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# FORESTRY INCENTIVES ACT OF 1973

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## HEARINGS

BEFORE THE

SUBCOMMITTEE ON FORESTS

OF THE

COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

FIRST SESSION

ON

**H.R. 2904 and Similar Bills**

MAY 21, 22, AND 23, 1973

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## FORESTRY INCENTIVES ACT OF 1973

MONDAY, MAY 21, 1973

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON FORESTS  
OF THE COMMITTEE ON AGRICULTURE,  
*Washington, D.C.*

The subcommittee met, pursuant to recess, at 10:05 a.m., in room 1301, Longworth House Office Building, Hon. John R. Rarick (chairman) presiding.

Present: Representatives Rarick, Vigorito, Gunter, Teague of California, Goodling, Baker, Thone, and Symms.

Also present: Betty Prezioso, staff assistant; John Rainbolt, associate counsel; Hyde H. Murray, associate counsel; and L. T. Easley, press assistant.

Mr. RARICK. The subcommittee will come to order.

These hearings have been called to inquire into what appears to be an increasing national problem, the inability of the Federal lands and industrial forests to meet the Nation's growing demands for forest and related land resources by management alone. We want to ascertain if such a problem does exist, and if so, the best means available to us of insuring that our domestic timber supply is sufficient to meet the demands of the future while continuing to protect our environment to enhancing recreational opportunities and protecting, as well as improving, our watersheds and fish and wildlife habitats.

Under consideration by our subcommittee will be primarily the bill H.R. 2904 which has been introduced by our colleague, Hon. Robert Sikes, of Florida, as well as 56 of our colleagues who joined with Mr. Sikes in introducing this or similar legislation.

[The legislation referred to above, H.R. 2904, follows:]

[H.R. 2904, 93d Cong., 1st sess.]

A BILL To authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Forestry Incentives Act of 1973".*

SEC. 2. (a) Congress hereby declares that the Nation's growing demands on forests and related land resources cannot be met by intensive management of Federal lands and industrial forests alone; that the three hundred and nine million acres of nonindustrial private land and twenty-nine million acres of non-Federal public forest land contain 65 per centum of the Nation's total forest resource base available to provide timber, water, fish and wildlife habitat, and outdoor recreation opportunities; that the level of protection and management of such forest lands has historically been low; that such lands can provide substantially increased levels of resources and opportunities if judiciously managed and developed; that improved management and development of such lands will



enhance and protect environmental values consistent with the National Environmental Policy Act of 1969 (83 Stat. 852); and that a forestry incentives program is necessary to supplement existing forestry assistance programs to further motivate, encourage, and involve the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in actions needed to protect, develop, and manage their forest lands at a level adequate to meet emerging national demands.]

(b) For the purposes of this Act the term "small nonindustrial private forest lands" means commercial forest lands owned by any person whose total ownership of such lands does not exceed five hundred acres. Such term also includes groups or associations owning a total of five hundred acres or less of commercial forest lands, but does not include private corporations manufacturing products or providing public utility services of any type or the subsidiaries of such corporations.

✓ SEC. 3. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to develop and carry out a forestry incentives program to encourage the protection, development, and management of small nonindustrial private lands and non-Federal public forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of nonforest lands and reforestation of cutover and other nonstocked and understocked forest lands, and for intensive multiple-purpose management and protection of forest resources to provide for production of timber and other benefits, for protection and enhancement of recreation opportunities and of scenic and other environmental values, and for protection and improvement of watersheds, forage values, and fish and wildlife habitat.

SEC. 4. (a) To effectuate the purposes of the forestry incentives program authorized by this Act, the Secretary shall provide a range of forestry incentives which shall include the following:

(1) Cost sharing with the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in providing practices on such lands which carry out the purposes of the forestry incentives program. No cost sharing under this paragraph shall provide for a Federal contribution in excess of 50 per centum of the total cost of practices on non-Federal public forest lands or small nonindustrial private forest lands and no one small nonindustrial private forest landowner shall receive cost sharing under this Act in excess of \$2,500 in any one fiscal year.

(2) Cost sharing with the owners of small nonindustrial private forest lands for the purposes of providing manpower, equipment, planting stock, and other materials to carry out the practices to be encouraged by the forestry incentives program. No cost sharing under this paragraph shall provide for a Federal contribution in excess of 50 per centum of the total cost of materials equipment, and services.

(b) The Secretary may, for the purposes of this section, utilize the services of State and local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 1150; 16 U.S.C. 590h(b)), and distribute funds available for cost sharing under this Act by giving consideration to pertinent factors in each State and county, including, but not limited, to the total areas of small nonindustrial private forest lands and non-Federal public forest land and to the areas in need of planting or additional stocking, the potential productivity of such areas, and to the need for timber stand improvement on such lands. The Secretary may also designate advisers to serve as ex officio members of such committees for purposes of this Act. Such ex officio members shall be selected from (1) owners of small nonindustrial private forest lands, (2) private forest managers or consulting foresters, and (3) wildlife and other private or public resource interests.

(c) Federal funds available to a county for small nonindustrial private forest lands each year may be allocated for cost sharing among the owners of such lands on a bid basis, with such owners contracting to carry out the approved forestry practices for the smallest Federal cost share having first priority for available Federal funds, subject to the Federal cost sharing limitations prescribed in subsection (a) of this section.

SEC. 5. The Secretary shall consult with the State forester or other appropriate official of each State in the conduct of the forestry incentives program provided for in this Act. Federal assistance under this Act shall be extended in accordance



with such terms and conditions as the Secretary deems appropriate to accomplish the purposes of this Act. Funds made available under this Act may be utilized for providing technical assistance to and encouraging non-Federal public landowners, and the owners of small nonindustrial private forest lands in initiating practices which further the purposes of this Act. The Secretary shall coordinate the administration of this Act with other related programs and shall carry out this Act in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentives program.

SEC. 6. There are authorized to be appropriated an amount not to exceed \$25,000,000 to carry out the provisions of this Act. Such funds shall remain available until expended.

Mr. RARICK. I would ask that the Members' names who have co-sponsored forestry incentives legislation be inserted in the record at this point.

[The list of names referred to above follows:]

#### BILLS TO BE HEARD BY FORESTS SUBCOMMITTEE

H.R. 8 by Mr. Sikes.

H.R. 2904 by Mr. Sikes and Mr. Fisher, Mr. Rarick, Mr. Jones of N.C., Mr. Montgomery, Mr. Alexander, Mr. Davis of Ga., Mr. Haley, Mr. Slack, Mr. Bowen, Mr. Hansen of Idaho, Mr. Leggett, Mr. Denholm, Mr. Scherle, Mr. Lott, Mr. Roybal, Mr. Blackburn, Mr. Meeds, Mr. Derwinski, Mrs. Hansen of Wash., Mr. Bevil, Mr. Latta, Mr. Williams, and Mr. Guyer.

H.R. 2905 by Mr. Sikes and Mr. Johnson of Pa., Mr. Ichord, Mr. Flood, Mr. Melcher, Mr. Won Pat, Mr. Nichols, Mr. Yatron, Mr. Cleveland, Mr. Whitten, Mr. Huber, Mr. Baker, and Mr. Fuqua.

H.R. 3720 by Mr. Sikes and Mr. Chappell, Mr. Waggonner, and Mr. Dorn.

H.R. 4406 by Mr. Sikes and Mr. Davis of S.C., Mr. Frey, Mr. Dickinson, and Mr. Don H. Clausen.

H.R. 5215 by Mr. Edwards of Ala.

H.R. 5499 by Mr. Flynt.

H.R. 5747 by Mr. Stephens.

H.R. 5748 by Mr. Stuckey.

H.R. 5990 by Mr. Sikes and Mr. Cochran, Mr. Kyros, Mr. Hammerschmidt, Mr. Mann, Mr. Brinkley, and Mr. Ginn.

H.R. 6386 by Mr. Sikes and Mr. Jones of Tenn.

H.R. 6459 by Mr. Satterfield.

H.R. 6982 by Mr. Conable.

H.R. 7567 by Mr. Perkins.

#### BILLS SIMILAR BUT NOT IDENTICAL

H.R. 2902 by Mr. Shoup, and H.R. 3592 by Mr. Blackburn.

Mr. RARICK. Similar legislation, but not identical, has also been introduced by our colleague from Montana, Mr. Shoup, H.R. 2902, and our colleague from Georgia, Mr. Blackburn, H.R. 3592.

The bill before us would authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small, nonindustrial, private, and non-Federal public forest landowners.

Our witnesses today include our colleague from Florida, Mr. Sikes, the author of the legislation before us, and representatives of the Department. We have the Honorable Robert W. Long, Assistant Secretary of Agriculture for Conservation, Research, and Education. Accompanying him is Mr. John R. McGuire, the Chief of the Forest Service, Department of Agriculture.

Mr. Sikes, we are glad to have you here. We will be happy to hear your statement at this time.



STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

Mr. SIKES. Thank you, Mr. Chairman, and members of the committee. I offer my congratulations to the members of the subcommittee and to the chairman for your interest in this important subject and for the fact that you are beginning deliberations on a forestry incentives bill.

As a Member of the House, I have been in close touch with the problems of forestry for more than three decades. During this period I have been concerned with the long-term trends and I have introduced a number of proposals to improve forestry programs. This committee has provided outstanding support through the years for forestry programs generally, and for this, too, I congratulate you.

Today, I appear in support of a forestry incentives bill. The bill is similar to a forestry incentives bill which I and many others introduced last year, but now it is limited in scope to owners of less than 500 acres of land. Last year the Senate committee reported and the Senate passed a forestry incentives bill. Such a bill has been reported this year by the Senate subcommittee and it's scheduled for action this week by the full committee.

The problem is clearcut. [Our population is growing faster than we are producing timber. Even today there is a desperate situation in the lumber market. Materials are scarce and prices are extremely high. The two go hand in hand.] [Housing costs are soaring because the demand for lumber exceeds the supply. As a result, a number of low-income families have been priced out of the market for low-cost housing.] An incentives program will help to prevent this occurrence in the future because it will help to insure a more dependable and a larger supply of lumber. This is not a problem that will go away. [By the year 2000, the Nation will need twice as much wood as it is using now.]

There is a solution—grow more timber. It takes time to grow a tree to saw-log size. [The trees for harvest in the year 2000 should have their roots in the ground now.] Consequently, many of us are proposing an investment for the future, an investment which surely will be of benefit to all America.

We can also assist in bridging the gap by applying cultural treatment to existing forests. Removal of defective and diseased trees and those of inferior species will give desired trees better quality and more room in which to grow.

[The best opportunity for corrective forestry is on the lands of private, nonindustrial forest owners. They own about 60 percent of all commercial forest land in tracts which average about 70 acres each in size.] These small private forests have contributed much to the development of our Nation. They provided posts to fence the fields, timbers to gird farm buildings, and lumber to build the cities. On occasion, they also provided a rabbit for some hungry family.

Now, let me be more specific. [I am advised that nonindustrial forest land on the Eastern Seaboard has an average ownership of 68 acres. Seventy-two percent of these plots are less than 50 acres in size. Wage earners, housewives, widows, and retired people own 37 percent of all the property. Farmers own 36 percent. Undivided estates comprise 8 percent. Businessmen own 7 percent, and professional people own 4 percent. The average owner is 55 years of age and has the equivalent



of a junior high school education. Two-thirds of all owners live on their property and one-third of the tracts of land has been in the owner's family for more than one generation. One-fourth of the owners have sold timber to meet some pressing financial need. Now let me make this point—the incentives bill for forestry will help the little people of the land, the ones who need it most. That is why we are limiting the application of the bill to owners of less than 500 acres and payments to not more than \$2,500 per year.

[An incentives bill is needed because generations of unmanaged use during two centuries of national growth have reduced private woodlands to a low level of productivity. About one-fourth of them require tree planting, and nearly one-half need cultural treatments such as thinning, weeding, and improvement cuttings.]

[It is in the public interest to provide an ample supply for future needs. If we do not do so, then the public will pay excessive prices for the wood it uses in future years, and we will become dependent upon other nations.]

There are corollary public benefits, also, including protection of watersheds, improvement of wildlife habitat, and enhancement of the environment.

Therefore, I propose that the Federal Government share with private, nonindustrial forest owners the costs of long-term investments in reforestation and in forest improvement. [Much of the money so invested will flow back to the government in time in the form of increased taxes. The economies of rural areas will be strengthened.]

The bill before you suggests an initial annual authorization of \$25 million. This would permit a sound beginning. Future requirements will depend upon many things. Forestry officials estimate that an effective program should include planting or improvement of 800,000 to 1 million acres per year. This is only a small part of the 309 million acres of nonindustrial private ownership in our country.

The present estimate is that assistance should be in the range of \$25 per acre for planting, and \$13 per acre for timber stand improvement. It is also estimated that the cost of administering the program will be about 15 percent of the total. The administration as provided in the bill would be primarily through State agencies. Assuming about an equal mix of planting and timber stand improvement, a program of this magnitude would cost in the range of \$25 million per year. This would be a threefold increase over the acreage planted and treated last year under the REAP program. However, it would be less than one-half of the 920,000 acres planted last year by industrial owners. Public agencies, both Federal and State, also planted 318,000 acres last year.

There is concern about funding. Strong objections are being raised in some quarters to additional subsidy programs. I don't think this program should be looked at in the light of a subsidy. It provides payments to producers, yes, but payments are for increased production of timber which is for the national good.

Even if there are those who insist on calling this a subsidy, I must remind my colleagues that just about everything in this country is subsidized in one way or another. Most assuredly this is true of agricultural products. In the forestry incentives program, we will be paying people to produce more and to supply a definite need against future scarcity.



As a matter of fact, this bill probably should be written into the farm program of the general farm bill as a new section of that measure because it definitely is related to the Nation's farm programs. The forests should be considered a natural resource to be conserved and the forestry base broadened.

And that is what has happened this year, Mr. Chairman, in the Senate. It is part of the general farm bill.

If, however, there are those who object to taking funds from general revenues to encourage people to produce more timber as an investment for the future, one solution would be the imposition of a modest tax on timber exports. Timber exports, principally to Japan, are held to be a major cause of today's scarcity and high price problems in timber. We are exporting 4.595 billion board feet of logs and lumber annually. An assessment on these exports would go far toward funding the forestry incentive bill. A \$5 per thousand board feet assessment would pay all of it.

Some will say that the Constitution prohibits Federal taxes on articles for export. I respectfully remind you that such taxes are being levied. There is a tax on wheat and tobacco exports and it has been upheld because it is for the purpose of regulating foreign commerce. Presumably, it is held not legally a tax, but a fee for making payments to farmers as a subsidy for agriculture. Chairman Mills of the House Ways and Means Committee has introduced a bill for a tax on hide exports. There is an import duty on wool. Revenue collected is reserved for developing domestic wool production. Obviously there is a precedent for a timber export tax and for reserving revenues for a special purpose such as forestry incentive payments.

There also are authorities who, in pointing to the exceptions already in effect, say this means "don't worry about the constitutionality, there are precedents, just concentrate on the need for legislation." There is very definitely a need for a forestry incentives program.

We now have an opportunity to capitalize on the experiences of the past and to tailor-make a comprehensive forestry incentives program that can build upon the combined experience of Federal and State agencies and forest landowners. That is what is envisioned in these bills.

I am most enthusiastic about this proposed legislation. The time is ripe for the House to parallel action now taking place in the Senate on this legislative program. I find the arguments for this legislation most persuasive. My comments today attempt to convey my earnest and urgent conviction that the bill deserves your full support. If there are any questions that you would like to have me respond to, I will be happy to do so.

I submit for inclusion in your printed hearings a fact sheet which provides a summary of the forestry incentives program. It is lengthy. I will not read it. It shows that many features of the bill are optional. We can grow into utilization of the program as we learn how best to proceed. The various activities are broken down into subheads for easy reference. Mr. Chairman, section 6 on page 6 of H.R. 2904 amended to provide annual appropriations of \$25 million. The present wording is an oversight. The word "annual" is left out.

I appreciate this opportunity, Mr. Chairman, to appear in behalf of a forestry incentives program.



Mr. RARICK. Thank you very much.

If there is no objection, the committee will ask that that be placed in the record of the proceedings following testimony of the witness.

Hearing none, so ordered.

[The fact sheet referred to above follows:]

#### FORESTRY INCENTIVES PROGRAM "FACT SHEET"

##### SCOPE OF PROGRAM

Directed toward 309 million acres in non-industrial private ownership (4 million parcels—average size 78 acres.)

Share the cost of tree planting, cultural work, and practices to enhance wildlife habitat, recreation opportunities, water yields and quality, esthetic value, and harvesting of timber.

Pilot tests loan features and annual payments as incentives.

Share the cost of providing manpower, equipment, planting stock and other materials needed to carry out the program.

Shares costs with State and other non-Federal public agencies.

##### IMPORTANCE OF PROGRAM

Sixty percent of Nation's productive timberland acreage is in non-industrial private.

Seventy percent of current annual softwood sawtimber growth comes from non-Federal lands.

Sixty-five percent of current annual softwood sawtimber removals come from private lands.

Thirty-seven percent of current inventory of softwood timber is privately held.

Major source of outdoor recreation opportunities—hunting, fishing, birdwatching, hiking, winter sports, etc.

Major source of water for human, farm and industrial use.

Major source of wildlife—birds, mammals, fish.

Huge backlog of needed conservation work; millions of acres need treatment.

Few owners will invest in needed treatment without financial incentives.

Future demands in prospect indicate that productivity of these lands must be increased—only half of potential being realized.

##### LEADERSHIP AND IMPLEMENTATION OF PROGRAM

Forest Service, USDA will be responsible for overall program leadership at the Federal level—with direct involvement of ASCS and FHA and supported by SCS, FES, and other USDA agencies.

State forestry organizations at the State and local level—supported by other State agencies, county committees of ASCS; Soil and Water Conservation Districts, forestry consultants, forestry associations; landowners and others concerned.

The State Forester or similar State official, operating within guidelines established by the Secretary of Agriculture and with the support of appropriate Federal and State agencies operating at the State and local level, shall prescribe the details of the conduct of the program.

State and county committees will guide implementation of the program at the local level.

Technical guidance, including prescription and installation of specific forestry practices on individual tracts of land is the responsibility of the State forestry organization. The State Forester will use the services of consultants or other competent foresters to the extent feasible.

Installation of practices may be done by the landowner or handled on a contract basis with Conservation Districts or other qualified vendors.

Contracting with landowners, disbursement of funds (including annual payments and cost-share payments) and related facilitating services will be handled by local ASCS offices.

Pilot-testing of loan arrangements will be handled by local FHA offices in selected localities.



Cost-sharing payments for practices installed on non-Federal public lands will be handled under cooperative agreements executed by the Forest Service, USDA and the State or local official concerned.

#### DISTRIBUTION OF FUNDS

Up to \$5 million/year will be allocated for pilot testing special loan features and annual payments. The Forest Service and FHA will plan and execute this part of the program in consultation with State and other Federal agencies.

Funds available for cost-sharing will be allocated among States on the basis of non-industrial private forest acreage, number of ownerships, and other factors.

Funds will be allocated to specific types of practices; for example, so much for tree planting, timber stand improvement, soil-stabilization, wildlife habitat improvements, etc.

Priority will be given to applications from landowners seeking to facilitate multiple-purpose management and use.

Bid procedures will be tested to encourage landowners to pool their projects and thus reduce per acre costs.

Costs of administration and technical supervision will be estimated and State and Federal agencies assigned specific responsibilities under the program will be compensated accordingly. Total of these costs estimated at 15% of the total program expenditures.

#### FORESTRY PRACTICES ELIGIBLE FOR COST-SHARING (TENTATIVE)

*Planting or seeding trees* on open land, brush land, burned over land, cutover or otherwise denuded areas; conversion of scrub hardwood to pine or other softwoods; stabilization of erosive areas. Includes site preparation for natural seeding and direct seeding.

*Timber Stand Improvement*—including thinning, weeding, cull tree removal, pruning of crop trees to improve quality, release of young growth from overtopping vegetation.

*Clean up of logging slash* to reduce fire hazards or esthetic impacts.

*Wildlife habitat improvement*—planting food species, creating openings, improving watering or nesting conditions, clearing debris from streams.

*Recreation improvements*—trail marking and maintenance, providing public access, etc.

*Erosion control*—seeding grass, constructing water bars in woods roads, gully plugging, etc.

*Prescribed burning*—to reduce fire hazard, improve growth, etc.

*Firebreak construction* and maintenance in high hazard areas.

*Fencing* to prevent livestock damage to young stands.

#### FORESTRY PRACTICES ELIGIBLE FOR ANNUAL PAYMENTS (UP TO 10 YEARS) (TENTATIVE)

Keeping vegetative cover on highly erosive lands.

Providing free public access for hunting, fishing, hiking, birdwatching and other outdoor recreation.

Maintaining a wildlife or bird sanctuary or special habitat.

Preserving a tract of land as a primitive or wild area for public use and enjoyment.

Maintaining a merchantable plantation or other highly productive stand in optimum growing condition (in lieu of premature harvesting).

Demonstrating multiple-purpose management of a forest and making the site available for conservation education classes.

#### ADVANTAGES AND DISADVANTAGES OF ALLOCATING FUNDS ON A BID BASIS

This provision should work to stretch the Federal dollar to generate the greatest quantity of forestry work by reducing per acre or other unit costs.

This provision will afford an opportunity for the most determined and serious participants to compete successfully for limited cost-share funds.

Bid procedures should encourage landowners to "pool" their development work into large, coordinated projects that will permit economies of scale and facilitate contracting by vendors.

This provision could favor the more affluent applicants.

Program priorities based on the productive capacity of the land, the desirability of product or benefit, and the needs of the public will tend to be ignored, i.e. direction of the program would be complicated.



This provision could place emphasis on practices with a high cost/benefit ratio at the possible expense of practices with a large public benefit component and a low-level of landowner interest and investment.

Bidding would add to the complexity and increase the costs of program administration.

#### UTILIZATION OF PRIVATE ENTERPRISES AND LOCAL ORGANIZATIONS

Consulting foresters may represent their client in arranging for cost-sharing and provide technical supervision. They may also provide technical services for the State Forester on a contract basis.

Industry foresters with privately-owned land under contract may provide technical supervision and planning for their cooperating landowners.

Soil and Water Conservation Districts may facilitate grouping of ownerships and provide the delivery system—the equipment, work crews, materials, etc., needed to plant trees and install other practices.

Landowner associations may help facilitate and implement the program by “pooling” development work with large enough blocks to attract competent vendors at competitive prices.

Consulting foresters may contract to provide both the technical planning and supervision and installation of practices to be cost-shared.

Private nurseries may supply certain kinds of planting stock.

Increased forestry investment activities will stimulate related work—boundary line location, sales of equipment, trucking, etc.

