

Senator HATFIELD. Would you care to comment about the so-called primary manufacturing arrangements which permit the squared-off logs to be shipped abroad, which means that we get one shot at the so-called mill level of a step toward manufacturing, before Japanese buyers can export the logs? Would you care to comment on that?

Mr. JOHNSON. I am not very familiar with this. I wouldn't care to make any comment upon it.

Senator HATFIELD. But would you not agree that this proposal that has been discussed, I don't believe before this committee as yet, the idea that certain primary manufacturing arrangements that are now existent in Alaska might be imposed upon Washington and Oregon Federal lands, such arrangements meaning that no round logs are exported but only those which have been squared off, do you feel that this general principle or this general economic concept might help cure this problem?

Mr. JOHNSON. We believe it would help to stimulate industry in the wood products field within our State and within the State of Oregon, not only maintain it but stimulate it and develop it, and this is the reason for our position. This is the intended purpose of the restriction upon the export of round logs from Alaska.

Senator HATFIELD. So we are getting down to actually round versus square log concept here. Mr. Johnson, do you know, have you had an opportunity to discuss this log problem with officials of your State other than congressional officials?

Mr. JOHNSON. Yes, we have discussed it with the State land commissioner at various times.

Senator HATFIELD. Did you hear the State land commissioner's views expressed before this committee, I believe it was 2 days ago now?

Mr. JOHNSON. Yes, I did.

Senator HATFIELD. Would you care to give us an evaluation of that position that he expressed to us?

I am not attempting to put you on the spot. Do you feel that this puts you on the spot?

Mr. JOHNSON. No.

Senator HATFIELD. If you do, I don't want you to respond.

Mr. JOHNSON. No. I would only respond in this respect. We understand the position which Mr. Cole is taking. We understand that there are some constitutional questions connected with this but as far as the export of logs from State lands is concerned, we feel that these too might logically be regulated in some manner.

The reason we take this position is that just as in the case of Federal timber, there are some areas of our State which are heavily dependent upon the sustained yield cut from the State forests, and again these contribute to the wood-processing economy of those particular areas. I think this is about as far as I would want to comment upon this testimony.

Senator HATFIELD. I gather then that you do not agree with some of his conclusions as they relate to the plight of the lumber industry today?

Mr. JOHNSON. This is correct.

Senator HATFIELD. And you feel that these matters which you have discussed more clearly represent the interests of the lumber industry and perhaps a consensus of other than yourself, others in the industry than just yourself?