

Senator MORSE. Dr. Muench, this has been a very much-needed statement in this record. It supplements the very able statement that Dr. Sumichrast gave earlier today. It provides the committee with some very vitally needed data, and also I think, particularly, in its discussion with regard to the balance-of-payment argument, it makes it very difficult for the spokesmen for the administration to argue for the exportation of round logs instead of the exportation of greater wealth-producing products and employment-producing products, such as primary process or additional process of the lumber from our Oregon and Washington mills.

I want to thank you very much.

Senator Hatfield.

Senator HATFIELD. I have no questions.

Senator MORSE. I have maybe one or two for you, Mr. Hodges. I will try to resolve some points of difference that I think remain outstanding in the record.

We have had witnesses that have testified that one of the reasons that Canada sells finished lumber to one degree or another is because they have sought the Japanese market, but the U.S. lumber industry has not sought the Japanese market.

Can you give us any comments on the question, as to whether or not our lumber industry has made an effort equal to that of the Canadians, to sell lumber to Japan?

Mr. HODGES. I am not familiar with the promotional efforts made by the Canadians. However, one of our federated associations in the West, the Western Wood Products Association, hired an executive that was directing one of the major lumber associations in Canada that was marketing abroad. He is a man with a great amount of experience in marketing of lumber and plywood forest products in Europe, and I think in Japan, too. Our associations have put together, in past years, trade missions to Japan; the plywood industry has done the same, and their management is thoroughly experienced in Japanese business methods.

I just can't imagine that the Canadians could be doing a very much better job of attempting to get into the Japanese markets with manufactured products from the standpoint of promotional efforts or trying to meet their requirements.

It has been said that we won't cut their sizes. It is said that we won't ship in shipload lots. And there have been other statements of things that we won't do. I think if the Japanese would really attempt to buy from us, or permit acceptance of our products, that we could meet and excel in competition with Canada.

We are presently selling increasing amounts of softwood plywood in Japan. Now, we are beginning to wonder if the construction of some of these new plywood plants in Japan is going to mean that it will fall off.

We used to sell Canada quite a lot of lumber, but it has fallen off, of course, in the last 7 years as we have increased our log sales. Our position is that as long as logs are sold freely, that there is no reason for the Japanese to buy increasing amounts of manufactured products.

Senator MORSE. Counsel has suggested that I ought to visit with you briefly about the possible argument that may be made by some spokesmen for the administration about the proposal of the industry to limit