

Dr. GRAVES. There is a surplus primarily because there are large inventories being held in reserves as a hedge against the future, which are not needed, in fact are in some respects considerably inhibiting the meeting of future goals by depressing growth and management development opportunities.

Representative DELLENBACK. But what you are saying, and again you are quarreling, if I understand you correctly, with the present practices of the Forest Service and the Bureau of Land Management. But if you accept their practices, if you accept their computations, which you do not, but if we do, is there a surplus available at the present time?

Dr. GRAVES. I think it is a question of judgment of how much you need to hold in reserve to assure meeting future supplies. If you have a million acres of productive timberland in the Douglas-fir region, and it is sitting there not growing, and could be used to provide a considerable amount of growth to meet future needs above what it will provide by holding it, then only in that sense do we have an excess of inventory, and in some respects that could be considered a surplus.

Representative DELLENBACK. But part of the curriculum of the State University College of Forestry at Syracuse University I assume deals with forest economics?

Dr. GRAVES. Oh, yes.

Representative DELLENBACK. As well as pure forestry?

Dr. GRAVES. Yes.

Representative DELLENBACK. Now, under the present practices in allowable cut computations of the Forest Service and the Bureau of Land Management, with which practices you evidently disagree because you feel they are not allowing as much for present cutting as you feel they should, but under the present practices of what they do compute to be allowable cut, if all of that allowable cut were to be made available just for American consumption, for primary processing in America, would there be any of that allowable cut that would be unsold?

Dr. GRAVES. I do not think so.

Representative DELLENBACK. So measured by that measure, there is no surplus at the present time if we say that the surplus would mean an amount of the raw material which American productive capacity would not seek to acquire if it were made available just to American productive capacity. Am I correct in that?

Dr. GRAVES. I think so.

Representative DELLENBACK. Where you quarrel, then, since you say there is no surplus into the future, even with what you consider ideal forestry management, and there is no surplus in the present—under the presently followed computations of allowable cut, what you are saying as I understand you is that there should be a change in the present computation of allowable cut, and if there were to be such a change, bringing with it an increase, then with that hypothetical which does not now exist there could possibly be a present surplus, although even then there would be no future surplus; am I correct in this understanding?

Dr. GRAVES. Yes; although I am not entirely clear in how you are interpreting surplus. If you are thinking of surplus in the sense of having a wood supply in excess of our national needs, we do not have a surplus, but this comes back to the question of economics.