Please give the above matter your consideration and help our domestic dairymen and manufacturers by stopping additional dairy products from entering our markets.

Very truly yours,

DOROTHY DEMETER,
Mrs. James Demeter.

Mr. BURKE. Our next witness is Mr. William M. Hannon. We welcome you to the committee, Mr. Hannon, and if you will identify yourself, you may proceed. Also identify your associate.

STATEMENT OF WILLIAM M. HANNON, CHAIRMAN, WASHINGTON AFFAIRS COMMITTEE, BICYCLE MANUFACTURERS ASSOCIATION; ACCOMPANIED BY THOMAS F. SHANNON, GENERAL COUNSEL

Mr. HANNON. Mr. Chairman, my name is William M. Hannon. I am president of the Murray Ohio Manufacturing Co., of Nashville, Tenn., and I appear today as chairman of the Washington Affairs Committee of the Bicycle Manufacturers Association, Inc. The Bicycle Manufacturers Association is a nonprofit trade association with headquarters in New York City. A list of members of the association appears as an appendix to this statement. These members produce virtually all the bicycles made in the United States. I have with me today our general counsel, Thomas F. Shannon.

We are here today because we are deeply concerned about the future of our industry in the light of certain recent trends in U.S. foreign trade and trade policy. Our industry knows something of import injury.

In 1948 imports were less than 1 percent of our market. In 1955 over 40 percent of bicycles sold in the United States were produced abroad. We survived that injury, and today I am happy to tell you that our sales are up.

However, imports are over 20 percent of the domestic consumption for the first 4 months of 1968, and we have a healthy respect for what imports can do to our industry in a very short period of time. We see some disturbing similarities between the circumstances of the late 1940's and the late 1960's.

The GATT negotiations of 1947 cut the duty on lightweight bicycles from 15 to 7½ percent. This cut became effective on January 1, 1948, and began to make itself felt almost immediately. By 1955 imported bicycles had captured 41.2 percent of the American market. The American bicycle manufacturers were in serious trouble.

We saw it coming early. The tariff cuts of 1947 brought import penetration of 1 percent in 1949 and 3 percent in 1950. In 1951, with imports holding 8.5 percent of our market, we drew attention to this rising rate and applied for escape clause relief, which was refused by the Tariff Commission. In 1954 we tried again, with 38 percent of our market lost to imports. On March 14, 1955, the Tariff Commission found that bicycle producers as a group were in major distresses as to profits, market share, employment, and production, and that massive increases in imports were to blame. The Commission said:

> The principal cause of the increase in imports has been the reduced rates of duty reflecting the trade agreement concessions made on bicycles.

The Commission recommended substantial increase in duty rates on imported bicycles, to 22½ percent. The President acceded on all but