U.S. for producing the same article. (See Article from the Wall Street Journal of 6/3/68, Exhibit I attached hereto).

The domestic shutter industry is an intensive labor industry, employing the hard-core poor. The pay of these workers is governed by our maximum wage laws and union benefits.

The imported shutter panels, using American lumber is sold in the United States for approximately 90 cents including shipping charges, insurance, packing and the present (Kennedy Round) United States duty of 36 per centum ad valorem. The same domestic produced panel also using domestic produced lumber sells in the same marked for approximately $1.10. Desite the $1.10 received by the domestic industry the margin of profit is very small and in fact, several domestic manufacturers have recently ceased manufacturing these articles.

If the importation of these articles continues at the present rate and price, it may be necessary to seek Congressional relief. However, an omnibus quota bill would probably cover a situation presently encountered by this industry and permit it to qualify for relief under a defined criteria. It would not then be necessary for this industry to seek Congressional relief.

THE DUMPING AND COUNTERVAILING DUTY STATUTES SHOULD BE STRENGTHENED AND STRICTLY ENFORCED

As above stated, this industry is presently engaged in attempting to secure evidence and information leading to possible dumping. However, it is very difficult for a domestic industry to secure such evidence in view of the dumping statute.

In substance, the law states that if an article is sold for export to the U.S. which is "less than its fair value", it is being "dumped". That means that the domestic industry must secure evidence as to how the article is sold in the country of exportation including the cost of production of the article, the taxes it pays, etc. This information, in the first instance, must be secured by the domestic industry involved, and then submitted to the Treasury Department. If the Treasury Department believes that there is sufficient evidence to sustain a possible dumping finding, it then carries on the investigation. Should the Treasury Department substantiate the evidence that "dumping" actually exists under the Statute, it refers the matter to the Tariff Commission to determine if a domestic industry is injured thereby.

It can readily be seen that the burden placed on the domestic industry in the first instance is onerus. The Treasury Department should put its investigative powers into operation as soon as a domestic industry believes that "dumping" exists in reference to an import if the price at which it is met in the American market place, is so low, that a suspicion exists that the import is out to capture the American market even if it is imported at a loss. The Treasury Department is better qualified to determine the statutory tenets of "dumping" than is a domestic industry.

Also in connection with "countervailing duties" a foreign country that rebates a tax to a manufacturer who exports his products while it keeps the same tax when the same product is sold for domestic consumption, the importer should pay the amount of that tax on importation to the United States. The foreign manufacturer that gets the tax rebate on exporting the product is being subsidized by that country to the extent of the rebated tax. It is believed that at the present time our Treasury Department does not consider the tax rebate to be a subsidy under the countervailing duty statute.

BALANCE OF TRADE PAYMENTS

Our balance of trade payments are linked and tied up with our trade balances relative to imports and exports. For years it has been the theory that we are a solvent country as reflected in at least one instance by our favorable balance of trade. As a result of this fiction we were advised that in order to keep up our favorable balance of trade, and in fact increase it, we would have to reduce tariffs so that other nations could sell their exports to us before they could buy our exports. This concept was stressed even if it meant the extermination of some domestic industries which were economically operated and turn over the production of that article to foreign countries.

As of several weeks ago we no longer have a favorable balance of trade. Our exports, even including government-financed exports, did not exceed our imports. As recently as May 20, 1968 there appeared in the New York Times a statement