

Senator HATFIELD. Would it be fair, Mr. Ford, to draw as an interpretation of your comments that you consider that the phrase "surplus logs" has been, is, and will probably be a fiction?

Mr. FORD. I think it is truly and factually nothing but fiction.

Senator HATFIELD. So that those who propose programs or plans to solve this on the basis of priority being given to domestic buyers in bidding practices and then surplus logs being put on the open world market, or planned where they will let the domestic buyer come in first and after a period of time if he does not buy up the logs then we will put those logs on the world market, that all of this is so much fiction. That you believe all of these logs will be purchased by the American domestic manufacturer and will be manufactured and sold within the domestic market and the foreign market?

Mr. FORD. That is my very firm conviction.

Senator HATFIELD. So that then that I understand on page 11 when you are proposing a 5-year program, this is to eventually move on a gradual basis to a complete and total elimination of all export logs, because they will all be purchased within the domestic market?

Mr. FORD. This is from Government lands.

Senator HATFIELD. Federal lands, yes. Then I understand here too that you say in paragraph 3 on page 11:

I think our industry can survive in the United States through years if the Japanese are held through the first two years to no more than they purchased in 1966. Certainly not a stick more. Then, perhaps through forest management, we can provide a larger cut to help offset that drain.

In other words, I gather from this that you believe that it is possible to increase our annual allowable cut?

Mr. FORD. Our annual allowable cut as time goes on I am sure would be increased, because we in the Northwest are just really beginning to get into true forest management. In other words, maybe we are like the corn grower back there in Iowa or some other place. I am no farmer, but they are not getting the same crop off that ground today that they got 20 years ago. I think this same thing is going to happen in our industry.

Senator HATFIELD. You expect it to be increased. Well, one last question. Mr. Ford, in your forecasts or predictions and evaluations, I want the record also to show that we have a witness here today who can speak with authority and who can speak with great impact because of the long experience and his stature in the industry.

Do I then understand that from your predictions and forecasts and evaluations that you believe that all of this can happen; that is, we can recapture the domestic market with the Canadian competition, and sell all that we can manufacture to the American market, without the contingencies of, say, some large and new Federal program such as the President recommended in his state of the Union message? That just by the conditions of the American market today, its needs and its general trends, that you believe that all the logs would be purchased by domestic buyers, that could be manufactured and they could be sold in the domestic and world market, and we would not have surplus logs. Do I understand correctly?

Mr. FORD. That is right, and I would like to talk to that briefly, if I might. You hear many reasons as to why mills shut down. It