

Mr. FORD. No.

Senator HATFIELD. You are familiar with what the claims are as to what the impact of Japanese bidding has been on other areas, though, are you not?

Mr. FORD. I have heard it.

Senator HATFIELD. Do you anticipate that that same pattern will then follow in your area that has been the experience in other areas?

Mr. FORD. Definitely.

Senator HATFIELD. Do you know about what the differential of log price is in the other areas because of the Japanese bidding?

Mr. FORD. It runs from \$10 to \$15 above what the normal domestic mill can pay and convert it into a domestic product and break even or make a very slight amount of money.

Senator HATFIELD. In other words, then if you had to look forward to a \$10 or \$15 increase in your area, based upon this pattern that has happened in other areas, tell us then, what direct effect that would have on your operation economically speaking?

Mr. FORD. We would be affected percentagewise, I would think, with the rest of the operators. Today we operate on 90 percent Government timber, 10 percent our own timber. If we were unable to buy the volume of 90 percent at a price on which we could operate profitably, or to keep the mill going, then we would have to start supplementing from our own lands. In a relatively short period of time, with our production, it would create a cutout, and at the end of which time economically, it would dictate that we would have to go out of business.

Senator HATFIELD. The 10 percent could hold you in business for only a limited period of time?

Mr. FORD. Our 10 percent now keeps our private forests on a sustained yield working level with the Government-sustained yield.

Senator HATFIELD. And then if the Japanese continued to buy in your area and had that \$10 to \$15 impact upon the cost of the log, then you could only look forward to a time when you would have to shut down your operation, is that correct?

Mr. FORD. That is right.

Senator HATFIELD. Mr. Ford, there have been those who have indicated that perhaps there are certain species or grades of our resource here that should not have restrictions placed upon them, even if we placed general restrictions upon Japanese log exports. There are those who indicate that there are certain species or grades that should not be included in that restriction. Now, what is your response or reaction to this?

Mr. FORD. I only know of one species and that is Port Oxford cedar. To date there has never been an economic market available for it in our country. The balance of the species and grades we ourselves manufacture and put into the domestic market profitably, and I really can see no reason why any good normal well-managed plant today cannot do the same.

Senator HATFIELD. So that if I understand you correctly, with perhaps the exception of this cedar, there is no species or grade or size, which should be excluded from general restrictions that you have indicated here on pages 11 and 12 in a 5-year phasing out of all Japanese exports?

Mr. FORD. I know of none.