#### PROGRAM ACCOMPLISHMENTS EXPECTED

The amount of land treatment achieved at a \$25 million annual level depends on the mix of practices, unit costs, geographic distribution, etc. Assuming \$5 million for loans and annual payments; 15% for program administration and technical assistance; a southern and softwood emphasis; a 2:1 ratio of expenditure for reforestation to TSI; and an 8:1 ratio of expenditure for timber to non-timber practices—the result could be roughly in the range of 300–400,000 acres of new planting; an equivalent acreage of timber stand improvement; and an unestimated amount of other non-timber benefits.

#### BACKLOG OF CONSERVATION NEEDS (PARTIAL)

Tree planting—marginal cropland; areas denuded by fire or pests, open or brush-covered idle land; poorly stocked forests; old cut-over areas; conversion of scrub hardwoods to softwood, etc. Depending on public policy, landowner objectives, and economic aspects—total backlog may approximate 50 million acres.

Timber stand improvement—conservative estimate is that 40 percent of land in non-industrial forest ownerships needs cultural treatment of some kind; total backlog may approximate 125 million acres.

No estimates of recreation, wildlife habitat, or other non-timber needs.

#### PILOT TESTING OF LOANS AND ANNUAL PAYMENTS (UP TO \$5 MILLION)

Long term—low interest direct loans—up to 40 years; low as 3%.

Loan guarantees to facilitate borrowing from commercial lenders.

Deferred repayment—tied to timber harvest.

Annual payment or periodic payment (instead of lump sum loans).

Waiver of all or part of interest to encourage maintenance of practices, etc.

Non-recourse loans—protect owner against catastrophic losses and limit his liability to the lien on the forest land or timber.

Annual payments (not on a loan basis) to encourage multi-purpose management, public access for hunting, maintain wildlife sanctuaries or wilderness values; or vegetative cover on critical erosion sites.

#### FORESTRY COST-SHARING; 1971 REAP (ASCS) PROGRAM

142,789 acres of trees or shrubs were planted for forestry purposes at a total Federal cost-share payment of \$3.0 million (\$21.31/acre).

140,520 acres of Timber Stand Improvement were completed at a total Federal cost-share of \$1.8 million (\$13.04/acre).

Mr. RARICK. Mr. Goodling, do you have any questions?



Mr. GOODLING. I have no questions, Mr. Chairman.

Mr. RARICK. Mr. Vigorito?

Mr. VIGORITO. No questions, Mr. Chairman.

Mr. RARICK. Mr. Baker?

Mr. BAKER. Mr. Chairman, I had a question, and I am trying to refresh my memory, now. I should have taken notes as I was coming along. Let me pass for the moment.

Mr. RARICK. Mr. Gunter?

Mr. GUNTER. Mr. Chairman, I apologize for being a minute or so late. I am sure before I came that you gave the distinguished dean of the Florida delegation a proper introduction.

I do want to take note of the fact that Congressman Sikes has served in the Congress of the United States longer than any other citizen from our great State ever served in history, and was recognized before the Florida Legislature recently because of his distinguished service in this body, the House of Representatives. And it is a pleasure for me as a freshman to be here and to be able to work with him.

Congressman, I know that you have been a longtime leader in forestry legislation, and I appreciate that fact, because one of the things that you mention is that (we can ill-afford for this Nation to become dependent upon other countries for production of forest products.) I may have missed the point, and I want, therefore, to raise the question because I know it will come up in debate. Are there any estimates with regard to what the cost of such an incentive program might be to the Federal Government? Is it possible to establish a reasonably accurate estimate?

Mr. SIKES. I would suggest that an annual appropriation of \$25 million would permit the operation of an incentives program of about a million acres a year. Since there are 300 million acres of privately owned land in small tracts, it is obvious that this would be only a small part of the potential.

But, the forestry experts and the Forest Service officials, feel that if we can improve a million acres a year we will be making significant and worthwhile progress. About half of this would be for replanting and half for timber stand improvement. We can do that for about \$25 million a year.

Mr. GUNTER. And would the thought be perhaps with the success of the program being a matter of record to expand it as time goes on?

Mr. SIKES. I would think that it should be expanded as time goes on, because there is such a large acreage of land which needs forestry improvement.

Now, of course, we would not expect all of the land in private ownership to be placed in the program. But, if the program is as successful as I hope it will be, it will be expanded in time as the need is demonstrated.

Mr. GUNTER. Thank you.

Mr. SIKES. That would require subsequent legislation, of course, because I am asking for an annual authorization of \$25 million. It will provide for a program of about a million acres a year.

Mr. TEAGUE. Mr. Chairman, would the gentleman yield?

Mr. GUNTER. Yes.

Mr. TEAGUE. Mr. Sikes, I am pleased at your proposing to start this on a relatively modest basis. But, is it not a fact that if all of the



eligible lands in the country eventually were included in the program, we could be talking about a cost of well in excess of a billion dollars a year?

Mr. SIKES. That is possible, if all of the land were placed in this program. I cannot conceive of a program so large. Congress will have complete control over the size of the program. It cannot exceed the amount that is authorized and funded. If we begin with an authorization of \$25 million a year and it is funded at that level, then, conceivably it would be several years before an attempt is made to increase it. The program must be established. There will be growing pains. It would, in my opinion, not grow very fast because of competition with other programs for funds. Even as appropriations of \$25 million per year can make an important contribution to the forestry programs of the country.

Mr. TEAGUE. Well, I am glad to hear you say that, but I did want to get on the record the fact that this potentially could be a program running in excess of a billion dollars.

Mr. SIKES. I have not calculated the amount, I am sure my friend has, and I accept his figures. It could run to very considerable amounts above that which I proposed, if the Congress were so disposed. But we are not asking for such amounts.

Mr. TEAGUE. Thank you.

Mr. RARICK. Mr. Thone.

Mr. THONE. Very briefly, Mr. Sikes, I am intrigued with your timber export tax theory. Did the Senate bill consider this approach at all?

Mr. SIKES. The Senate bill does not contain any such proposal, nor does my bill contain such a provision. It would be something to be added as an amendment if in the judgment of this committee it is desirable to make this a self-financing program. It was not done in the Senate bill.

Mr. THONE. Well, I think that would probably enhance the political appeal of the bill.

Mr. SIKES. If it were self-financing?

Mr. THONE. Yes, sir.

Mr. SIKES. Well, I certainly do not object to that, and that is the reason that I brought it up. Although this would probably be the only self-financing program of its kind in the country, I do not object to that approach. It would be on sounder ground if it were paying its own way.

Mr. THONE. Mr. Sikes, you indicated that the general farm bill on the Senate side included this forestry incentives program?

Mr. SIKES. That is correct.

Mr. THONE. How did they handle the financing there?

Mr. SIKES. To come out of general revenues.

Mr. THONE. Did they set a figure?

Mr. SIKES. \$25 million annually.

Mr. THONE. Thank you, sir.

Mr. RARICK. I would say to the gentleman from Nebraska that I have asked the Attorney General's office to give us some kind of opinion as to whether they feel the export contribution—as a source of funding the program—is within or without the Constitution. This is the question the witness has raised, I believe on the last page of his testimony.

Mr. TEAGUE. Mr. Chairman, may I ask a question?



Mr. RARICK. Yes.

Mr. TEAGUE. Are we not also faced with a jurisdictional problem with the Committee on Ways and Means?

Mr. RARICK. Well, as of the present time we are not. If we get into new realms of alternatives of financing programs, we may, yes; at that time.

Mr. TEAGUE. It appeals to me as being a good idea, but I am not sure it would appeal to Mr. Mills as something this committee ought to do.

Mr. RARICK. I think he might be agreeable or amenable to waive jurisdiction if he was satisfied that it was in the best interests of the country.

Did you conclude your questioning?

Mr. THONE. Yes; Mr. Chairman. Thank you.

Mr. RARICK. Mr. Symms.

Mr. SYMMS. Did you get an answer from the Attorney General?

Mr. RARICK. No.

Mr. SYMMS. You say you have requested that?

Mr. RARICK. The request has been made. Of course, again, we reasonably can expect any opinion to say dependent upon this and that, and certain times and in certain cases, et cetera, et cetera. But at least I did feel we should explore this possibility.

Mr. SYMMS. Thank you, Mr. Chairman. I have no further questions.

Mr. RARICK. Gentlemen, one interesting observation, right now we are hearing a considerable amount of talk on the energy crisis, and I think you and I are relatively about the same age. You may be a little bit younger.

Mr. SIKES. That is the kindest thing that has been said today, Mr. Chairman.

Mr. RARICK. But we can recall, I think, that before we had natural gas, heating and air conditioning, in the wintertime our people used wood for energy. We put it in the cookstove to cook and in the winter it would heat the house.

Mr. SIKES. I am afraid many of us have forgotten how to cut the wood.

Mr. RARICK. Well, we are being told we face something like a 2 to 5 percent energy shortage, and, there could be relief from wood sources. One of the Senators was over last week when we had hearings on the energy crisis facing farmers. He said he was afraid the people in his State might freeze this winter because they would not have sufficient gas. And I reminded him that when I was a country boy we did not depend on gas, that we went out and cut trees to use in the stove to heat the house.

Mr. GOODLING. Mr. Chairman, I might add that I am older than either of you, and I have cut many a cord of wood in my day.

Mr. RARICK. I only mention this as reminder that wood is an alternate source of energy along with its many other essential and vital uses.

Mr. SIKES. Count me among the woodcutters. I cut many a log when I was a young man living in the country.

Mr. RARICK. Mr. Sikes, we certainly thank you for your testimony and your dedicated efforts on behalf of forestry.

Mr. BAKER. Mr. Chairman, could I ask a question?

Mr. RARICK. Yes.



Mr. BAKER. Thank you, Mr. Chairman. We are talking about incentives, Mr. Sikes. And how far out of balance are we. Do we have statistics on the need compared with the sources of timber which are available to us today? How much do we need? If we had all we wanted, how much could we use today, and what would the difference be between what we have and what we need?

Mr. SIKES. I do not have figures with which to provide a complete answer to my distinguished friend's question. [It is estimated that by the year 2000 we are going to be using twice as much lumber as we are using now,] and that is a tremendous amount of lumber. And you know what the price and demand situation is now. [The prices have gone right through the ceiling in the last few months, and primarily because of scarcity.] We do not have the timber now. Whether this is a temporary thing, nobody knows. Efforts are being made to relieve the immediate shortage by additional cutting on forests on Federal land. There will be some additional cuttings on private lands to take advantage of the high prices, but the timber just is not there to meet the requirements. And the only way, the only long range solution is to grow it.

Mr. BAKER. If we think in terms of maybe using \$25 million a year, we are working toward a half a billion in 20 years before we begin to get something back?

Mr. SIKES. That is correct. But it is an investment which should provide a valuable resource.

Mr. BAKER. We are working toward the turn of the century?

Mr. SIKES. That is correct.

Mr. BAKER. Do I understand that at that time our need will be doubled?

Mr. SIKES. That is correct.

Mr. BAKER. We do not have enough now?

Mr. SIKES. Right.

Mr. BAKER. We would need at least twice what we have now, and more, so there would seem to be some reason for the approach of creating some sort of incentive to ask people to invest in a long-range program.

Mr. SIKES. Well, people have been investing in timber land improvements to insure increased production in timber for a long time in this country. They have seen the advantage of it and the timber supply is increasing, but it is not increasing fast enough to keep up with the demand. And that, of course, is the principal reason for this bill. It is to try to bring into production the most undeveloped land, the land which is most in need of improvement insofar as timber production is concerned in our country. And that is the timberland in small ownership. If we can stimulate that source, we will have tapped an area that is producing less percentagewise than any other timber holding in the Nation.

Mr. BAKER. I thank the gentleman. Thank you, Mr. Chairman.

Mr. RARICK. Mr. Sikes, again we thank you for your statement for authoring the bill, and we appreciate your being with us this morning.

Mr. SIKES. Thank you, Mr. Chairman, and gentlemen.

Mr. RARICK. Our next witness is the Honorable Robert W. Long, Assistant Secretary of Agriculture for conservation, research, and education.



Accompanying Mr. Long this morning is Mr. John K. McGuire, Chief of Forest Service.

We are happy to welcome you before the committee and we will be happy to hear your testimony at this time, Mr. Secretary.

**STATEMENT OF HON. RICHARD W. LONG, ASSISTANT SECRETARY OF AGRICULTURE FOR CONSERVATION, RESEARCH, AND EDUCATION, ACCOMPANIED BY JOHN R. MCGUIRE, CHIEF OF THE FOREST SERVICE**

Mr. LONG. Thank you, Mr. Chairman, and members of the committee, Congressman Teague. I think under the circumstances Mr. Chairman, I would like to read this statement. It is relatively brief, and I have not found any way to summarize it further. So, if I may, I will.

Mr. Chairman and members of the committee :

We welcome this opportunity to join in your consideration of the proposed Forestry Incentives Act. The Department of Agriculture has a strong interest in the purposes of this legislation. With me is John R. McGuire, Chief of Forest Service, the agency which has responsibility for development of Federal forestry programs.

The Department of Agriculture sees an increasingly important role for non-Federal forest lands in the future. Rapidly rising demands will be made on all the Nation's forest resources in the decades ahead.

An adequate supply of timber and related products is an important concern. (We believe public and industrial forest lands can meet the bulk of our supply needs in the short run. But these lands are producing relatively near their capacity and the greatest potential for long-term and large-scale increases in timber supply is on small private ownerships.) Four million nonindustrial private ownerships control 296 million acres—or three-fifths—of our commercial forest lands available for sustained timber production.)

(At present, these small private properties are producing no more than half of their potential. The bulk of these lands are either cut-over, understocked, or otherwise in a poor productive condition.)

(The typical small private landowner is often not willing or able to make the financial commitment needed to bring his property up to its management potential. Thus he may need encouragement or some form of an incentive to improve the condition of his forest resource.)

We are reviewing a potential new Federal role in spurring private landowners to take steps that will bolster the Nation's timber supplies.

In considering a possible Federal forestry incentives program, I would like to contrast an effort to increase timber yields with the rural environmental assistance program. The REAP program has basically done its job. It demonstrated the advantages of sound agricultural conservation practices so well that many such practices have become an integral part of the normal farming operation. On the other hand, the forestry job on most nonindustrial private lands is yet to be done. A catalyst may be desirable so that private forest landowners will blend sound forestry practices with their land management objectives and actions.



The challenge is to frame the kind of program that will work. The problem of motivating private forest landowners is a difficult one. Owners are many in number; they are scattered in location; and they have many varied objectives for managing their forest tracts. In many cases, the time span involved in the range of management practices transcends the life of the individual owner.

H.R. 2904 embodies but one approach to motivating private forest landowners. We believe its enactment would be premature, since we have not had the opportunity to fully review information which might suggest or lead to more effective approaches.

For example, we understand the President's advisory panel on timber and the environment will soon make its report. Although I have not seen that report, we expect the panel will address the role of non-Federal forest lands in the total timber supply picture.

Recently, the forest service published a preliminary summary of its 1970 timber review entitled, "The Outlook for Timber in the United States." This draft report represents a comprehensive analysis of the timber situation and outlook in the Nation. The report, which has been made available for public review and comment, indicates that existing cooperative forestry efforts are being reflected in a trend of improvement in the growth and inventory of private, nonindustrial forest lands. This comprehensive analysis will be important in defining the scope and nature of the work that should be done on private forest lands. It would be desirable to complete this review before developing the specifics of an incentive program.

Additionally, the President has directed that we consider ways to improve the level and quality of management on National forest lands. Any effort affecting the private sector should be considered in relation to plans for management and production of Federal forest lands.

We are looking at several questions we believe should be carefully considered before a program is adopted. These include:

Should there be participation by State agencies in the costs of the public share of forestry practices, so that all program beneficiaries might share in program costs?

What percentage of the cost of various forestry practices should be borne by the public sector, so as to provide the needed incentive for the private landowner?

What arrangements are feasible to encourage pooling of small ownerships so that local landowners can take advantage of the economies of scale?

What level of Federal effort is needed to make significant impacts in meeting National timber supply and price goals?

The Department of Agriculture is seriously interested in considering a pilot effort that will test the effectiveness of forestry incentives. We are seeking to frame a pilot program that might provide a logical base for undertaking a longer term approach. To this end we are looking at the merits of developing a specific proposal. We suggest that action on H.R. 2904 be delayed until our review is completed.

Now, we will be most happy, Mr. Chairman, to discuss in greater depth any of the aspects of this that you would care to.

Mr. RARICK. Thank you for your testimony, Mr. Secretary.

Mr. LONG. There will be a report available shortly. It is on its way up.

Mr. RARICK. Today or this morning?

Mr. LONG. Yes, today or this morning.

Mr. RARICK. Let me ask you this: You say you suggest that action on this legislation be delayed until your review is completed?



Mr. LONG. Yes, sir.

Mr. RARICK. Can you give us any idea what this means?

Mr. LONG. I feel very strongly that this concept is one part of a two-part program, to provide an increasing supply of commercial timber for the United States. I think the concepts that are involved here are excellent. I know, although I have not been aboard that long, that studies in this area have been going on for some period of time. I am satisfied personally, and I think possibly Chief McGuire might want to comment further, that we are fairly close to coming up with some recommendations and further suggestions in this area. And I am not talking about many months, I am talking about some weeks ahead, hopefully not too many.

Do you want to comment on that, John?

Mr. McGUIRE. I would agree with that, Mr. Chairman. We have ironed out many of the problems through discussions with the State foresters and with the conservation organizations. I think now it is a matter of reaching some final decisions, as to, for example, the extent of the State participation in the program. By that I mean State financial participation.

I think most of the other questions have largely been answered as to the need for something of this kind, and the kinds of practices that should be undertaken, and the kind of benefits that might result.

Mr. RARICK. Well, I have raised the question because you end your testimony with this appeal. I am from an oil State, a gas State, and we have been trying for years to alert the political leadership of our country that we needed more petroleum production, more refineries, and we needed to move to avert an oil shortage. And everyone used to tell us, well, we will take that up next week, next month, next year. Now we find ourselves in the critical position where there are efforts to limit our domestic use, and force our people to limit the progress of our entire society to stay within the availability of our present oil production. In other words, you are not talking about a year or 5 years or waiting until the lumber shortage becomes a national crippling crisis?

Mr. LONG. It might be partly my fault, too, Mr. Chairman, in that being new I am concerned that if we launch something like this that it will work, that it really will be an incentive, and people who have in many cases very small tracts will be encouraged, that this type of a program will mean something to them, not just to the national picture which we could all see. Personally, if I had a small tract of land, I would ask what does it mean to me. And, after all, the returns from such an effort will be down the trail quite a way. And so the program has to be fairly attractively and intelligently managed in terms of their interests, I think, as well as the national interest.

Mr. RARICK. I think all of us recognize there is a problem, that there is a growing shortage in forestry products and forestry resources. The problem is not southern or northern or western. The problem is national. If we do nothing, it will not go away. It will only worsen.

I guess one alternative solution could be through education, but so far all of the tools of education of the masses are concentrated on the Watergate. They are little interested in other areas of alerting



public opinion to other national crises. Then we could help solve the problem by the power of suggesting to the small private landowners that they can profit through forestry, that timber prices are up greatly, compared to what they were, even 2, 3, or 4 years ago. Another possibility would be granting additional tax benefits. There could be extra tax writeoffs to encourage private owners to increase their forestry investment. The incentive program is really only one of several routes. But, if nothing else we must get the attention of the American people that a problem exists and that something must be done if we are to solve it. I think this conforms to your statement. How we are going to do it, what route this committee will take, we have not even discussed among ourselves as yet.

We thank you for your statement, Mr. Secretary. I would ask Mr. Goodling at this time if he has any questions.

Mr. GOODLING. Thank you, Mr. Chairman.

I would like to ask either of you, what are you doing in the way of research to make lumbering more efficient?

If most farmers were as inefficient as lumbering is, they would all be broke, if they are not at the present time. Now, you know, and I know, it usually has been the common practice over the years, to cut the tree, to take out the saw log and let everything else stay right there. That is not an efficient operation in my opinion. Are you doing anything in the way of research to correct that situation?

Mr. MCGUIRE. Yes, sir. We have quite a substantial research program going in several areas.

First, we are trying to find better ways of regenerating the forest, putting in genetically superior strains and various tree species so we get a better tree to start with.

Second, we are looking at ways of taking the logs and bolts out of the forest more efficiently. In the West we have been evaluating the possibility, for example, of using helicopters and avoiding having to build roads.

Then having moved more of the tree out of the woods, we are looking at better ways of cutting it up. At the present time, the industry-wide average is about 6 or 7 board feet per cubic foot of log. We are sure, through better saw milling techniques that we can get closer to 9 or 10 board feet per cubic foot of log. We can also saw up smaller logs, maybe down to 4 or 5 inches in diameter at the small end. Some of the industry is already doing this.

Finally, we are looking at better ways of using wood in place. Our Forest Products Laboratory at Madison, Wis. has developed techniques for house construction, for example, that use less wood and gives an equally satisfactory or even better result.

We are also looking at ways of combining wood chips into panel forms. Conceivably it would be possible to take the whole tree and chip it, make it into panels, and then we could saw up these panels into the equivalent of 2 by 4's or 1 by 6's, or whenever you wanted. We are now at the stage where we can make a panel that is 90 percent as good as sawn lumber. In other words, we can make a panel 2 by 4 that is 90 percent the equivalent of the lower grade sawn 2 by 4's now in use in conventional house framing, and we believe we may be able to go that other 10 percent in the future.



Mr. GOODLING. Are you making any headway in using a knife rather than a saw? Several years ago I saw a pilot project you had at Madison. Are you making any headway on that? Has it been used commercially at all?

Mr. McGUIRE. Yes, we are. In a few places. And this holds a lot of promise. We are also looking at better ways of opening the log itself by using computer techniques to get around the sawyers' possible errors in judgment. We can get more out of the log that way. We are also experimenting with thinner saws so we have less of the wood going into sawdust. All of these things have their place. Some of them are now being used.

Mr. GOODLING. There are a lot of board feet of lumber in that sawdust pile.

Mr. McGUIRE. That is right.

Mr. LONG. I wonder if I might add this: A few weeks ago, I was up in Oregon, and I was given a demonstration of the helicopter logging techniques. They are really remarkable. I do not know if the evidence has been made available, but the way the big helicopters can quickly move the large size logs is remarkable. The technique is all worked out, but I think there are some economics that are yet to be developed satisfactorily. There are no roads involved at all. It is great.

Mr. GOODLING. That is all I have, Mr. Chairman.

Mr. RARICK. Mr. Gunter.

Mr. GUNTER. Mr. Chairman, if the committee would indulge me, I would like to ask Mr. McGuire about the agreement or lease or whatever the technical term is which you have with the Navy for the bombing range in the Ocala National Forest. Of course, the thing that concerns me, Mr. McGuire, about that, is it is my understanding that you have approved some recreational activities close by. I am not sure what the arrangement is with Camp Ocala, which is a children's camp, very near, as I understand it, to the location of this test bombing range. In 1969, it was reported to me that the Navy accidentally fired some rockets into that camp on a weekend. Luckily, the children were not there. Of course, the counselors were, but no one was hurt. But, have you given consideration to terminating that arrangement, because it seems to me it certainly does not fit with the goals and objectives of the Forest Service?

