

roads, improving the procedure for taking out insect-destroyed and disease-destroyed timber, and the other items. These were, I think, six or seven things that would have to be done to increase the allowable cut.

Whether or not we have an adequate supply depends on the allowable cut, not on the trees standing, not on the board feet that can be cited, but whether or not we have available under an existing "allowable cut" enough logs to be cut that will make it possible in a given time to meet the lumber needs of the country or a region or particular working circles within that region.

I say respectfully that this material that I find in your paper, and in the paragraph that I have just read, does not bear on the point that I have just made.

To point out to me that the latest available forest survey data, contained in the official report and so on, indicate vast resources of softwood growing stock on commercial forest land, including 2,058,022 million board feet of saw timber as of January 1, 1963, doesn't prove there isn't a short supply.

If the allowable cut and the accessibility of the timber doesn't exist to meet the needs, you have a short supply.

So we have to go back to such data in the record as the two economists put in, representing the need for housing and the need for wood for other construction.

The testimony that has been put into this record by Mr. Hagenstein, one of the principal witnesses for the industry, Mr. McCracken, another witness for the industry, Mr. Jones, Mr. Kenneth Ford, and that testimony keeps saying to this committee there aren't enough logs in the Pacific Northwest. And we can't pay the price that the Japanese are willing to pay and have an adequate supply of logs that makes it possible for us to process the logs into lumber and keep our businesses in the black.

Those are criteria you have to consider when you are determining the question as to whether or not there is a short supply.

Then I take you directly to Mr. Cliff's testimony this afternoon, and it is so typical of him. He discussed several facets of the problem—and the following is my interpretation—the statement will speak for itself and you can read it in the morning. Mr. Cliff points out that when you look at this from the national standpoint, when you look at it from a regional standpoint, when you look at it from a working circle standpoint, there are various criteria that you have to consider as to whether or not there is a short supply.

Remember, I then had a discussion with him about the working circle problem, and he pointed out mobility of transportation now makes it possible to extend the working circle from the community to a point of 90 to 100 miles. But from the standpoint of the economic interests in that area, if the logs are not available for processing in that working circle, and if they are not available because of the major issue that this hearing is called to consider; namely, what is the effect of Japanese purchases at excessive prices upon the availability of logs to the mill owners in the States of Oregon and Washington, then we come to grips with the question of adequate supply or short supply. If the logs are unavailable because of high prices then there is a short supply in the practical sense—that of profit and loss.