Nina Footwear retailed from about \$18 to \$30 a pair (most retailed at about \$25 a pair). As shown in the table below, about 28 per cent of domestic production of women's nonrubber footwear in 1972 was sold at wholesale at \$9 to \$16 a pair, or the equivalent of \$18 to \$32 at retail.

Women's nonrubber footwear: Percentage distribution of domestic production, by manufacturer's selling price, 1972 and 1968

Manufacturer's selling price <sup>1/</sup>	1972	1968
\$1.00 or less-----	-	} 19.2
\$1.01 to \$2.00-----	0.9	
\$2.01 to \$3.00-----	5.6	} 48.7
\$3.01 to \$4.00-----	19.9	
\$4.01 to \$5.00-----	16.1	} 29.3
\$5.01 to \$6.00-----	11.0	
\$6.01 to \$7.00-----	4.5	} 2.8
\$7.01 to \$8.00-----	7.4	
\$8.01 to \$9.00-----	6.6	} 2.8
\$9.01 to \$10.00-----	13.3	
\$10.01 to \$12.00-----	11.0	} 2.8
\$12.01 to \$14.00-----	2.0	
\$14.01 to \$16.00-----	1.2	} 2.8
\$16.01 to \$18.00-----	.3	
\$18.01 to \$20.00-----	.1	} 2.8
\$20.01 or more-----	.1	
Total-----	100.0	100.0

1/ The retail selling price is generally twice the manufacturer's selling price.

Source: Footwear Production by Manufacturer's Selling Price, 1972, U.S. Bureau of the Census.

Data with respect to the estimated retail price of the imported footwear are shown in the table below.

Women's nonrubber footwear: Percentage distribution of imported footwear, by estimated retail selling price, 1972

Estimated retail selling price	1972
\$3.00 or less-----	33
\$3.01 to \$6.00-----	23
\$6.01 to \$10.00-----	13
\$10.01 to \$16.00-----	18
\$16.01 to \$22.00-----	8
\$22.01 to \$28.00-----	3
\$28.01 or more-----	2
Total-----	100

Source: Estimated by the U.S. Tariff Commission on the basis of imports entered under items 700.4310, 700.4340, 700.4540, and 700.5545 in 1972. Such imports accounted for about 82 percent of the total imports of footwear for women and misses in that year.

## 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

		(in U.S. dollars)					
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-----	<sup>3/</sup> \$0.23	<sup>4/</sup> \$0.28	<sup>5/</sup>	<sup>5/</sup>	<sup>5/</sup>	<sup>5/</sup>
Italy-----	Shoes <sup>6/</sup> -----	.42	.65	\$0.90	\$0.71	\$1.19	\$1.67
Japan-----	Leather products <sup>7/</sup> -----	.37	.78	1.04	.41	.88	1.18
Spain-----	Shoes, leather, and clothing-----	.23	.38	.46	<sup>5/</sup>	<sup>8/</sup> .57	<sup>8/</sup> .68
Taiwan-----	Leather and leather products <sup>7/</sup> -----	.12	.18	<sup>5/</sup>	<sup>9/</sup> .14	<sup>9/</sup> .21	<sup>5/</sup>
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 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 plastics footwear industries of these two countries. Approximately half of the workers in the Japanese plastics shoe industry are home workers who are paid at a lower rate than the factory workers in that industry. Apparently none of the workers in the Taiwan plastics shoe industry are home workers.

<sup>8/</sup> The compensation factor included in this figure is employer social security payments, which range from 40 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. Compensation figure also includes annual bonuses.

Source: Based on data provided by U.S. Bureau of Labor Statistics, from the following: Brazil--Yearbook of Labour 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 rate used to convert other currencies into U.S. dollars for 1971 is the rate that became effective in December 1971. Part of the large increase in wages for Italy and Japan in 1971 is attributable to use of the 1971 rate, which more accurately reflects trading conditions in 1971.

Data Relating to Nina Footwear Co., Inc.

Corporate history, plant, and equipment

Nina Footwear Co., Inc., Long Island City, N.Y., which started in business in 1952, ceased all manufacturing operations in August 1973.

The firm was organized by two brothers, Stanley and Murray Silverstein,

\* \* \*

Nina began production of women's dress and casual shoes in 1952 at a plant in Greenwich Village which occupied production facilities of about 85,000 square feet of space on two floors of a multistory, 60-year-old building. Soon thereafter, Nina began producing women's footwear in Long Island City, through a wholly owned subsidiary, Dolls and Guys, Inc. In 1968 the Greenwich Village plant was closed and all production facilities were consolidated in the second plant, which occupied about 56,000 square feet on one floor of a four-story, 50-year-old building. Since Dolls and Guys ceased operating in August 1973, the plant has been serving as an office and warehousing facility for the firm, which currently imports all the shoes it sells.

