MORSE SHOE, INC. *555 Turnpike Street, Canton, MA 02021, 617 828-9300, Telex 92 4469, Cable Address "Morseshoe"*

Executive Offices

March 29, 1985

DEAR STOCKHOLDER:

You are cordially invited to attend the 1985 Annual Meeting of Stockholders of Morse Shoe, Inc. to be held on May 15, 1985 at the office of the Company, 555 Turnpike Street, Canton, Massachusetts commencing at 11:00 A.M.

At the meeting, stockholders will elect three Directors, each to serve for a three year term ending in 1988. Additionally, stockholders are being asked to approve the selection of Peat, Marwick, Mitchell & Co. as independent auditors for the current fiscal year.

It is important that your shares are represented at the meeting. Accordingly, please sign, date and mail the enclosed proxy card in the envelope provided for your convenience.

On behalf of the Board of Directors, thank you for your continued support.

Sincerely,

Manuel Rosenberg

MANUEL ROSENBERG
Chairman, President and
Chief Executive Officer

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Morse Shoe, Inc.

555 TURNPIKE STREET, CANTON, MASSACHUSETTS 02021

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 15, 1985

To the Stockholders of
MORSE SHOE, INC.

Notice is hereby given that the Annual Meeting of Stockholders of Morse Shoe, Inc. (the "Company") will be held at the office of the Company, 555 Turnpike Street, Canton, Massachusetts, on Wednesday, May 15, 1985, at 11:00 A.M., for the following purposes:

1. To elect three members of the Board of Directors to serve until the 1988 Annual Meeting of Stockholders and until their successors are elected.
2. To approve the selection of Peat, Marwick, Mitchell & Co. as independent auditors for the current fiscal year.
3. To consider and act upon any matters incidental to the foregoing purposes, and any other matters which may properly come before the meeting or any reconvened sessions thereof.

Stockholders of record at the close of business on March 22, 1985 will be entitled to notice of and to vote at the meeting or any reconvened sessions thereof.

By Order of the Board of Directors,

KENNETH C. CUMMINS
Secretary

Canton, Massachusetts
March 29, 1985

IMPORTANT

IT IS IMPORTANT THAT YOUR SHARES ARE REPRESENTED AT THE MEETING. ACCORDINGLY, YOU ARE URGED TO PLEASE SIGN, DATE AND PROMPTLY RETURN YOUR PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

MORSE SHOE, INC.

555 Turnpike Street
Canton, Massachusetts 02021

Mailing date:
March 29, 1985

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

May 15, 1985

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Morse Shoe, Inc. (the "Company") of proxies to be used at the Annual Meeting of Stockholders to be held May 15, 1985 and at any reconvened sessions thereof, for the purposes set forth in the accompanying notice.

Stockholders of record at the close of business on March 22, 1985 are entitled to notice of and to vote at the meeting and any reconvened sessions thereof. As of the close of business on March 22, 1985, the Company had outstanding 5,434,266 shares of Common Stock, $1 par value, the only class of equity securities outstanding. Each share of Common Stock is entitled to one vote upon each of the matters to be presented at the meeting.

Unless otherwise directed by the stockholder, or in the absence of a specification with respect to any matter to be acted upon, shares represented by duly executed proxies will be voted FOR the election of the nominees for Directors named below, FOR the approval of the selection of Peat, Marwick, Mitchell & Co. as independent auditors and in the discretion of the persons named as proxies on any other matter which may properly come before the meeting or any reconvened sessions thereof. Proxies may be revoked at any time before they are exercised.

The Company's Annual Report to Stockholders for 1984 is being mailed with this Proxy Statement to each stockholder entitled to vote at the meeting.

PRINCIPAL OWNERS OF VOTING STOCK

The following table sets forth, as of March 1, 1985, the beneficial ownership (as defined in the rules of the Securities and Exchange Commission) of persons known to the Company to be such owner of more than five (5) percent of the outstanding Common Stock of the Company.

Name and Address	*Amount Beneficially Owned*	*Percent of Class*
Shufro, Rose & Ehrman 63 Wall Street New York, NY 10005	1,062,865(1)	19.56
Alfred L. Morse 555 Turnpike Street Canton, MA 02021	611,552(2)	11.25
Delafield Asset Management Inc. 63 Wall Street New York, NY 10005	474,100(3)	8.72
BMI Capital Corporation 67 Wall Street New York, NY 10005	365,450(4)	6.72

(1) As reported in the amendment, dated January 14, 1985, to a Schedule 13G filed by said firm with the Securities and Exchange Commission, which report reflects sole dispositive power as to all such shares, sole voting power as to 80,950 such shares and no voting power as to 981,915 such shares.

