

But at least the mills are there, and I know they came from here. And since the Second World War—and that didn't start until some years after the War was over, before we did that.

So we built modern mills in there. We have got them started, and now we say to them, "You scrap your mills, and we will sell you lumber." I don't think they will do it. That is my opinion.

Senator MORSE. I just have a few more questions.

In your statement, your testimony implies that the free market should be allowed to operate, and I yield to no one in my support of free trade. But do you think a free market exists between the United States and Japan in connection with the lumber trade, or for that matter, most trade with Japan?

Mr. HARTUNG. No. I attended one of the meetings you had down at the Village Green, I think, where we had Japanese representatives, and it was argued there, they do have restrictions as far as American business going over there.

But, actually, at the present time, if I am not misinformed, they are supplying about half of the commodities that we are using over in Vietnam, and their exports to us are much larger than what we are exporting to them.

So they have got a balance of dollars on their side, where we are sitting on the short end. If we short off the export of logs, we will add another \$60 or \$70 million to that deficit.

Senator MORSE. We are sending great quantities of material to Vietnam that ought to be supplied by American businessmen, and exporters from the west coast, including Portland, and perhaps even supplying lumber from Japan into Vietnam. I am not willing to pay that kind of a price, at the expense of the economy of my country, for Japanese good will, for that is what that adds up to.

Mr. HARTUNG. If I had my way, I would stop the war.

Senator MORSE. I have already put in the record of this case, the contracts that we have entered into with Japan for purchases of goods in Japan, that in my judgment ought to be purchased in the United States and shipped to Vietnam, rather than from Japan.

Mr. HARTUNG. The fact of the matter is, they aren't.

Senator MORSE. Well, that shows what we are willing to pay Japan for really the restrictions that she is putting on our economy. I am not saying that the people who are going to go to these negotiations aren't able men.

I am simply saying that they would be supporting a policy that is not in our national interest as the State Department's past policy vis-a-vis trade with Japan is not in our national interest.

Let the State Department say to Japan, "Give us some reciprocity on trade. Eliminate the restrictions against American trade." That is what the State Department should fight for.

I yield to my colleague.

Senator HATFIELD. Are you aware, Mr. Hartung, according to our own State Department figures, that Japan has shipped over 20 times the dollar volume of trade into North Vietnam than they have shipped into South Vietnam, between 1964 and 1966?

The specific figures are 2½ million into South Vietnam and 45 million into North Vietnam.

Mr. HARTUNG. No; I am not aware of those figures.