

bilateral trade agreements to correct this result from the Kennedy round and we hope the committee will review its interpretation of the extension of the President's authority to accommodate the possible situations such as that and at least leave the executive freedom to deal with this kind of problem, a clean up of Kennedy round loose ends as it were.

Now, IHPA opposes these many quota bills. Some of these pertain specifically to hardwood plywood but also the general omnibus quota bills. We don't want to in this very limited time try to get into the merits of whether or not other products may deserve to be protected by quota or not.

However, as regards hardwood plywood and hardwood products generally it would be the height of folly to restrict importation of these products into the United States by way of quotas or by introducing higher duties.

Over the past 15 years imported hardwood plywood has risen from some 10 percent of the total domestic consumption to about 55 percent in 1967.

We hear the domestic industry occasionally—and they are putting in a statement—say that this is evidence of capture of the American market by imports, 55 percent, but that in fact is not the case.

The real reason for this very large increase over the years in the relative share of imports in the domestic hardwood plywood market has been the inability of the domestic resource to meet the demand for these products in the United States.

The hardwood raw material is just not available in the quantities which are demanded in this country. Imports are necessary to fill the gap in that demand. This has been true in the past and will continue to be true in an increasingly acute measure into the future.

In my statement I have quoted a long series of conclusions from considerable documentation of an interdepartmental study by the Agriculture, Commerce, and Interior Departments on this very question and the conclusions they reach are precisely the conclusions I have just stated.

That is, the hardwood resource is inadequate to meet demand in the United States so that this relative inadequacy will increase as the demand increases by population growth and other factors into the future and therefore the United States will increasingly have to rely on increased imports of hardwood materials.

Given those facts, wherein lies the sense, wherein lies the public benefit of restricting by quota or any other way the importation of hardwood products into the United States. That is precisely, however, what these quota bills would do.

We urge upon the committee to consider most seriously the effect in this kind of situation where there is inadequate supply in the United States of imposing import quotas.

Finally, just a brief word about the effect of that portion of the customs valuation statute, and for the record that is section 402, Tariff Act of 1930, as amended by the Customs Simplification Act of 1956, that portion of the customs valuation statute which requires the taking of value of merchandise for ad valorem duty as of the time of exportation from the country of export.