(2) Includes 10,400 shares owned by Mr. Morse's wife, as to which Mr. Morse disclaims beneficial ownership.

(3) As reported in a Schedule 13G, dated January 29, 1985, filed by said firm with the Securities and Exchange Commission, which report reflects sole dispositive power as to 469,200 such shares, shared dispositive power as to 4,900 such shares, sole voting power as to 408,200 such shares and no voting power as to 65,900 such shares.

(4) As of December 30, 1984, as reported in the amendment, dated January 10, 1985, to a Schedule 13G filed by said firm with the Securities and Exchange Commission, which report reflects sole dispositive power as to all such shares and no voting power as to all such shares.

NOMINEES FOR ELECTION AS DIRECTORS

The Board of Directors is divided into three classes having staggered terms of three years each. The By-laws of the Company provide that a Board of not less than three nor more than fifteen Directors shall be fixed from time to time by the Board of Directors. The total number of Directors comprising the Board of Directors is currently fixed at ten. Of this number, three members of the Board of Directors have terms expiring at the 1985 Annual Meeting of Stockholders and are nominees for election at this meeting, three members have terms expiring at the 1986 Annual Meeting of Stockholders and four members have terms expiring at the 1987 Annual Meeting of Stockholders.

Each Director elected at the 1985 Annual Meeting of Stockholders will hold office until the 1988 Annual Meeting of Stockholders, and until his successor is elected and qualified or until he sooner dies, resigns, is removed or becomes disqualified. Each of the three Directors named below as a nominee was elected to his present term by the stockholders at the Special Meeting of Stockholders held December 13, 1983.

It is the intention of the persons named in the proxy to vote for the election of the three nominees named below. In the event any one or more of such nominees should become unavailable for election, it is the intention of the persons named in the proxy to vote for the election of a substitute or substitutes proposed by the Board of Directors or, if no substitute or substitutes is proposed, for the remaining nominees. To the Company's knowledge all nominees are and will be available to serve.

The nominees for a term ending at the 1988 Annual Meeting of Stockholders are as follows:

	First Year Elected
ROBERT T. SAKOWITZ, 46, is a member of the Audit and Compensation/Stock Option Committees. He is the Chairman, President and Chief Executive Officer (having held the latter two positions since prior to 1980) and a Director of Sakowitz, Inc., specialty stores of Houston, Texas. He is a Director of Continental Airlines, the Houston branch of the Federal Reserve Bank of Dallas, and the City of Houston Industrial Development Corporation. He is a Director of the National Retail Merchants Association and of its Executive and International Committees. He is a Director of Societe Viticole Europeene, S.A.	1974
PETER V. TISHMAN, 53, is a member of the Compensation/Stock Option and Finance Committees. Since prior to 1980, he has been President of New York City based Peter Tishman Real Estate Co., a developer, owner and operator of real estate properties.	1971
BARRETT S. WAYNE, 48, is Executive Vice President of the Company and a member of the Finance Committee. He was General Counsel until November, 1982, and, prior to his election as Executive Vice President in 1980, he served as a Vice President and Secretary of the Company. He is a Vice Chairman and a Director of the Footwear Retailers of America.	1972

The members of the Board of Directors having terms of office which do not expire at the 1985 Annual Meeting of Stockholders, are as follows:

Continuing Directors Having Terms of Office Expiring at the 1986 Annual Meeting of Stockholders

ALFRED L. MORSE, 82, a founder and retired Chief Executive Officer of the Company, is Honorary Chairman of the Board of Directors and a consultant to the Company. He is a member of the Compensation/Stock Option Committee. He served as Chairman of the Board of Directors from 1970 to 1979.	1961
MANUEL ROSENBERG, 54, joined the Company and was elected a Director, Chairman of the Board of Directors and Chief Executive Officer in July, 1982 and was elected President effective December 31, 1982. Prior to 1980, and until his employment by the Company, he was President and a Director of Garfinckel's, Brooks Brothers, Miller & Rhoads, Inc., a department and specialty store chain, and its successor after that company was acquired by Allied Stores Corporation in 1981.	1982

