

Senator MORSE. In any of the Forest Service lands from which the logs were exported to Japan in the years covered by your testimony, most of the logs that were shipped were cedar logs for which, if I understand you correctly, there is no great demand for finished lumber from those logs in American trade?

Mr. CLIFF. For the quality of cedar that we have in Alaska, there is no demand for manufacturing in Alaska, so we have let it be exported.

Senator MORSE. Would it be fair for me to infer from those conditions that these cedar logs were truly "surplus" logs?

Mr. CLIFF. Yes, I think that is a good way to say it. The cedar is logged along with the other material. We follow a management policy in Alaska which involves clear cutting, and when there is some cedar in the stand, it is cut with the spruce and the hemlock, and it becomes surplus to the needs of the industry in Alaska, so we have allowed it to be exported.

Senator MORSE. As I am sure you know, Mr. Cliff, in my State of Oregon down in the Coos Bay area for some years there have been heavy purchases of cedar logs for export by Japan. It is stated to us by the industry that as to those logs, likewise there has not been any great demand for their commercial use in the manufacture of wood products in our country. Do you agree with that representation of the industry?

Mr. CLIFF. Yes, I agree with that. They are speaking primarily of the Port Orford white cedar in southwestern Oregon and northern California, and it doesn't compete with other logs for structural material. The Japanese like it for their purposes, and it is in great demand in Japan. It is very limited in extent. The Port Orford white cedar is not an abundant species.

Senator MORSE. In light of that statement, which corresponds to what I understand is the viewpoint also of the industry, would this chairman be far wrong in his reasoning if he inferred that those white cedar logs in my State that have been exported in rather large quantities to Japan likewise could be described as logs that are "surplus" to our needs?

Mr. CLIFF. I think they could be so construed on the basis of the present demand and market situation; yes.

Senator MORSE. I make this inference from your testimony in regard to the Alaskan log exports. Please correct me if I am mistaken in my reasoning. As far as Forest Service lands in Alaska are concerned, the Department is held rather firm and fast to the policy of imposing restrictions on the export of the logs that could not be described as surplus to the needs of Alaska and the American trade because of the reasons you set forth in your statement that the Department has sought to be of help to the development of the economy of Alaska.

You have testified that by placing this restrictive policy on the exportation for logs from Alaska to Japan or elsewhere, you have done so as a department because you felt that would help build a stronger economic foundation for this new State. In support of the wisdom of your policy, you have commented in your statement to the effect of the number of mills that have been built in Alaska, with some indication that it has been conducive to creating jobs and economic development.

You point out also that as consequence of the policy of allowing exports of this primarily processed lumber in the form of cants and the other processed shapes, you have justified your policies by their result and economic effects. Is that a fair summary of your viewpoint?