

labor content of tennis rackets, our industry is particularly vulnerable to low wage foreign competition."

"As a result of import competition, in spite of the increased size of the total domestic tennis market, employment in the industry has dropped over 50 per cent since World War II. These trends point dangerously to an eventual washout of the American industry. We believe that the "peril point" in our industry has long since been reached and passed. We request that the "escape clause" be invoked as quickly as possible and that tariffs be raised to the point where the domestic industry has some chance to survive."

Upon completion of the hearing, the United States Tariff Commission called an "escape clause" hearing on tennis rackets October 20, 1960. I quote from this notice of investigation issued by the United States Tariff Commission:

"Having found in the course of investigation No. 3-9 under section 3 of the Trade Agreements Extension Act of 1951, as amended (25 F.R. 4779), that increases in duties or additional import restrictions on certain of the articles described below are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the United States Tariff Commission, in accordance with section 3(b)(1) of the said act, and upon its own motion, instituted an investigation on the 20th day of October 1960, pursuant to section 7 of the said act, for the purpose of determining whether the articles described below are, as a result, in whole or in part, of the customs treatment reflecting the concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products."

The "escape clause" hearing was duly held on February 14, 15, and 16, 1961, and after 284 pages of testimony as recorded in the "official report of proceedings in the matter of hearing on tennis rackets, investigation No. 7-96." The Tariff Commission announced on April 19, 1961, that it had terminated without formal finding 'escape clause' investigation No. 7-96.

In a report released that day explaining its reason for terminating the investigation, the Commission stated that. "It was not practicable, pursuant to section 7(e) of the Trade Agreements Extension Act of 1951, as amended, to 'distinguish or separate' the operations of the producing organizations involving tennis rackets and frames as a separate industry for the purpose of the 'escape clause.'"

However, Commissioners Schreiber and Sutton dissented from the Tariff Commission's action terminating the investigation. I quote in part from their dissenting statement:

"We, Commissioners Schreiber and Sutton, consider the action of the majority terminating the investigation without findings on the merits to be wholly unwarranted and without valid support in reason or law. In our opinion, the facts obtained by the Commission are ample for purposes of making findings on the merits, and, accordingly, we find, on the basis of considerations hereinafter specified, that the tennis rackets and tennis racket frames involved in this investigation are, as a result, in part, of the customs treatment reflecting the concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, both actually and relative to domestic production, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products."

In concluding their dissent the Commissioners made the following statements: "Between 1956 and 1960, imports of tennis rackets and frames increased 127 per cent, whereas domestic production declined 21 per cent and sales of domestic rackets fell 14 per cent. In 1960, imports were equivalent to 204 per cent of domestic production, compared with 71 per cent of domestic output in 1956. In 1960, domestic producers supplied only 33 per cent of total U.S. consumption compared with 57 per cent in 1956. The number of production workers at domestic plants was 38 per cent less in 1960 than in 1956; over the same period man-hours declined 30 per cent and total wages paid decreased 19 per cent. A recent factor in the deteriorating position of the domestic industry has been the rapid growth in imports of high quality rackets which are being sold at destructively low prices in comparison with prices for comparable domestic rackets. In view of the facts set forth above, we regard the failure to conclude the instant investigation, in-