	First Year Elected
ERNEST J. SARGEANT, 66, a member of the Compensation/Stock Option (Chairman) and Finance Committees, has been a partner in the Boston law firm of Ropes & Gray since prior to 1980.	1970

Continuing Directors Having Terms of Office Expiring at the 1987 Annual Meeting of Stockholders

DONALD C. CARROLL, 54, is a member of the Audit (Chairman), Compensation/Stock Option and Finance Committees. He is Professor of Management and Decision Sciences (presently on a two-year leave of absence expiring in July, 1985) at the Wharton School of the University of Pennsylvania where he served as Dean and Reliance Professor of Private Enterprise from 1972 until July, 1983. He was President of AGT Computer Products, Inc. from July through November, 1983. He is Chairman of CGW Data Services, Inc. and Immunicon Corp. and a Director of MacAndrews and Forbes Holdings, Inc., Monsanto Company, NRUC Corp., SEI Corp., and Vestaur Securities, Inc.	1974
JESSE HILL, JR., 58, is a member of the Audit and Compensation/Stock Option Committees. He is President, Chief Executive Officer and Chairman of the Executive Committee of Atlanta Life Insurance Co. of Atlanta, Georgia, in which positions he has served since prior to 1980. He is a Director of Delta Airlines, Inc., National Service Industries, Inc., Trust Company of Georgia and Knight-Ridder Newspapers, Inc. He is Chairman of the Board of Directors of the Martin Luther King Center for Nonviolent Social Change and Vice Chairman of the National Urban Coalition.	1979
THOMAS J. CALLIGAN III, 40, joined the Company in August of 1984 and was elected a Director, a member of the Finance Committee, Senior Vice President, Chief Financial Officer and Treasurer of the Company on August 15, 1984. Prior to his employment by the Company, he was Vice President, Finance and Chief Financial Officer of PepsiCo International (1983 to 1984), and Director of Corporate Accounting, Assistant Corporate Controller and Vice President, Finance of the Pepsi-Cola Bottling Group (1976 to 1983) of PepsiCo Inc. Mr. Calligan is a certified public accountant and a member of the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants and the Treasurers' Club of Boston.	1984
JEROME ZIMMERMAN, 63, is a member of the Compensation/Stock Option and Finance (Chairman) Committees. Since 1983, he has been the President, Chief Executive Officer and a Director of Zarpco, Inc., a privately held company engaged in various investments and currently operating businesses engaged in the manufacture of plastic products and the importation and sale of rugs and related products. From prior to 1980 until 1984, he was President of Apollo Forest Products, Inc. of Atlanta, a privately held company, which was engaged in the forest products business and in various investments.	1975

For many years the law firm of Ropes & Gray, of which Mr. Ernest J. Sargeant is a partner, has from time to time performed legal services for the Company.

Under the regulations of the Securities and Exchange Commission, Mr. Alfred L. Morse may be deemed a control person of the Company. Mr. Jerome Zimmerman is the son-in-law of Mr. Alfred L. Morse.

INFORMATION CONCERNING THE BOARD OF DIRECTORS

The Board of Directors presently consists of ten members. Three of the Directors are salaried employees of the Company and one is a former Chief Executive Officer who receives compensation as a consultant to the Company. None of the four receives additional compensation for his service as a Director.

During 1984, those Directors who were not salaried employees or consultants to the Company were paid an annual fee of $10,000 plus an additional fee of $500 for attendance at each meeting of the Board of Directors and any committee of the Board of Directors on which they served, together with their expenses of attendance.

The standing committees of the Board of Directors are the Audit, Compensation/Stock Option and Finance Committees. The Company does not have a nominating committee.

The Audit Committee recommends the selection and engagement of the Company's independent auditors and reviews with them the scope and status of the audit, non-audit services to be performed, the fees for services by the firm, and the results of the audit when completed. The Committee also reviews and discusses with management and the Board of Directors accounting policies, internal controls and procedures for preparation of financial statements. The present members of the Committee are Messrs. Donald C. Carroll (Chairman), Jesse Hill, Jr. and Robert T. Sakowitz. During 1984, the Audit Committee held three meetings.