Mr. McGUIRE. Yes, we have, Mr. Gunter. In fact, I was down there last January, and you could hear the bombs dropping from about 20 miles away. And it does interfere with the recreational use of that beautiful area. We have been talking to the Navy about moving their activity elsewhere.

Now, this started back in World War II as you know.

Mr. GUNTER. Right.

Mr. McGUIRE. And it does serve a national purpose. I gather that the carrier aircraft have to have some place like this in order to carry on target practice. We have been urging the Navy to find another place, but this far the Navy has not been successful in finding another suitable area.

This is sort of an indefinite arrangement. We really cannot unilaterally require the Navy to move their use out of the forest.

Mr. GUNTER. You say you cannot unilaterally?

Mr. McGUIRE. We cannot.



Mr. GUNTER. I thought the arrangement was either party could terminate it, given notice.

Mr. McGUIRE. Well, that was the way it was set up originally. But, it is obvious that if the Navy has to have a target practice area, we would have to give them time to find another one. And thus far they have not been able to find one.

Mr. GUNTER. Are you satisfied that they have actually looked for another target area?

Mr. McGUIRE. No, sir, I am not happy that they have made an adequate effort, and we continue to bring pressure on the Department of Defense to get them to move. But, there is more at stake here than just providing recreation. There are also questions of national security that go beyond my particular competence, you understand.

Mr. GUNTER. I understand that. Of course, we are all aware of the Department of Defense's move toward changes in over 270 base locations around the country. But there are large tracts of land which are controlled by the military in the State of Florida, and in other nearby States, and I am just very concerned, because that is a heavily populated area, as you know. But, to drop those 500-pound bombs, and make a mistake as they did in 1969, is of great concern to me, and it does not, as I see it, fit in with the purposes of the Forest Service in managing those national forests.

Do you have other arrangements in other national forests around the country similar to that?

Mr. McGUIRE. Yes, sir. We have other such arrangements. Most of these arrangements were entered into during wartime, for good reasons. But, they have given us trouble. For example, in other parts of the South we have permitted maneuvers by armored forces, tanks and bulldozers, in the forests, and this has caused, in some areas, a great deal of problems with soil erosion. We also have problems in disposing of unexploded shells. It is necessary to guard these areas and keep the public out until they can complete the decontamination.

Mr. GUNTER. I understand that amounts to about 5,000 acres in the Ocala National Park when you all entered into that agreement. Do you have any jurisdiction whatsoever? Are there any forestry activities within the confines of that particular 5,000 acres or does the military manage it?

Mr. McGUIRE. The military manages it, and we may have some arrangements for fire protection and things like that.

Mr. GUNTER. So that removes, in effect, that particular block of land as far as forestry activities, harvesting of timber, and that type of thing?

Mr. McGUIRE. That is right, and we would like to see this arrangement terminate just as quickly as possible. But, we also are willing to work along with the Navy until they can find a substitute place.

Mr. GUNTER. Mr. Chairman, if you would indulge me one more quick thing. The reason I am concerned is that I have heard some indications that there will be legislation offered to deed a part or all of those tracts of land, and I may not be using the correct terminology, but at any rate, to permanently give jurisdiction in those areas, and specifically, the Ocala National Forest area, to the Department of Defense. And I am certainly opposed to that move, and I would hope you would be too.



Mr. McGUIRE. We certainly would oppose that too, Mr. Gunter. Of course, this transfer of jurisdiction has taken place on a number of national forests in the past. When the military relinquishes control, frequently the land comes back to the national forest, but it may be a long time before it comes back. And when it comes back, it may not be in very satisfactory condition for public use. So, we would hope that the military can find some other way of accomplishing their purpose than carrying on target practice in the middle of this wonderful recreation area.

Mr. GUNTER. Right. The purposes just do not coincide at all as I see it, and it really hampers your activities if you are going to allow some recreational use. And it seems to me that you have really got an ever-widening parameter that is just not safe.

Thank you, Mr. Chairman.

Mr. McGUIRE. I agree.

Mr. RARICK. I might say to our colleague from Florida that the author of the bill, Congressman Sikes, is also on the Armed Services Appropriations Committee, and you might discuss this matter with him.

Mr. GUNTER. Right. Thank you.

Mr. RARICK. Mr. Baker.

Mr. BAKER. Mr. Chairman.

Mr. Long, how long has the study to which you refer been underway?

Mr. LONG. I think that is the one that is often referred to as the Seaton report—the President's Advisory Panel on Timber and the Environment?

Mr. BAKER. Yes.

Mr. LONG. Chief McGuire advises me that it is about 18 months.

Mr. BAKER. You would expect a report now coming out soon?

Mr. LONG. I understand that it is momentary. There have apparently been some drafts out. I have not seen any copies of it myself.

Mr. BAKER. In view of the pending report, could you visualize the possibility that H.R. 2904 could become a pilot project?

Mr. LONG. Well, as I said earlier, I think the concept of the incentives program is an excellent one. We would want to discuss further the conditions under which this program would be undertaken. We think there are some situations which ought to be considered from the standpoint of management, and true incentives for individual owners, and the States to be included as a part of thinking of the bill. And that is the portion that we want a little bit more time on. We would like to have the advantage of the Seaton report as well, and any other information we can get, and with the idea that we would do this as quickly as we possibly could. There are management problems which I am not personally satisfied have been dealt with adequately.

Mr. BAKER. Management from what?

Mr. LONG. From the individual private ownership standpoint. For example, the pooling idea is, I think, one which has a lot of attraction. Some of the individual tracts of land are much too small to use heavy equipment or to do the type of improvement, stand improvement, and things of this kind that many of these areas need. And they probably could do that, as a practical matter, if they were pooled into larger tracts with some arrangement which would be satisfactory to the



landowner as well as to those who are bringing the technical assistance to the program.

Mr. BAKER. Mr. Long, who is on this committee that we are going to receive the report from?

Mr. LONG. Maybe Chief McGuire knows the names of the men.

Mr. MCGUIRE. The Chairman of this President's Panel on Timber and the Environment is the Honorable Fred Seaton, former Secretary of the Interior in the Eisenhower administration. There are four members. One is Dr. Steven Spurr, the president of the University of Texas. Another is Mr. Ralph Hodges, the executive vice president of the National Forest Products Association. The third is Dr. Marian Clawson, who is associated with Resources for the Future, Inc., here in Washington, a private nonprofit research organization. Dr. Clawson was formerly Director of the Bureau of Land Management. And the fourth man is Dr. Zin, who is a professor of biology at the University of Rhode Island and former president of the National Wildlife Federation.

Mr. BAKER. We have been representing a spectrum which is pretty much divorced from the little man that we are going to try to interest in producing our timber, but we are going to have a lot of theory in that report, it would seem to me.

Mr. LONG. It should address this subject, as I understand, as well as the whole subject, the whole broad issue of supply.

Mr. MCGUIRE. The Panel recognized this, Mr. Baker, and employed consultants who are familiar with this problem area, such as consulting foresters, for example.

Mr. BAKER. And to pin our future on the report, or place ourselves in the position to respond to the report, it just occurs to me we are wasting an awful lot of time. We could be doing something here. If I understand the bill, we could be getting started on a very objective basis, and it would do no violence whatsoever to what the committee might report.

Mr. LONG. I would certainly agree, Mr. Baker, with that, if that report were some months away, 6 months or longer or something like that. Then the chances are that the subject that we are dealing with here would not be treated in that depth, or would be that helpful to us. It was my feeling that since that report is practically here, and it is overdue, that we should take advantage of whatever it has in it, if there is something in it that could be useful in terms of our consideration of this program.

Mr. BAKER. Are the objections which have been entertained by the Department based on fiscal concerns, or are they on other concerns?

Mr. LONG. Well, they are both. Management I emphasized, but there is consideration; we raised the point about State participation, for example, in the program. I do not think that we are suggesting, however, that it should substitute for the Federal level interest because we see the overriding interest, and we feel we probably would have to provide the bulk of the support in this program. On the other hand, the individual should have a stake in it. We also think that the State should have a stake in it. It should be a three-party agreement to that extent. Now, that is the way our thinking is at the moment. If we find, after further examination that this is either not practical or feasible, then we would certainly modify. I do not believe the present



bill suggests such an arrangement at the present time. We want to explore opportunities for greater State participation.

Mr. BAKER. I thank you gentlemen. Thank you Mr. Chairman.

Mr. RARICK. Mr. Secretary, may I make this request, that as soon as the President's Advisory Panel on Timber and Environment Report is received, would you make copies available to each of the members of our subcommittee?

Mr. LONG. I am sure we could. It is not my authority to do it, but I am sure that would be quite possible. I know of no reason why that should not be done, and we will be happy to do that.

Mr. GUNTER. Mr. Chairman, could I ask one brief question?

Mr. RARICK. Well, let me recognize others first.

Mr. Thone.

Mr. THONE. Thank you Chairman Rarick.

I guess my first series of questions would be directed to you, Mr. McGuire. I assume you are quite familiar with the contents of H.R. 2904?

Mr. MCGUIRE. Yes, sir.

Mr. THONE. I am a little slow, but I have been carefully looking it over. Let me review with you quickly what this bill proposes to do and see if I am right. I do not quite fully understand. It first defines small, nonindustrial private forest land, does it not?

Mr. MCGUIRE. That is right.

Mr. THONE. Now, how would this work out in practice? That is the part I do not quite understand. I assume you would have to promulgate some rules and regulations to affect the meaning of that section?

Mr. MCGUIRE. That is correct. This bill is directed at the private landowners who do not operate industrial plants, sawmills.

Mr. THONE. Limited to anyone under 500 acres?

Mr. MCGUIRE. Anyone under 500 acres of commercial forest land.

Mr. THONE. How many people have commercial forest land over 500 acres?

Mr. LONG. I think it is a pretty small percentage.

Mr. MCGUIRE. The breakdown is as follows: About 99 percent of the owners have 500 acres or less, and they account for about 60 percent of the private land.

Mr. THONE. That is what I was coming to.

Under the bill, as I understand it, there would be a \$2,500 limitation on conservation practices related to this incentive program?

Mr. MCGUIRE. That is correct. This would be an annual limitation.

Mr. THONE. And up to 50 percent would be provided for the manpower, equipment, planting stock, et cetera, on the afforestation or reforestation?

Mr. MCGUIRE. That is correct.

Mr. THONE. Then they would work through the State foresters. How many States have State foresters?

Mr. MCGUIRE. I believe all of the States now have a State forester. In some States where there is little forest land involved, it is combined sometimes with some other State officials' activities.

Mr. THONE. Well, having been born and raised on a farm in Nebraska I am most anxious as to how would this work out in practice. Would the State forester then try to stir up some enthusiasm with the



average farmer on reforesting or afforesting his land, is that the idea?

Mr. McGUIRE. That is the idea, Mr. Thone. You see, we have a program now going on called cooperative forest management in which the Federal Government and the States cooperatively share the costs of putting professional foresters on the ground, maybe one per county where there is enough timber to warrant it. And many of the States have quite substantial programs in this area. Now, these people at the present time are in close touch with the forest landowners, and they are providing technical assistance. So, this is already going on.

Mr. THONE. I understand that, yes. But now, when you get this area, as I see the main thrust of this bill, it is to encourage the commercial production of lumber. Is that going to work with the average farmer in Nebraska, or wherever?

Mr. McGUIRE. Our experience—

Mr. THONE. Would it be practical, I guess is my point?

Mr. McGUIRE. Yes, I understood your question. Our experience with similar programs in the past has been that owners who participated, for example, in that part of REAP that provided cost shares for tree planting, or that participated in the old soil bank program, those owners got trees planted, and about 90-percent of them still have the trees growing. So, the idea is if we can get more owners to plant trees, or thin out their stands, there will be more growing timber on the ground.

Mr. THONE. I understand that, but will it ultimately be used as commercial lumber?

Mr. McGUIRE. Oh, I see your point. Well, there is never any absolute assurance. Many of these owners, of course, do not think of their woodlots as a source of income or a source of production. They may get some fuel wood out of them. But, as the values increase, and as the owners become aware of the values that they have in those stands of timber, most of them eventually do sell their timber.

Mr. THONE. Where do they sell it? For instance, getting down to the grassroots again, in my home area, there is no lumber mill. What would they do? Do you think that if there is enough of this that somebody will put up a lumber mill?

Mr. McGUIRE. Yes. That is right. This has been the experience. Many areas have been cut out in the past, and the timber industry has moved out of them. But, as growth comes back, the industry comes back, and with the kind of prices that the industry is able to get today in the marketplace. It would be an expansion into areas where the timber supply exists but, of course, you cannot expect that a sawmill will start up unless there is some assurance of timber in the vicinity.

Mr. THONE. I am taking too much time, but I would like to develop that further. Just a couple of other questions. Maybe Mr. Long could address himself to this. You heard Mr. Sikes' testimony on what he labeled an export lumber tax, or something like that which he urged might be used to fund this program. Do you have any thoughts on this?

Mr. LONG. I think it was brought out, and I agree, that there is some legal question associated with it. I believe any time you could develop a broadly self-supporting program in such a way, that would be the highly desirable way to go. I have a question in my own mind as to



whether there would be sufficient resources here to fund that to any extent. I do not know how much could be derived from such a tax.

Mr. THONE. Well, I thought Representative Sikes testified that there were almost 5 billion board-feet, and if you had a \$5 per 1,000 board-foot assessment, it would completely pay for this program as now projected on an annual cost basis of \$25 million.

Mr. LONG. Yes. Of course, a lot would depend upon the continuing export program in its own right, which I have some reservations about in the future, as to whether this would be left without any degree of control at all.

Mr. THONE. On that point, do you think we are exporting too much lumber right now?

Mr. LONG. At the present time, with the percentages related to that, it is really quite small, and I would say I doubt it. I do not think it is seriously hampering our available supply, nor do I think it has a large impact on price.

Mr. THONE. And lastly this, on this pilot program you are talking about, what does it envision?

Mr. LONG. Well, this I think is the pilot program. It is really small when you think—

Mr. THONE. This is? What is?

Mr. LONG. The program as proposed in the bill, or as we would make some further suggestions toward it. I would consider it, considering the size and the magnitude of the program that it is really truly a pilot undertaking, and there are some management aspects which we need to learn once it gets underway.

So, it should be undertaken at levels of this sort, in order that we know more about how we can encourage people with small tracts to become a part of the program.

Mr. THONE. That is all, Mr. Chairman.

Mr. RARICK. Mr. Symms.

Mr. SYMMS. Thank you, Mr. Chairman.

This bill pertains just strictly to timber producing type trees; is that right?

Mr. McGUIRE. That is correct, Mr. Symms.

Mr. SYMMS. No other kinds of trees? I have spent most of my life reforesting the deserts of Idaho, and I wondered if it just included those, pine trees or timber trees, and I was just wondering if it covers any other kind of trees for recreational purposes, like oak trees or—

Mr. McGUIRE. The main intention here is to increase the production of commercial forest land. However, these lands are also used for other purposes. And as I understand it, part of the funds could be used for improving wildlife conditions and preventing soil erosion and that sort of thing.

Mr. SYMMS. Mr. Goodling, has just left, but I was just thinking about him, that he might think of some way to plant apple trees.

Mr. LONG. I do not think that is covered.

Mr. SYMMS. I have one question, if the chairman would indulge me a little bit, off the subject. But, with regard to DDT and the Tussock Moth, as you know it is raising havoc in the forests in Oregon. There is a move underfoot in some places in Oregon to rename some of the forests there the Ruckelshaus National Forest where there are billions of board feet of timber dying. And I know some of the forest super-



visors in the area really came out very strongly where they felt the viral count was too low in the Tussock Moth for the use of DDT. I was wondering if they were going to get support from you, Mr. Long, and Mr. McGuire, in this effort to speak out in behalf of the use of DDT in limited areas to stop this menace? We have it now starting to show up in Idaho.

Mr. LONG. The Tussock Moth is a difficult situation. We have filed with the EPA a formal request to have DDT available on a standby basis. They have declined, turned down that request, and that is where it stands at the moment. There is, I understand, a considerable effort in Washington, I believe it is in Walla Walla watershed where they are requesting reconsideration because of the severe damage that they anticipate will take place there. And it is, of course, not limited to that area, as you know.

We are hopeful that there are a few options in this, and one of them is that the virus will rise sufficiently high to cause a collapse before the damage is done, and without DDT insofar as I know, that is our only hope, that there will not be sufficient or substantial damage done to the western forests. But, there is a hope that it will, because it is in the third year, and normally it does collapse at this time. The question remains, will it collapse before the damage?

Mr. SYMMS. Of course, my fear of the thing is that it will, that when the fire goes in it will kill it too. But I hope we can avoid it before it gets to that point. But, I think it really is of very serious magnitude to us, and I would hope we can somehow convince the EPA of the moderate use of DDT in certain areas where the viral count is low to be able to use it, and I would appreciate your efforts in this problem.

Mr. LONG. Well, I believe that we are keeping a close monitor on it, are we not, John? Maybe you want to make some further comment?

Mr. McGUIRE. We fully agree that this present epidemic is not the end. The insect is native. It builds up periodically, and when it runs for about 3 years, then it dies out naturally due to the virus and other parasites. What we are hoping is that we can develop a substitute for DDT. We are going to test out some other chemicals, and we are also going to look for nonchemical controls. But, we do need some kind of control for this insect for the longer run, and this I think is the problem that particularly concerns you folks in Idaho.

Mr. SYMMS. I think what we are afraid of is that we can see it coming and we can see what is happening in Oregon, and we can see it coming across. And with the whole timber supply problem, it seems to me like proper usage of DDT is the answer. Of course, my reservation toward the whole thing is I kind of think the way I feel about it now, I would like to see what the Seaton report has in it. I have watched applegrowers plant apple orchards all of my life with no hope of ever getting any money back from an apple orchard for at least 10 years. I know 50 years is farther than 10 years when we talk about cutting timber, but whether I want to see the Federal Government get involved in some way, you know, in the timber problem, the same way we have in the feed grains and the cotton and everything else, that is where my reservations lie on this bill right now. So, I guess you might say that I have not made up my mind yet. But, I would hope that we could get the Seaton report out as soon as pos-



sible, and that we could have hearings on them here, Mr. Chairman, on this subcommittee, and go through the Seaton report. I think it certainly is in the jurisdiction at least partly of the Agriculture Committee, and I would like to make that request to the chairman, that he ask for these hearings, and we have some oversight hearings on the Seaton report when the proper time comes with this subcommittee.

Mr. RARICK. I would say to the gentleman that this has been mentioned to the chairman and, of course, we may end up in a jurisdictional dispute with the Oversight Subcommittee chaired by Mr. de la Garza. But, as of now, that is the status.

Mr. SYMMS. Fine. Thank you.

Mr. RARICK. I agree with you.

Mr. SYMMS. Just one more matter, with the gentleman from Florida. I was thinking the administration might send our team of secret negotiators out to see if they could find another unfriendly country to commence practicing bombing on, in view of what happened last week in the Congress regarding Cambodia. I should hope not, but thank you, Mr. Chairman.

Mr. RARICK. Mr. Gunter, you had another question?

Mr. GUNTER. Briefly, Mr. Chairman, I would like to ask the question if you all have defined as yet your approach to the issue of State participation in the forestry incentives program?

Mr. LONG. Not precisely, Mr. Gunter. It will require some discussions with local officials in order to get their feelings, so we hopefully can get an understanding level here which would be appropriate for them. Frankly, I think that probably more than 50 percent would be necessary from the Federal Government standpoint in order that we carry the major load, but that formula we will come up with very shortly. It will be based on discussions.

Mr. GUNTER. So your thought would be then still a pilot program encompassing \$25 million roughly in Federal dollars and that the program therefore would be increased by State participation?

Mr. LONG. Well, I see it that way at the moment. It is conceivable that we could decrease the Federal participation by some like amount too. Part of the discussion is ahead of us, and that is why we need a little more time to try to work this out.

Mr. GUNTER. I see. Thank you.

Mr. THONE. Mr. Chairman? You are not thinking of utilizing \$25 million on the pilot program are you?

Mr. LONG. Well, \$25 million is not a small sum of money; I appreciate that.

Mr. THONE. I think maybe we ought to get this thing going in Nebraska in the way of a pilot program.

Mr. LONG. When you consider the vast land area you would have to consider \$25 million would be a relatively small program.

Mr. THONE. So your pilot program would be a national pilot program containing all kinds of projects not just a single pilot project?

Mr. LONG. No, it would be just one program, but not one project in one area; it would be national in application.

Mr. THONE. Oh, I did not understand that.

Mr. SYMMS. Well, I have just one more question, and then Mr. Teague may have some questions. You mentioned now on this pulp



cutting of 2 by 4's that can be made out of pulp that it is 90 percent as good as a regular 2 by 4, and you think you are close to having it 100 percent. If this technology would transpire in the next year or two, then by going out and planting a forest, fertilizing it and good management, how quick could it actually be in a condition where you could go out and start realizing some profit by cutting timber? You know—what is the time frame here? I was talking about making a comparison to fruit trees, but I think there is a valid comparison. What would be the time frame?

Mr. McGUIRE. It would depend on the part of the country you are in, and the kind of sites you get. In the South we are getting pulpwood now in as short a time as 15 years. We also have experimented with sycamore and cottonwood. We can get the length of time down to maybe 5 years. We must mow off the sprouts at regular intervals, and grind up the leaves and twigs and the stems, and make chips out of them, and then make the panel boards, so if you could develop the technology, you could reduce the time substantially, particularly in the South. We now have seen some wall systems that are made experimentally, where the 2 by 4's consist of panel material; that is, sheet material on the outside and flake material in the center. It seems to be about as good as any 2 by 4 wall system.

Mr. SYMMS. Well, I mean this would make it more attractive just for the profit investment if the frame could be cut down, because it would be in this generation that it could be enjoyed.

Mr. McGUIRE. Right.

Mr. SYMMS. Oftentimes when I am speaking to young people, I tell them there are two things that they should be wary of getting into—one of them is marriage and the other is corporations because they are both easy to get into and hard to get out of. But, I think the same thing is true with a Government program. Once you get it started, like this bill, it opens up the whole thing and we had better be sure we know what we are getting into. And I think from the looks of the number of sponsors for this bill, it has considerable support, and it might mean that we do need some expeditious movement on the other ideas that the administration—so that we could, you know, try to work the whole thing out possibly. Once this gets started, I would be afraid it would never be stopped if it goes like other Government programs.

Mr. McGUIRE. Well, we share your concern on that point, Mr. Symms. This is one of the factors that we are looking at, because it is a problem, once these things get going, to stop them. There is a large acreage here, and there is a long time involved in this production. And there is a question then of how much should the Federal Government be doing. Should we, for example, do only enough to stimulate and to demonstrate and then stop, or can we stop, in fact, if we were successful? These are the kinds of things we are still taking a look at.

