

that the Japanese wage scales are such that they create a special market situation there, not in terms of cartels or Government controls, but just in free economic forces of supply and demand that we could never meet. Now, would you correct me if I am wrong in my impression of what you said?

Mr. FORD. That is correct. As I have indicated, I have been in Japan, I have been in many of their mills, and I have tried to delve into their economies, and from everything that I can put together, we here can take a good, well-equipped mill and produce their finished products, not cants, their finished products, put it aboard ship and put it in Japan equal to at least the prices which they are charging.

Senator HATFIELD. I do not know; I would certainly like to have an opportunity to somehow get this into a special paragraph in the record. I think it is a very unique commentary, because it does more than just discuss this whole matter of lumber problems, but to me it focuses upon something that perhaps is a myth in this country, and that is that wages is the factor that makes it impossible for Americans to put into other markets in the world products, and this has oftentimes been used to beat down wages in our country or to hold them down more than other things and I think it is a very interesting comment.

Mr. FORD. The economics here are very simple. I cannot give you exact figures. I will be glad to get them for you and will provide the committee with these figures if you so desire.

Senator MORSE. You may supplement the record with a memorandum, Mr. Ford, amplifying your statement.

Mr. FORD. The Japanese in round figures pay \$90 a thousand for logs that are either dumped in the water or on loading grounds here in the United States. By the time these logs are warehoused, loaded aboard ships hauled to Japan, unloaded, towed and hauled to the various mills, with all of the commissions and handling charges and other costs on them, I have heard that this has cost as much as \$75 a thousand more.

We can transport lumber into Japan—I do not know the figures, I would have to find them out—but my guess is at somewhere around \$20. This we can find out if the committee wants the figures. So the answer is simple. There is this wide gap in log costs that the Japanese are paying. True they get cheaper labor, and we pay more for our labor, but we can run exactly the same equipment, we can run the thin saws, we can get the utilization and we can get everything that they get, if we are going to get another \$20 to \$30 a thousand for our efforts.

Senator HATFIELD. Then I understand, of course, that your concept and your belief in the facts, that you have completely refute those who say that the problem is not Japanese log exports but a soft domestic market, and that can only be corrected by greater efficiency and greater sales promotion and other such comments as have been made?

Mr. FORD. I think I would like to go back to one of my original statements. The Japanese are very astute traders and people. You can see it in Japan. Based on my travel there, they do not know what unemployment is. They go to great lengths to try to keep their people busy, and as long as they can find somebody like us who will ship them logs, this will be one of their vehicles to control their economy and keep the people busy.