The Compensation/Stock Option Committee reviews and makes recommendations to the Board of Directors on matters of salaries, bonuses, other forms of compensation and retirement benefits (including contractual arrangements) for officers of the Company at the level of Vice President and above, and for certain senior officers of subsidiaries. The Committee administers the Company's 1975 Stock Option Plan (under which no future options may be granted) and the 1982 Incentive Stock Option Plan, including the granting of options under the 1982 Plan. The Committee consists of Directors who are not eligible to participate in the plans. The present members of the Committee are Messrs. Ernest J. Sargeant (Chairman), Donald C. Carroll, Jesse Hill, Jr., Alfred L. Morse, Robert T. Sakowitz, Peter V. Tishman and Jerome Zimmerman. During 1984, the Committee held four meetings.

The Finance Committee reviews and makes recommendations to the Board of Directors and Company management concerning important financial matters. The Committee reviews the Company's long-range financial plans, its long and short-term financing needs, specific financing proposals and ongoing programs to finance capital needs. The present members of the Committee are Messrs. Jerome

Zimmerman (Chairman), Donald C. Carroll, Thomas J. Galligan III, Ernest J. Sargeant, Peter V. Tishman and Barrett S. Wayne. The Committee held three meetings during 1984.

During 1984, the Board of Directors held four meetings.

During 1984, Mr. Sakowitz attended less than 75% of the aggregate number of meetings of the Board of Directors and committees of which he was a member.

EQUITY OWNERSHIP OF MANAGEMENT

The following table sets forth, as of March 1, 1985, the beneficial ownership (as defined in the rules of the Securities and Exchange Commission) of the Company's Common Stock by each Director, each nominee for Director, and all Directors and officers of the Company as a group, from information provided by such persons.

Name of Person or Group	*Shares Beneficially Owned*	*Percent of Class*
Donald C. Carroll	1,657	.03
Thomas J. Galligan III	500	.009
Jesse Hill, Jr.	200	.004
Alfred L. Morse	611,552(1)	11.25
Manuel Rosenberg	30,061(2)(3)	.55
Robert T. Sakowitz	2,000	.04
Ernest J. Sargeant	None	—
Peter V. Tishman	10,095(1)	.18
Barrett S. Wayne	15,872(1)(2)	.29
Jerome Zimmerman	19,000(4)	.35
All Directors and Officers as a Group	720,448(1)(2)(3)(4)	13.26

(1) Includes for Mr. Alfred L. Morse 10,400 shares, for Mr. Peter V. Tishman 5,862 shares, for Mr. Barrett S. Wayne 2,779 shares, and for all Directors and officers as a group 19,041 shares, held by or for the benefit of family members. As to these shares the person or persons named or included in the group share voting or investment power but disclaim beneficial ownership.

(2) Includes for Messrs. Manuel Rosenberg and Barrett S. Wayne 5,061 shares and 5,593 shares, respectively, and for all Directors and officers as a group 17,860 shares, which the person or persons have the right to acquire within sixty days after March 1, 1985, under options previously granted pursuant to the Company's stock option plans.

(3) Includes for Mr. Manuel Rosenberg 15,000 shares which are subject to repurchase under certain circumstances. See the section entitled "Executive Compensation" for further information.

(4) Does not include 18,949 shares owned by Mr. Zimmerman's wife, as to which he disclaims voting and investment power and beneficial ownership.

EXECUTIVE COMPENSATION

Cash Compensation

Set forth below is information as to the cash compensation paid or accrued by the Company for the 1984 fiscal year to or for the benefit of (1) each of the five highest paid executive officers of the Company whose cash compensation exceeds $60,000, and (2) executive officers as a group.

(A) Name of Individual or Number of Persons in Group	(B) Capacities in which Served	(C) Cash Compensation
Manuel Rosenberg	President and Chief Executive Officer	$321,905(1)
Barrett S. Wayne	Executive Vice President	$158,404
Kenneth C. Cummins	Vice President, Secretary and General Counsel	$120,504
Marvin G. Schwartz	Vice President and Comptroller	$116,468
Thomas J. Galligan III	Senior Vice President, Chief Financial Officer and Treasurer (from August 15, 1984)	$ 97,920
All Executive Officers as a Group (6 individuals)		$897,337

(1) Includes amounts received by Mr. Rosenberg in 1984 as reimbursement of certain relocation expenses plus an additional amount necessary to cover any state or federal income tax liabilities payable by him arising from certain payments received by him in 1983 in accordance with the terms of his employment contract.

