

The Japanese agreed that they would come further inland to Idaho and Montana to get it if our Government would subsidize the freight from there to the coast.

Fortunately, as far as I know, they haven't agreed to do that but is this the type of competition that you are talking about?

Mr. BECKMANN. We are competing with them for the raw material. I suspect that, as a result of the country being in the so-called doldrums in the building industry because of high interest rates, et cetera, a lot of the lumber people are looking for other places to sell their lumber and I suppose that this is why we see these articles such as exhibit 1 that is attached to the brief.

To answer your question, we are competing with these people.

Mr. HERLONG. Will the gentleman yield?

Mr. Beckmann, I understand your problem and your concern but my understanding of the law and the authority under which the President operates is that he has already reduced the customs on your product the full 50 percent. He has no more authority even under this new bill. You just don't want us to give him any more.

Mr. BECKMANN. That is correct. Within 5 years that duty will be down to 20 percent.

Mr. BYRNES. What tariff item does this come in under?

Mr. BECKMANN. I have that.

Mr. GOLDEN. It's under the catchall provision.

Mr. BYRNES. Why doesn't it come under 206.65?

Mr. GOLDEN. I think that is the item.

Mr. BYRNES. 206.65 is a much lower duty, 16 $\frac{2}{3}$ percent ad valorem and there was no concession made on it just so that the record is straight, and 206.67 is 40 percent ad valorem and they reduced that to 20 percent. Why don't these shutters come under the classification for wooden shutters?

Mr. GOLDEN. These are movable louvers. The 16 $\frac{2}{3}$ come under the manufacturers of wood which cover immovable louvers.

Mr. BYRNES. Item 206.65 covers only fixed louver boards?

Mr. GOLDEN. That is correct. We are concerned with the movable louvers.

Mr. BYRNES. I get it. I wanted to make sure where we were. Thank you.

Mr. GOLDEN. If I may take one-half minute to stress further what Mr. Beckmann said in answer to several of the questions, the raw material for the imported shutter is identical with the raw material for the domestic shutter and Japan and Formosa buy the raw material from our Northwest, ship it to Japan or Formosa, pay the shipping charges, manufacture it in Japan, ship it back to the United States, pay the shipping charges again, pay the insurance, pay the freight and pay the duty, and still undersell us in this market using the identical raw material to begin with.

Mr. BATTIN. I think you might be surprised to know or maybe you do know that one of the customers that they have in Korea is the AID agency.

Mr. GOLDEN. Yes. I didn't know it. I thought so but I wasn't sure, but now I am.

Mr. BATTIN. It is interesting that they not only take our raw materials but then our Government provides the money to buy the product. That is good business.