Federal Cartridge Corp.
Hercules Inc.
The High Standard Mfg. Corp.
Ithaca Gun Company, Inc.
O. F. Mossberg & Sons, Inc.
Remington Arms Co., Inc.
Savage Arms (Emhart Corp.).
Winchester-Western Division (Olin Mathieson Chemical Corp.).

During 1967, sporting arms and ammunition imports (TSUS Nos. 730.1500 through 730.9100) were 13.5 percent of domestic production. For the past ten years imported sporting arms and ammunition have more than tripled their share of the United States market. The domestic industry's essentiality to the national security and its importance to the communities in which its manufacturers are located require that the Congress take affirmative action to prevent the economic injury additional import increases are certain to bring.

The domestic sporting arms and ammunition industry's steadily increasing balance of trade deficit contributes to the serious U.S. balance of payments problem. We would hope that the Congress would recognize the balance of payments benefits to be obtained by limiting imports of sporting arms and ammunition.

Because the tariff reductions negotiated during the Kennedy Round have already resulted in a 10 percent reduction in pre-January 1, 1968 duties, and will ultimately result in halving the pre-Kennedy Round tariffs for all significant sporting arms and ammunition tariff categories, SAAMI believes that quantitative restrictions on imports of these products are both necessary and desirable. We suggest that the Congress pass legislation to limit sporting arms and ammunition imports to an historical share of the domestic market during a recent base period. In addition, the Congress should direct the Administration to consult with our principal foreign trading partners with a view toward relieving the United States from implementing the final four stages of the U.S. tariff reductions negotiated during the Kennedy Round for import sensitive industries, such as sporting arms and ammunition.

II. IMPORT TRENDS IN SHOULDER ARMS AND AMMUNITION FOR THE PERIOD FROM 1963 TO 1967

Between 1963 and 1966, the dollar value of imports of shoulder arms and ammunition has increased 169 percent from $13,609,000 to $36,589,674. In 1967 alone, imports increased by 40 percent over 1966 to $52,458,789. (See chart 1.) This increase depicts the trend of increasing imports, applying pre-Kennedy Round rates of duty, without considering the additional increases to be experienced solely because of the Kennedy Round reductions in present U.S. tariffs.

Not only is the total volume of imports markedly increasing, so too is imports' share of the domestic shoulder arms market, computed by comparing the value of imports to total sales in the United States. From a share of 9 percent in 1963, it climbed to 11 percent in 1964, and reached 16.2 percent in 1967. (See Appendix, Exhibit 1.)

This increase trend in total sporting arms and ammunition imports and in imports' share of the domestic market indicates not only that present duties furnish a relatively small trade barrier, but also shows that the domestic industry faces a serious threat to its competitive position in world markets for shoulder arms and ammunition. These facts portend economic difficulties not only for the domestic manufacturers and their employees, but also for the economy of the regions in which these manufacturers are located.