Mr. Manuel Rosenberg is employed under an agreement which, as amended on November 15, 1984, provides for his full-time employment as Chief Executive Officer until December 31, 1989, at an annual base salary of $275,000, subject to adjustment equal to the percentage increase in the annual gross national product of the United States for the prior calendar year over the next preceding calendar year. The agreement, as amended, provides for incentive compensation for each year in an amount equal to the same percentage of annual base salary as the percentage increase, adjusted for inflation, in the Company's pre-tax return on stockholders' equity for such year over 14.03 percent. The amount of incentive compensation cannot exceed 100 percent of annual base salary.

During 1984, the Company sold Mr. Rosenberg 25,000 shares of the Company's Common Stock, at a purchase price of $1.00 per share. On the date of the purchase, the closing price of the Company's Common Stock on the New York Stock Exchange was $18.88 per share. 15,000 of such shares are subject to the Company's right of repurchase (at $1.00 per share) in the event Mr. Rosenberg or the Company terminates his employment prior to December 31, 1989 for reasons other than (i) death or disability, or (ii) resignation after a change in control of the Company. However, commencing December 31, 1985, the Company's repurchase right shall lapse at a rate of 3,000 shares annually.

In connection with the purchase of such stock by Mr. Rosenberg, the Company during 1984 made two interest free loans to Mr. Rosenberg aggregating $245,781 in order to cover his federal and state income tax liabilities with respect to such purchase. Such loans are payable on December 31, 1989 o earlier upon termination of Mr. Rosenberg's employment for reasons other than (i) death or disability or (ii) resignation after a change in control of the Company. However, if Mr. Rosenberg continues i the employ of the Company until December 31, 1989, the Company is obligated to cancel $147,469 c such indebtedness and in the event of the earlier termination of Mr. Rosenberg's employment due t death or disability the Company is obligated to cancel both of the loans and, in either case, to pa Mr. Rosenberg (or his legal representatives in the event of death) an amount sufficient to cove any state or federal income tax liabilities arising from the cancellation of such indebtedness.

Pursuant to Mr. Rosenberg's agreement, the Company granted in 1985, and is obligated to gran Mr. Rosenberg in 1986, options under its 1982 Incentive Stock Option Plan covering the number c shares having an aggregate fair market value of $100,000 at the time of each grant.

In the event of a change in control of the Company, Mr. Rosenberg has the right to resign hi positions with the Company. In such case the Company is obligated to pay Mr. Rosenberg, in 36 equa monthly installments, an amount equal to 200 percent of his then annual base salary, to cancel an discharge the entire indebtedness referred to in the second preceding paragraph and to pay M Rosenberg an amount sufficient to cover any state or federal income tax liabilities arising from th cancellation of such indebtedness.

The agreement provides for separation pay to Mr. Rosenberg, in lieu of payment pursuant t any Company separation compensation policy, if his employment is continued until December 3 1989 but not thereafter, in an amount equal to 150% of his 1989 annual base salary, payable i eighteen equal monthly installments, provided, however, that no such separation payment shall b paid to Mr. Rosenberg if he receives any payments pursuant to the provisions described in the ne preceding paragraph.

Mr. Rosenberg's agreement contains non-competition provisions, and retirement benefits a described under the heading "Pension and Retirement Benefits" beginning on page 9.

Pursuant to his employment arrangement with the Company Mr. Galligan received in 1984 commencement bonus of $25,000. Under the arrangement he is to receive a salary at an annual rate c $175,000 through July, 1985. In July, 1985 he will be entitled to receive a bonus of $20,000. Pursuar to the arrangement during the twelve months following July, 1985 Mr. Galligan is to receive a salar at an annual rate of $195,000.

Pursuant to such arrangement the Company, in 1984, granted Mr. Galligan stock options unde its 1982 Incentive Stock Option Plan covering the number of shares having a market value of $100,0(on the date of the grant.

In connection with his relocation to the Boston area the Company has agreed to reimburse M Galligan's moving expenses and temporary living expenses together with the reasonable costs c transportation between New York City and Boston for Mr. Galligan and his family. The Company ha also agreed to reimburse Mr. Galligan the carrying costs on his former residence in the Metropolita New York area together with the brokerage costs in connection with the sale of such residence an to pay him an amount sufficient to cover any state or federal income tax liabilities arising from h receipt of such reimbursement.