Mr. SYMMS. Thank you. No more questions, Mr. Chairman.

Mr. RARICK. Thank you, Mr. Symms.

Mr. Secretary and Chief McGuire, each of the members of the subcommittee has been provided with a comparison between the language in the Sikes bill and that in the proposed Senate bill. I would like to ask which of the concepts you feel is the best approach? In other words, the House bill that we are discussing in terms of a cost sharing as the vehicle for assistance, or the present Senate bill



payment by grants and aid. Which approach do you feel would best do the job?

Mr. McGUIRE. Mr. Chairman, we have made that comparison too, and we find something desirable in both bills. Now, as to the eligibility, we feel probably that it should be limited to nonindustrial private land and we should not make the non-Federal public land eligible. This would be the State and county land. There would be some merit in not specifying legislatively an upper limit on acres, leave that to the administrative discretion. Of course, I recognize that it is kind of a bureaucratic attitude. But, in some parts of the country it takes much more acreage to make the feasible operation than it does in other parts.

Mr. RARICK. You think then that no ceiling should be provided?

Mr. McGUIRE. Well, we would think it should be taken off. We would probably limit it in most places to 500 acres, but, there may be some cases where it would be well to have the latitude.

As to the cost share rate, again we would like the latitude to vary the rate rather than to keep it just at 50 percent. It might be that to get things started a higher rate would be useful to us, and then as more people become aware and got interested, we could go below 50 percent. The same thing is true with the annual payment. We think there should be a ceiling, but the \$2,500 ceiling may get out of date quickly. We would rather see that prescribed by regulation and then changed as conditions change.

The contract specified in the Senate bill, again we think it may not be necessary to prescribe that by law. The House bill would not require such a contract, but we would like to have some kind of arrangements with the landowner that tended to keep him in forestry. The Senate bill has a procedure.

Mr. RARICK. Excuse me, Chief. Do you mean by that some kind of a compliance agreement?

Mr. McGUIRE. Some kind of an agreement that once a man has planted trees, that he would leave the area in trees and not just plant them now, and then later on convert back to an agricultural crop or something else.

Mr. RARICK. As opposed to complete cutting of his timber in one sale?

Mr. McGUIRE. No; I was not speaking against harvesting of timber and putting in a new timber crop. But rather, some landowners you see might take the Government money and plant trees this year, and then a couple of years from now decide to go into soybeans or corn. We would like to have some arrangement with the landowner so that the investment would be protected.

Mr. LONG. I feel particularly strongly on that, Mr. Chairman that at least a reasonable period of time should be specified in order to give the program a chance to prove itself, its worth to the individual as well as to the investing agency. And if it is open-ended completely, I would be concerned, quite frankly. There ought to be a commitment on the part of the landowner to stay with the program for a period of years. And I am not sure whether you are talking about 10 years or some period maybe even longer than that.

Mr. McGUIRE. Finally, with respect to the language in the Senate bill we do not really see any difference in how it would work from the House bill. I think the Senate bill used the term grant but I do



not think that makes any particular difference here as to the House language. I think both bills would result in the same kind of operation.

Mr. RARICK. The Senate bill also provides for a 10-year land management plan, which provision is not in the legislation we have before us.

Mr. McGUIRE. That is right, and we would want to have such a plan.

Mr. RARICK. You do favor this?

Mr. McGUIRE. We do favor a plan, whether it is legislatively directed or not, and we would like however, some latitude as to the time, rather than making it just 10 years. In some places it might be longer.

Mr. RARICK. The Sikes bill provides a bid concept for the award of these funds. Do you feel that this is adequate? Would this accomplish the aim, by allowing the awards on bids?

Mr. McGUIRE. Well the way we think this would work, is that it would not be a formal auction, but we think this could be perhaps an incentive for small owners to get together and get the tree planting done with the same contractor perhaps, or get a common manager for a bunch of small properties, so that they are managed as one bigger property, thereby bringing their unit cost down. And the way it would probably work is that in the county, the county forester would announce that he has got so much money for tree planting this year, and he would invite all of those who are interested to let him know what they think they could do the job for on their lands. So, I think there is an incentive here to pool management of small properties.

Mr. RARICK. Of course, the terms of the legislation, would leave almost complete discretion to the Secretary as to how these bids would be let, how they would be advertised. All of the formalities and technicalities would be up to the Department.

Mr. LONG. I think, Mr. Chairman, we might just summarize there to say that our view at the moment, since it is a pilot program, is that there is a lot yet that needs to be learned. We would like to keep it as flexible as possible and report regularly, say, to the Congress or to this committee of the progress, and leave some of those tight lines from becoming restricted.

Mr. RARICK. Well, a comparable situation which is now being wound down, was the old tung tree program. There we actually started out from zero, and encouraged people to plant tung, and when it was harvested the crop was put under price support. We are phasing it out, because there is another cheaper source from Red China. So, you might look at the operation of the tung oil tree. There should be some experience available from that effort.

Mr. LONG. That is a good idea.

Mr. RARICK. There has been concern expressed about the cost of this program, \$25 million which can be a great amount of money. But, the way we run money through the foreign aid funnel in worldwide programs it is a very small sum of money. Do you gentlemen have any suggestions as to how the funding of this program could be handled besides a direct payment from the Treasury? I believe Mr. Sikes had mentioned a contribution on log exports. Are there any other alternative sources of financing that members of the subcommittee should be at least aware exist, or that we could consider?

Mr. LONG. Well, one thing, Mr. Chairman, that strikes us all, and I mentioned this earlier in my comments, this was one part of a two part undertaking, as I view it at the moment as to what we should be attempting to do with our forest resources. The other part, without



getting into it here, but just to mention, is some sort or form of capital funding long-term funding program for the national forests themselves in order to more fully manage the opportunities there for the commercial harvests and limit those harvests to probably much smaller tracts in the future.

Mr. RARICK. You are talking about national forests, I was talking about the bill. You are not suggesting we tax the national forests for the timber incentives on private lands?

Mr. LONG. No, no I am not. But I think we should recognize the fact that the national forests are a resource, revenue earning system of substantial proportions, and that in many respects if you would limit the income outgoing, if you just simply had it on an income statement basis, that we would be making a nice profit in terms of commercial harvests.

Whether we should consider that as a direct relationship to this program is obviously not necessary, but we should recognize that there is an income producing agency here that needs to do another job, a bigger job, and this is one of the programs in the national interest that we are considering.

Mr. RARICK. In other words, there is a third alternative as far as financing a national incentive program?

Mr. LONG. We are not suggesting that is available necessarily for this program.

Mr. RARICK. Yes. Mr. Teague?

Mr. TEAGUE. Mr. Chairman, there is another alternative which would be loans under the Farm Credit System rather than grants. When it is my turn I have some questions, but I just wanted to get that in the proper place in the record.

Mr. RARICK. Mr. Rainbolt, as counsel do you desire to question the witnesses as to the cost of the bill?

Mr. RAINBOLT. Yes, sir.

Mr. Secretary, just before I get into that, there is some confusion apparently as to the actual amount of nonindustrial private land. The Senate bill and your testimony indicates that it is 296 million.

Mr. LONG. Correct.

Mr. RAINBOLT. The bill itself has 904, and speaks to 296 million. Is that correct?

Mr. LONG. I believe that is correct.

Mr. McGUIRE. That is correct. I believe the Senate bill has added to that the ownership of non-Federal public land. That is how they got this 335.

Mr. RAINBOLT. They are both stated separately, but 296 is the correct figure?

Mr. McGUIRE. Yes, that is the correct figure.

Mr. RAINBOLT. Briefly, there have been some alternatives on funding the bill that have been suggested to members of the subcommittee. One of them is the use of section 32 funds, and my specific questions with regard to that is are there any other uses of section 32 funds than are presently contemplated by these approaches that have been supplied to the subcommittee? Are you familiar with these, Chief?

Mr. McGUIRE. Yes, you may recall we discussed this in the last Congress and there was a bill to use these funds for forestry purposes. In checking with the other agencies in the Department of Agriculture



which administered the section 32 moneys, we learned that the funds are pretty well obligated for other agricultural and nutrition programs, and that there was not at that time any prospect of additional money being available from that source. I do not know what the situation is today, but last year it looked in the Department as though those funds were pretty well obligated to other purposes.

Mr. RAINBOLT. As I understand the approach of the section 32 funds was to establish a forestry incentives fund and transfer amounts equal to the gross receipts from duty collected under the custom law during the period January 1 to December 31 inclusive preceding each such fiscal year on wood and paper, and printed matter. That includes wood and wood products, cork and cork products, wood veneers, plywood and other wood veneer assemblies and building boards, paper, paper board, and products thereof, and books, pamphlets, and other printed and manuscript material. Do you have an idea, are those funds specifically obligated elsewhere by another provision of law other than the general use of section 32 money?

Mr. McGUIRE. As I understand section 32, it takes a percentage of gross revenues, 30 percent, and this percentage was based on the proportion of tariff receipts attributable to agricultural sources at the time the original legislation was enacted. So, it just takes a proportion of gross revenues. Now, if you were to simply set up a parallel system like section 32, and make an estimate of how much is attributable to timber product imports, and then set up a new percentage, you probably could come up with a figure of \$50 or \$60 million annually at the present time. The United States is the largest timber product importing country in the world. We import about twice as much as we export.

Mr. RAINBOLT. Another approach was for unallocated receipts from the sale of timber and other forest products of national forests and public domain lands, which Secretary Long mentioned. Can you give us some idea of how much that is currently bringing in?

Mr. McGUIRE. Yes sir. There are, as you know, bills before the Congress in both bodies that would authorize the expenditure of part of these receipts for purposes similar to the purposes in H.R. 2904. Now, in the current year, receipts from all sources in the national forest system, mainly timber, amounted to about \$400 million. Of this, 25 percent is returned to the States for distribution to the counties as payments in lieu of taxes, leaving \$300 million. In addition, 10 percent or \$40 million is available for roads and trails in the national forests. So, the balance remaining in the Treasury is approximately \$260 million and this is credited to miscellaneous receipts.

Mr. RAINBOLT. Are there any other uses that you are aware of than the programs that you administer, are there any other specific uses? Is this money already attached?

Mr. McGUIRE. This money is not attached by any other law. However, there have been proposals for decades as to how it might be attached, but none have yet been passed.

Mr. RAINBOLT. Two final questions, Mr. Chairman. One, will you supply the subcommittee a cost estimate of the enactment of H.R. 2904?

Mr. McGUIRE. We will be glad to do that.



[The information requested above follows:]

U.S. DEPARTMENT OF AGRICULTURE,  
FOREST SERVICE,

Washington, D.C., June 6, 1973.

MR. FOWLER C. WEST,  
Staff Director,  
Committee on Agriculture,  
U.S. House of Representatives.

DEAR MR. WEST: During the hearing on May 21, 1973, a cost estimate associated with the enactment of H.R. 2904 was requested. We estimate a cost of \$15 million in the first fiscal year following enactment, \$17.5 million in the second, \$20 million in the third, \$22.5 million in the fourth, and \$25 million in the fifth fiscal year.

Sincerely,

GENE S. BERGOFFEN,  
Director, Legislative Affairs.

MR. RAINBOLT. And second, in Mr. Sikes testimony, he mentioned that the present estimates of assistance should be in the range of \$25 per acre for planting and \$13 per acre for timber stand improvement. It is also estimated that the cost of administering the program will be about 15 percent of the total. Does that compare with your figures?

MR. MCGUIRE. Yes it does.

MR. RAINBOLT. That is all, Mr. Chairman. Thank you.

MR. RARICK. Mr. Teague.

MR. TEAGUE. Mr. Chairman, thank you. I would just like to remind you and the other members of the subcommittee that the food stamp plan started out at \$5 million and it is now at almost \$2.5 billion, and that is something I think we ought to bear in mind.

Now, I would ask your permission that Mr. Murray be allowed to ask some questions.

MR. RARICK. Certainly.

MR. MURRAY. Thank you, Mr. Chairman.

MR. SECRETARY, what is the administration position on H.R. 2904? Are you for it, or are you against it?

MR. LONG. Well, we are for the principles that H.R. 2904 states. We vary in our view of some of the conditions which are set up under the bill which we were outlining just a little earlier, the difference between the Senate bill and this bill.

MR. MURRAY. Yes, I heard you testify before and I heard the Department's testimony last year too. And last year the Department of Agriculture, speaking on behalf of the administration in their report on a similar bill said that the thrust of the President's proposal was to eliminate specially oriented grant programs, and to encourage State initiative in the allocation of broader grant funds. They recognized that "natural resource development and protection programs vary significantly from area to area and must be handled by local officials." This bill last year would cause another increase in potential funding requests, over and above the levels included in the President's budget, thus it would hinder efforts to hold government spending to a fiscally sound level in this and upcoming fiscal years.

Now, your testimony this morning, as far as I can understand it, just listening to it, sounds like you think it is premature to take this up now, but you are for the bill, to have a pilot program. Is that the administration's position, to be for the bill with a few little changes and a few little questions to be worked out? Are you against the concept of forest incentives, cost sharing programs, or are you for it?



Mr. LONG. No, we are for it.

Mr. MURRAY. You are for it. So it is different than last year? You have changed, the administration has changed its position?

Mr. LONG. I cannot speak to last year.

Mr. MURRAY. I will be happy to give you a copy of the Department's report, and I am sure Mr. McGuire will agree that that is the position the Department held last year.

Mr. MCGUIRE. Yes, that is the position we had last year.

Mr. MURRAY. All right now, in the last year's legislation, as it has been distilled into the form that is before the subcommittee, there were a number of changes that were made, and the process is still going on. As the legislation started out it applied to 5,000 acre landowners who were going to receive benefits under this legislation. There was no payment limitation at all involved with it, and it had a section in it dealing with loans to the landowners on which the interest did not have to be repaid, and, in fact, a little further on in the same provision the principal did not have to be repaid. So, it was a loan without repayment of principal and interest. Now, those things I cite only to say that they have been removed and the legislation has been improved and perfected and brought into better shape. But, it is still on the fringe of the concept of what you are dealing with. Are you familiar with the wool program that the Department runs?

Mr. LONG. Yes, generally.

Mr. MURRAY. What is the difference in theory and concept between the wool program and this forest incentives bill?

Mr. LONG. Well, when I say generally, I am not sure that I am sufficiently familiar to pull out the precise relationships of that bill and the relationship of this particular program.

Mr. MURRAY. Well, in wool, for example, we have a shortage of wool at home and we have attempts by the Government to encourage the production of more wool for national interest. We have payments to growers. In fact, the payments are called incentive payments. The technical term in the act is incentive payments. Is that not somewhat analogous to the situation we have with trees and commercial forestry? We do not have enough forest products, and enough trees and enough lumber, so we are going to pay incentive payments to growers to grow more of that crop to meet the national need for this particular crop?

Mr. LONG. Well, there could be an important practical difference in there, Mr. Murray. The term "incentive" may mean a short term, short seasonal kind of undertaking. This is long term, and I think the word incentive is properly used in this case. They do really need to have incentive.

Mr. MURRAY. Well, these are payments. The way we are getting folks to cooperate with the Agricultural Department and the Government in an effort to get more trees is to pay them money, give them \$25 an acre or \$13 an acre to help them with the cost of the trees. It is an incentive to make people who own private land manage that land in a way that the Government thinks is more beneficial to the public good.

We can force them to do it, I suppose. The other alternative would be to go around and force the private landowners to do what the government wants to do. But, the rub comes, and the problem, the very severe problem comes in the resources that are going to be available to do this.



Now, John asked for a cost estimate on this. We had a time last year on the cost estimate. We wrote a letter to the Agriculture Department and asked for a cost estimate, Mr. Chairman, and they came back and said it would be \$25 million. That is what the bill says. And we came back and said, well, we can read the bill, we know it is \$25 million as a ceiling on the bill for a year. But, what is the commitment level going to be, and so that you have access to it, Mr. Secretary. The Department wrote a letter last year about what the costs might be for a reasonable, a realistic forest incentives program. And let me cite part of it for you. "Preliminary analysis by the Forest Service in response to the President's directive indicated an effective 10-year program averaging about \$93.5 million of Federal investment per year would be near optimum in meeting lumber price and related objectives. The 10-year accomplishment target would include tree planting on about 18 million acres, stand improvement on about 25 million acres and a substantial annual increase of at least 9.9 billion board feet of sawn timber growth from these lands by the end of the 10 years. The bulk of such a program should be directed to soft wood species and nonindustrial private lands."

And to me at least, that seemed to be a more realistic level. Congressman Sikes talks about 25 million dollars to pay for 1 million acres, and if you use that same ratio with the amount of land that is available, we are talking about \$7.5 billion. Now, that is not realistic. That is not reasonable. That is too much. And conversely, \$25 million is only a drop in the bucket. It is only a starter. We are talking about inaugurating something near a billion dollar program with this forest incentives legislation as the committee does this, and the Department and the Congress goes forward with that. I think the committee will be going to have to do some severe questioning of some of the aspects of this.

I apologize, Mr. Chairman, for becoming a philosopher beyond my legal realm, but, it is an important matter, I think, and it did not get through last time, in part because of the reasons that I am articulating.

Mr. RARICK. Mr. Murray, we thank you for your wisdom, and your counsel. And I am very happy you did participate in our discussion.

Mr. TEAGUE. Mr. Chairman, in effect he was speaking for me. He had some of this technical knowledge which I do not have, so I would like to associate myself with the remarks of my counsel, Mr. Murray.

Mr. RARICK. Are there any other questions?

If not, the committee will stand at recess until 2 o'clock tomorrow.

[Whereupon, at 11:50 a.m., the hearing was recessed to reconvene at 2 p.m., on Tuesday, May 22, 1973.]



## FORESTRY INCENTIVES ACT OF 1973

TUESDAY, MAY 22, 1973

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON FORESTS  
OF THE COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The subcommittee met, pursuant to recess, at 2:20 p.m., in room 1302, Longworth House Office Building, Hon. John R. Rarick (chairman) presiding.

Present: Representatives Rarick, Vigorito, Gunter, Goodling, Mizell, and Symms.

Also present: Mrs. Perry Shaw, staff assistant; Hyde H. Murray, associate counsel; and Steve Allen, staff consultant.

MR. RARICK. The committee will come to order. We will resume our hearing on the forestry incentives legislation.

Our first witness this afternoon will be Kenneth B. Pomeroy, Washington representative of the National Association of State Foresters. Mr. Pomeroy is accompanied by Mr. Ralph C. Winkworth, director, Division of Forestry of the State of North Carolina.

We are happy to have you here this afternoon, and we are ready to listen to your testimony. I hope that other members of the subcommittee will join us as soon as they complete voting.

### STATEMENT OF KENNETH B. POMEROY, NATIONAL ASSOCIATION OF STATE FORESTERS, ACCOMPANIED BY RALPH C. WINKWORTH, DIRECTOR, DIVISION OF FORESTRY, STATE OF NORTH CAROLINA

MR. POMEROY. Mr. Chairman and members of the committee, I am Kenneth B. Pomeroy, representing the National Association of State Foresters. When I prepared my statement, I thought it might be helpful to present a profile of an average private forest-owner. However, much of this information has been presented by a previous witness. Therefore, I would like to file my statement for the record and take up some other questions.

MR. RARICK. Without objection, your statement will be made a part of the record.

[The material referred to follows:]

#### STATEMENT OF KENNETH B. POMEROY, WASHINGTON REPRESENTATIVE, NATIONAL ASSOCIATION OF STATE FORESTERS

MR. CHAIRMAN: I am Kenneth B. Pomeroy representing the National Association of State Foresters. A few years ago I conducted a study of forest ownership in North Carolina (*North Carolina Lands*, Pomeroy, K. B. and James G. Yoho, American Forestry Association, 1964). That State was selected because its ownership pattern was thought to be representative of many Eastern states.



Some of the findings in the North Carolina study relate to HR 2904 and Forestry Incentives as follows:

About 77 percent of the commercial forest land was held by 225,600 private, non-industrial owners.

Three-quarters of the tracts were less than 50 acres in size.

These private forests were growing wood at only one-half their capacity. One-half of the tracts surveyed were receiving little more than rudimentary care.

Wage earners, housewives, widows and retired people owned 37 percent of these forests, farmers 36 percent, undivided estates 8 percent, businessmen 7 percent, professional people 4 percent, non-forest industry 1 percent, unknown 7 percent.

Two-thirds of the owners lived on their property and 96 percent lived within 25 miles of their forests.

Tenure of ownership averaged more than two decades (21.6 years).

One-third of the tracts had been in the owner's family at least one previous generation.

Owners had an average age of 55 years and the equivalent of a junior high school education.

More than one-quarter (27.4 percent) of the owners had sold timber to meet some pressing financial need.

The objectives of ownership were:

|                                   | Percent |
|-----------------------------------|---------|
| General farm usage-----           | 35      |
| Growing timber for sale-----      | 35      |
| No particular objective-----      | 13      |
| Speculation in land values-----   | 5       |
| Provide a place of residence----- | 3       |
| Convert to other land use-----    | 3       |
| Miscellaneous -----               | 6       |

100

Most forest owners had a high regard for the moral responsibility land ownership entails. Only 3 percent thought ownership involved no responsibility to society. About 80 percent permitted public use of their property for recreation, mostly hunting.

These findings indicate that most owners of small forests lack the capital necessary for long term investments. But if they are aided in making such investments, they could be expected to retain control of the property and make it available for other public use.

Other surveys by the U.S. Forest Service indicate increasing needs for wood in the decades ahead. Much of the wood must come from the lands of small, non-industrial owners because they hold three-fifths of all the commercial forest land.

Therefore, the National Association of State Foresters supports the proposal for Forestry Incentives in HR 2904 and related bills.

One amendment is suggested: Section 4 (b) (page 4, lines 15-17) should be changed to authorize the Secretary of Agriculture to "utilize the services of the State Forester or other appropriate official in each State".

This change is desirable because of the reduction in County ASCS Committees since this legislation was introduced.

Mr. POMEROY. How big an acreage are we really talking about? While it is true there are 296 million acres in private, nonindustrial ownership, only 60 percent of that area would be eligible for treatment under terms of H.R. 2904.

Furthermore, observations in the New England States indicate that about one-half of the small forests in that region are held for recreation, second home sites, private wildlife sanctuaries and other non-timber uses. Similar situations exist near other urban centers, such as along the Blue Ridge Parkway. We regard these classes of forests as a reserve supply of timber that would become available in time of national emergency, such as World War III.

These adjustments in estimates of private forest ownership indicate that the problem area may not exceed 150 million acres. The recent



conservation needs inventory indicated that about 25 percent of the private land need planting and 46 percent needs cultural treatment. On this basis then the problem area would have about 37 million acres in need of planting and about 69 million acres in need of cultural treatment; about 43 million acres may be in satisfactory condition. Now, that 37 million acres in need of planting is a greater acreage than the entire acreage that's been planted by both public and private agencies since we started keeping records in 1926. So it's still a pretty good-sized area.

