Not the least of these is the tight mortgage money situation which has for quite some time now decimated the industry's prime market. It is quite relevant to note that apparent domestic consumption of lumber in this nation dropped off quite substantially in 1966 and 1967, and that our overall imports of softwood lumber during that period have declined, while our overall exports of softwood lumber actually increased.

In short, the domestic market that existed in 1965 simply has not existed since that time. And where the market does not exist, it is obvious that production and employment are going to suffer.

But employment in the Northwest, particularly, has suffered for still other reasons. Especially in the plywood sector, we find it much more believable that the primary damage is attributable to the enormous growth of such production facilities in the Deep South.

It is commonplace knowledge that wages, typically one-half those paid in the Northwest, are a principal factor in developing that source of unfair competition. If the U.S. Senate wishes to make an objective appraisal of the industry's problems in the Northwest, it obviously cannot conscientiously ignore this factor in view of the fact that southern pine plywood production on a $3/8$-inch rough basis rose by 611 million square feet, while concurrently the combined production of Oregon, Washington, California, Montana, and Idaho declined by 666 million square feet during 1967.

Can anyone seriously contend that lower log exports would have prevented this southern displacement of Northwest production?

Again, wages alone do not tell the whole story. Certainly, it is true that the southern facilities, having been built since 1963, represent the latest word in modern technology. It is also true that southern shippers to various eastern and midwestern markets commonly enjoy freight rate advantages as high as $20 and more per thousand square feet of plywood and per thousand board feet of lumber.

Beyond this, there is the subsidy frequently provided by southern municipalities to lumber and wood products manufacturers in the form of low-cost municipal bonds which have provided modern production facilities at a cost that would be unthought of in the Northwest. Finally, the growth cycle for producing merchantable timber in the South is approximately one-half that experienced in the Northwest.

In brief, we do recognize that log exports may well play a role in the recent difficulties of the Northwest industry but it is a role that is deliberately exaggerated by certain interests while other factors of at least the same statute are discreetly ignored.

Any consideration of the Northwest's problems by the U.S. Senate must give due consideration to these additional factors plus an examination of this own conscience for congressional failure to repeal section 13(a)(13) of the Fair Labor Standards Act, which enables the southern pulp, lumber and plywood industry to harvest its timber without complying with Federal minimum wage and maximum hours protections.

I might leave my script for just a moment, to say the only help I got in the U.S. Senate was Senator Morse trying to eliminate that, and finally got it down from 12 to 8, but that restriction still is on the books as another factor of cheap labor in the South, which I