In the event Mr. Galligan's employment is terminated by the Company within the first 24 months of his employment for any reason (other than for cause), the Company has agreed to pay Mr. Galligan an amount equal to his then current annual base salary payable in 12 equal monthly installments. Such payments are to be reduced by any amounts received by Mr. Galligan in connection with any employment or services rendered by him during such 12 month period.

During 1984, there was outstanding an interest free loan of $200,000 to Mr. Galligan to assist in his purchase of a residence in the Boston area, which loan was repaid in February of 1985.

Pension and Retirement Benefits

Under the Company's Pension Plan, which is a qualified, non-contributory, defined benefit plan (funded by a group annuity contract with an insurance company) covering employees (including officers), annual benefits are paid upon retirement. Benefits are based on (a) an employee's total annual cash compensation (as shown in Column C of the table on page 7), including bonuses, averaged over the highest consecutive five years of cash compensation during the last ten years of service, and (b) length of service. Upon normal retirement at age 65 the plan will provide a retirement benefit equal to 50 percent of compensation (determined as above) reduced by 50 percent of the employee's primary Social Security benefit at retirement. The normal benefit is in the form of a life annuity with five years certain. The foregoing benefit is reduced on a pro rata basis for service of less than 25 years. Employees with 10 years of service may elect early retirement beginning at age 55, with an appropriate reduction of the pension. Service after the age 65, or in excess of 25 years, results in no additional accrual of benefits, except for an actuarial increase after age 65.

Messrs. Wayne and Schwartz and certain other officers of the Company have supplementary retirement agreements with the Company which provide for annual lifetime retirement benefits, with a minimum period of fifteen years subsequent to termination of employment (but not earlier than age 60, except in the case of death or disability), equal to 50% (which percentage is reduced pursuant to an age formula for termination of employment prior to age 65) of the average total cash compensation, including bonuses, paid or accrued for the three consecutive years of highest total cash compensation during the ten years ending upon termination of employment. The amounts payable by the Company are to be reduced by (a) the annual normal benefit under the Company's Pension Plan (described above) and (b) the amount of primary Social Security retirement benefit as of the date of retirement. The agreements also contain provisions relating to non-competition and payment of benefits following death.

As of December 31, 1984, the estimated credited years of service under the Pension Plan for Messrs. Rosenberg, Wayne, Cummins, Schwartz and Galligan were 3, 22, 11, 33 and none, respectively.

Mr. Rosenberg has a supplementary retirement agreement, substantially in the form of the supplementary retirement agreements described above between the Company and certain of its officers, which provides for annual retirement benefits, before the required reductions, in an amount equal to 5 percent of his average highest total compensation (as defined) for any consecutive three year period during any period not exceeding ten years of employment ending upon the termination of his employment, multiplied by the number of years of his employment by the Company.

The following table illustrates the estimated annual normal benefits payable to employees upon normal retirement under the Pension Plan and supplementary retirement agreements (if any). The benefit amounts shown in the table below are subject to certain offsets, including an offset of 50 percent of the employee's estimated primary Social Security benefit.

Average of Highest Consecutive Five Years of Compensation	*Estimated Annual Retirement Benefits for Years of Service Indicated*		
	15 Years	*20 Years*	*25 or More Years*
\$ 100,000	\$ 30,000	\$ 40,000	\$ 50,000
\$ 200,000	\$ 60,000	\$ 80,000	\$100,000
\$ 300,000	\$ 90,000	\$120,000	\$150,000
\$ 400,000	\$120,000	\$160,000	\$200,000
\$ 500,000	\$150,000	\$200,000	\$250,000
\$ 600,000	\$180,000	\$240,000	\$300,000
\$ 700,000	\$210,000	\$280,000	\$350,000
\$ 800,000	\$240,000	\$320,000	\$400,000
\$ 900,000	\$270,000	\$360,000	\$450,000
\$1,000,000	\$300,000	\$400,000	\$500,000

(1) Amounts payable under the Company's Pension Plan may not exceed the maximum ERISA annual benefit limitation for qualified pension plans. The Tax Equity and Fiscal Responsibility Act of 1982 reduced this limitation to \$90,000.

(2) Since the calculation of benefits payable under the supplementary retirement agreements referred to above is based on the average of the three consecutive years of highest total compensation, future total retirement benefits payable to executive officers having supplementary retirement agreements may be higher than the amounts shown in the table.

(3) The amounts payable to Mr. Rosenberg upon normal retirement approximate 130 percent of the amounts shown under the heading "25 or More Years" in the table (as may be increased as described above in footnote 2).

