

cluded that we have the authority to act insofar as the national forests are concerned to require domestic processing.

It seems to us that putting a limit on Federal timber would not be as effective in the long run as changing the mix so that our trade with Japan is a rounded mix of forest products. This means sawn timber, plywood, partly-processed lumber such as cants, chips, pulp, and logs. There needs to be a balance of these products that this country can sustain. And the Japanese can be expected to insist that it meet their specifications and price levels.

The securing of the best long-term answer requires negotiations with the Government of Japan. For this purpose, we and other departments of Government have been working with the Department of State in these negotiations.

The Department of Agriculture is hopeful that favorable action will result from the February meeting with the Japanese. If negotiations do not appear to be reaching meaningful solutions, we are prepared to discuss with other agencies the actions to be taken under existing authorities.

Thank you, Mr. Chairman.

Senator MORSE. Mr. Cliff, I want to thank you very much for your statement. As always you have responded to the problem before you with objectivity and fairness.

I shall ask you a few questions now, and after turning to my colleagues on the committee may ask others later. But because of the recurrence of certain issues during the hearings, I think that we owe it to you to raise some of these questions at this time for your comment.

On page 2 you refer to the log exports to Japan from Alaska—pointing out in 1966 the small volume of logs, 15,347,000 board feet, and 135,322,000 board feet of sawn material. For the first three quarters of 1967, the figures for Alaska are 29,875,000 logs and 142,030,000 sawn material.

Are these figures that show what percentage of the shipment was from Indian lands?

Mr. CLIFF. I don't have the breakdown for the Indian lands alone. The logs shipped to Japan from Alaska in 1966 was 5,800,000 from the national forests and 9,547,000 from Indian, State, and private lands, mostly from State land.

Senator MORSE. Am I correct that the Forest Service does not have jurisdiction over the Indian, State, and private land?

Mr. CLIFF. That is correct. And in 1967 there were 4,500,000 feet shipped from the national forests, and some 25.4 million from these other sources.

Senator MORSE. In both of those years, the figures show that considerably less board feet of logs were shipped from Forest Service lands than from Indian, State, and private lands?

Mr. CLIFF. That is correct.

Senator MORSE. From the logs that were shipped from the Forest Service lands, Federal lands, what was the quality of those logs? Did some of them consist of what is generally known in the industry as rejects, low quality logs?

Mr. CLIFF. They were primarily, almost entirely, cedar logs for which there is no outlet in Alaska. Under our primary manufacturing policy in Alaska, we have the authority to permit the export of such material that has no demand in the State.