The total acreage to be treated may be reduced still further by concentrating assistance on the more productive soils. This is one of the reasons for suggesting that each participant have a 10-year plan of management. It not only protects the Government's interest, it also can assure planting the right species of trees on the better soils.

Furthermore, it is not expected that Federal assistance will be required for treatment of every acre. Experience in the REAP program showed that many landowners applied the same practices on additional acres by themselves when they obtained financial assistance on a portion of their ownership. This is the real thrust of the forestry incentives program.

Now a thought about the suggested size of the annual program, during the years 1970 through 1972, a task force of the American Forestry Association, called Trees for People studied problems relating to small, private forests.

They concluded that a fivefold increase in forestry incentives under the then existing REAP program would be necessary to make significant progress on the backlog of forestry work in need of attention. At the time, REAP allotments amounted to about \$4.5 million annually. This sum brought about the planting of 130,000 to 140,000 acres annually plus cultural treatment of slightly smaller acreage.

We think this feature of REAP should be restored with appropriations at a \$25 million level annually.

Now, a thought about pilot testing of cost-sharing. Cost-sharing as a forestry incentive has been tested thoroughly under REAP with good results. The acres planted have stayed planted and survival of seedlings has been good. Therefore, we recommend that cost-sharing be continued as proposed in H.R. 2904.

Pilot testing of other incentives measures such as deferred payment loans, nonrecourse loans and forgiveness loans should be conducted separately from proven cost-sharing techniques. These tests can be undertaken by the Research Branch of the U.S. Forest Service under the authorization of the McSweeney-McNary Act of 1928, provided funds are appropriated for the purpose. No new legislation is necessary.

In summary, cost-sharing is a proven and effective technique for stimulating landowners to make needed investments in tree planting and forest improvement. There is no need to delay it while other techniques are being devised and tested.

Therefore, the National Association of State Foresters supports H.R. 2904 with a suggested amendment: Section 4(b), page 4, lines 15-17, should be changed to authorize the Secretary of Agriculture to "utilize the services of the State forester or other appropriate official in each State." This change is desirable because of the reduction in county ASCS committee offices since H.R. 2904 was introduced.



Now, Mr. Chairman, my associate, Mr. Winkworth would like to make some comments based on actual—on the ground experience in operating the REAP program.

Mr. RARICK. Mr. Pomeroy, I certainly thank you, but my colleagues have already gone. Those bells indicate I've now less than 10 minutes to go to the floor and cast my final vote on this bill. So we'll recess the committee until I can get over to vote and get back.

Mr. POMEROY. Those are the fortunes of war.

[A brief recess was taken.]

Mr. RARICK. The committee will return to order, and we will resume the testimony. We had just completed Mr. Pomeroy's statement, and now we'll hear from Mr. Ralph C. Winkworth. Mr. Winkworth?

#### STATEMENT OF RALPH C. WINKWORTH, STATE FORESTER OF NORTH CAROLINA

Mr. WINKWORTH. Thank you, Mr. Chairman. In the interest of time, I will eliminate some of my prepared testimony, and I have some experience figures I would like to add to it if the Chair is willing.

Mr. RARICK. Without objection, so ordered.

Mr. WINKWORTH. Mr. Chairman, I am Ralph Winkworth, State Forester of North Carolina. In this capacity, I direct our State's forestry program for the protection, development, and wise use of our State and privately owned forest lands. The forest land ownership of North Carolina is typical of most Southern States, and I believe our situation with respect to H.R. 2904 is representative of our region.

Nearly four-fifths of North Carolina's 20-million acres of commercial forest land is in small nonindustrial, private ownerships, as defined by this bill. These ownerships include some of the best timber growing sites in the Nation. However, the forests in this ownership class are now less than one-half as productive as they could and should be.

The most important reason in our State for this is that 8.5 million acres, or more than 50 percent of the total area, has less than 40 percent stocking of desirable trees. Consequently, the forestation of this major portion of our forest land area is by far the most compelling need in the forestry program in North Carolina, and the same is true throughout the State.

North Carolina has probably gone as far as any other State to encourage improved management of our small private woodlands. In 1967 our State legislature authorized and funded a program to make available to small landowners the same forestry practices covered in The Forestry Incentives Act through the use of State manpower and specialized equipment on a custom-fee basis and through the active support of private contractors.

We have made appreciable progress in getting the work done and, even more important, in establishing a large group of competent private contractors to perform forestry services which were practically nonavailable to the private landowner 6 years ago. The one missing link in our program is a source of financing for the great majority of these small forest owners who cannot afford the long-range investment of expensive cultural practices with no cash return during their lifetime.

nonindustrial and small private forest land ownership in North Carolina is typical of most Southern States, and I believe our situation with respect to H.R. 2904 is representative of our region.



In North Carolina the average cost of tree planting, with the necessary site preparation which must precede it, is \$65 per acre. Our typical forest landowner cannot afford this out-of-pocket expenditure and it takes the average plantation 20 years to yield its first cash return from a thinning operation. Most of our landowners are not making this investment, and it is reasonable to assume they will not do so in the future until part of this cost is defrayed.

The program set forth in this act would fill this need and, on the basis of our experience, would accelerate productive forest practices on these lands at a rate well within the expectations of the sponsors of this legislation.

In closing my prepared statement, Mr. Chairman, I would like to emphasize one aspect of our North Carolina forest service philosophy of private forestry. Our services are all directed toward the forest landowner because he is the custodian of the resource. But our only valid objective is to improve the resource. Consequently, the landowner is merely the instrument through which we must work. real program recipient is the general public which depends upon us for the sound management of our resources and the satisfaction of the needs of all of our people.

I'd like to give you the volume figures of the number of projects that we have handled or we are now handling after 6 years at this forestation program of providing treatments. We are now handling about 1,200 forestation contracts per year covering about 30,000 acres; some of these are more than one contract for more than one parcel with the same landowner.

It is interesting to note that Virginia, our neighbor State, who started 1 year behind us in the same type of program is handling some 800 projects, or 28,000 acres a year.

We were handling about 1,200 REAP applications in addition to this, as was Virginia. Their REAP volume is 1,600 for 23,000 acres, very comparable to ours.

I would like to emphasize that it has taken us this long to build up to this degree of capability to physically perform this amount of work.

The point about the REAP projects is that in both States they average 14 acres per project. This is not enough to make it marginal to bring in the heavy equipment and the manpower to do the work on a custom basis, either by the State or by a private contractor.

I would project on the basis of the type of appropriation that is mentioned in this bill, that this would mean to North Carolina, which would be one of the large recipients due to our number of landowners, an increase of probably 400 to 800 projects per year or 18,000 to 30,000 additional acres. And the average size, I would hope, would come up to 35 or 40, which would be an efficient, economical sized project to go in and do a job on the better sites, and get some return for the investment.

I'd be glad to answer any questions about these volumes, Mr. Chairman.

Mr. RARICK. Thank you very much, Mr. Winkworth.

Were either of you gentlemen here yesterday when the Administration witness testified?

Mr. POMEROY. Yes, sir. I was here.

Mr. WINKWORTH. I was not.



Mr. RARICK. The administration witnesses gave the impression that they do favor limitations on the acreage. They appeared more in agreement with the financing being \$25 per acre on planting. And you indicated \$65.

Mr. WINKWORTH. The \$65 includes site preparation; actually, it's higher. I have the exact figures that we are charging; we're charging \$21.

Mr. RARICK. The support we're trying to get is as a cost-sharing program, something like 50 percent by the Federal level and 50 percent by the States. And then there's the expression that the individual landowner should participate with something besides ownership of the land.

The Senate version of the bill contains a 10-year land management clause that the administration prefers. We do have one other forestry program that has given some experience. That is the planting of tung oil trees. During World War II, we had no tung oil and in about five or six Southern States the Agricultural Department was able to encourage the farmers to participate in planting tung trees.

This tree takes about 6 years before it's ready to harvest as compared to about 10 years for pine. But I agree with you, we do have the experience. Getting enough people alerted and interested is the major problem that is facing us.

Wood is also a long time recognized source of energy.

If in the hills of North Carolina the gas and oil were turned off, people would be cording wood outside the house, using a cook stove to cook, and a pot-bellied stove to heat the house.

Mr. WINKWORTH. Mr. Chairman, I would like to point out the figures I gave you were on the basis of 50 percent cost-sharing. I'd also like to point out that our objective in this State is about 50,000 acres per year. We think this would go a long way——

Mr. RARICK. Nationwide?

Mr. WINKWORTH. No, this is in North Carolina; 50,000 acres in North Carolina, and we're already 6 years toward organization in tooling up for this program. Physically, I don't think we could do much more. We have just so many days you can work in the woods, and so many days you can replant.

Mr. RARICK. I suppose, gentlemen, that would support the concept as far as guidelines in the massive aid to planting. We've had several discussions on trying to find money to get the program started.

Mr. WINKWORTH. What I am saying, Mr. Chairman, the money that is mentioned, I think would be entirely adequate at least for the foreseeable future.

Mr. RARICK. One other concern expressed by the administration people is that they would like some way to provide a protection or security for people who participate in this program but a year or two later would give everything up, and go back to soybeans or cotton. They do not seek an easement on the ground, but they want a penalty provision. Then if a person agreed to participate in the forest incentive program but wanted out they would have to pay a penalty to break the agreement prematurely.

Mr. WINKWORTH. I would certainly favor that. I would like to point out that our property forest management program foresters are making these long-range plans now. Before we do any work, we attempt



to get a forester on the ground and see to it the tree planting is done with a proper species on the right sites with the right methods.

Mr. RARICK. Well, you gentlemen might be interested to know that during a full committee meeting this morning, it was the decision of the full Agriculture Committee that our subcommittees use as a vehicle for the consideration of these hearings, the Senate version of pending legislation.

Do any of you gentlemen have any questions?

Mr. GOODLING. No, other than a comment on what you were saying as I came in. I think I should tell these gentlemen the same thing I tell my constituents when they ask me to support a certain program. I write back and ask this question "Where are we going to get the money?" So I'd like to suggest the same thing to these gentlemen.

Mr. SYMMS. Well, Mr. Chairman, I would apologize for my tardiness to the meeting. I just came by my office and there was a man there who is from the Umatilla National Forest, which is between La Grande and Baker, Oreg. It borders on my district.

And they understood that I had been instrumental in the fight to get DDT cleared for peas in Latah County. They were in there trying to see if we could get some help for the tussock moth. It's a pressing problem in that area. I mentioned this yesterday, but the move out in that area now is to rename the Umatilla National Forest to Ruckelshaus National Forest because the tussock moths are absolutely wiping us out. And we have the same situation at the St. Joe National Forest now.

To my way of thinking, there should be an incentive program in this thing where somebody would want to do it so he could improve his own property, but to start in a new program, I certainly have reservations about it considering the cost of this right now and inflation resulting from more deficit spending.

I understand inflation is up 0.9 of 1 percent, again, in this last month according to the Consumer Price Index.

Mr. RARICK. Mr. Symms, I was surprised to hear you make such a statement. Especially since it was you the other day on the U.N. environmental plan that offered an amendment that would deny U.S. money to the U.N. program until more money was first available for forestry service.

Mr. SYMMS. I did. As a matter of fact, I would rather spend the money here in the United States than the United Nations, Mr. Chairman, as you know; but I think this is really what is bothering me about the whole thing. I am afraid that the 1971 or 1972 farm bill is going to have so many ornaments hung on it that it is just going to go down in the wash.

This may be one of them.

Mr. RARICK. After the action taken by the full committee this morning that the vehicle to be used for these hearings was the Senate bill, this is the route we are charted to travel.

Mr. POMEROY. Mr. Chairman, the State foresters are in support of both the Senate and the House versions.

Mr. RARICK. Thank you, sir. I can only say, we don't know what fate faces the bill after it leaves our committee or after it passes Congress.



I am satisfied that with the political winds that are in motion, there will be a forestry incentive bill come out of Congress this year. What is going to happen after that, I cannot forecast; but I appreciate both of you gentlemen——

Mr. POMEROY. This is real progress, Mr. Chairman, I appreciate it.

Mr. SYMMS. I would like to ask them, how is the tussock moth and the gypsy moth affecting North Carolina forestry?

Mr. WINKWORTH. We don't have the tussock moth. We have the beetle which is affecting us just about the same as the tussock moth. One of the possible incentives, projects that we have thought would be some way to salvage southern pine killed timber, where it is not economical to get it out of the woods with the need for short-term timber supply.

Mr. SYMMS. Well, I think that people such as yourself have a position of professional ability and respect within industry, and can speak out about the proper uses of insecticides to protect what forests we have.

I think if we could get that enthusiastic speaking now from everyone who is a professional forester, we could probably get an easement from the EPA and get the ban on DDT lifted.

Mr. WINKWORTH. Unfortunately, we do not have a cure for the southern pine beetle. It is simply salvage at this point. The gypsy moth is not in our State, except in isolated cases. We are looking for it in the next 5 to 10 years, then we will be in the same position that you are; I am very familiar with your problem.

Mr. SYMMS. Thank you.

Mr. GOODLING. Mr. Chairman, may I make just one other comment, since Mr. Symms brought up gypsy moth?

I probably have been one of the most outspoken members in the Congress against the ridiculous rulings that are coming out of EPA. One of them is on the gypsy moth. I probably lost more forest in Pennsylvania than any other State in the Union. We know how to control gypsy moths. We were doing a pretty good job of it, until some of the ridiculous rulings were made and now they are eating us out of house and home.

When you people get home, all of you who are interested in forestry, get some sense into the so-called environmentalists that have come out of the woodwork overnight. They frankly do not know what day of the week it is half the time when it comes to pesticides. They do not mind one bit having all our forests ruined, but they insist on not using one drop of DDT.

I have eaten DDT all my life, because I apply plenty of it. I've been wet from morning till night. It has not hurt me, yet we cannot use a drop of it to control gypsy moths.

You people already have the moth in North Carolina, and you are going to get more. It is spreading throughout the entire east coast; it is also going west. We do not have the tussock moth in Pennsylvania that I know of, but if you need gypsy moth, I will be glad to supply it.

Mr. SYMMS. We do not need it, Congressman.

Mr. GOODLING. You people have a responsibility. Every person in this room who is interested in forestry has the responsibility to see that some of these rulings are overruled. If we are not going to protect our forests, we have a very poor case to present here until we learn how to control the gypsy moth.



Mr. SYMMS. That is the point I am trying to make, Mr. Chairman. I appreciate your comments, Mr. Goodling. Until we take care of what forests we have, it is going to be hard to convince people that they should spend more money to plant more trees. Of course, we need to plant more for the ones that are dying.

Mr. RARICK. Mr. Symms, which comes first, the egg or the chicken?

The EPA bill came out of our committee, passed without my vote. It does no good to blame foresters about it. Talk to some of the colleagues about it. Inquire if the EPA laws are being carried out as they were led to believe they would be to get their support and votes.

Mr. GOODLING. If they could put enough pressure on our colleagues from their home States we could get some action.

Mr. RARICK. I was just thinking, yesterday when the House reinstated the Housing Act, hundreds of millions of dollars were committed to extend the housing program. Yet without timber there can be no houses. And we talk about a measly \$25 million to get a program started that would help the housing crisis more than money. Which did come first? The chicken or the egg? Which will come closer helping solve the housing shortage. An adequate lumber supply or politically promised dollars?

I certainly do thank both of you gentlemen for being here.

With the indulgence of other witnesses, we have one gentleman, a Mr. Walter Myers, who has sent me a note that he will have to leave shortly. He has an airplane to catch. So we will ask Mr. J. Walter Myers if he will deliver his testimony now.

Mr. Myers is executive vice president of the Forest Farmers Association of northeast Atlanta, Ga.

Mr. Myers, we'll be happy to hear your testimony.

#### STATEMENT OF J. WALTER MYERS, JR., EXECUTIVE VICE PRESIDENT, FOREST FARMERS ASSOCIATION, ATLANTA, GA.

Mr. MYERS. Thank you very much, Mr. Chairman.

I appreciate the committee hearing me so that I might catch my plane.

Mr. Chairman and members of the committee, my name is J. Walter Myers, Jr., and I am executive vice president of the Forest Farmers Association, which is headquartered in Atlanta, Ga. Forest Farmers Association is an organization of timberland owners, and primarily small, nonindustrial private owners, in 15 Southern States. These are frequently some of the people that would be covered by the incentives bill. It is my pleasure to appear before this committee to present our association's views in support of H.R. 2904, the Forestry Incentives Act of 1973.

Since ours is a regional association, limited to the Southern States, I will confine my remarks to this area, although this bill will contribute importantly toward increased reforestation activities all over the country, if enacted. My statement will not be long, because I do not want to duplicate what the committee has already heard. I would, however, like to make several points in support of this highly desirable measure.

First, Forest Farmers Association was one of the original cosponsors of the southern forest resource analysis, which resulted in the report, "The South's Third Forest." This study was undertaken to determine how the South had achieved its vastly improved timber



position over the past several decades and how this trend could be continued. This study, as the committee likely knows, was a privately sponsored effort, undertaken jointly by private timberland owners and forest industry.

One of the most important findings was that 141 million acres or 70 percent of the South's timberland is held by private nonindustrial timberland owners. The report also indicated a tremendous opportunity exists to increase timber production and development of other forest resources on these lands, which are currently held by over 1 million private landowners.

The opportunity becomes all the more apparent when it is realized that timber production in the South, alone, must be more than doubled by the year 2000 to meet the Nation's anticipated needs for timber for housing construction and other vital needs. I might add that lands in the South owned by the Federal Government and private industry are generally being well managed. Therefore, the best opportunity for further development of our timber and forest resources in the South is on the commercial forest lands held by these private, nonindustrial owners.

And what did "The South's Third Forest" report pinpoint as the most critical need in the further development of the lands held by these small, private owners? The answer is planting of some 30 million acres of barren or understocked lands. Gentlemen, this is an area equal in size to the entire State of Mississippi. Timber stand improvement is another area, upgrading by removal of undesirable weed trees, on some 90 million acres. Furthermore, the planting job needs to be done by 1985 if the South is to contribute its share toward meeting the Nation's anticipated needs for forest products.

Among the most critical roadblocks in motivating private, nonindustrial landowners to develop their forest lands more fully have been capital for the investment necessary and the assurance of a reasonable return on their investment, preferably on an annual basis.

It would be well to stress here that these private, nonindustrial landowners do not seek a subsidy to grow trees. Many of them could not care less about growing trees. Under present circumstances and considering the long-term economics of timber growing, many of them feel they have much better investment alternatives. But they do own the majority of the Nation's commercial timberland.

We often hear of the so-called small landowner problem in reference to growing more timber in the United States. But it is well to understand these people are no problem to themselves. They are only a problem to the consumer who wants them to grow trees for badly needed lumber and other forest products. And the landowners' response, in effect, is why should we grow trees if it is not profitable. That of course is a good question.

Therefore, I believe the question before the committee today is, does the Nation need the timber? If the answer is no, frankly I can see absolutely no need for an incentives program. As I mentioned previously, the landowner, himself, is not actively seeking an incentives program or a subsidy.

However, if the answer is yes, the Nation does need the timber for lumber to build houses, and for a multitude of other forest products, essential to our way of life, then some type of forestry incentives program is needed.



Furthermore, it is only logical that the prospective consumer, Mr. John Q. Citizen, help provide the incentives to grow the products he wants and needs. Otherwise, the timber is not apt to be grown, and he will be the one to suffer. I might say here, it is often overlooked that timber is a consumer product. I might add that the Federal Government and the forest industries together do not own or control sufficient land on which to grow the needed timber. And left to his own devices, the private, nonindustrial timberland owner is not likely to do more than he is currently in the way of growing more timber, despite all our well-intentioned educational programs.

The Forest Farmers Association believes that H.R. 2904, the Forestry Incentives Act of 1973, provides a sound and attractive program of incentives on a cost-share basis. Our organization believes such legislation will contribute importantly toward providing the incentives necessary to stimulate the private individual, nonindustrial owner to grow the trees this Nation needs.

This, generally, covers the Forest Farmers Association's views on 2904, with the exception of two items. First, our association strongly endorses the concept of cost sharing. We feel the owner should be required to put up some of his own funds, as the bill now requires, as an indication of good faith and personal involvement.

Secondly, the Forest Farmers Association feels that the legislative intent for administration of this program should be clearly spelled out. As we understand it, funds could be allocated to landowners by county and State agricultural stabilization and conservation service committees. This uses an existing agency and could be highly desirable.

However, we strongly urge that safeguards be instituted so that the funds for this program are clearly earmarked for use in forestry and related activities only. In addition, we urge that the State forester in each State be specifically charged with administration of the program, in cooperation with the U.S. Forest Service. Clear understandings on these points will, we believe, contribute to a more effective handling of this excellent program.

That concludes my statement. However, I do want to congratulate Chairman Rarick, Congressman Bob Sikes, and other sponsors of H.R. 2904 and related bills, for their farsightedness and understanding in introducing this valuable legislation. I feel it will contribute substantially to the advancement of forestry development in the South and over the Nation.

The committee's favorable consideration to H.R. 2904 is invited and will be appreciated. Thank you.

Mr. RARICK. Thank you very much, Mr. Myers.

Any questions?

Mr. Myers, I guess the members are trying to help you get off the Hill so you can catch your plane.

We are very thankful for your presence this morning, and thank you for giving us the benefit of your testimony.

Mr. MYERS. Thank you, Mr. Chairman.

Mr. RARICK. The next witness is Mr. William E. Towell, executive vice president of the American Forestry Association, headquartered in Washington, D.C.

Good afternoon, Mr. Towell. We will be happy to listen to your testimony.



**STATEMENT OF WILLIAM E. TOWELL, EXECUTIVE VICE  
PRESIDENT, AMERICAN FORESTRY ASSOCIATION**

Mr. TOWELL. I represent the American Forestry Association, which is one of the oldest citizen conservation groups in America.

With your permission, I will not read my testimony today, but file it for the record. But I would like to highlight two or three points, if I may.

Mr. Pomeroy has already mentioned that the American Forestry Association sponsored a task force called Trees for People. This task force spent 3 years, Mr. Chairman, looking at the problems of private, nonindustrial forest lands. From the very beginning it was evident to the committee that the reason that more private landowners were not practicing forestry was because there were not the necessary incentives there for them to do so.

They were confronted with too many problems—taxes, lack of markets, fires, disease, and interest rates. There just were not the incentives there. So from the beginning, the task force realized that if we are going to get forestry practice on this 60 percent of our total commercial forest area in America somehow we are going to have to provide incentives to the landowners to do so.

This represents, Mr. Chairman, some 4 million owners who own nearly 300 million acres of land.

H.R. 2904 is actually a continuation of an existing program that has already proved successful. The REAP program which has unfortunately been discontinued, did provide some incentive for the small private forest landowner. But with the termination of that program and with the lack of funds, even when it was in full swing, were just not able to get enough incentives for these private landowners to do this job.