Stock Options

The Company's 1982 Incentive Stock Option Plan (the "Plan") provides for the granting of options, including incentive stock options, to purchase shares of Common Stock, to officers and other key management employees of the Company and its subsidiaries, whether or not also Directors. The Plan provides that up to 200,000 shares of Common Stock may be issued and sold by the Company pursuant to the exercise of options.

The Plan is administered by the Compensation/Stock Option Committee of the Board of Directors (the members of which are not eligible to receive options while serving on the Committee), which selects participants and determines the amounts of the grants under the Plan. The Committee considers an employee's performance and contributions to the Company's business goals in determining option grants. Other considerations relating to the granting of options include the need to attract new executives and to motivate and retain quality management employees.

The option price may not be less than the fair market value of the Common Stock at the time of the grant, and the term of the option may not exceed ten years.

The following table shows for certain executive officers and all executive officers as a group (a) the number of shares covered by stock options granted during 1984 and the average per share exercise price, and (b) the number of shares acquired through the exercise of options during 1984 and the amount realized (i.e., market value at the date of exercise minus exercise price) upon such exercise.

	Options Granted		Options Exercised	
	Number of Shares	Average Option Price Per Share	Number of Shares	Amount Realized
Manuel Rosenberg	3,980	$25.13	—	—
Barrett S. Wayne	3,980	$25.13	3,846	$63,233.66
Kenneth C. Cummins	2,500	$25.13	—	—
Marvin G. Schwartz	2,500	$25.13	—	—
Thomas J. Galligan III	4,323	$23.13	—	—
All Executive Officers as a Group	17,283	$24.63	3,846	$63,233.66

Group Life Insurance

The Company provides group life insurance benefits to all executive officers of the Company, and certain other officers of the Company and subsidiaries, equal to four times base salary. Other employees of the Company are provided life insurance benefits equal to multiples of base salary, depending upon their position.

Employment Separation Compensation Policy

During 1984, the Board of Directors adopted an employment separation compensation policy for senior executives (hereinafter referred to as the "Policy"). Pursuant to the Policy corporate Vice Presidents and above who are separated from the employ of the Company other than for cause or retirement, are to receive one month's salary for each year of service up to a maximum of one year's base compensation for Vice Presidents, and one and one-half year's base compensation for Senior Vice Presidents, and above.

As noted above, Mr. Rosenberg's agreement provides for separation compensation in lieu of any payment pursuant to the Policy. Mr. Galligan is covered by the Policy after July, 1986; until that time Mr. Galligan's employment arrangement provides for separation compensation in lieu of any payment pursuant to the Policy.

Other Compensation

Other compensation, including non-cash benefits, received by executive officers in 1984 was less than the minimum amount required to be reported pursuant to the rules of the Securities and Excnange Commission.

INFORMATION CONCERNING APPROVAL OF INDEPENDENT AUDITORS

The Board of Directors has selected the firm of Peat, Marwick, Mitchell & Co. as independent auditors for the current fiscal year, upon the recommendation of its Audit Committee, and proposes that the stockholders approve this selection. Peat, Marwick, Mitchell & Co. served as the Company's independent auditor for fiscal 1984. Representatives of that firm are expected to be present at the Annual Meeting of Stockholders at which they will have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

PROPOSALS OF STOCKHOLDERS

Proposals of stockholders intended to be presented at the next Annual Meeting of Stockholders must be received by the Secretary, Morse Shoe, Inc., 555 Turnpike Street, Canton, Massachusetts 02021, not later than November 29, 1985 to be considered for inclusion in the Company's Proxy Statement and form of proxy relating to that meeting.

GENERAL

As of the date of this Proxy Statement, the management knows of no business which will be presented to the meeting which is not referred to in the accompanying notice. However, as to other business, if any, which may properly come before the meeting or any reconvened sessions thereof, the persons named as proxies will have discretionary authority to vote the shares represented by the accompanying proxy in accordance with their own judgment.

The Company will bear the cost of solicitation of proxies, including the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of stock. In addition to the use of the mails, proxies may be solicited by personal interview, by telephone or by telegraph. The Company has retained D. F. King & Co., Inc. to assist in the solicitation of proxies and anticipates that the fees it will incur for this service will not exceed $5,500, plus reimbursement of expenses.

By Order of the Board of Directors,

KENNETH C. CUMMINS
Secretary

PX N m38,900

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