

or of chemical manufacture. Accordingly, any adverse effect of diminishing production and employment will not be confined to direct operations in the manufacture of tennis balls but will "spill-over" to other supply industries.

To achieve a long-wearing, high quality felt for tennis ball covers, a blend of imported and domestic raw wools is required. The foreign wools used therein come from New Zealand where favorable grazing conditions produce long, strong fibers. The impact duty on this wool into the United States is 24¢ per pound. European manufacturers enjoy an advantage because this same wool enters their countries duty free. No comparable wool is grown in the United States. Domestic growers would also be affected if this felt was no longer made in this country as substantial quantities of high quality United States grown wool is also used.

SOURCE AND WAGE INFORMATION ABROAD

The United Kingdom, on a most favored rate, supplies approximately 84% of tennis ball imports and is by far the chief supplier of U.S. imports of tennis balls. Currently United Kingdom labor rates, including fringe benefits, on tennis ball operations average \$1.00 to \$1.10 per hour, whereas U.S. costs average \$3.25 to \$3.50 per hour, including fringe benefits. This calculates to one-third of the labor rate in the United States.

Sweden, also on a most favored rate, with substantially lower labor costs than in the U.S., accounts for about 12.5% of the imports.

Czechoslovakia, despite a 30% ad valorem duty, is able to undersell domestically manufactured merchandise by a considerable margin and accounts for about 1.2% of the imports.

EXPORTS

Exports are practically nil except to certain United States Government installations and, additionally, to Mexico City where a special low internal pressure ball is needed to meet rebound characteristics at the higher altitudes. Some foreign manufacturers do not manufacture a ball for this particular purpose.

A condensed record of tennis ball imports and their relationship to domestic sales during the past nine years is submitted for the record.

CONCLUSIONS

Evidence is quite persuasive that—

Imports are not needed to provide the benefits of competition in the domestic market, as competition is already exceptionally keen.

Imports have been aimed at markets already developed through the promotional efforts and expenditures of the domestic industry and under no circumstances have they (importers) assisted in creating new markets among the youth of this country.

Imports show no signs of declining and the trends of the last ten years, if permitted to continue, would have a very far reaching *adverse* effect on employment in tennis ball and supplier plants and, therefore, no consideration can be given to expanding facilities and creating new American jobs.

Excess capacity prevails *overseas* now, with the exception of Japan. Should those countries having extra capacity, have troubles in their own markets, or encounter any weakening in demand, they will push harder for distribution in the United States where they already have easy access.

In view of the above, we should like to respectfully suggest that now is the time for Congress to launch a coordinated import control plan for all physical fitness related goods, not alone tennis, which will in effect retain these industries in America and thereby reverse the decay which is readily apparent, based on the statistics accompanying this and other athletic goods reports being submitted to you this morning.

ATHLETIC GOODS MANUFACTURERS ASSOCIATION,

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