Subsequent to closing its Manhattan plant, Nina started production of women's shoes early in 1969 at a plant in Puerto Rico, with a wholly owned subsidiary known as Yabucoa Shoe Corp. 1/ It occupied about

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1/ Yabucoa Shoe Corp. was the subject of a previous Commission investigation. In that case the Commission made a unanimously negative determination. See Women's, Misses', Men's, Youth's, and Boys' Footwear: Workers of . . . Yabucoa Shoe Corp. . .; Report to the President, Worker Investigations Nos. TEA-W-104 through TEA-W-109 . . . , TC Publication 428, 1971.

20,000 square feet of space in a one-story building leased from the government of Puerto Rico. After 2-1/2 years of operation, this plant ceased production in July 1971.

In 1967, Nina Footwear established a wholly owned subsidiary, Nina Boutique International, to import women's footwear from Europe. In September 1972, Nina dissolved its Nina Boutique subsidiary and handled all importing directly.

According to Mr. Murray Silverstein, all the equipment used in the three factories could be described as modern. The company rented all the equipment for lasting and some of the stitching machinery; it owned the remainder of the shoemaking equipment. When Nina Footwear ceased production operations in August 1973, factory equipment owned by the company and originally valued at \* \* \* was sold for \* \* \* the leased machinery and equipment was returned.

#### Product and prices

The output of Nina Footwear consisted of women's dress and casual shoes that were made by the cement process and retailed at prices ranging from about \$18 to \$30 a pair with the bulk of the shoes retailing at about \$25 a pair. The product line varied from year to year, depending upon consumer demand. Pump designs with various types and heights of heels accounted for most of the production during the years 1952-69. During the period 1970 through August 1973, when all production ceased, casual shoes represented about \* \* \* of production, and dress shoes made up the remainder.

The uppers of all of Nina's dress shoes were made of calf or kid leather. Casual shoes were manufactured with uppers of vinyl. The products of Nina Footwear were marketed under the brand names of "Nina" for the dress shoes and "Daybreakers" for the casual types.

Sales and distribution

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A-20 and A-21

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Employment

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Comments by a company official

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Comments by customers

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A-24 and A-25

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Profit-and-loss experience

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APPENDIX A  
STATISTICAL TABLES

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

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

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

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

<sup>3/</sup> 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.

<sup>4/</sup> Supported vinyl was not used for shoe uppers until the late 1940's or early 1950's. When footwear with supported vinyl uppers was imported during the 1950's 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.

<sup>5/</sup> The trade-agreement rate established in the TSUS, effective Aug. 31, 1963, under authority of the Tariff Classification Act of 1962 (Public Law 87-456) to replace the wide 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. 19, 1971, the rates of duty on most imported products were increased by the temporary imposition of an additional duty of 10 percent ad valorem or less, as provided for in new subpt. C to pt. 2 of the appendix to the TSUS.

Table 2.--Leather footwear for women and misses, made principally by the cement process (items 700.43 and 700.45): U.S. rates of duty and imports for consumption, 1939, 1946, and 1955-73

Year	Rate of duty <sup>1/</sup>		Quantity	
	700.43	700.45	700.43	700.45
	Percent ad valorem	Percent ad valorem	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-----	19 :	18 :	34 :	20
1969-----	18 :	16 :	29 :	27
1970-----	17 :	14 :	37 :	35
1971-----	16 :	12 :	33 :	44
1972-----	15 :	10 :	25 :	61
1973 <sup>2/</sup> -----	15 :	10 :	17 :	69

<sup>1/</sup> 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.

<sup>2/</sup> U.S. imports of sandals under item 700.41 amounted to about 2 million pairs in this year.

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

Table 3.--Footwear having supported-vinyl uppers for women and misses (item 700.5545): U.S. rates of duty and imports for consumption, 1934, and 1964-73

Year	Rate of duty	Quantity	Value	Unit value
	Percent ad valorem	1,000 pairs	1,000 dollars	Per pair
1934-----	<u>1/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1964-----	<u>3/</u> 12.5	27,574	12,429	\$0.45
1965-----	12.5	29,579	13,564	.46
1966-----	12.5	33,239	17,024	.51
1967-----	12.5	49,767	27,704	.56
1968-----	11	68,579	46,603	.68
1969-----	10	70,777	55,820	.79
1970-----	8.5	77,288	73,757	.95
1971-----	7	86,942	104,196	1.20
1972-----	6	89,776	104,907	1.22
1973-----	6	96,942	136,036	1.40

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

2/ Not available.

