

have been won not merely by loud and persistent lobbying but by covert payoffs. Such a situation may seem remote for the U.S., but when any Government has valuable privileges to dispense, the danger of corruption cannot be completely dismissed.

Then, too, trade restrictionism can discriminate in favor of certain areas of a country, since a region often specializes in one or more favored products. Canada, for instance, has tried to protect the industries of Ontario and Quebec; this has led to barriers against Canadian exports, making it more difficult for other, raw-material-producing provinces to sell abroad. The result has been, in some degree, disruptive of Canadian unity.

Even so, a move toward protectionism, once started, is often difficult to reverse. Domestic oil producers already are shielded by a quota system; now they would like stronger barriers. The textile industry already has quotas on cotton goods; now it wants to extend them to practically all its products.

Congressmen, being human, can find the pressure pretty heavy. Many of the adverse effects of import quotas are not easy to see, and the impact on consumers is spread over millions of Americans, touching few of them hard enough to get them to fire off letters to their lawmakers. The pro-quota forces, on the other hand, are well-organized and financed and lobbying powerfully.

Members of Congress, however, supposedly represent all the people not a few favored industries. We can only hope they will recognize that protectionism's price, too high in any case, now has become more prohibitive still.

Mr. BURKE. Our next witness will be Mr. William P. Holmes. Mr. Holmes, we welcome you to the committee and you may identify yourself and proceed.

STATEMENT OF WILLIAM P. HOLMES, ATHLETIC GOODS MANUFACTURERS ASSOCIATION

Mr. HOLMES. Mr. Chairman and members of the House Ways and Means Committee, my name is William P. Holmes. I am president of the Wilson Sporting Goods Co., of River Grove, Ill., and am here to represent the Athletic Goods Manufacturers Association. This is an organization with a membership of 55 American companies that produce and market athletic and sporting goods equipment used in all individual participant and team sports activity.

Our industry has suffered severe damage as a result of import competition. In an effort to meet low prices at which imported products are offered, major domestic manufacturers have exhausted every opportunity to mechanize and adopt engineering changes leading to a reduction in cost of labor. The operations in most plants have been subject to continuous study and aggressive and effective automation, wherever possible. Despite high efficiency, the skills and work opportunity for employees in many sporting goods plants have deteriorated due to forced abandonment of manufacture on account of the poor economics involved.

There is no questioning the ability of American manufacturers to effectively compete with foreign producers when conditions are comparable. Differences in living standards, and disparity in labor rates ranging from 300 percent to over 600 percent, however, make this impossible. The futility of our problem can be realized through a better understanding of the high percentage of hand labor on many operations required in the manufacture of sports equipment.

To cite only a few that have suffered substantial losses in employment due to unfair import competition: (1) Hand-sew covers to baseballs and softballs; (2) hand-string tennis and badminton rackets; and (3) hand-lace baseball and softball gloves and mitts.