

Representative DELLENBACK. Wait a minute. Let me follow that again. If we interpret it the way you just said, a supply of raw material in excess of our national needs, you are saying that we do not have a surplus; is that correct, sir?

Dr. GRAVES. This is a question of economics. We do not have a surplus in terms of the volume that at present could be utilized. But the economics of utilizing that volume are such that in many facets of the development program it is unfeasible to do so at the present time. Some of the balloon logging and so forth wouldn't be feasible under present economics, or may not be feasible under present economics.

Representative DELLENBACK. So that you are saying, and I will quit with this, Mr. Chairman, because I think that I do understand the witness now, that on the basis of the economic feasibility under present procedures, we do not have a surplus even now of the raw material in the American forest; is that correct?

Dr. GRAVES. In terms of national needs I do not think we have a surplus; no.

Representative DELLENBACK. Thank you very much.

Senator MORSE. Thank you very much. Congressman Clausen.

Representative CLAUSEN. Partially following Senator Morse's earlier line of questioning, in your judgment based upon your knowledge of forestry and the inventories that we have on our public lands, and if you were in our position, would you recommend that we participate in a program of selling round logs to Japan?

Dr. GRAVES. No; I would prefer to see at least partially processed material sold.

Representative CLAUSEN. Would you say that again?

Dr. GRAVES. I would prefer to see at least partially processed material sold in preference to round logs.

Representative CLAUSEN. You made reference earlier to the fact that there were a number of nonforestry considerations that are involved in this situation. Are you at liberty to expand on this? You were referring to the Canadian policies, I believe, and it may be that you meant just policy decisions on processing there, or did this refer to international political considerations?

Dr. GRAVES. The latter.

Representative CLAUSEN. Sir?

Dr. GRAVES. The latter; broad considerations of national interest that have little or nothing to do with forestry.

Representative CLAUSEN. It may be that you will beg off on this, but you certainly must be knowledgeable about world timber resources, and this question of our own national interests as it relates to a working relationship with Japan. Could you give me the benefit of your thinking as to what importance we would put on say a cutting off of supplies to Japan in our line of priorities? I mean would this create a problem in the United States?

Dr. GRAVES. A major problem for the United States?

Representative CLAUSEN. Yes.

Dr. GRAVES. I do not feel that it would, but that is one individual's judgment in terms of total world supply. I think that there are certain other sources that the Japanese can turn to with some degree of feasibility, perhaps the most pertinent of which would be to substitute other materials for wood in the housing program. Now, if they