

These price differentials are typical and indicate why the quantities of imports are increasing.

The Commission also said that its conclusions were substantiated by the pattern of imports in recent years which indicates that competitive factors in the trade, and not trade-agreement concessions, have been controlling. This is true—domestic producers are not competitive with foreign producers. This is the crux of the problem. Domestic producers pay high wages and fringe benefits, which, when compared with labor cost in Japan and elsewhere in the world, makes the conclusion obvious. One does not play golf against a professional without a proper handicap or go into a ring for a boxing match with one arm tied down. The Commission assigns the fault of the problem to non-competitive factors; but it does not explain what they are or how they come to exist. The root of the evil is low wages and low standard of living.

The reasons assigned for the decision are so weak and ineffectual that the only conclusion one can reach is that the decision was pre-determined and reasons were thereafter sought to justify it.

Imports of umbrella frames and umbrellas continue to increase. The pressures on the remaining three umbrella frame manufacturers are mounting and with increasing costs of labor and material in this country and with mounting overhead the gap between the domestic manufacturers and the foreign manufacturers continually increases so that it is a fair conclusion that the attrition in this industry will continue.

Originally, the principal source of cheap frames and umbrellas was Japan. Now Japan represents about 50% of the imports of frames and umbrellas into the United States.

As wage rates rose in Japan the Japanese manufacturers set up plants in Hong Kong, Taiwan and now S. Korea. In all cases the difference in the wage rates compared to those in the United States is common knowledge.

The political and diplomatic considerations on the international scene and the policies with which our government is concerned are well-known to us. We fully understand, in the broad sense, the necessity for reciprocal trade concessions. However, as a member of one of the small industries vitally and seriously affected, it is hard to reconcile the philosophies of national and international trade with the loss of businesses, which in many instances represent three and four generations of family effort and commitment of wealth.

It also represents a loss of employment to employees who are expert in a limited field and have dedicated their lives to this type of employment.

Our industry shrinks. The U.S. market for umbrellas increases but we get less and less of it. The cost of living in the U.S. rises and our workers seek more money, more benefits, more leisure time but we cannot afford to give it to them. Our industry cannot—any longer, afford research and development to develop new products and new methods. We cannot expend the capital for more automated and sophisticated manufacturing processes to cut costs or make a better product. We are relegated to operating on the periphery of the market scrambling among ourselves for a few crumbs that the foreign importers leave after gorging themselves on the lions share.

THE PROBLEM

The trend clearly indicates that it will be merely a matter of time, and a short time at that, before the domestic frame industry will be completely destroyed and the domestic umbrella industry reduced to a few importers and repairmen.

The question then is is it important for the United States to have a frame industry of any size—or an umbrella industry. The same question may be asked with respect to hundreds of other industries similarly situated. Are we to be content to import all products from foreign countries with which our domestic industries cannot compete?

If the answer is to abandon U.S. industries under such circumstances then do we not face the hazards that monopolies can visit upon the market? With the attitudes that many foreign governments adopt toward cartels, monopolies and subsidies, it is foreseeable that after the domestic industries become completely defunct the low price imports may become the high priced, only source of supply.