This bill that you are considering today does provide some help. It is the right direction, but the figures that are contained therein, I feel, are inadequate. A \$2,500 yearly limitation, for example, to any one owner in 1 year is not enough; and I do not believe that a 50-50 matching ratio would be quite the incentive, either, to accomplish desired objectives; \$25 million a year, again, is a step in the right direction, but I would feel much better if this were three or four times that figure. So I think even though all of these numerical figures are a step forward, they are all inadequate.

The serious deficiency right now is how this bill would be administered under the present status of the Agriculture program and REAP in particular. Like some of the other witnesses, I would suggest that it be carried out through the regular cooperative channels that are established that are operating between the State foresters and the U.S. Forest Service. I think the vehicle already exists, that it could be effectively administered.

I am going to suggest a source of funding. Mr. Chairman. I am not sure that it is entirely possible, but at least it is worthy of your consideration. I have talked to Congressman Sikes about this, and I believe that he concurs that the possibility of an excise tax on log exports. You are familiar, I am sure, with the log export controversy. There are some 2.4 billion, for example, last year going to Japan. This should provide a reasonable source of revenue that should help



pay for some of the forest management as needed so badly in this country. I think the public would be quite willing to support such an idea. I think maybe under the present attitude, the Congress might support having our friends and neighbors in other countries who are drawing upon our natural resources, helping us pay for the management of those resources. So I offer that for your consideration.

I would like to concur with one of the previous witnesses from North Carolina, the State forester, in that the present limitation under the REAP program is totally inadequate. I am a tree farmer in North Carolina, and I have been planting about 100 acres each year for the last 2 years, and I am only able to get partial cost sharing on about 14 acres. I know that there are lots of landowners who just would not undertake the job with the very minimal amount that is available under existing programs.

So this legislation is certainly a much-needed step in the right direction. I think that if there is a single forestry problem in America that needs our attention, it is doing something to give the private landowners some incentives to practice forestry. The American Forestry Association, along with our colleagues here, certainly urges you to do everything that you possibly can to help us get this incentive.

Mr. RARICK. We thank you very much, Mr. Towell.

Do you have any questions?

Mr. GOODLING. No questions, Mr. Chairman.

Mr. RARICK. Mr. Vigorito?

Mr. VIGORITO. No questions.

Mr. RARICK. Everybody has very enthusiastically received your testimony.

Mr. TOWELL. I am surprised we did not get some questions on this log export excise tax.

Mr. RARICK. Well, I favor that means of financing, myself; but we have had some cold water thrown on the idea of taxing logs leaving our country as creating a possible unconstitutional problem.

We do have other contributions. Last night in the evening paper, some college professor—I do not know what he knows about forestry—commented that taxing log exports would be very unwise, because it would destroy the forestry export future in the United States. He forecast a larger market for exports of U.S. logs. Really, his news release makes the case for taxing log exports. These foreign markets have nowhere else to go to get their logs. We should be training our people to be ready for the big market, because if the export market soars, we should capitalize on it. But we can't sell and the foreigners can't buy if there are no logs. This is consistent with the wheat exports, rice exports, and the export of other farm products.

If we do not have them, we cannot sell. But if we are stocked, then certainly those people who see us as the source of timber should not be heard to complain about a small contribution in the transaction to guarantee that there will be a future source of logs to buy.

Mr. TOWELL. The more important question is not where it goes, but how we manage our forests. We are talking about a renewable resource, and so long as whatever we use falls within the sustained capacity of the forest to produce, then we are in good shape. It is when we overgrow our production capacity that we are in trouble.



Mr. RARICK. Thank you very much, Mr. Towell. We appreciate your being with us today.

Our next witness is Mr. Gordon Zimmerman, executive secretary of the National Association of Conservation Districts of Washington, D.C.

Mr. Zimmerman, we are happy to have you with us. We appreciate hearing your testimony.

**STATEMENT OF GORDON K. ZIMMERMAN, EXECUTIVE SECRETARY,  
NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS**

Mr. ZIMMERMAN. Mr. Chairman and members of the committee, I want to add my voice and the voice of my association to the support for H.R. 2904 and the forestry incentives legislation.

I am sure that all of you know our National Association of Conservation Districts represents the 3,019 conservation districts that have been organized in all of the 50 States, Puerto Rico, and the Virgin Islands. These districts exist and function for the express purpose of planning and carrying out needed programs of land, water, forest, and wildlife conservation, particularly on the privately owned lands of the Nation.

There are approximately 2 million private property owners, mostly farmers and ranchers, who are cooperating with their local districts in these constructive resource programs.

By the very nature of our work, all of us in districts have a special interest in nonindustrial private forests. These forests occupy a very large amount of land, and they are contributing far less than they should, economically and otherwise, to their owners and to the public good.

Approximately 73 percent of America's total forest resources are in private ownership. About three-fourths of this timber-growing land is in relatively small tracts, much of it on farms. About 90 percent of these small private forests—an area of approximately 300 million acres—is in conservation districts. So all across the country we are face to face in districts with the problem of farm woodlands that are receiving little attention, little management, and producing far below their potential.

I have some paragraphs in here that, as you have heard several times before, since these hearings started, and I will skip down, if I may, to the bottom of the page, and say that in our judgment, large numbers of farmers and other landowners, other owners of small woodlands are not prepared, without some kind of new assistance, to invest in any substantial way in tree planting and timber stand improvement work. The economic returns from such investment, compared with alternative investment choices, are too long deferred, too limited in amount, and subject to too many risks, including the important risks of fire and disease.

We believe that H.R. 2904 would change this situation and improve the climate for private forestry. It would provide cost sharing by the Federal Government with the owners of small, nonindustrial private forest lands and also the owners of non-Federal public forest lands. This cost sharing incentive would be limited to no more than 50 percent of the total cost of beneficial forestry practices—and no



single owner would be eligible to receive more than \$2,500 under the program in any one fiscal year.

In relation to the needs of the owners and of the Nation, we see this legislation as providing a modest but essential beginning. The 50-50 cost sharing, in view of the economic constrictions on small forestry operations, is certainly conservative. We believe the 500-acre limitation on participants in the program will rule out many in the 500- to 1,000-acre category who could make a substantial contribution to the purposes set forth in the legislation. And while the \$25 million authorization represents a most helpful beginning for this essential program, the dimensions of the job ahead and the importance of the resources at stake lead us to believe that larger sums will eventually be necessary to increase the scope and speed of the program.

We are aware, of course, of the intense competition for Federal funds these days and the simultaneous efforts underway to hold down the overall level of appropriations. In our view, the need for upgrading the nonindustrial private forests of the country—and the benefits to the Nation that would flow from such an upgrading—are more than sufficient to justify financing a forestry incentive program from general revenue funds.

However, we have heard the suggestion that if the rise or fall of the program depends on finding another source of funding, it might be fruitful to consider an export tax on sawlogs as a means of financing, as Mr. Towell has mentioned just before I sat here. We are not prepared to speak on all of the ramifications of such a tax, but in principle we would certainly have no objections. Considering the current domestic shortage of wood products and the rising market prices, a tax on continued wood exports to accomplish a vital forestry purpose here at home could generate considerable citizen support.

The critical need, however, is to authorize a forestry incentives program and get started on the urgent business of upgrading the 300 million acres of nonindustrial private woodlands. During every year that we move into the future, the country is going to have greater need for the uses and products of these lands. We urge you to report favorably on this legislation at the earliest possible date.

Mr. RARICK. Thank you very much.

Mr. ZIMMERMAN. Thank you, Mr. Chairman.

Mr. RARICK. We certainly appreciate your appearance and the benefit of your testimony. I assume you also support the Senate version of the same?

Mr. ZIMMERMAN. We do, sir. I might say as for the association, for the last 3 years has at its annual conventions unanimously endorsed a forestry incentive program.

Mr. RARICK. Thank you very much. We appreciate your presence.

The Chair will yield to the gentleman from Pennsylvania, the ranking minority member of our committee, Mr. Goodling, to introduce the next witness, one of his constituents.

Mr. GOODLING. Thank you, Mr. Chairman.

I am happy to welcome one of my constituents to this meeting. He does represent a very old organization, also a very active one. I have noticed that his organization was formed in 1886. That reminds me it was in existence just 10 years before I came into this world, and I know I am getting to be an old, old man. I am certain that he could



verify what I have said about the gypsy moth and the damage it is doing in Pennsylvania; and he could also tell you people that we were doing a pretty good job of controlling gypsy moths in Pennsylvania with one gallon of DDT to the acre, and we have no evidence that it ever did a great amount of damage to wildlife or fish. In spite of that, we are not allowed to use it. But I do not want to make his speech.

I am happy to present my constituent, Mr. Fralish. We will be happy to hear from you at this time.

**STATEMENT OF JOHN C. FRALISH, EXECUTIVE DIRECTOR,  
PENNSYLVANIA FORESTRY ASSOCIATION**

Mr. FRALISH. Thank you, Congressman Goodling.

I wholeheartedly endorse your remarks about the use of DDT and gypsy moth problem. The Pennsylvania Forestry Association is working on this as hard as we can with our financial resources; but it is a problem that is really getting out of control, and if we can have any impact on the situation, we will certainly go back to the use of DDT.

Mr. Chairman and members of the committee, I appreciate the opportunity to be here this afternoon and to present testimony on H.R. 2904, which we support very thoroughly.

It is recommended, however, that section 4(b) of the bill which provides for administration by the county ASCS committees, be amended to authorize utilization of the services of the State forester or other appropriate official in each State. This change is recommended because of the reduction in ASCS office personnel following the elimination of the REAP program.

There are several important reasons why Pennsylvania Forestry Association supports a sound forestry incentives program to promote a great volume and quality of wood production on private forest lands.

Today our country is experiencing a significant wood shortage. Lumber prices are high and rising. Construction costs reflect the rise in the price of lumber. Lumber exports which are a help to our foreign trade deficit and our economy in general are being restricted. Wilderness proponents are demanding that more and more of our national forest lands be locked up as wilderness with no timber harvesting allowed.

Their stated goal is 100 million acres which is more than one-third of the total national forest acreage. They are also looking at State forest lands as potential wilderness areas. Without doubt a significant amount of national and State forest lands are likely to be taken out of timber and pulpwood production and designated as wilderness. This will further aggravate the situation which exists because of the shortage of wood.

One way to increase the wood supply in the future is to encourage the production of marketable timber on privately owned lands.

I am an example of the small forest landowner who needs help and encouragement to improve timber production on private lands. I have owned a small farm in Pennsylvania for 10 years.

Seedlings have been available free of charge, but I could not afford the cost of planting them, nor the cost of timber stand improvement on my forest acreage. The result is that I do not have enough marketable timber to attract a purchaser. I personally know several other small forest landowners who have had the same experience.



Part of the reason small private forest owners could not get much help under REAP program is that it was administered by the county ASCS committees. These committees are more interested in investing funds in annual agricultural crop production and farm practices than in long-term timber production. Less than 2 percent of REAP funds were assigned annually to reforestation and timber stand improvement during any recent year in Pennsylvania. This is another good reason for the change recommended earlier in section 4(b).

The only other possible change I would suggest in H.R. 2904 is increasing the Federal cost-sharing percentage to as much as 80 percent. The 50-50 cost-sharing ratio which has existed for years under REAP failed to provide the necessary stimulation for small private forest owners to play a key role in increasing our supply of wood.

Our private forests are now producing only about 50 percent of their potential crop. Here is an opportunity to provide the stimulus to do something about it. We need this stimulus now. Forest products take time to grow.

Unless we take action now, we can expect to be in much worse shape in future years as the need for wood products continues to increase. It was estimated at the first Annual Tree Planting Conference held in 1972, that in order to meet the demand for wood products by the year 2000, we must plant 69 billion trees within the next 10 years.

To insure that this very difficult goal can be reached, we need the combined efforts of our private forest owners and the managers of our public forest lands. Because of budget restrictions, unless, of course, the budget situation improves a great deal, the U.S. Forest Service cannot provide any foreseeable increase in wood supplies; therefore, any significant increases will have to come from other sources. Private lands are a prime source for potentially large increases in the supplies of timber and wood for all purposes.

We believe it is in the public interest to take all appropriate actions to encourage the growth of more marketable wood and timber on privately owned lands. The effects on the Nation's economy, the environment, new home construction and a variety of other benefits make this fairly obvious.

We strongly urge all Members of the Congress to support this forestry incentives legislation, and we ask the committee to give consideration to our recommended changes.

Thank you for the opportunity to make these remarks.

Mr. RARICK. I might add that I am surrounded by Pennsylvania Congressmen today. On my right is Congressman Vigorito of Erie, Pa. Congressman Vigorito, have you any questions?

Mr. VIGORITO. You say we need 69 billion trees within the next 10 years. How many trees are we currently planting a year in the United States? Do you have any idea?

Mr. FRALISH. We have, sir—I cannot answer that question as you asked it. I can tell you what we are planning in Pennsylvania, what we are planning to do.

We have committed ourselves to plant 200 million in the next 10 years, 200 million trees.

Mr. VIGORITO. In 10 years?

Mr. FRALISH. In 10 years. Now, that is not enough. We ought to do a lot more than that. You can see that that will not get the job done.

Mr. VIGORITO. Are these seedlings that are grown?



Mr. FRALISH. They are grown on State forest lands, sir, and made available to the private land owners to plant on—

Mr. VIGORITO. Do they plant them by hand, or is there machinery?

Mr. FRALISH. There are machines available. I have used one of them myself. They are available—well, it is just a very small cost for borrowing the machine, but you have to have the labor and the tractor to do the job.

Mr. VIGORITO. You mean—the planting of 6 or 7 billion trees a year seems to stagger my imagination.

Mr. FRALISH. It is a big job, sir, and it does take some incentive.

Mr. VIGORITO. Well, then, those \$25 million a year is merely scratching the surface.

Mr. FRALISH. Well, it is not, in my opinion, enough. I support the statements made by one or two of the earlier people who testified earlier here, that it is really not enough to do the job.

Mr. VIGORITO. How much would be enough?

Mr. FRALISH. It is a start. I am sorry. I don't really have a figure. I have not tried to estimate the figure. I do feel that this is just a start, and it is just not enough to do the job that needs to be done. But it is a lot better than none.

Mr. VIGORITO. To me, I think it would take several hundred million every year to plant 6 or 7 billion trees a year. Would it not take several years just to get started?

Mr. FRALISH. Well, we have the lands, and we have the private land owners, and we have a lot of ways to get trees planted. We can involve Boy Scouts, and we can involve young people during their time when they are out of school in the summer. We can do a lot of work with these youngsters, and it is not terribly expensive to do this. And we are doing a lot of this.

Mr. VIGORITO. Thank you.

That is all, Mr. Chairman.

Mr. GOODLING. I would like to make this observation. I am certain that you are familiar with what I am going to say. I do have within my district a family owned papermill that makes a very, very high grade of paper. P. H. Gladfelder Co. is now in the third generation. I've known two of the generations. It is doing an excellent job in reforestation, as you know. In addition to doing its own planting, every spring it makes available to anybody who will use the seedlings a good many thousand seedlings to anybody who is willing to plant them on their own land.

So there is one organization that is doing something about the problem that we are facing. I am sure you are familiar with this problem.

Mr. FRALISH. Yes, sir. P. H. Gladfelder Co. paid for 3,000 seedlings which I planted 4 years ago and then a year later they paid for another 1,000 that I planted on my property.

And I would also like to say that just last year my organization, the Pennsylvania Forestry Association, conducted a statewide Arbor Day program. We planted thousands of trees. We had schoolchildren plant the trees. We got the forestry industries in the various areas to buy the trees and give them to the schools, and we took the help of the State Foresters to come and tell them how to plant them and help them get them planted. And this was all done and paid for by the forest industries in that State.



But it is just a drop in the bucket.

Mr. RARICK. Mr. Fralish, I am really interested in your comments about Arbor Day, because Arbor Day this year went by with few if any newspaper editorials or any publicity anywhere in our country. I have suggested getting the college students, our do-gooder associations and environmentalists and others to get out and plant trees. I am planning to introduce a sense of Congress resolution to work up local interest for the coming 1974 Arbor Day.

Very few people are aware, unless they are stamp collectors, that in about the late twenties or early thirties, Arbor Day was promoted with a 2 cent postage stamp that depicted young people planting trees. We need public opinion motivating activities like this again if we are to recapture our peoples' motivation toward constructive programs.

Unless we have something to give the people either as a financial incentive or a moral or patriotic incentive, we are losing our national direction. I compliment you for what you are doing in Pennsylvania, working with the Scout groups and others. Certainly this can be extended to church groups and other various organizations—Rotary, Lions—all these folks want to be involved in patriotic, helpful endeavors. If we can get their attention, we could help launch this program into a great effort; and I think it would catch on.

I am reminded of the poem by Joyce Kilmer—a World War I soldier killed at the front in France. His poem was "The Tree." "I think that I shall never see, a poem lovely as a tree." We thank you very much Mr. Fralish.

Mr. GOODLING. Just one further observation.

I am afraid I am a little hard on the environmentalists—I realize that—but too many of them are armchair environmentalists; and you are suggesting that they get up and plant trees. I don't believe they would take very kindly to the suggestion. I have done it and it takes a strong back to swing a pick all day long to plant trees if you are going to do it by hand, and that is the only way many people have to do it today.

I realize we have machines to do it, but not everybody can afford those machines.

Mr. RARICK. I am trying to segregate the professional armchair environmentalist for profit from the people who are pure at heart. Those who are for clean water, clean air, and truly conservationists.

Trees produce oxygen from carbon monoxide in the air. Their leaves have a cleansing effect. As for conservation, in Louisiana we wish for about 10 billion more trees. Trees help drink up flood waters and hold soil to stop erosion.

Trees have many natural characteristics which are good and sound for any civilization. These are the environmentalists I was talking about. In the southern States, we call ourselves conservationists, sportsmen, woodsmen.

Mr. GOODLING. Ecologist—that is the new word.

Mr. RARICK. Thank you very much, Mr. Fralish.

Mr. FRALISH. Thank you.

I would like to just repeat and reassure everyone that Pennsylvania Forestry Association is going to continue to promote Arbor Day and the use of DDT to get rid of the gypsy moth.

Mr. RARICK. Thank you very much.



I have a real pleasure in introducing the next witness. He is one of my constituents, Mr. John Batson, Batson Lumber Co., of Natalbany, La., in Tangipahoa Parish.

Mr. Batson is accompanied by Mr. Al Baxter, president of the National Forest Products Association from San Mateo, Calif.; and Mr. John Hall, vice president for Forestry Affairs, National Forest Products Association.

We welcome the three of you before the committee.

**STATEMENT OF JOHN BATSON, BATSON LUMBER CO., NATALBANY, LA., REPRESENTING SOUTHERN FOREST PRODUCTS ASSOCIATION, ACCOMPANIED BY AL BAXTER, PRESIDENT, NATIONAL FOREST PRODUCTS ASSOCIATION, AND JOHN HALL, VICE PRESIDENT FOR FORESTRY AFFAIRS, NATIONAL FOREST PRODUCTS ASSOCIATION**

Mr. BATSON. Thank you, Mr. Chairman.

I'm owner of a small lumber company in the Natalbany, and this is Mr. Baxter and this is Mr. Hall.

I am appearing on behalf of the Southern Forest Products Association, an organization of lumber manufacturers from the southern States: Alabama, Arkansas, Georgia, Florida, Louisiana, Mississippi, North and South Carolina. We even bring in Oklahoma, Tennessee, Texas, and Virginia; and our member mills account for more than one-third of the 9.1 billion board feet of southern pine produced last year.

And our Association is a founder and participant in the third forest program whose objective is to double timber growth in the South by the year 2000.

As recent congressional hearings brought out a lumber price supply crisis had an unfavorable effect on the cost and availability of structural materials for housing at a time of unprecedented housing demand.

Witnesses for the housing and forest-based industries and building supply dealers testified that a timber supply problem was at the root of that crisis.

At a time of surging public demand for outdoor recreation, much of the Nation's forest land is unsuitable for or not available for recreational activities. Esthetic values, such as wildlife, soil and water quality are suffering because of poor, inadequate forest management on the vast forest acreage; the future outlook indicates that these problems will intensify.

The National Association of Home Builders predicts that the lumber demand will remain high for the next 10 years. They forecast an annual average of 2.2 million conventional housing starts, plus 600,000 mobile homes, from now through 1982. And, according to the Federal projections, the number of people who seek recreation in forests will triple by the year 2000. The environmental importance of forests is bound to rise in an increasingly urbanized society.

For those reasons, the people of the United States can no longer afford the low levels of forest management and tree growth now existing in an ownership category which embraces three-fifths of the Nation's total commercial forest land base.

Nearly 300 million acres of the Nation's 499 million acres of commercial forest land belong to the nonindustrial private owners. While



immense in aggregate, these holdings are individually small. There are 4½ million individual owners, only a few of whom have the money, interest, knowledge, or technical expertise to grow and manage trees. Net annual growth per acre is less than half of the potential. This is one of the reasons why the availability of timber for lumber manufacture has been so inflexible in periods of heavy housing demand.

Comparatively few of the small owners harvest or sell timber on a systematic basis. The most common practice is to sell when demand or price justifies, or really when cash is needed to pay off the mortgage on the house or some other personal debt. There is seldom any attempt to regenerate harvested areas.

Like most lumbermen in the South, I do not own forest land. Two-thirds of the timber for lumber and plywood manufactured in the South is bought from small private owners. It has been hard to locate logs in the current period of heavy demand, and the prices we have had to pay for them has almost doubled in some areas since 1971. So it is obvious that the growth and regeneration potential of small private ownership must be realized to meet the economic and environmental needs of the future.

If these ownerships can provide the benefits of which they are capable, they can ultimately ease the responsibility now being carried by the National Forest. Therefore, the Southern Forest Products Association wholeheartedly endorses legislation such as H.R. 2904, sponsored by Congressman Sikes and by you, Mr. Chairman.

Southern experience documents the urgency of the need for passing this legislation. In the late sixties our association and other industry organizations conducted a 2-year study of the South's forest resource and what was likely to be expected of them in the future. The report projected by the year 2000 the South will have to provide more than half of the Nation's lumber and wood products in volume twice as great—in other words, in volumes twice as great as the region was then producing.

This, of course, would require a corresponding increase in timber growth to meet demand inventory. As the report made clear, the only way to do this is through major improvement in forest practices on small private ownership.

With this objective in view, the program called the third forest has been initiated in the South in an attempt to double timber growth in the region conceived by the SFPA and other industry organizations and the program has gained wide support.

In the South, 72 percent of all commercial forest belonged to non-industrial private owners. But during the early stages of implementation, it has become obvious that because of their modest financial circumstances, small landowners are reluctant to assume the costs and risks of forest management and probably will do little without some form of outside assistance.

Therefore, we advocate prompt action on the forestry incentive legislation advocated by Congressman Sikes, Chairman Rarick, and their 55 associates. This bill would provide for cost-sharing arrangements to help finance tree planting, timber stand improvement regeneration by small woodlot owners could do much to assure the successful implementation of the third forest program and to encourage timber resource development in other parts of the United States.



