

ada. In rifles and shotguns alone, the United States experienced an unfavorable trade balance of over \$15,000,000 in 1967, thereby increasing our balance of payment deficit and substituting foreign employment for the jobs of American workers.

C. Comparison of Wage Rates

The accompanying charts of wage rates for the Common Market Countries (EEC) and the U.S. show one of the production cost advantages enjoyed by the domestic industry's foreign competitors. In general, sporting arms manufacture is relatively labor intensive, especially in the areas of stock and barrel finishing. We respectfully submit that the answer is not to lower wages of 12,000 workers employed by the domestic industry or to abolish their jobs due to import increases.

IV. CONCLUSIONS

A. Current U.S. duties on sporting arms and ammunition have permitted alarming increases of imports during 1965, 1966, and 1967.

B. The impact of the pre-Kennedy Round increases in imports of sporting arms and ammunition has resulted in imports capturing a disproportionately large share of the domestic market, contributing toward the current serious balance of payments deficit, and inhibiting the natural growth of domestic producers. Because all significant U.S. sporting arms and ammunition tariffs were halved during the Kennedy Round, we realistically expect that additional import increases will result in severe economic dislocations throughout the domestic industry. If imports capture more than their present 13.5 percent as compared to domestic sales, both company investment and workers' jobs will be lost.

C. To avoid the continued deterioration of the United States balance of payments, and to insure the economic viability of the domestic sporting arms and ammunition industry, the Congress should enact legislation for the purpose of limiting sporting arms and ammunition imports to an historical share of the domestic market during a recent base period, such as 1965-1967, including a proportionate share in any consumption increases which may occur in the future. In addition, the Congress should direct the Administration to enter into negotiations with our principal foreign trading partners with the objective of relieving the United States from making the remaining duty reductions for which we are committed under the Kennedy Round Agreement, in product areas that are particularly sensitive to imports. The domestic sporting arms and ammunition industry would be an appropriate beneficiary of such international negotiations, thereby reversing the current trend toward deteriorating U.S. trade balances in import sensitive product areas.

EXHIBIT 1

INDUSTRY TRENDS

(Dollar amounts in millions)

	Industry sales ¹	Exports ²	Imports ³	Imports versus industry sales (in percent)	P. & R. sales	P. & R. imports	Imports versus P. & R. sales (in percent)
1967.....	\$261	\$9.6	\$42.2	16.2	\$48.1	\$12.7	26.4
1966.....	238	8.9	25.6	10.8	33.8	8.9	26.3
1965.....	206	7.8	20.9	10.1	25.3	5.7	22.5
1964.....	171	7.3	18.8	11.0	20.0	3.8	19.0
1963.....	151	5.8	13.6	9.0	17.3	2.6	15.0
1962.....	142	5.6	13.7	9.6	17.0	-----	-----
1961.....	135	6.7	13.0	9.8	16.3	-----	-----
1960.....	137	6.5	12.5	9.1	18.4	-----	-----
1959.....	141	6.0	11.0	7.8	18.2	-----	-----
1958.....	114	5.6	7.8	6.6	19.2	-----	-----
1957.....	142	6.8	7.2	5.0	15.5	-----	-----
1956.....	140	6.8	6.2	4.4	13.2	-----	-----

¹ Includes sales of imports and is based upon excise tax collections. Component sales and other items not subject to excise are not included.

² Exports of metallics excluded in order to place statistics on same basis as years prior to 1965. In 1967, metallics exports were \$3,195,000 and in 1966, \$3,399,000.

³ Does not include imports of parts.