

1 Mr. Whitty stated that his own company, like several of the others in his
 2 area, does have some reserves of timber, but that as the open market log supply
 3 is dried up, the ability of his mill to exist will require a more rapid liquida-
 4 tion of the company's reserves than otherwise would be the case. And when the
 5 reserves are cut out, his company will be forced to close unless the Japanese
 6 timber purchases stop.

7 Mr. Whitty emphasized that, contrary to statements reported to have been
 8 made to Senator Morse, the law passed by the Oregon State Legislature barring
 9 the export of logs derived from State and County timber had been of critical
 10 importance in Coos Bay by saving for those mills the 44 million feet of annual
 11 allowable cut that is available on the adjacent Elliott State Forest.

12 Mr. Ursus E. Brock of The Dalles Lumber & Manufacturing Company, The
 13 Dalles, Oregon, stated that he operated the only mill in The Dalles, where he
 14 employs 50 men. He cuts Ponderosa Pine and needs large size logs. Last spring,
 15 as is his custom, he asked one of his regular loggers to bid on two Forest Ser-
 16 vice sales containing a total of 7 million feet of Ponderosa Pine. The Ponderosa
 17 Pine on these two sales averaged 36 inches in diameter and would cut out 21%
 18 moulding and better lumber, an indication that the logs were of the highest grade.
 19 Mr. Brock gave the logger the necessary money. The logger was the successful bid-
 20 der at the sale. But the day after the sale, the logger came to Mr. Brock's mill,
 21 returned the money, and stated that after the Forest Service had awarded the sale
 22 to the logger, the logger accepted an offer of \$3 per M. higher than Mr. Brock
 23 could pay for the logs. Mr. Brock stated that subsequently he learned that this
 24 offer came from and the logs were delivered to an agent of the Japanese. Mr.
 25 Brock stated that while he has been advised that he might have a lawsuit against
 26 the logger, this will do him no good in trying to operate his mill. He said that
 27 he has only an 8 week supply of timber ahead of him; at the end of 8 weeks he will
 28 close and put his men out of work.

29 Mr. Fred Sohn said he owns a sawmill in Roseburg, Oregon, that has not yet
 30 been directly affected but he anticipates there will be a substantial effect when
 31 the Coos Bay operators have to reach up into the area from which the Roseburg
 32 operators typically draw a critical part of their log supply. Mr. Sohn also told
 33 of a mill near Roseburg that recently burned. The mill owner, who had a large
 34 volume of timber that he had acquired from private sources, upon analysis of the
 35 maximum profit from this timber, is now selling all of that timber to the Japanese,
 36 the logs going at the extreme price of \$70, camp-run, in Coos Bay. The mill will
 37 not be rebuilt and the employees, of course have lost long-time jobs.