Millions of small landowners in all parts of the United States would be the immediate beneficiaries of such legislation. The ultimate beneficiaries would be the public at large.

Action by Congress to help increase the productivity of small woodlots will assure the availability of adequate supplies of timber at reasonable costs to meet the future needs of the American people for housing and other necessities. Substantial environmental benefits would also accrue. Improvements in wildlife habitat and scenic values would be extensive.

This bill would also create a highly remunerative investment for the Federal Government. Past experience demonstrates that for each dollar invested in timber growth, \$25 in subsequent economic benefits are generated. Thus, the ultimate returns to the Federal Treasury in additional tax revenues would exceed by several times the initial outlays for forestry incentives.

Now, Mr. Baxter has a few comments.

Mr. BAXTER. My comments are being made on behalf of the National Forest Products Association. The timber that will be grown with the help of this bill will be needed not to satisfy our industry's appetite, but to insure an adequate supply of wood products at reasonable prices for our Nation's housing and other goals.

We are now experiencing the early warning signs of a wood supply crisis which we must not ignore as we ignored the early signs of the energy crisis. This program would be a much needed increase over current programs.

The objective is to provide the incentive now, so that these lands can respond to market pressures in the future and meet our public housing needs. Without investment now, both public and private, these lands will not be able to respond in the future without creating serious environmental damage.

We therefore urge enactment of H.R. 2904.

Thank you, Mr. Chairman.

Mr. RARICK. Well, I think one of our problems is public information. If we were holding hearings on appropriating money for public housing or food stamps or poverty giveaways, the room would be filled with spectators waiting for their share. In fact, the newspaper and television people would be lined up, fighting for positions to spread the word. Forestry incentives is just as important to the public but no one has told them and judging from the press table they may never hear. If we do not have the timber resources, we are not going to be able to deliver the promised housing in our country.

The Congress can pass bills guaranteeing everyone a livable house, as a national goal. But if we do not have the timber, and the products to put it together, the guarantees are nothing but political rhetoric.

Mr. Goodling, do you have any questions?

Mr. GOODLING. No questions.

Mr. VIGORITO. No questions.

Mr. RARICK. I would assume that you gentlemen were not present yesterday when the Department's witness, the Assistant Secretary, testified. You might be able to get copies of his testimony, if you are interested. Their testimony was very favorable to the program until they came to the last paragraph. And it was not really unfavorable, rather the Assistant Secretary concluded that we're going too fast.



His statement ended, "We suggest action on 2904 be delayed until our review is complete." The review referred to the President's Advisory Panel on Timber and Conservation. And the Secretary assured the members of the committee that the delay he was talking about was not 3 months or 6 months or a year.

Apparently, this panel of experts is about ready to make a report. The Secretary indicated he would make it available to us as soon as possible. So I feel that in view of the attitude of the Secretary representing the Department and the administration, if we can put the needed ingredients together, that we are going to be able to come out with some kind of an incentive bill which will probably be acceptable to everyone. That we may get started on this much-needed program by 1974 or 1975.

I leave this with you, since you have come all the way from Louisiana in support of a forestry program, and you may find encouragement in not having bad news blowing your way.

Mr. BATSON. I appreciate those kind words.

Mr. RARICK. We still have a long way to go. You have made some good comments about section 4(b) of the bill placing the State forester on the committee.

Mr. Sikes' bill—I do not have the Senate bill before me—Mr. Sikes had indicated the Secretary could designate various people as ex officio members, including State foresters and owners or representatives of the owners of the small private forest lands.

So it may well be that in the wisdom of my fellow colleagues, we will be able to have all the people represented on the 4(b) committee. We are not setting up anything for the benefit of one group. We are trying to give the benefit of the program to supply our country's forestry needs.

Is there anyone else here to testify? If not, the committee will stand at recess until 10 in the morning.

[Whereupon, the hearing in the above-entitled matter was recessed at 4:52 p.m., to reconvene, Wednesday, May 23, 1973, at 10 a.m.]



his statement ended, "We suggest action on 5004 be delayed until our review is complete." The review referred to the President's Advisory Panel on Timber and Conservation. And the Secretary assumed the members of the committee that the delay he was talking about was in 3 months or 6 months or a year.

Apparently the panel of experts is about ready to make a report. The Secretary indicated he would make it available to us as soon as possible. So I feel that in view of the attitude of the Secretary regarding the Department and the administration, if we can put the record in front of them together that we are going to be able to come out with some kind of an incentive bill which will probably be accepted by everyone. That we may get started on this much-needed program by 1971 or 1972.

I have said with you since you have come all the way from Louisiana in support of a forestry program and you may find it encouraging to find out that we are having and now doing some work.

The Secretary, I appreciate those kind words. You have made some progress. We will have a long way to go. You have made some progress about section 4(b) of the bill placing the State for-

est under the committee. I do not have the State bill before me. Mr. Stinebaugh, the Secretary could have some problems or others in connection with the State forestry and owners or representatives of the State forestry land.

I am sure the small private forest lands. The only way to be in the wisdom of my fellow colleagues is to be able to have all the people represented on the (1) committee. We are not acting up anything for the benefit of one group. We are trying to give the benefit of the program to supply our country's for-

est needs. I am sure the State forestry will stand. I am sure the State forestry will stand. I am sure the State forestry will stand.

At 1:30 p.m. to convene Wednesday, May 26, 1972, at 10 a.m.



## FORESTRY INCENTIVES ACT OF 1973

WEDNESDAY, MAY 23, 1973

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON FORESTS  
OF THE COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The subcommittee met, pursuant to recess, at 10:02 a.m., in room 1302, Longworth House Office Building, Hon. John R. Rarick (chairman) presiding.

Present: Representatives Rarick, Vigorito, Gunter, Baker, and Thone.

Also present: Betty Prezioso, staff assistant, John Rainbolt, associate counsel; Hyde H. Murray, associate counsel, and Steve Allen, staff consultant.

Mr. RARICK. The subcommittee will come to order.

We will resume our hearings on the Forestry Incentives Act of 1973.

Our first witness is Mr. J. E. Moore, manager, Forestry Programs, American Pulpwood Association.

VOICE. Mr. Moore is not here. I have not heard from him about whether or not he will be here.

Mr. RARICK. The second witness is Col. Kenneth R. Hampton, conservation liaison, National Wildlife Federation.

We are very happy to have you with us on this sunny day, Colonel Hampton.

### STATEMENT OF COL. KENNETH R. HAMPTON, CONSERVATION LIAISON, NATIONAL WILDLIFE FEDERATION, WASHINGTON, D.C.

Colonel HAMPTON. Thank you, sir.

Mr. RARICK. You may proceed with your statement.

Colonel HAMPTON. Mr. Chairman, I am Col. Kenneth R. Hampton, U.S. Army (retired), conservation liaison for the National Wildlife Federation which has its national headquarters at 1412 16th Street, NW., Washington, D.C. I am a professional conservationist with a degree in forest management and a degree in meteorology.

We welcome the invitation to appear today to comment on H.R. 2904, the proposed Forestry Incentives Act. The National Wildlife Federation supports the bill, in principle, but recommends two small revisions to insure that all natural resources associated with small, nonindustrial forests receive full consideration and are adequately safeguarded. We feel strongly that any Federal program forthcoming from the proposed legislation should enhance wildlife resources, wildlife habitat, outdoor recreation, and other natural resource values.



We are of the opinion that such program objectives are realistically achievable without detracting from the bill's principal goal of encouraging a higher level of forest resource protection, development, and management on small, nonindustrial private and non-Federal public woodlots.

It is becoming increasingly apparent that if our Nation's future timber supply requirements are to be met, we must make far better use of the approximately 325 million acres of nonindustrial private and non-Federal public forest lands which contain almost two-thirds of the United States total forest resource base. There are simply too many legitimate multiple-use demands placed on the National Forest System for it to fill the expected void. Neither does the forest products industry own or lease wooded land to satisfy future American needs.

If those conclusions needed any reinforcing they received it recently with the publication of the Forest Service's draft report entitled "The Outlook for Timber in the United States." The report's principal thrust is that better forest management must be practiced on the 296 million acres of private, nonindustrial lands in order to meet projected U.S. forest products needs over the next three decades. Since that major sector, as I mentioned before (about two-thirds) of our total forest resource base currently produces less than one-half of the harvestable timber, it seems obvious that we must encourage better forestry management practices on small woodlots through incentives programs and the like. Hence, our support of the bill, in principle.

However, I would like to emphasize that our endorsement of H.R. 2904 is predicated on the understanding that participation under the proposed act will be limited to landowners possessing not more than 500 acres of forest land. We feel strongly that the 500-acre provision must be retained to prevent the bill from possibly becoming a vehicle for financially well-fixed, large landowners, who generally need no cost-sharing incentive from Uncle Sam, to line their pockets. For the same reason, we support the feature contained in section 4(a)(1) that no one small nonindustrial private forest landowner shall receive cost sharing under the act in excess of \$2,500 in any one fiscal year.

With respect to cost sharing, we like the idea of allocating Federal funds on a competitive bid basis, but we wonder whether limiting cost sharing to a maximum of 50 percent will give program administrators sufficient flexibility to achieve the goals of the program. In that connection, we would simply point out that under the recently terminated rural environmental assistance program, 50 percent Federal cost sharing was available for similar forestry practices. Of course, with the cancellation of REAP there is even greater justification for a cost sharing forestry incentives program such as that proposed in the bill.

Mr. Chairman, the National Wildlife Federation strongly recommends the following changes to H.R. 2904: First, section 4(b) be amended to " \* \* \* utilize the services of the State forester and other appropriate officials of each State, including the principal State fish and wildlife official \* \* \* ." Second, section 5 be amended to insure that "The Secretary shall consult with the State forester and other appropriate officials of each State, including the principal State fish and wildlife official \* \* \* ."



Now, we recommend the above changes because: First, with the elimination of REAP, there will probably be a reduction in ASC offices which would make it awkward to administer the program through that Agency. Second, we are most anxious that the principal State fish and wildlife official, as a minimum, be assigned the prominent coordination role by the act. We are convinced that such an approach will best insure that all natural resource interests and values are fully considered in the development of a State's forestry incentives program. Hopefully, that kind of coordination would prevent the act from becoming an instrument to further proliferate plantations of pine trees—especially in the Southeast. The so-called pine monoculture is anathema to most forms of wildlife and we are firmly opposed to a Federal program that would subsidize any further spread of that phenomenon.

It seems to us, Mr. Chairman, that the inclusion of a long-term forest management plan feature in H.R. 2904, similar to that contained in its Senate counterpart, S. 1569, would strengthen the proposed legislation considerably and safeguard the program from becoming just another Government giveaway.

And last, we strongly support the proposed annual authorization of \$25 million for the forestry incentives program. Funding of that magnitude is required to make significant inroads in improving the quality of our Nation's small nonindustrial woodlots.

If we are to meet the many growing diverse demands that will be placed on both public and private forests over the next few decades, it is imperative that H.R. 2904—with our suggested revisions—or similar legislation be enacted at an early date.

We are attaching, for your information and inclusion in the record, a resolution on logging practices adopted at the 37th annual meeting of the National Wildlife Federation.

Mr. RARICK. Thank you very much. We will ask that the resolution be included in the record following your testimony.

Your recommendations are similar to those suggested by several of the earlier witnesses. We appreciate your testimony.

As I recall the administration witnesses earlier indicated that they wanted more flexibility on the acreage limitation. I note you are recommending that we maintain some limitation.

Colonel HAMPTON. Yes, sir.

Mr. RARICK. You are recommending that the individual recipient not receive a payment in excess of \$2,500 in any 1 year?

Colonel HAMPTON. I might add, Mr. Chairman, that we are not hung up to those exact figures, but we feel there should be some limitations placed on both dollars and the acreage.

Mr. RARICK. I think one of the witnesses recommended a limitation as high as a thousand acres with an incentive not to exceed \$2,500. In some instances, the witness advocated using that as a guideline rather than a ceiling.

Colonel HAMPTON. This is the way we would like to see it interpreted, and stick to those figures, generally as much as possible. If it is necessary to get this program done the way we want to see it done to exceed those numbers and figures by a small amount, we would not be adverse to that, but we are a little bit leery of just giving carte



blanche to the number of dollars that any one participant can realize for this program per year or the acreage that can be involved by any one land owner.

Mr. RARICK. I assume that even though the discretion is given to the Secretary, there would be some type of uniform disbursement over the entire country. Yesterday it was noted that there is nothing in the bill which is directed to allocation of funds to the States. We must assume that there will be some fair and equitable distribution of the whole program.

Colonel HAMPTON. We would hope so.

Mr. RARICK. Mr. Thone.

Mr. THONE. I would like to join with Judge Rarick in welcoming you to the committee, Colonel Hampton, and thank you for your excellent testimony.

Colonel, you suggested that you are concerned a bit that they would not extend this 500-acre limitation. Maybe I am like the Volkswagen people, I think small.

What would you think about reducing that further? To my way of thinking, 500 acres seems like an awful lot of acreage.

Colonel HAMPTON. Well, we have not given this any tremendous study. I think we have seen some statistics whereby adhering to the figure of 500 acres, that we would be embracing about, I think, it was over 90 percent of all small woodlot owners. We feel that we are in the right ballpark with this figure.

If we further whittle it down, perhaps we will make the progress so restrictive that we would not be able to accomplish the objectives for which the program has been designed.

Mr. THONE. Colonel Hampton, I do not know that this is within your area of expertise, but I was visiting with one of our soil conservation people yesterday who happened to be in Washington on some other legislation. I asked him about this forestry incentive program. He said that currently in Nebraska the national resource districts assist land owners in planting of trees. They charge them a nickel a tree, by the way. The trees are available through the Clark-McNary program at 9.7 cents each, less than 10 cents apiece.

Well, I asked him what has been his experience in the program, and he indicated that the average farmer out in Nebraska plants about 400 or 500 trees. The cost of the trees are \$40 to \$50 and to plant them, about \$20. Now, has this generally been your experience nationally, or are we a little bit unique out in the Midwest, or do you know?

Colonel HAMPTON. Mr. Congressman, I really do not have that much background, and I would hesitate to try to give you an answer. I participated with the Trees for People Task Force, which was sponsored by the American Forestry Association. Based on my recollection, which is somewhat fuzzy, it seems to me that perhaps that is somewhat low.

Mr. THONE. That is somewhat low?

Colonel HAMPTON. Yes, I think so.

The American Forestry Association would be in a much better position to comment on that than I am.

Mr. THONE. Mr. Chairman, do we have the experience nationally of the REAP program as for how it pertains to tree planting?

Mr. RARICK. Do you mean in the transcript?

Mr. THONE. Yes.



Mr. RARICK. There has been some discussion. It is available. I believe that one of the foresters from North Carolina placed supplemental material in the transcript.

Mr. THONE. If it does not cover the entire national experience of REAP regarding tree planting, I would ask the permission of the chairman that the staff members ascertain that information and see that it is put in the record.

Mr. RARICK. Without objection, it is so ordered.

Mr. THONE. I have nothing further.

[The information referred to above follows:]

RECENT REAP (ACP) COST-SHARES FOR FORESTRY PRACTICES

| Program year                                    | Acres planted | Average cost-share per acre | Total cost-share dollars |
|-------------------------------------------------|---------------|-----------------------------|--------------------------|
| Planting trees or shrubs for forestry purposes: |               |                             |                          |
| 1969.....                                       | 129,488       | \$18.02                     | \$2,333,515              |
| 1970.....                                       | 133,418       | 17.90                       | 2,388,682                |
| 1971.....                                       | 142,789       | 21.31                       | 3,043,097                |
| Timber stand improvement:                       |               |                             |                          |
| 1969.....                                       | 154,217       | \$9.17                      | 1,413,676                |
| 1970.....                                       | 131,582       | 10.83                       | 1,425,478                |
| 1971.....                                       | 140,520       | 13.04                       | 1,823,220                |

Colonel HAMPTON. As I recall, Mr. Thone, under REAP I believe that somewhere around 2 percent of the program fund were going into forestry practices. In other words, not very much. This was not because the money is not needed, but because they had to compete with other kinds of practices.

Mr. THONE. What troubles me a little bit is that from what this conservationist told me, this program envisioned under H.R. 2904 would be overly ambitious for what Nebraska farmers would be interested in. This is my concern when you are talking about a \$60 average expenditure under the program that has been available to them.

Colonel HAMPTON. Well, it is true.

Mr. THONE. Excuse me for interrupting you.

By the way, he indicated that it was not difficult to interest the farm people in Nebraska in this program.

Colonel HAMPTON. Well, I think you have to look at the section of the country that you are representing, too, Mr. Congressman, and I think you recognize that you are not in the real tree belt. Let's face it.

Mr. THONE. I am kind of interested in where the real tree belt is as you see it.

Colonel HAMPTON. Well, it is just about everywhere else other than the Great Plains States. They just are not very good for any great amount of tree growing, Nebraska, the Dakotas, parts of Oklahoma. But if you get out of that wheat belt and go in any direction from there, really, you are getting back into the areas where they grow. There it would certainly be a much more feasible practice than it would be in the Great Plains belt.

Mr. THONE. I interrupted you before. Did you have some other comments that you were going to make?

Colonel HAMPTON. That was the comment that I was going to make. It was one the areas of the country and the types of soil and terrain. Certain parts of the country are certainly more conducive for tree planting than others. You represent a part of the country where I



think it is quite natural that a wheat farmer or a landowner out there is not going to be as interested in growing trees as people in other parts of the country. This is not to say that they should not have some interest, and I would expect that this kind of a program would encourage and give them the incentives and the programs that they need to get into it to a greater depth than they have in the past.

Mr. THONE. Well, that is my inquiry.

He had real reservations, to be very candid about it. And he is certainly a person who generally has been most sympathetic in this general area.

That is all, Mr. Chairman.

Mr. RARICK. I might say this, Mr. Thone. One of the recommendations has been that we include the State foresters on the committee as described in section 4.

The existing farm authorities on the county-State level are mostly interested in the role of agriculture which gives a quick financial return in the annual crop. So, they push annual products rather than long-range yields like restoration. We should make some provision. We should put foresters on this committee so that a long-range-incentives program can be encouraged.

This is a problem that we are going to face. Many farmers are going to feel that timber isn't something that can be planted in the spring and harvested in the fall to realize an income the same year. It is a long-range operation. All we are actually doing is encouraging them to take advantage of something which may not start paying dividends for 10 years.

Mr. THONE. I think that that is a very important point, Mr. Chairman.

Mr. RARICK. Normally, agricultural people are interested in quick crop, an annual crop, so that the farmer will be able to realize a short-term investment.

Many farmers don't have a bank account to finance their own crops and machinery. Today's farmer is financed, and he must meet his installment payments. This is one of the reasons he is interested in an annual crop turnover.

Do you have a comment on that?

Mr. THONE. It has me thinking.

Mr. RARICK. Thank you very much, Colonel Hampton. We were very happy to have you here this morning.

[The resolution referred to by Colonel Hampton follows:]

#### RESOLUTION No. 16—CLEARCUTTING

##### 37TH ANNUAL CONVENTION, NATIONAL WILDLIFE FEDERATION

Whereas, the National Wildlife Federation has a sincere and deep interest in the proper management of the Nation's woodlands and wildlife; and

Whereas, large blocks of commercial-grade timber, especially hardwood and hardwood-pine woodlands which provide wildlife habitat, are being clearcut and in many instances converted to even-age monoculture for short-term pulpwood rotation which offers little or no suitable habitat for many species of wildlife; and

Whereas, clearcutting on steep slopes or in unstable soil types can result in severe soil erosion and serious stream siltation to the detriment of forage and wood fiber production and aquatic ecosystems; and

Whereas, clearcutting in areas possessing significant scenic or esthetic values is contrary to the national policy of preserving and enhancing environmental quality where feasible; and



Whereas, it is recognized that clearcutting may be a useful or necessary silvicultural technique for the proper management of some tree species, such as the shade-intolerant Douglas fir, or, when used judiciously, to enhance wildlife food and cover by providing increased forest grove "edges"; Now, therefore, be it

*Resolved*, That the National Wildlife Federation, in annual meeting assembled March 15-18, 1973, in Washington, D. C., hereby expresses its opposition to indiscriminate clearcutting to harvest commercial timber, especially large stands of hardwood and hardwood-pine woodlands and converting the clearcut areas to pure pine plantations, or to harvest timber on steep slopes or in unstable soil, especially when this practice results in esthetically-distasteful large, regular cutover patterns in areas of high scenic value; and be it further

*Resolved*, That the National Wildlife Federation encourages the preservation of stream bank and steep slopes from all clearcutting and urges that the practice be restricted to harvesting tree species under special circumstances which allow small, irregular patches to be blended into the natural setting or to simulate natural forest openings designed to promote "edge" effect for wildlife values.

Mr. RARICK. Our next witness is Mr. Hubert Walker, vice president, National Lumber & Building Material Dealers Association.

**STATEMENT OF HUBERT WALKER, VICE PRESIDENT, NATIONAL LUMBER & BUILDING DEALERS ASSOCIATION, NEW ORLEANS, LA.**

Mr. WALKER. Thank you.

Mr. RARICK. We are pleased to have your testimony. I hope the river water is going down back home.

Mr. WALKER. That is what I understand.

I am J. Hubert Walker, president of A. B. Clark Lumber Co., a retail lumber and building supply business in New Orleans, La. I'm currently serving as first vice president of the National Lumber & Building Material Dealers Association, whose headquarters are here in Washington, D.C.

Our association is composed of 30 regional, State, and metropolitan area federated retail lumber and building supply associations with a total membership in excess of 12,000 companies.

As retail lumber dealers, our members are the final link in the distribution chain from forests to the consumer. We buy lumber from wholesalers and also directly from mills. We sell to homebuilders, commercial, and industrial firms, and to the public at large. Some of our members engage directly or indirectly in homebuilding.

During recent months, it has been impossible to obtain certain lumber and wood items at any price—despite heavy demand for them. Inventories have been dangerously low from mills to final distributors. The building industry has been in turmoil because there has been no assurance as to when, at which price, or even whether lumber products can be delivered for home construction, commercial, and industrial use.

House starts increased by 61 percent from 1970 to 1972 and the Nation has experienced 2 consecutive years of record housing activity. Since housing starts have been continuing at record pace in 1973, and since commercial and industrial construction are rising, there can be no relief from the shortage problem without firm and positive action.

Future projections indicate that the United States faces a long term as well as an immediate lumber supply crisis. According to the Forest Service of the U.S. Department of Agriculture, demand for lumber and other wood products will increase by 70 percent by the year 2000.

While I am no expert on forestry or forest management, I'm well aware that timber supply problems have a great deal to do with the



lumber supply problem. I also know we're never going to solve the second until we solve the first.

When hundreds of members of our dealers organization came to Washington in March on the lumber price issue, we expressed our concern to Members of Congress about the timber supply problem along with the hope that the Congress and the administration would act promptly and forcefully to find a solution.