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

Source: Compiled from official statistics of the U.S. Department of Commerce (data for 1964 and 1965 are partly estimated).

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

Table 4.--Nonrubber footwear for women: U.S. imports,  
by selected TSUSA items, 1968-73

TSUSA item No.	Description	1968	1969	1970	1971	1972	1973
		Quantity (1,000 pairs)					
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	19,024	12,015	11,905	8,298	4,189	2,339
	Cement footwear:						
700.4340	For women-----	11,891	13,532	21,159	20,008	17,685	11,679
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	1,428	1,922	2,489	3,554	6,348	6,651
	Cement footwear:						
700.4540	For women-----	16,884	22,734	28,471	37,563	51,250	56,991
	Supported-vinyl uppers:						
700.5545	For women and misses---	68,579	70,777	77,288	86,942	89,776	96,942
	Total-----	117,806	120,980	141,312	156,365	169,248	174,602
		Value (1,000 dollars)					
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	27,539	17,749	18,238	13,256	7,084	4,043
	Cement footwear:						
700.4340	For women-----	19,265	22,144	35,614	34,437	30,153	20,778
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	5,293	7,899	10,007	13,711	24,701	28,292
	Cement footwear:						
700.4540	For women-----	76,236	112,866	146,162	193,846	262,403	304,376
	Supported vinyl uppers:						
700.5545	For women and misses---	46,603	55,820	73,757	104,196	109,907	136,036
	Total-----	174,936	216,478	283,778	359,446	434,248	493,525
		Unit value (per pair)					
	Footwear of leather:						
	Valued not over \$2.50						
	per pair:						
	Casual footwear:						
700.4310	For women-----	\$1.45	\$1.48	\$1.53	\$1.60	\$1.69	\$1.73
	Cement footwear:						
700.4340	For women-----	1.62	1.64	1.68	1.72	1.70	1.78
	Valued over \$2.50 per						
	pair:						
	Casual footwear:						
700.4510	For women-----	3.71	4.11	4.02	3.86	3.89	4.25
	Cement footwear:						
700.4540	For women-----	4.52	4.96	5.13	5.16	5.12	5.34
	Supported-vinyl uppers:						
700.5545	For women and misses---	.68	.79	.95	1.20	1.22	1.40
	Average-----	1.48	1.79	2.01	2.30	2.57	2.83

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

A-33 through A-35

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APPENDIX B  
LETTER FROM PETITIONER

43-22 QUEENS STREET, LONG ISLAND CITY, NEW YORK 11101•(212) 937-2345

October 5, 1973

\* \* \*  
U.S. Tariff Commission  
Washington, D. C. 20436

Dear \* \* \*

Enclosed you will find the questionnaire that you requested from us, showing the production by year, the amount of people employed and the hours of work. I am sure that you realize some of the figures are as close an approximation as we can arrive at, as some of these records are not available. However, I am extremely sure that the figures are accurate.

I would like to take this opportunity to briefly describe our experiences that brought us to the condition of today. We have been in business twenty years. For eighteen of these years we were manufacturing in the U.S.A. We started in 1952, making about fifty pairs of shoes a day, and in 1970, between our plants in New York, and the one in Puerto Rico, \* \* \*

At that point, and it is common knowledge that in the U.S. imports really started pouring in, and especially into our type of shoes. For many years most of the imports were at the lower end, but starting in 1968, 1969, they started manufacturing better grade shoes and better quality which effected our business.

From there on, it was a slide down in our production, and of course, as you know, once you have a build in over head factor, it was just a question of cutting back every single day, and laying off people.

cont.....

43-22 QUEENS STREET, LONG ISLAND CITY, NEW YORK 11101\*(212) 937-2345

A-38

\* \* \*

Oct. 5, 1973

We finally had to close our remaining plant in New York in July 1973 at a point which we were only employing about

\* \* \*

It is my honest opinion that this was strictly due to imports. We certainly could not compete with their prices, or quality, and this has forced us to get into the import field, to remain in business.

I hope that this will briefly give you my personal opinion of what has transpired, and that it could be of some service to the x-employees of NINA, some of which have been with our company since its inception.

Very truly yours,



M. Silverstein

MS/bv

