

The Commission duly reported (Report 332-47) the following descriptions and rates as meeting the standards laid down for the investigation, representing a division into two parts of the present item 700.60:

Class	Description	Converted rates of duty
700.60A.....	Footwear with open heels and toes; footwear with pliant soles and uppers which when off the foot, characteristically fold flat from heel to toe; and footwear with outer soles almost wholly of leather or the soles of which contain not less than 60 percent by weight of iron powder.....	20 percent ad valorem.
700.60B.....	Other.....	58 percent ad valorem.

The final report reflected certain modifications of the Tariff Commission's preliminary report, chiefly a reduction from 60% to 58% to take account of a number of products (discussed further below) which are not now actually assessed on the ASP but enter under Item 700.60.

Asked for further data in explanation of its preliminary report the Tariff Commission had furnished to interested parties data set forth in the table which follows.

U.S. TARIFF COMMISSION

FOOTWEAR DUTIABLE ON THE BASIS OF THE AMERICAN SELLING PRICE, ITEM 700.60; RATIO OF CALCULATED DUTY TO EXPORT VALUE, BY TYPE OF FOOTWEAR, UNDER NEW GUIDELINES, BASED ON A SAMPLE OF IMPORTS IN 1965

Type of footwear	Quantity (thousand pairs)	Value		Unit value		Ratio of calculated duty to export value (percent)
		Export (thousands)	New ASP (thousands)	Export	New ASP	
For men.....	1,112	\$1,072	\$2,726	\$0.96	\$2.45	50.8
For youths and boys.....	1,552	1,096	3,217	.71	2.14	60.5
For women and misses.....	3,366	1,831	5,526	.54	1.64	60.3
For infants and children.....	1,098	437	1,626	.40	1.48	74.4
Total or average....	7,128	4,436	13,195	.62	1.85	59.5

This is based upon a machine tabulation of actual invoices examined by the Tariff Commission covering 7 million pairs imported in 1965.

The Tariff Commission report contained no discussion of the variety of rates of duty that might reflect its statistical findings, but simply reported 58% ad valorem as the rate on the export value which met the terms of the request made to it.

The proposed double-barreled rate is without justification

It will be observed that the Tariff Commission's finding of an *average* rate of 58% has somehow become a *minimum* in the legislative proposal which the Administration has put before the Committee, and that something new has been added, namely, a compound rate of 25 cents per pair plus 20% ad valorem. (A compound rate combines a specific rate with an ad valorem rate.)

If this compound rate of 25 cents plus 20% were applied to the Tariff Commission's 1965 sample, the average percentages on the export value basis and the average actual duties would be as follows:

Type of footwear	25 cents per pair, plus 20 percent Percent	Average duty
For men.....	46.0	\$0.44
For youths and boys.....	55.2	.39
For women and misses.....	66.3	.36
For infants and children.....	82.5	.33
Weighted average.....	60.3	.37