U.S. rubber manufacturers. Tires are now showing up in this country from Hong Kong, Korea, Poland, and Formosa. Indeed, it looks as though the situation may get much worse. In 1957, a popular sized set of two bicycle tires, two bicycle inner tubes, and two rim strips was selling for $3.50 to a typical bicycle manufacturer in this country. By 1968, the domestic manufacturers price had dropped to $2.80, and regular foreign merchandise is still about 40 cents per set cheaper. The Kennedy Round of tariff reductions, effective January 1, 1968, and extending over the next 5 years, will reduce our current tariff protection from 30 percent on inner tubes to 15 percent, and 10 percent on tires to 5 percent ad valorem.

In the first quarter of 1968; that is, the first period for which figures are available since the Kennedy Round of tariff reductions went into effect, the number of lost foreign tires has increased to 52.2 percent of the total market, as compared with 41.1 percent in the first quarter of 1967.

Bicycle tires and tubes of foreign manufacture are consistently being sold to bicycle tire jobbers and mass marketers in this country for less than the bare manufacturing cost of domestic companies. When I talk of bare manufacturing cost, I mean cost without a provision for selling, administrative, and shipping expense, or, of course, profit.

The quality level of foreign tires was at one time far below that of the domestically produced bicycle tire and tube, but today, with the dissemination of technical information on a worldwide basis, this quality gap becomes less and less. As an example, for the last 4 years, American firms have been selling tires containing nylon cord for added strength and durability, and Japanese firms started using this material on a large scale during 1967.

Despite an absolutely herculean effort made by domestic manufacturers to automate and mechanize, we are still unable to compete fully. Added protection of some sort is essential for the continuation of a healthy bicycle tire and tube industry. This could be accomplished by ceilings placed on imported tires and tubes in a manner as outlined in the present proposed legislation, which would allow both foreign and domestic manufacturers to participate at a rate similar to the market growth in this country.

It is estimated that about 900 persons were gainfully employed in this industry in 1957. This year it is estimated that only about 800 persons are employed in this country, with another 800 jobs going to employees in foreign countries. On the basis of technical, manufacturing, and marketing know-how, this added employment should have gone to Americans. The substantially lower labor costs of foreign manufacturers has just been too much for Yankee ingenuity to overcome.

The legislation proposed in the Fair International Trade Act of 1968, H.R. 16936, or similar measures, is most necessary to assure the American public that the harm done to domestic industries and workers injured by increased imports from low-wage areas is held in further check.

In conclusion, I wish to place the domestic bicycle tire and tube industry solidly behind this proposed legislation.