

Senator MORSE. I believe we have not spelled out in the record yet, as to just how the Forest Service restrictions are applied. Am I correct in my understanding that before any round logs off of Federal timberlands in Alaska can be exported to Japan, it would require approval of the Forest Service?

Mr. MACDONALD. I believe that is entirely correct.

Senator MORSE. Is it your understanding that bidders on Federal timber in Alaska bid with the understanding that logs purchased shall be used for processing lumber for domestic use or for primary processing prior to any exportation?

Mr. MACDONALD. That's right.

Senator MORSE. But the purchaser of these logs is not in the processing business, and it is believed that the logs might be purchased in the hope that this purchase could break, as you say in your statement, the round log export restriction. Do you have some information that inquiries have been made to the Government's office in order to make it possible for them to export these round logs?

Mr. MACDONALD. I think that is true.

Senator MORSE. Do you think some other witness on the panel will be able to testify in greater detail in regard to this particular transaction?

Mr. MACDONALD. I think quite likely that Mr. Murkowski from the Government office will probably cover this in his testimony, at least the date of this press release.

Senator MORSE. I have a general comment on your excellent statement, Mr. MacDonald. My intuition whispers to me that it does not stand to reason that the Forest Service, in view of the data you have put in this statement, will be very prone to change their administrative policies in Alaska with respect to the exportation of round logs.

Therefore, I am inclined to share the rather definite and emphatic statement that Senator Gruening made yesterday afternoon that the exportation of round logs from Alaska just is not going to come to pass. You cannot be around here as many years as I have without appreciating that type of defense of a Senator's State interests that Senator Gruening expressed yesterday afternoon. I am sure that the observers in the audience from the departments downtown took note. If they did not, I respectfully suggest that they reread the transcript of yesterday.

It also bears out what I told you when you had your conference with me the first afternoon that you arrived. There is no intention on the part of this chairman to change any log policies in Alaska. The hearings are convened primarily for the purpose of making a record for the benefit of the administration offices downtown. The record will set forth the facts brought forth by spokesmen for the industry from the States concerned, who meet with this committee by way of their right to petition against grievances. That is part of the legislative responsibility of Congress, both Senate and House.

The completion of that kind of a record in support of those petitions will be available throughout the Government for the negotiation which will be conducted between the executive branch of the Government and the Japanese. I would like to have that clearly understood by the offices downtown too.

Your statement this morning is filled with considerable objective data as to the consequences of changing the log policy of Alaska upon