

Forest Service policy which prevents purchasers from shipping such chips from Alaska.

3. It is proposed that all logs on a set-aside sale would be branded with a brand color specified only by SBA to simplify identification of such logs. Presumably, this would be done by purchasers, as neither we nor SBA have the manpower to do it.

It has been a long-established practice in the industry, wherever there is need, for log producers to brand logs with a branding hammer using ownership brands registered in appropriate State Offices. In addition, operators paint logs to supplement ownership brands, and virtually every available color is in use somewhere. Where logs from a National Forest sale are to be mixed before scaling with logs from other sales or other ownerships, we require, through the contract, that the logs be identified with owner's brands and paint. In event action is taken to prohibit or limit export of logs derived from all sales of National Forest and BLM land in western Washington and western Oregon, we visualize it will be necessary to amplify the branding and painting practices, so that there will be a basis for effective policing of restrictions. Our only concern over the SBA proposal with respect to set-aside sales, therefore, would be to avoid conflicts and complications. We would not favor acting on this with respect to set-asides, until a decision is reached and implemented on the larger program.

In closing, we wish to express our support of a set-aside sale program wherever it is needed to assure small business a fair share of National Forest timber sales. We believe there will be a continuing need for a set-aside program after solutions to the problems arising from the export trade are found. We do not feel that set-asides should be used to combat export problems. Nor do we believe set-asides should be used to regulate prices.

If we can provide further information, let us know.

Sincerely yours,

M. M. NELSON,
Deputy Chief.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, D.C., January 30, 1968.

Hon. WAYNE MORSE,
Chairman, Subcommittee on Retailing, Marketing and Distribution, Select Committee on Small Business, Senate Office Building, Washington, D.C.

DEAR SENATOR MORSE: At the January 23 Select Committee on Small Business hearing, you asked the Bureau of Land Management and the Forest Service to submit comments on the statement of Robert C. Moot, Administrator, Small Business Administration. In the limited time available, it has not been possible to meet with Small Business Administration and Forest Service people to examine the three alternative proposals suggested by Mr. Moot.

In our statement of January 23 to the committee, we noted small business has neither applied for SBA set-asides nor road loans for BLM sales in western Oregon. We believe this is because 65% of the sale volume over the last two fiscal years has been purchased by small business.

We think that much more study of the SBA proposals, as well as any others, will be needed to assure that small business will obtain its historical share of sales of Federal timber. To this end we plan to meet with the Forest Service and SBA to review not only SBA's current proposals, but the whole range of factors affecting small business.

We want you to know that to the best of our ability we can and will meet our responsibilities to small business.

Sincerely yours,

BOYD L. RASMUSSEN,
Director.

Senator MORSE. Now, Mr. Rasmussen, if you will come forward and take the stand as our last witness, at long last, we shall be glad to hear you.

You have an associate with you. Would you introduce him to the committee?