

Mr. BURKE. This completes the testimony for today and the committee now stands adjourned to meet at 10 a.m. tomorrow morning.

(The following statements were received, for the record, by the committee:)

STATEMENT OF EDWIN A. LOCKE, JR., PRESIDENT, AMERICAN PAPER INSTITUTE, INC.

Mr. Chairman and members of the committee, I am Edwin A. Locke, Jr., and I am testifying as President of the American Paper Institute. It is a privilege to appear before this Committee again—I say “again” because in 1962, when I was associated with a different industry, I made a statement supporting the Trade Expansion Act of that year. There can be little doubt, I believe, that the decision taken by your Committee in 1962 initiated a great forward step in America’s foreign economic relations, and one from which important economic benefits have been flowing for our people. In a sense that decision expressed the powerful driving impulse toward freedom which is the essence of the American spirit.

If I may be permitted a brief reference to history, I have always subscribed to the view that a major factor contributing to the rapid and tremendous growth of the American economy in the past century has been the freedom of trade among our states, permitting the unchecked movement of goods from coast to coast, without tariffs and without quota restrictions. Now, in the space age, we have led the way in bringing the same principle to bear among the nations of the entire free world. The position of the industry I represent is that if our government, having done so much, were now for any reason to reverse the trend toward freer international trade that it has set in motion, the move would not only gravely injure our business and many others, but might mark a dangerous turning point in American life. Such an action might well be regarded by other nations as the beginning of a retreat from our historic position as the chief exponents of freedom in world economics.

Getting down to specifics, I would like to bring out at once some facts about the American Paper Institute, relating directly to the issue before you. Our members are manufacturers producing about 90% of the nation’s pulp, paper and paperboard, with a wide range of essential products ranging from woodpulp to tissues, from newsprint to containers, and from wrapping materials to writing papers. The industry’s assets total \$15.6 billion, conservatively estimated. We rank among the 10 largest industries in the country. Our annual wage bill is \$5 billion and is rising. Our sales last year were \$17 billion. They will be higher this year.

At the present time, the industry has the capacity to produce annually about 55 million tons of paper and paperboard and some 44 million tons of wood pulp. That is somewhat more than the actual current rate of production of 49 million tons of paper and board and 38 million tons of pulp. But since we anticipate steadily rising sales, our total capacity is continuing to expand and within 18 months will be 7% greater than at present for paper and board and 4% greater for pulp. In other words, we are a large industry, a growing industry, and obviously I think an important segment of the nation’s economy.

We are moreover an industry with considerable up to date experience in foreign trade. One reason for our hopeful view of the future is the increasing importance of exports to our business. Last year our exports were over \$700 million, representing 1.7 million tons of pulp and over 2 million tons of paper, paperboard and paper products. That is almost double the tonnage exported in 1960, but it is only half the tonnage that we expect to export within 10 years. Our plans for the period ahead, including contemplated capital expenditure for new plant in this country, are to a considerable extent based on the assumption that international trade in the years ahead will be subject to fewer and fewer restrictions, with corresponding growth of our world market.

A CHANGE OF VIEW—AND ITS RESULTS

I must make it clear that prior to 1955, thirteen years ago, the paper industry was rather indifferent to international trade. Like some other industries today,