

conditions in Canada than we have got in the United States, or at least as good, and still they claim they can't compete.

Senator MORSE. We have much higher stumpage prices. The Canadian Government sees to it that those mills get their stumpage at a much lower price.

Mr. HARTUNG. Well, some of them do; some of them don't. I don't know just what the stumpage price is.

Senator MORSE. It has been developed in this hearing, I think pretty conclusively, that the stumpage prices in Canada are considerably lower than stumpage prices in the United States.

Mr. HARTUNG. Well, we have low stumpage prices also in the United States. I happened to be, during my regime as president, I had a lot to do with the Indians. I was with the Indians, and the Indian timber, and Ranier and Evans Plywood, and some of those companies operate exclusively on these prices.

You ought to see what they get for their timber. Not so many years ago, until we raised a lot of Cain, they were getting around \$5 for their good hemlock. They were getting \$7 or \$8, and it was still only around, hemlock is still selling for \$10 or \$10.50, and they are even contesting that. So here you have got companies that are getting their timber for practically nothing, and still some of them shut down their plants.

Not all of these people are paying anywhere around \$1.40 for their timber, as this man testified here, because I have been around too long, and I have been on the O. & C. land too long, and I know the bids that are going. The records are available to anybody. When they come up here and say, "This is what we have got to pay", that is a bunch of—well, I won't say it.

Senator MORSE. I would not argue about the exceptional cases or abuse that you may be able to cite. But, I am stating that as a matter of fact this record shows that the forest areas that are involved in this issue are areas, if the official figures that have been submitted by the witnesses are true and honest, and I have every reason to believe that they are, where there is a substantially higher stumpage price in the United States than in Canada. And the main reason for that seems to be that the Canadian Government doesn't follow the policy of our Government.

It helps follow a course of action that sees to it that the stumpage is sold at a lower price.

Mr. HARTUNG. Senator, there are reasons for that, of course. Down here the Government practically builds all the roads, access roads, at least the main highways. Most of your timber is accessible by truck. You don't have that up in Canada, Senator.

You go into Imperial, you go up there in a boat, and go back up in some slough, and the method of bringing out the logs is twice as expensive as it is down here, where you can drive up a highway and build your little access road.

Now, building roads, you don't do that for nothing, and especially in some of these hilly countries. So there is a reason why they have to sell some of their timber for less money, because of the cost of getting it out.

Then, sometimes they have to tow it another thousand miles, in order to get it to a sawmill. You have got to take these things into consideration when you say, well, they can sell it there cheaper. You