Table 1 in the statement you have before you contains Dr. Sumichrast's estimates for new housing starts and rehabilitation of older houses for the years 1970, 1975, and 1980.

In table 2, I have translated these data into demands for lumber. It shows that in 1962, according to the Forest Service about 14 billion board feet of lumber was used in residential construction. If the same patterns of use prevail, and I see no reason for major changes other than those influenced by the export problem, by 1970 some 16.8 billion board feet of timber will be needed. By 1980, residential uses will climb to 21.6 billion board feet.

Residential uses of lumber have historically accounted for about 35 percent of the lumber consumed in this country. Again, if past-use patterns prevail, lumber consumption including that used for nonresidential construction in this country, could reach 48 billion feet in 1970, 56 billion feet in 1975, and 62 billion feet in 1980. Compare these figures to consumption levels around 40 billion feet for the past few years.

I want to emphasize that these are estimates of potential lumber consumption rather than forecasts of what will be consumed. There are a number of reasons why I do not expect consumption to reach these potential levels, not the least of which is the development through technology of new building materials to substitute for wood. But new substitutes take time to develop and 1970 is only 2 years away. Perhaps we should give some thought to the impact of the log export situation upon the homebuilding situation 2 years hence.

With the existing capacity in the lumber industry and the potential for increasing the allowable cut and salvage logging, there would probably be little difficulty in supplying lumber demands in 1970. But if log exports continue to increase, the burden of supplying construction lumber will be thrown upon other regions, principally the Southern States, British Columbia, and possibly the intermountain region, including Idaho, Montana, and adjoining States.

It is unlikely that these other regions will be able to respond quickly enough to service the demands of American consumers. The lumber supply is not like an electric light that can be turned on with a switch. New investors will have to be found, new mills will have to be built, new labor and management will have to be trained, and new timber access roads constructed into previously undeveloped timber areas wherever they happen to be.

The South would appear to be limited in its ability to take up the slack because the lumber industry will be competing with the plywood industry—it, too, moving southward from the Northwest—for sawtimber.

I should also note that in the South the pulp industry is also a competitor for roundwood while in the West it is a much lesser factor. Importing additional lumber from British Columbia will only worsen the balance-of-payment problems, which will not be settled by 1970. Nor will the predominant ownership of timberland by the Government in the intermountain region provide the raw material security necessary to encourage new investment. In the event that the Government fails to stand behind its basic purposes for owning timberland, that is, community stability and a continuous flow of timber to domestic