

resource inventories for a long, long time, and I think this record is going to be filled with some information that will be of great benefit to all of us, and I just want to go on record as saying, Senator Morse, that I am personally very deeply indebted to you.

We, in California, appreciate what you are doing here.

Senator MORSE. I thank you very much, Congressman. I think what the committee is doing is preparing a reference work here that will provide the agencies of our Government and the industry, and our State officials, with a body of data and information that has just been unavailable heretofore.

That is why we have conducted the hearing not as a legislative hearing in the sense that we are only bound to meet the requirements of what is necessary under the law in public hearings in relation to legislation. This has been conducted truly as an investigative committee to get the facts to be used by our colleagues for any legislation they may wish subsequently to consider.

But it is my hope that the material will be sufficient to cause the executive branch of the Government to proceed to adopt some policy that will give us the relief that we need in our mills and our ports.

Mr. McCracken, your statement speaks for itself. The examination on it already, I think, has pointed up its highlights. My questions will be very limited, and they will be for purposes of reemphasis.

My first question is, Do you, on the basis of your long interest in this problem, and your familiarity also with some Japanese points of view, do you feel that the Japanese will purchase American lumber in any substantial quantity, primary processed or processed beyond that point, as long as they can buy unlimited supply of American logs out of Oregon and Washington?

Mr. McCracken. As long, Mr. Chairman, as they can buy round logs from Oregon and Washington, they not only will not buy any substantial or significant volumes of lumber in Oregon and Washington; they couldn't, if they wanted to. We would have nothing to make it with.

If I may add one statement to my answer that may be pertinent at this point.

I refer to a document which I know you have in the record. It is the Treasury Department's staff report on the Pacific Northwest log export problem. Referring to this document, page 10, I noticed an extremely interesting statement that, if it hasn't yet been clarified by the administration, perhaps could be clarified tomorrow.

At the top of page 10, it says this:

The Japanese have indicated that taking the growth in their needs in the form of sawn products is acceptable.

Now, I have to assume that this statement stems from the negotiation that our administration conducted with Japan in December. If this is so, then as I read this staff report, the Japanese have agreed to take their increased needs in finished products. The only argument is as to what their needs are.

Senator MORSE. If that proves to be true, Mr. McCracken, then it would follow, would it not, that if they turned to Russia for logs, they will turn to Russia only for a portion of their lumber supply, and take the rest by way of primary processed lumber or finished lumber from the United States?