

with a cover on it and without a handle. The umbrella manufacturer who imports these bases puts the handle on the umbrella and sells it to the retailer. Frequently these handles have a "Made in Italy" label so that the umbrella appears to be a high styled expensive umbrella made in Italy. These are mixed in with and frequently sold at a higher price than the American counterpart, so that the importer is the only one that gets the advantage here. The consumer rarely gets the advantage. This is the situation that I don't think would happen with other products but it happens with the umbrella and it is unusual because the umbrella rarely comes in as a finished product.

Mr. BUSH. Then if you are paying more why don't they buy more of our stuff?

Mr. FINKEL. Because the man in the middle is the man that we have to sell to. We are umbrella frame manufacturers and sell to the umbrella manufacturer. The umbrella manufacturer imports a large quantity of his bases or unified umbrellas, puts the handle on and sells it to the retailer.

Mr. BUSH. Maybe we are going after the wrong guy. I don't mean to be argumentative, but it seems to me that if the price to the consumer of the foreign umbrella is higher than ours, maybe the answer lies in this means of distribution or means of ultimate manufacture rather than in asking the American people to pay 60 percent on a given item. I don't want to appear to be unsympathetic to the problems but we also have to buy some of their products and I am wondering about this differential.

Mr. FINKEL. What is your comment on the point that I made, if I may turn the question?

Mr. BUSH. What?

Mr. FINKEL. What is your comment on the point that I made, if I may turn the question? If all of the industry here is destroyed then what protection have we against unconscionable increases in prices from the foreign sources.

Mr. BUSH. I am not sure I would know that but you always have the ingenuity and competitive spirit of a guy willing to go into a business in this country.

Mr. FINKEL. After it has been destroyed?

Mr. BUSH. I am one who relies on the competitive nature of business. I hope your business isn't so protected that if I decided to go into the umbrella business, I couldn't start.

Mr. FINKEL. If you had enough money and time to build the equipment.

Mr. BUSH. I would do that if the market were such that I thought I could make a profit. I am responding to your question. Your question was what if they unconscionably raised prices to a level beyond what it is now. I would jump into the business and so would you.

Mr. FINKEL. Then the reverse would take place and we would have a continually going in and out of business.

Mr. BUSH. That is the free enterprise system that we all believe in. Thank you, Mr. Chairman.

Mr. BURKE. What you are actually saying is that once the American industry is destroyed those who import these products, won't have to contend with even the American competition, and this might result in a rise in prices and they might keep it just high enough to get unconscionable profits.