

That the reciprocal just is not in evidence on the other side. Our people are here forced to compete in a free open market situation so far as obtaining the raw material is concerned, and yet our people are not able, when they seek to merchandize the finished product, to compete over there on the same free and open basis. I think this puts us on an entirely different ground of talking about this problem than those who would place us on the ground of talking just free trade.

Senator MORSE. Will the Congressman yield? I am so glad the Congressman has brought this out. We had an earlier discussion during the hearings, and also informed conferences with the State Department. But the point that needs to be remembered is that Japan places restrictions on American trade, and yet we have those that think that we should not place any restrictions necessary to protect our lumber industry vis-a-vis Japan. As the witness has pointed out, you cannot go over there and compete on the open Japanese market. You have to go through a trading system of Japan that has been described to us. Some refer to it as a form of a cartel.

The fact is, it is not a free enterprise system as far as competition from foreign producers is concerned. It is a form of a monopoly. That is why I have made the argument over and over again to those that object to our placing any restrictions on the exportation of logs; we owe it to our own producers to see to it that a reciprocity is worked out. And as the Congressman says, there is no reciprocity as far as Japan is concerned.

Representative DELLENBACK. May I ask just a couple of more questions, Mr. Ford, to finish with this matter of competition with Japan. Senator Hatfield brought this out I feel very well with his questions, but let me be sure that it fits right in at this stage of the testimony.

You feel that in large part because of the great competitive advantage we would have with the lower cost of transporting the finished product as opposed to transporting the raw material which they are doing at the present time, that if we did have some control over a reasonable cost for the raw material here in our mills, and reasonable access to the Japanese markets, that we could compete with Japan over in the Japanese market selling our finished product, the same quality as theirs, and on a price that is comparable with their price?

Mr. FORD. I do.

Representative DELLENBACK. Do you feel, and you have not covered this in your testimony, I assume when you talk about cutting down and eventually cutting off exports of round logs to Japan, you have been talking about exports from federally owned lands. Do you feel we ought to place restrictions on privately owned timber?

Mr. FORD. No.

Representative DELLENBACK. You feel that the action that the Government should take at this time should be confined to an action with sales on federally owned lands?

Mr. FORD. I do.

Representative DELLENBACK. Do you feel we will eventually have to move into placing restrictions of one sort or another, either embargoes or permits or tax advantages, tax impositions, tax impacts, on the sales from privately owned lands?

Mr. FORD. I do not for this reason. A large percentage of the private timber is coming from our larger timber holders who picked up forest