

In hardwood plywood the date of exportation usually follows by several months the booking of the order. Plywood is not stock or manufactured to an advance order book in virtually all situations. Prices and the costs and profit margins are thus set at the time of contract, at the time of booking the orders not at the time of exportation.

As is frequently the case with many commodities having an agricultural base the commodity does fluctuate over the period of time and it often happens that between the time of booking and exportation the price level will have changed.

The customs assess the duty on the price level at the date of exportation. It is impossible under those conditions for the importer or the other people concerned with the trade to know what the duty is going to be at the time they set their price and cost basis.

The duty is substantial. This has created a great deal of uncertainty and difficulties in the trade as witnessed by the fact that there are something in excess of 55,000 appeals for reappraisal pending before the U.S. customs court and this litigation has a 12- or 13-year history by now.

We suggest that the committee might very well want to consider updating this archaic provision which goes back to the days of the sailing ships and perhaps consider amending this particular aspect of the customs valuation statute from the date of exportation to taking value as of the date of purchase which would then solve the problem.

Thank you very much, Mr. Chairman.

(Mr. Solter's prepared statement follows:)

STATEMENT OF MYRON SOLTER, COUNSEL, IMPORTED HARDWOOD PRODUCTS
ASSOCIATION

Mr. Chairman, members of the Committee. My name is Myron Solter. I am an attorney in Washington, D.C. It is my pleasure to appear before you today on behalf of the Imported Hardwood Products Association, Inc. (IHPA), World Trade Center, Ferry Building, San Francisco, California 94111.

The IHPA is a trade association embracing some 38 regular members engaged in the importation and distribution in the United States of hardwood products of all types, and 64 associate members concerned with servicing the imported hardwood trade and with the use and sale of such products in the United States.

The Imported Hardwood Products Association is concerned with all imported hardwood products, but, within the scope of these hearings, we are most particularly concerned with imported hardwood plywood.

This is so because hardwood plywood is by considerable measure the most important in volume and value of the imported hardwood products and because it is imported hardwood plywood which has during the past 14 years been subjected to repeated attacks by the domestic hardwood plywood industry—and is once again being attacked in the course of these hearings.

THE IHPA SUPPORTS THE ADMINISTRATION TRADE BILL

The Administration's proposed "Trade Expansion Act of 1968," presently before this Committee as H.R. 17551, would, among other things, extend through July 1, 1970, the President's authority to use the remaining unused bargaining authority under the Trade Expansion Act of 1962 and would modify the criteria of eligibility of firms and groups of workers for adjustment assistance when they should be adversely affected by increased imports.

The IHPA supports the proposed easing of the tests of eligibility for adjustment assistance and would oppose the extension of those eased tests to the analogous escape clause provisions of the Trade Expansion Act, as has been suggested by various domestic industry groups.

Very seldom does it happen that increased imports, even when imports have increased rapidly to relatively high levels, place an entire American industry in