

STATEMENT OF R. J. BECKMANN, IN BEHALF OF DOMESTIC LOUVERED WOOD PRODUCTS INDUSTRY

My name is R. J. Beckmann, and I am General Manager of the Kaywood Division of Joanna Western Mills Company, located at 1225 Milton Street, Box 359, Benton Harbor, Michigan, 49023.

The domestic louvered wood products industry manufactures louvered wood products such as, but not limited to, louvered wood shutters, louvered room dividers, louvered doors etc.

The companies joining in this statement and which manufacture approximately 80 per cent of the louvered wood shutters made in the United States are:

1. American Wood Corporation, Commerce, Texas
2. Cannon Craft Mfg. Company, P.O. Box 307, Sulphur Springs, Texas 75482
3. Freeport Woodcraft Inc., 75 Carman's Road, Farmingdale, L.I., N.Y.
4. Kaywood Division-Joanna Western Mfg. Co., Benton Harbor, Michigan
5. Justice Manufacturing Co., Inc., 1500 South Western Avenue, Chicago, Illinois 60608
6. Pinecroft Industries, Inc., Hamlet, North Carolina
7. Sam A. Wing, Inc., P.O. Box 1170, Garland, Texas
8. Pinecrest Inc., Minneapolis, Minn.
9. Jaysie Mfg. Co., Los Angeles, California

THE PRESIDENT SHOULD NOT BE GIVEN FURTHER AUTHORITY TO REDUCE DUTIES

Under the proposed Trade Expansion Act of 1968 (H.R. 17551) the President is seeking further authority to reduce duties. Under the Trade Expansion Act of 1962 the President was given authority to reduce the rates of duty on imported merchandise to 50 per cent of the rates which existed on July 1, 1962. The authority expired on June 30, 1967.

Under the auspices of the so-called Kennedy Round of negotiations most of the authority granted to the President to reduce rates of duty was used. It is believed that the reductions in the rate of duty applying to imports into the United States were predicated not so much on the concession we received from the negotiating parties of GATT, but took into account the domestic industry involved, its relation to the country, its relation to the community, the protection needed (if any) from competitive imports, capital invested, number of employees, etc. If it is a fact that those factors were taken into account, then the reductions in duty under the Kennedy Round were probably the maximum reductions possible, even if less than the full 50 per cent permitted. Therefore, to permit the President to have authority to further reduce duties for any reason would be imposing an undue hardship by the mere threat of further reductions on those domestic industries subject thereto.

The results of the Kennedy Round have hardly been realized and the mere authority to further reduce duties could result in a mass exodus of domestic industries to low wage countries.

For example, the domestic louvered wood products industry is one that is economically operated with the most modern techniques, up to date machinery and the best quality of wood and metal hardware. The most competitive single country is Japan and despite all the American know-how, supply of raw material, etc., it is virtually impossible to compete at the present time, due to the low cost of foreign labor. As in the case of the domestic window shade industry also appearing before this Committee, louvered wood products of the type covered by this brief are strictly price items and the American housewife or do-it-yourself home owner using these products is concerned only with the price when shopping for the article. Assuming (but certainly not admitting) that low wage foreign countries can produce comparable louvered wood products, the cost of the imported article is so much lower, including the present reduced rate of duty, that the domestic industry may have to resort to legislative relief in order to remain in business. When the full effect of the Kennedy Round reductions is felt by this industry it may become very difficult to continue to manufacture louvered wood products in this country.

No one is disadvantaged if the President is denied at the present time the authority to further reduce duties. If in a specific instance, for a specific purpose, it is necessary, Congress can authorize such authority. Blanket authority to the President at this time can only be detrimental to domestic industries.