

wood plants in production at the beginning of the year 1938, since we are concerned with the years beginning primarily with 1961 or 1960, I will refer to those. In the State of Washington in 1960 there were 34. Today, according to those statistics, there are 37. Yet we have listed many that have closed. But apparently the ones that have closed, there are still more in production than there were at that time.

Also I note that the production has increased annually, both in lumber and in plywood in the years 1960-66. All of the Department of Commerce, the Forest Service and the lumber industry itself all agree to this. At least whether they agree to it or not, the facts they publish say this.

Senator HATFIELD. That production has increased?

Mr. VAN BRUNT. Right, production has increased, and if the production has increased—

Senator HATFIELD. But in how many mills or operations?

Mr. VAN BRUNT. Right. The number of mills has declined, there is no doubt about it, but the amount of production has increased. Now to open or to further enlarge the number of mills or the production of the existing mills, we must first and foremost get a market. These mills that are closing are not closing solely or even in my opinion to the greatest extent because of log exports. If they were open, who is going to buy what they produce? Is there a shortage of lumber and plywood products on the American market? The facts that we have again say that there is not a shortage. As a matter of fact, they have difficulty in the sale of it. Their own statistics show this. So our answer is not in my opinion, and from all the statistics and material that we have gathered in cutting off log exports, or even in reducing it. What will this do to give them a market to sell what they have?

Senator HATFIELD. How do you account for the number of witnesses we have had before this committee who almost unanimously have indicated that mill closures or their own individual economic problem was directly related to the log export situation, and that if those logs had not been purchased by the Japanese at these rather erratic prices, that they would have purchased such logs? They are going to find some relation between buying a log and selling a product, aren't they?

Mr. VAN BRUNT. That is my point exactly. What would they have done. What will they do with it if they produce it today? Who is going to buy it? This they have not shown us. Are they talking about reducing the retail price and hopefully this will increase the housing starts in the United States? We have pointed out that we think this is one of the problems. We do not think it is the high price of their lumber but the high price of interest that is causing a lack of housing starts as well as the high price of lumber, and that the entire picture is the cause of the problem, not just log exports. We feel that we would like to help them, but we feel we can only help them by helping them to develop a market that if they had every log at any price that they wanted to pay for it, they would still have in a very short time the identical problem that they have now, because they have no market, unless they can get into the Japanese market, and I say a concerted effort on the part of everyone concerned, the ports, the stevedore companies, the plywood industry, the lumber industry, and the U.S. Government must pursue this point.