

lands that were cut around the turn of the century. They have got excess acres, they have got excess inventories of timber. It is just nothing but good forestry that they move certain logs out.

To my knowledge I have not seen a large publicly held company, to the converse of a lot of statements that have gone on here that has been decreasing production. They have been increasing the capacity of their plants continuously down through the years. They have not been decreasing production even though they have been exporting logs. And I do not think that a lot of these big privately held companies, with their plants, the economy, and the communities they support will shut down. I think if they started to shut down their plants, it would not be safe for them. I think it would be only a very short period of time until there would be some regulation over that. I feel that as they need their own wood, they will put it into their own plants as they expand them.

Representative DELLENBACK. So you think that the system would, in effect, be the governor so far as the privately held lands are concerned, and that this Congress in its actions, this Federal Government in its actions at the present time need confine itself only to sales from federally owned lands?

Mr. FORD. That is my viewpoint today.

Representative DELLENBACK. Now a couple more very brief questions in connection with these approaching negotiations. What do you think the Japanese would do in connection with these negotiations scheduled for February 20 if the executive branch of the Government were to take immediate action to place a moratorium, as has been suggested, or some restriction on sales from federally owned lands right now? Would this blow up the negotiations? Would they still come to the negotiations? Would this strengthen our hand?

Mr. FORD. In regard to the negotiations, I must honestly say I do not understand that viewpoint. The Japanese people I understand, in a small way, I think. I have a tremendous amount of respect for them. They are a very astute, smart business people, and as long as they can lead us around, they will take everything they can get. But they are no different than our American business counterpart of a businessman.

They are smart enough to know our problems, and if it is handled properly, they will accept it. Being astute politicians and everything else, they will sure give you a bad time. They will try to make your face red and everything else and they will try to make you think that you owe them the world. That is their business. That is why they are astute traders. And probably it is the reason they are going to continue maybe as some of the most astute trading people that we have got in the world today.

Representative DELLENBACK. But you think we ought not to be misled by these surface reactions, we should look through these surface reactions and this is part of the negotiations on their part?

Mr. FORD. Yes, part of the negotiations, and I think when you get done, if handled properly, you will have their undying respect.

Representative DELLENBACK. I have no further questions. May I just make two brief comments, Mr. Chairman, at this stage.

One, so far as dealing with the Federal Government is concerned—I am just speaking, of course, only for myself in this regard—I have