Sweden and Finland continue to be the principal factors in this process, accounting for about 40% and 15% respectively of the totals.

In summary, there is every reason to believe that the American Hardboard industry will continue to expand, but that its growth will be limited by the fact that imports will increase at a faster rate.

EFFECT OF KENNEDY ROUND NEGOTIATIONS ON HARDBOARD

With few exceptions, the American hardboard industry is faced with almost a 50% decrease in tariff on hardboard, as a result of the Kennedy Round negotiations. Hardboard is presently listed in Part 3 of Schedule 2 of the Tariff Schedules of the United States. It is described by an *eo nomine* description, "hardboard." There are four items of classifications of hardboard in the tariff schedules, three of which relate to non-face finished hardboard, including face-finished. The schedule showing the present tariff rates, and the final stage of the Kennedy Round concession rate is as follows:

[In percent]

Tariff schedule	Current rate	Concession rate final stage
$245.—, valued not over $48.33 per short ton	[1] 15	[1] 7½
$245.10, valued over $48.33⅓ but not over $93.66⅔ per short ton	[1] 7½–15	[1] 7½
$245.20, valued over $93.66⅔ per short ton	[1] 7½	[1] 7½
$245.30, other hardboard	[1] 26	[1] 15

[1] Ad valorem.

It should be pointed out that the present low reduced duty on hardboard ($2.72 per thousand square feet [2] on ⅛ inch standard, the bellweather grade and thickness) is but a fraction of the combined transportation and wage cost advantage of most foreign producers in reaching major U.S. hardboard markets, and is, therefore, not restrictive of imports. This is amply borne out by the facts set forth regarding the tremendous growth in imports of hardboard.

ANTIDUMPING EXPERIENCE OF THE HARDBOARD INDUSTRY

The hardboard industry is among the very few industries in the United States that has had practical experience with the operation of the Antidumping Act of 1921, having secured in 1954, the first finding of dumping in 16 years. Unhappily, however, our experience has been both frustrating and disillusioning and serves to illustrate the shortcomings which have characterized administration of the Act.

In 1952, various members of the hardboard industry became increasingly concerned with the dumping practices of foreign producers and, through the American Hardboard Association, an investigation of these practices was undertaken. On March 31, 1953, a petition for a finding of dumping with respect to the importation of hardboard from Sweden was filed with the Secretary of the Treasury. In June, 1953, a similar petition was filed with respect to hardboard imported from Finland. On August 26, 1954 (17 months after the original complaint was filed), the Acting Secretary of the Treasury made a finding of dumping with respect to the Swedish hardboard. The petition concerning Finnish hardboard was rejected. The finding of dumping as to the Swedish hardboard remained in effect, at least as to some Swedish concerns, until January 8, 1964.

The validity of this finding was upheld in the *Elof Hansson* litigation which was finally concluded in November, 1961 when the United States Supreme Court

[2] The present reduce rate on non-face finished hardboard (Schedule 2, Part 3, Item 245.00, Tariff Classification Act of 1962) is a combination duty of $7.25 per short ton, but no more than 15% a.v., nor less than 7½% a.v. The specific rate applies to the principal imported type hardboard, i.e., ⅛" standard or untreated, whenever its dutiable value is between $18.11 and $36.25 per M sq. ft., below $18.11 the 15% a.v. rate applies and above $36.25 the minimum 7½% a.v. rate becomes applicable. The duty on imported ⅛" hardboard (with an assumed weight of 750 lbs. per M sq. ft.) with a value within the aforesaid range is $2.72 per M sq. ft.).