

tariff and trade policy to the House Ways and Means Committee and to submit suggestions regarding areas where corrective measures should be considered.

The domestic hardboard industry occupies a unique position, being one of the very few industries which has had direct experience with the Antidumping Act of 1921 by virtue of a 1954 dumping determination as to Swedish hardboard. Moreover, our experience under the Antidumping Act occurred during a period of unprecedented growth in hardboard imports. The coincidence of these two factors and the resulting hardships which our industry encountered, provide us with special qualifications to comment to this Committee on the shortcomings of U.S. trade policy as it has affected domestic industry.

SUMMARY AND RECOMMENDATIONS

While the domestic hardboard industry experienced a healthy 160% rate of growth during the period 1952 to 1963, the same period witnessed an overwhelming increase of 2,775% in hardboard imports! Further expansion in the volume imports is expected as the tariff reductions negotiated in the Kennedy Round become effective, and this expectation appears to be borne out by import figures for the first four months of 1968 which show a 65% increase over the same period in 1967.

During much of this time this burgeoning increase in hardboard imports was going on, a dumping finding was in effect with respect to Swedish hardboard. That finding, entered in August 1954, was the first under the Antidumping Act since before World War II, and it remained in effect at least as to some Swedish producers until January 8, 1964. But timid and clumsy administration rendered the finding virtually useless. Cumbersome procedures resulted in long delays before dumping duties were imposed, and even these duties were watered down by administration "adjustments." The Customs Bureau and the Department of Treasury refused repeated requests from domestic industry for information on the actions being taken, and domestic industry was thereby prevented from effectively assisting in the defense of the nearly 350 Customs Court cases which ultimately ensued, about 100 of which were still pending as recently as November of 1967.

In the face of this dismal enforcement record, it is now proposed that the United States adopt, without Congressional approval, the International Antidumping Code. Domestic industry opposes this step first, because it is patently illegal; but second, because its obvious effect will be to frustrate even the meager facilities for antidumping enforcement which are available under the present Act, and, ultimately, to eliminate dumping prohibitions in this country altogether. We cannot conceive how action of this kind can be said to serve the best interests of the United States, particularly in view of our growing balance of trade deficit and recurring weakness in the dollar.

The domestic hardboard industry urges this Committee to recommend legislation to reverse this potentially disastrous drift of our trade policy. Specifically, we recommend that this Committee (1) propose legislation nullifying attempted administrative implementation of the International Antidumping Code; (2) propose amendments strengthening the Antidumping Act of 1921 and streamlining its enforcement and (3) report out "The Fair International Trade Act of 1968" introduced by Congressman Utt which would establish import quotas on a uniform and non-discriminatory basis.

DESCRIPTION OF HARDBOARD

Hardboard is the generic term for a hard, dense, grainless board, composed of wood, having a high tensile strength and density, and low water absorption. It is a tough, dense wood taken apart and reformed mechanically into large, wide hardboards. Under heat and pressure, the natural cohesive substance in wood, lignin, is used to bind the fibers together. Hardboard is engineered wood that is superior in many uses. It contains none of the undesirable characteristics of wood in that it does not split, splinter or crack; it has the desirable features of wood in being easy to work and finish; and it has unique features of its own being grainless and a thinner, wider form of wood.

Hardboard is an invented wood product, born of research aimed at developing uses for the wood residues from Southern sawmills. It came from the laboratory in 1924 and was first commercially produced in 1926. Now its use has spread all over the world, and it is manufactured in a great many forested countries. It is