

Mr. CLIFF. Yes, sir. I think that is a fair statement of what has been accomplished there. This policy, of course, dates back to 1928 when Alaska was still a territory and had virtually no forest industry. It has been, we feel, responsible for its installation of the industry there now which is capable of taking about 60 percent of the allowable cut. There was practically no outward movement of timber from Alaska when the policy was adopted.

We feel quite sure that without this policy, we would not have the industry we have there today.

Senator MORSE. Mr. Cliff, in adopting this restrictive policy in Alaska, your testimony makes clear that you consider that the Department had the legal authority to do it under existing law. Knowing you as I do, you wouldn't have done it otherwise. Before you imposed this restrictive policy, did you take the position in the Department that there ought to be negotiations with Japan before you imposed the restrictions?

Mr. CLIFF. No, that wasn't a factor at that time.

Senator MORSE. But your legal authority at that time is the same legal authority that you have now.

Mr. CLIFF. That is correct.

Senator MORSE. But now, if I understand the last two pages of your statement this morning, you do not think that you should impose these restrictions without negotiations with Japan first?

Mr. CLIFF. Mr. Chairman, we have already started negotiations with Japan. We have another meeting set up to be held within a month, and the problem of going to the negotiating table with a fait accompli is the problem. In working with this problem in the negotiations with the Japanese, we feel it would be better to go to the negotiating table on the next round without having any decision made.

Senator MORSE. I understand that, Mr. Cliff, and you know I also understand that the Forest Service is obligated to be part of the administration's team. You know me well enough to know I am not trying to drive any wedges. I couldn't if I would or I wouldn't if I could drive any wedges between the Forest Service and the other members of the administration team.

Yet I have an obligation here to lay a foundation as to what the legal power of the executive branch of Government is in respect to protecting the economic interests of my State. And, with your typical nonfailing intellectual honesty, you have faced up to that in your testimony this morning. This leads me to the conclusion that you recognize that there is some, you don't say total and I don't either, there is some cause to effect relation between the exportation of logs to Japan in the past and the high price that our mills have paid for logs resulting in costs of stumpage in the Government sales far above the appraised value, as the record in this case already shows. As the result of that, those prices have had some effect, if I interpret your testimony correctly, in the chain of causation leading to the shutdown of some mills in my State. Do you think that is a fair summary of that part of your testimony?

Mr. CLIFF. Yes, sir; it is.

Senator MORSE. I know your obligation is to the administration. But the administration has to also recognize my obligations as the Senator of a sovereign State in opposing a policy of the administration, the continuance of which I think will do irreparable damage to the economy of my State.