

Mr. JOHNSON. Yes.

Senator HATFIELD. I have no further questions. Thank you very much, Mr. Chairman.

Senator MORSE. One more question, Mr. Johnson, but first I want to thank Senator Hatfield for asking such helpful questions. He did a very fine job in examining you.

I am going to ask you this question and I am going to ask other witnesses this question. I want Mr. Hagenstein's attention. This is one of your term papers, and I will be glad to receive the answer from other representatives of industry. I cover the matter in the memorandum of questions which will be on the table in front of you before the day is over. The memorandum is being processed now. But I want to leave no room for doubt that the committee is asking to have the record contain a reply to a certain portion of Mr. Houlihan's argument yesterday. You heard Mr. Houlihan, Mr. Johnson?

Mr. JOHNSON. Yes; I did.

Senator MORSE. On page 3 of his statement under the subheading "Price" he said, and I quote:

Despite the massive propaganda to the contrary, I would again maintain that the price impact of exports is not substantial, whether considered in terms of the whole Pacific Northwest regional or localized areas. For example, the overbids which take into account quality, the difficulty of access and other relevant factors are generally lower in western Washington where approximately 75 to 80 percent of the exports originate than they are in western Oregon. A more specific comparison is between the overbids in the Gifford Pinchot National Forest, which is Washington's forest with the most sales, and a significant portion of the exports, and the Willamette National Forest, which is Oregon's forest with the largest sales but the source of insignificant exports. The overbids have been generally higher in the Willamette Forest during the period of exports than they have in the Gifford Pinchot Forest.

Now, this statement by Mr. Houlihan draws an issue in conflict with the position taken on the price issue by industry witnesses. And sitting on the committee where we have to render a final judgment as to what policies we should advocate, I think it is very important that, the issue having been drawn, the position of the respective sides on the issue be set forth in detail in the record of the hearing.

I do not ask you at this time, Mr. Johnson, to go into the detail that you may want to go into after you have given further study to Mr. Houlihan's comment that I have just read, but I would like to have you say anything at this point that you may wish to say in regard to his argument, in which he seeks to support the premise that the overbids leading to the higher prices really are not a factor that should be considered of controlling importance in the consideration of the issue as to whether restrictions should be placed upon exports of logs to Japan.

What do you have to say about that?

Mr. JOHNSON. Mr. Chairman, the experience that we have been confronted with leads us to completely different conclusions insofar as the western Washington national forests are concerned. However, our principal experience has been in bidding within our more approximate geographic area. The amount of overbids on the Gifford Pinchot as compared to the Snoqualmie, I am not in a position to comment upon at this point, nor am I necessarily able to make any kind of a comparison to the Willamette Forest. I think perhaps the best thing that we