

Senator MORSE. And third you say:

A policy should be developed requiring agencies to determine that logs are in surplus supply in an area before Japan would be permitted to bid on public land sales in that area.

Let's take a hypothetical—the Siuslaw National Forest in my State. I pick it because we have communications from a considerable number of mills in that forest area, and in communities served by that forest, that they are in trouble and they need logs and cannot get them because of the competition of the Japanese. Does this point mean that unless the Forest Service can certify that there is a surplus of logs in that forest, as far as the projected sales are concerned, to serve the needs of the local mills, that no bidder that seeks to export would be allowed to bid on those sales?

Mr. TERZICK. That is my opinion, Senator.

Senator MORSE. And fourth you propose “safeguards to be written into the long-range program to insure that private timber holders do not export their own logs to Japan and make up the difference by buying timber from public lands.”

As you know, both in our conferences before these hearings started, and in the testimony during these hearings, this is considered, may I say to be one of the delicate issues or controversial issues about which there seems to be some divided opinion. But, as far as the industry is concerned, they have said to us, “We are united on the proposition that the restrictions as of now should be limited to public lands. The authority is there to restrict them. And our proposal is for Federal lands, public lands only.”

But we have heard from the representatives of the industry, including representatives of some of the largest companies, such as Weyerhaeuser. In oral statements to us in our conferences preceding the hearings, and then in communication from some of the other companies, such as Crown Zellerbach and Georgia Pacific, they have indicated that if the restrictions on the Federal lands are imposed in accordance with the recommendation, that they would not follow a policy of selling their logs in export business with the plan in mind to then go into public sales against bidders who seek the logs for the operation of their own mill, using the Federal lands as sort of a log bank for them to deposit a supply of logs out of a Federal sale, following a policy of exporting logs.

They claim, and as far as the chairman understands, it is accepted by all the representatives of industry, that a voluntary program can be worked out. It is contested as you know in some of the testimony in this case.

I judge from what you say in your point 4 that you think it is necessary to have it definite and certain that if companies proceed to deplete their private holdings of logs by exporting, some restriction ought to be placed upon them. You feel that some authority ought to be exercised in relation to them, to check them from using the Federal lands as a source for replenishing their own private log bank holdings.

Have I made myself clear? Is that your position?

Mr. TERZICK. That is, Senator, while I cast no aspersions on the industry or anybody connected with the industry, I think that the realistic approach is to set up some mechanism to insure those who sell