Mr. Chairman, Members of the Commission:

The State of South Carolina, which I have the honor to represent, is the leading producer of hardwood plywood in the South today. This industry comprises an important part of South Carolina's economy. Basically, the industry is regarded as small business, but it must be viewed not only in the light of the people directly employed by or connected with it, but in the light of all whose livelihood is contingent on its welfare. It is not just a matter of the employees of the mills alone. The timber utilized by the mills in producing their product must be logged and hauled to the mills. All the people who are engaged in these occupations depend on the prosperity of the plywood mills. Finally, most of the hardwood plywood producers are located in small communities throughout the State and their payrolls support the butcher, the barber and the local drugstore.

There are some 13 mills in my State producing hardwood plywood for sale in the open market. All of them have been adversely affected by the tide of imported plywood, principally from Japan. There were fifteen such mills in South Carolina a year ago, but two mills, Coastal Manufacturing Company, at Denmark, and Johnston Veneer Company, at Johnston, were closed in 1958. In both cases, it is reported to me that imports of plywood were a factor in the discontinuance of operations. Since low-priced imports have taken over 54% of the sales in the U. S. market, there is no question that the competitive American industry is in distress. Not only are the employees of these mills being hurt in terms of loss of work hours and loss of wages, but many of the mills themselves are being forced by competition of imported plywood to operate below minimal profit margins; indeed some of them have operated at a substantial loss.

Subsequent witnesses and the sworn statements from South Carolina mill operators will substantiate what I have said, but I call the Commission's attention to one very serious situation which reflects the condition of the industry throughout the State. That is the plight of the Stilley Plywood Company at
Conway, South Carolina. Conway is a town of 6,074 persons. The company is the principal employer in its area. Its payroll and log purchases constitute the principal income of a substantial proportion of the community. Details of this company's financial straits have been submitted to this Commission. Caught between rising costs of labor and ever-increasing competition from low-wage imports of plywood, this company is teetering on the brink of disaster. The company employs 300 workers, and is the main economic support of their community, yet it is being driven to the wall by the flood of low-priced imports invading the American markets.

It is imperative that the industry have relief. At this point, the Commission has the sole authority to make such relief possible. In saying this, I am not unaware that the findings of the Tariff Commission are not always implemented. Although, as you may be aware, I tried very hard to secure passage of legislation which would have made your findings much more final, the Congress did at least leave open a door of final appeal for future cases in which your findings are not implemented. Should you find that relief should be given the plywood industry in this case, I can assure you that I shall leave no stone unturned to insure that the relief is granted.

Thank you for your attention.

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