

based upon" certain applications as previously stated in that paragraph, do I understand, Mr. Van Brunt, that you are not categorically or adamantly opposed to some comprehensive program, recognizing many factors, both economic and political, that might include a temporary recession? Do I understand that or do you feel that under no circumstance, regardless of what combination of factors might be involved or formulas, that you would support a restriction?

MR. VAN BRUNT. Senator Hatfield, we have studied this from every possible angle, and feel that a restriction, and I am not sure what you mean by temporary, would not solve the problem of the lumber and plywood industry. We feel that the only solution is to obtain or is to enter into that market that exists in Japan, and that this must be done without the restricting of log exports. This automatically comes as you begin to sell or fulfill some part of their need in a finished product, you will automatically reduce their need for logs in the round, and that this is the approach. Thus it will reduce in time automatically the logs exported, but it will increase substantially the wood product exported, and thus employ people in the lumber and plywood industry, while it continues to employ those that are now employed in the maritime end of the industry, and that the chopping off of some portion of log exports will bring no immediate market in Japan. It is more apt to cause hostilities and reduce our chances of coming to an understanding with them as to their actual needs in the finished product.

We are better off to leave that situation alone and pursue vigorously their needs in finished product, vigorously, earnestly and rapidly.

SENATOR HATFIELD. Mr. Van Brunt, I am informed by the Chairman about procedures which we would like to follow, and I will either conclude at this point my questions or I would pursue them, whatever is your desire.

SENATOR MORSE. If it meets with the convenience of my colleague, I would like to recess the hearing until 2 o'clock, and ask you three gentlemen to return to the witness stand at 2 o'clock for further questioning, if that is convenient to you. We will recess until 2 o'clock.

(Whereupon, at 12:15 p.m., the subcommittee was recessed, to reconvene at 2 p.m. on the same day.)

AFTERNOON SESSION

SENATOR MORSE. The hearing will come to order.

I want to express to the panel my regret that we could not start right on time but it was impossible.

Senator Hatfield, do you have further questions of the panel? I want you to take your time.

SENATOR HATFIELD. I would like to ask one or two more brief questions of the panel.

Before we took the break for lunch, Mr. Van Brunt, you were commenting to me on the question I had posed to you about the circumstances or if you could conceive of circumstances, combination of circumstances under which you might support a type of restriction or a form of temporary restriction. You responded to the effect that it would not be necessary to consider any restriction as I recall, if we pursued more aggressively the development of Japanese markets for