The three main sources of timber for lumber manufacture in the United States are the national forests, the nonindustrial private ownerships, and industrial forestlands. The national forests, with more than half the softwood sawtimber inventory, have been providing only 26 percent of the cut. Industrial forests, embracing only 13 percent of the commercial forestland, have been supplying 34 percent of the cut.

Our organization was shocked to learn that the allowable cut was not being met on the national forests at a time when housing demand for lumber was the greatest in history. We understand that measures are underway to correct this and we sincerely hope that it will be corrected on a constructive long-term basis.

We're equally concerned with improvement of the situation on the nonindustrial private ownership. Certainly, they hold the key to a long term solution of the timber supply problem.

One reason why we have a shortage of lumber is because we don't use our timber resources intelligently. Where timberland is intensively managed, as in the case of industrially owned timber, an average of about 52 cubic feet of new growth per acre, per year is attained. Now growth on public lands is only about half that—27 cubic feet per acre, per year. Growth on nonindustrial private lands not managed for timber production is much less than either the industrial or public lands.

I am testifying in support of the bill sponsored by Congressman Sikes, Chairman Rarick, and 55 other Congressmen because the bill aims dead center at the small landowner problem and because the Nation is hard pressed for immediate action in this vital area.

I don't pretend to know exactly what you have to do to help motivate the small owners. What I do know is that you have to do something constructive—and do it soon—if the United States is to grow enough timber to meet future lumber demand.

Personally, I'm generally opposed to the usual concept of subsidies. But experience has proven that the small owners are not likely to get started with tree growing programs unless somebody else puts up the money. I'm also convinced that the forestry incentives program will work with the proper administration controls and ground rules. There should be no outlays of funds without firm commitments by landowners to good forest management. Nothing should be paid without assurance that the work will be done or preferably, we can't afford to pour money down the drain. Personally, I would like to see the work done under commitments with payments made only after it has been completed successfully.

I also feel strongly that the maximum size of the ownership eligible for assistance should be held to 500 acres without deviation. This will direct the incentives program to the small owners who need it. This kind of program is desperately needed. It's very much in the public interest.

I thank you for the opportunity to testify.

Mr. RARICK. Thank you, Mr. Walker.



Mr. Thone, do you have any questions?

Mr. THONE. No; I do not have any questions. Well, just one.

Sir, what would you think about reducing that 500 acres to about 250 acres? It seems to me that 500 acres is quite large.

Mr. WALKER. I don't. I think if you limit it too much, you are going to reduce the real benefit, and the colonel just before me mentioned the fact that 90 percent fell in this group. I think that this covers it quite well. If you reduced it to 250 acres, where would it fall?

I think if it is going to be really effective, you want to reach as many people as possible, but at the same time, have it with the individual. I really feel strongly that it should not be over 500 acres because then you are liable to get into the barons. I don't think it should be less than that. I mean, a few acres one way or the other does not make that much difference, but I think it should be in areas where you are going to reach the most people.

Mr. THONE. Thank you very much. That is all.

Mr. RARICK. Mr. Walker, you comment that there may be some room for improvement in our national forests, as far as achieving maximum growth and timber producing efficiency. Time and time again we read, where people in the lumber industry could improve some of their techniques. Recently, there was a news story that almost 50 percent of the timber in a given area was left in the forest after the cutting. There have been recommendations that new cutting methods could be pursued, such as the use of the laser ray to diminish the wide bite of the big saws.

Can you tell us what is being done within the industry to help conserve forestry products?

Mr. WALKER. Well, this is not my area of operation, but I have studied it to a certain extent. I think that the engineering and research that the timber people have done, have been doing recently, they have made great strides. I believe that there is real good forestry practices taking place, especially in the industrially owned timber lands. I think one of the real benefits of a program like this is to be able to transfer the expertise from these people through the State forestry groups too—if you will notice the figures, even though such a large percentage of the acreage is owned individually, the production is minimal. I believe that a program like this will get the good management procedures and expertise down to these people, and it is going to improve the whole picture. I really do. I think this is one of the real benefits of such a program as this.

Mr. RARICK. The bill under consideration by the Senate, as I understand it, includes a 10-year management provision. I am sure this will help.

Mr. WALKER. Very much.

Mr. RARICK. Yet down in our area of the country, there are people with small timber deeds who get very upset when sawmill people go into an area and when they leave. They claim that there is enough timber being wasted, left on the ground to build fence posts and heat the fireplaces in the houses for the rest of the year. I am sure that you have heard from people who have had such experience.

Mr. WALKER. As I have pointed out, I think in every phase of every industry there are a lot of improvements that need to be made. This is certainly one.



I believe that in recent years, though, there has been a real improvement in utilization of raw material, and, frankly, everybody is hollering about lumber prices, and we are concerned about it too, because just in recent times, it has astronomically spiraled. But I have been in this business for 25 years, and for 20 years essentially lumber prices were very stable. We were selling 2 x 4's for about the same thing that we were selling them 20 years ago. It has been up and down a little, but I think the reason for this—even in the face of other commodities spiraling—but I think the reason for this is that there is better engineering in the industry, better material handling, and more complete utilization of raw material. They have done some great research with forestry products. They are using the bark, little limbs. They are using everything now, whereas before they did not.

I think these complaints that the people have about the timber being left behind is probably a residual from way back. I doubt this is being done that much right now because there are some mills, in Louisiana, for instance, that when the paper mill was on strike, these mills shut down because they couldn't sell their chips. If they can't sell their chips, it doesn't pay them too long. So, they really are using the whole bit now.

I think this is all part of good research, good engineering, and, like I say, material handling.

Mr. MURRAY. Mr. Walker, I noticed that you mentioned in your testimony that there should be no outlays of funds without firm commitments by land owners for good forestry management.

Did you mean by that "good forestry management" after the trees were planted as well as at the time they were planted?

Mr. WALKER. Well, I further stated, which was not in the prepared testimony, that I personally felt that the best way to handle this would be to give a commitment. If a man was interested in replanting and to find out all the procedures, then if he met the requirements for the program, to give him a commitment for so much money depending upon the acreage he planted, however, but don't actually give him the money until after he has done it in accordance with the proper forestry management.

Mr. MURRAY. After the trees were planted. Then the Government should have no more concern as to how he manages his trees, or harvests, or disposes of products of them? Would you stop once the trees were planted? Where would you like to see the landowner go from there?

Mr. WALKER. Hopefully, I would like to see good management procedures passed on to him so that he would have the benefit of this. But what he did with the timber, if he wanted to let it grow for 40 years instead of 20 years, I think it would be his business.

Mr. MURRAY. If he wanted to start a Christmas tree farm, have his trees grow for 8 years or 10 years, that would be all right, that would be up to the landowner to grow Christmas trees, or if he wanted to clear-cut, it would be up to him?

Mr. WALKER. If it were in the good forestry management, because there are species where clear-cutting is the best way.

Mr. MURRAY. If the Government has no say about it, he may do it the bad way instead of the good way.



In other words, you are advocating that the Government should not have any strings on the management of that land once they provided the subsidy to plant the trees?

Mr. WALKER. Yes, I would.

Mr. MURRAY. Or another aspect would be that even though the public put some money into the tree planting, that there would be no guarantee to the public that they would have access to it, that hunters, and tourists, and campers, and the general public would not be able to go on the land afterward. That would be up to local control.

Mr. WALKER. I think it would be wrong to say that because you have planted some trees with Government help that you have to let anybody and everybody go on it.

No, I do not think that would be right. It still is his land. I think the benefit of this program as I see it is that it is going to get more timber available for the marketplace and also for the supply that the country needs.

Mr. MURRAY. That is not a unique feature. In my home State of Wisconsin, there is a State forestry law in which a landowner is given a tax benefit on real estate tax and one of the conditions is that hunters and the public have access to the land for use since the State has put a subsidy into it, the State attaches the strings.

Mr. WALKER. Well, I hadn't thought about this as you had put it. I guess that I am basically conservative and I do not want to see an over control into a situation like this. I think that the country is going to benefit by this production of timber, and I think it is well worth the money.

Mr. MURRAY. Well, how does the country benefit from a Christmas tree farm? How does a national timber supply become enhanced by somebody who plants 500 acres of trees, Christmas trees, and harvests them in 8 or 10 years?

Mr. WALKER. You asked me that, and my feeling is that that would be an over control. I don't believe that that is going to be a factor. If it is a factor, it would be to such a small degree that I don't think it is that important. I may be wrong.

Mr. MURRAY. Somebody may want a Christmas tree plantation, and if they can get 500 acres, and they can get \$20 to \$25 from the Government an acre to plant the trees, it might sound like a pretty good business investment. They could go to the Agriculture Department asking for the assistance. What reason would they be denied having the chance to plant pine trees? They may plant the variety that would grow to maturity to be 30-, 40-, 50-foot tall, but when they are 7 feet tall, they make good Christmas trees.

Mr. WALKER. That is a good point. Maybe in a situation like this, if you feel this would be a real possibility, there could be a limit to the shortness of time they could grow. I don't know.

May I ask a question? This is something that occurred to me, this 500 acres, as you envisioned, is this going to be a limit of 500 acres that a man owns, or the 500 acres that he can put into the program?

Mr. THONE. 500 that he owns.

Mr. WALKER. So, if he owns more than 500 acres; if he owns 1,000, he can't put 500 acres into the program?

Mr. THONE. Yes.



Mr. WALKER. I like that.

Mr. RARICK. Mr. Murray, I didn't know that you felt that strongly against Christmas.

Mr. WALKER. No, I think he has a good point.

Mr. RARICK. If the people cannot get their Christmas trees from a tree farm, they are going to be depleting the forest somewhere else. If the committee desires, we could exclude Christmas trees. Now, on the infringement on private property rights, do you know of any experiences we have had with any of the other Federal programs, the wheat program?

Mr. MURRAY. Allowed public access?

Mr. RARICK. Yes.

Mr. MURRAY. Under the Federal grains program—

Mr. RARICK. Under REAP?

Mr. MURRAY. No, under feed grains and wheat and cotton programs.

Mr. RARICK. That is for inspection of compliance?

Mr. MURRAY. That is for the public to have access for recreation, hunting, fishing, one thing or another like that. There is a bonus payment put into this feed grain program where the land owners sign up for the feed grain program and agree to let the public come on their land. They get a little extra bonus, approximately \$10 an acre bonus, and they open it up for recreation and hunting.

Mr. RARICK. And, if they don't take the bonus?

Mr. MURRAY. They do not have to do that. This is a voluntary contract, and they can just come in and sign up like they would for the forestry incentives program. The landowner does not have to come in and sign it.

Mr. THONE. Mr. Murray, that 10-year provision that Mr. Rarick referred to in the bill in the Senate, if that were included in the House bill, how would it work? Would it require a 10-year program before the participants would be paid?

Mr. MURRAY. I have not examined the exact language.

Mr. RAINBOLT. While it is a 10-year provision, there is a lot of room for writing regulations under it. But essentially the condition precedent to his receiving payment under this program would be that he enters into an accepted plan and that the plan will cover conservation practices over a period of 10 years.

Mr. THONE. Then would his payment be spread over a 10-year period, or would he get it when he first plants the trees?

Mr. RAINBOLT. The bill is silent on that.

Mr. THONE. Would it have to be handled by rules and regulations?

Mr. RARICK. Not unless we put the rules and regulations in.

Mr. RAINBOLT. Right!

Mr. MURRAY. Let me add, Mr. Rarick, the footnote on the feed grain and cotton and wheat programs, that they have done that on an experimental basis. It has not been widespread throughout the country. It was done in selected counties to see how it worked for hunting, fishing—

Mr. RARICK. The bonus could be added in this bill. Those Americans who don't want people trespassing on their property and taking the chance of having their cattle shot, would be excluded until they elected to come under the bonus program making their forest a national park.

But, I am glad that you raised that point. I think it is a good one.



We cannot expect wide-spread acceptance on a program if people think by planting some trees on their acreage they would be inviting the entire population to come in and trample up and down their property.

Mr. Rainbolt, do you have any questions?

Mr. RAINBOLT. No questions, Mr. Chairman. Thank you.

Mr. RARICK. Mr. Walker, we certainly appreciate your coming by. Your testimony was excellent.

Mr. WALKER. Thank you. I appreciate being invited.

Mr. RARICK. If you get a chance, stop by the office.

Mr. WALKER. Thank you.

Mr. RARICK. The next witness is Mr. Robert Baker, professor of forestry, Stephen F. Austin University, Nacogdoches, Texas, representing the Texas Forestry Association.

Mr. Baker, we are glad to have you with us this morning and will receive your testimony.

**STATEMENT OF DR. ROBERT BAKER, PROFESSOR OF FORESTRY,  
STEPHEN F. AUSTIN UNIVERSITY, NACOGDOCHES, TEX., REPRESENTING THE TEXAS FORESTRY ASSOCIATION**

Dr. BAKER. I am Robert D. Baker, professor of forestry, Stephen F. Austin State University, Nacogdoches, Tex. Currently, I am director of the Texas Forestry Association and have served as chairman of the Texas chapter, Society of American Foresters. Earlier this month I was honored by the Gulf States Section, Society of American Foresters for "Distinguished Service to Forestry—Texas, 1973."

I received a Ph. D. in forestry, at the State University of New York, college of forestry, in 1957 with a major in forest valuation. Since 1956 I have taught forest valuation and finance and timber measurements. I instructed forest management for a number of years, also. Until 3 years ago I never had the opportunity to practice what I instructed, nor could I talk with small private landowners and know of their problems firsthand. These insufficiencies have been corrected.

I am currently purchasing 84 acres of young pine plantation land in east Texas, principally as a retirement supplement. I plan to make my first income from the plantation through thinning this summer. This will partially offset some \$1,500 in annual purchase payments and approximately \$70 in annual property taxes. Yet, under the sound terms of purchase of this property, partly financed by the Texas veterans land program and partly by the previous owner, half of the income will be spent to pay off the back portion of the loan. After thinning, the stand will no doubt incur fomes annosus, a root-rotting fungus, which will lead to heavy mortality in the slash pine portion. Bark beetles may soon reach my stand and fire may visit it. I am sure that mine is a rather typical case with owners of small acreages of timber—costs tend to offset revenues and ownership risks are high.

Certainly the owner of a small tract of timberland needs an incentive to practice good management on his land. Financial incentives appear to be the most effective. Cost sharing with his Federal Government, represented locally, appears to be very effective.

Of course, the \$25 million provided for in this act is not enough.



It will, however, demonstrate to the owner of small tracts of forest land that the Federal Government cares about his property and wants to work with him in improving its productivity. A federally funded forestry incentives program, supported by the forest products industry, evidenced by witnesses at these hearings, to me, infers an obligation by this industry to provide further incentives to the owner of small forest properties.

In the South this would mean that the forest industry's third forest program, requiring enlarged timber supplies through better use of each acre of timberland, most especially those acres in ownerships of 500 acres or less, will get its implementing challenge.

I heartily support the passage of the Forestry Incentives Act of 1973 as one link in a chain of Federal-State-industrial-small nonindustrial private cooperation in forest land management at optimum levels to supply expanding domestic and export timber markets in the years ahead.

I appreciate the opportunity to be heard.

Mr. RARICK. Thank you very much, Mr. Baker.

You suggest that the forest products industry might have an obligation toward providing some incentive—

Dr. BAKER. You mean this is separate from the legislation?

Mr. RARICK. Yes, separate from the legislation we are now considering.

Dr. BAKER. Yes, in Texas our State foresters in the forest industry are proposing some programs like this. I believe initially to plant about 1,800 acres per year, and I also believe to provide standard improvement on similar acreage. They are not positive yet which way it will be funded. In some discussions a yield tax has been brought up. So, the forest industry in our State is interested. We are working through the State foresters and otherwise trying to implement the State program.

Mr. RARICK. How would you suggest that be carried out? Would the sawmill or the forest products industry plant and sublease, or would they go out to the small nonindustrial landowner and place his acreage under forestry with the agreement that they have the option to buy?

Dr. BAKER. There are several arrangements in Texas. We have some companies who are leasing land.

In fact, I saw an ad in the paper the other day of a company offering to lease agricultural land to raise livestock, but I am not in favor of this because it takes away some of the discretion of the private landowner. He in effect doesn't really own his land if he has some lease arrangement. I think he is trading today for tomorrow, and I would encourage him to do otherwise.

Now, in Texas we do have companies who provide for management services, hopefully, with the option of buying the timber at market prices, but they have no guarantee of this. They tried a few years ago to negotiate contracts with landowners, but in my personal opinion they were one sided, and as a landowner, I would not have been willing to sign it. I think the cooperative program where management assistance is provided, hopefully, the company who provides this service will have first option on the timber, but in the long run, it doesn't make any difference. If all companies are providing these



services, the companies will be buying the timber, and in the long run, I think, it would trade off fairly even. This is the type of thing I would encourage.

When I first came to Texas, we had this system and the timber supply increased. It increased slightly, but we had so much timber that the conservation foresters disappeared from the landscape. This left a little bit of a bitter feeling among the small landowners.

With industry coming in our State, rapidly increasing production, decrease actually in productive land available, through reservoirs, powerlines, urban encroachment, and all of these things, that forest industry cannot hope to do this. They are going to have to get into this program, and they are going to have to stay. They are doing this in Texas, and this is a good sign but I also think that the small landowner needs some Federal participation as well.

Mr. RARICK. Mr. Baker, do you have any questions?

Mr. BAKER. Thank you, Mr. Chairman.

Dr. Baker, you referred to good management practices on the land, which should be encouraged by this incentive act.

How far do you consider we should go legislatively to make determination of what constitutes good management practices?

Dr. BAKER. I would prefer to leave this up to the will of the local committee to make this judgment. I think the limit of the public opinion and the local knowledge is much more important in a local situation than stringent regulations from above. I admit that some have to be done, but I think they have to go through local Federal personnel.

We foresters who get together once a month in Nacogdochas, Tex., we all meet, industry foresters, industry forest service foresters, State foresters, Federal service foresters, we have a pretty good knowledge of this type of management that is going on. Our problem has been the failure to really, wholeheartedly get into the development of funds necessary to do it. I am as guilty as any other forester for not having done this.

Mr. BAKER. You refer now to the probability that this legislation might let the landowner know that the Federal Government cares, so to speak. Is this the primary virtues that you see in this legislation? I am thinking of production of timber, actually, and that is what I see in the legislation.

Dr. BAKER. Well, I see this as a sort of catalyst in one link of this chain that I mentioned. We have a lot of links and a lot of things we have to do. This is something that I as an individual have agonized with over the years in talking to my forest economist friends, most of whom state that it is Federal money wasted.

The money is one thing, the attitude that it creates, what it does, the catalyst it creates, the filling in of a void to complete the entire picture, I think, that is much more important.

Mr. BAKER. One last question, if I may.

I have figures that say we are producing about 40 million board feet a year at the present with our resources in the Nation and it has varied from 30 to 40 million feet since 1940. I do not know the accuracy of these figures. I assume they vary on some measure of accuracy.

Now, do you have any way to project what we might expect by the year 2000 as an increase as the result of such legislation, if we continue



our expenditure at, say \$25 million a year, and held the line rather than letting this program run away like practically every federally subsidized program has run away by 50 to 100 times the initial authorization in the past?

Dr. BAKER. Well, the maximum amount, as I understand the proposed legislation, that is \$25 an acre. That is a million acres. I do not have at my fingertips the small, private nonindustrial total acreage in the South. I guess it is very sizeable. \$25 an acre, a total of 50, or whatever the total is going to be, is small potatoes. As I mentioned before, I think it is a necessity for a broad-based program to accomplish what we need to do. That is the necessary thing. The amount of funding to some extent is immaterial at this time.

I have heard in text that some owners of soil bank plantations are clear-cutting those when actually they are just reaching their prime for harvest. I think our real problem is to demonstrate to landowners the advisability of keeping the timber until it has reached maximum value, and certainly, in our State, there is a big difference between the price of pulpwood and the price of saw timber. I have pulpwood, and I am praying right now because the price of saw timber in some sales has exceeded a hundred dollars a thousand feet, and the price of pulpwood is still around \$5.

Mr. BAKER. Thank you, Doctor, and thank you, Mr. Chairman.

Mr. RARICK. Mr. Thone?

Mr. THONE. Very briefly.

Dr. Baker, did you hear my colloquy with Colonel Hampton before?

Dr. BAKER. Yes, yes.

Mr. THONE. The substance of it was that at least some of the people in Nebraska indicate that this program would not be too practical in the Midwest. I take it that you are a real expert in this field.

Is this somewhat of a regional program in your opinion?

Dr. BAKER. By and large I think this strikes at the South where we have a high percentage of acreage ownership of small ownerships basically waiting for someone to come and say I will buy your timber, and usually that is as soon as there is available timber. Then it is harvested back to nonmerchantable size, and he has to wait a number of years.

Well, the problem with this, and one of the reasons we have gone to clearcutting is that we cannot wait, we cannot put half enough pines on our acres or we will have more than half enough for our purposes, which at this current time is a weak species and much less valuable, much less control.

So, this is our problem in the South.

We have to have pine. If we don't have enough pine per acre, then we have chaos. We have a very difficult problem.

Now, what brought about all of this hardwood is another situation. It is like everything else in the past, and I don't want to dwell on that because I am basically an optimistic person. I would like to dwell on what we can do and how we can get agencies and people together to get something done.

Mr. THONE. You have touched on this a little bit, Dr. Baker.

What do you think of this 10-year program that seems to be in the Senate bill? Are you familiar with the provisions of that bill?

Dr. BAKER. No, I am not.



Mr. THONE. What would you think about a 10-year program? It is a land management program, as mentioned by Judge Rarick.

Dr. BAKER. It wouldn't bother me one bit.

When I first acquired my property, I went to the Soil Conservation Service to the Soil Conservation forester. He showed me a conservation plan on that land with the previous owner. I am perfectly agreeable to some form of management plan, because in this case it was forester talking to forester. But in other situations, it would be forester talking to landowner. He is a local man, he is known locally, and his reputation can be determined locally.

Mr. THONE. What do you think the reaction would be of the average landowner to a long-range program like that?

Dr. BAKER. I think it would bother most of them.

Mr. THONE. Do you think it would be a great deterrent to the success of the program?

Dr. BAKER. I would think so. The main thrust of this program should be to show some Federal encouragement to the landowner along with the other encouragements that he seems to get, and let him go whichever way it is possible for him to go.

The question was brought up with the previous witness on the Christmas tree plantations.

Well, our school of forestry has managed a city plantation in Nacogdoches, and looking back at those, then, there have been some of those Christmas trees after about 6 years. Total productionwise, I do not think this would be a major problem. If again you could encourage that pines were planted, certain species—the ones that we use in this test don't make very good Christmas trees.

Mr. THONE. And lastly, what do you think about the 500-acre figure? Is there anything magic about it?

Dr. BAKER. I really couldn't tell you that. If what I am going to do tomorrow night were done a couple of nights ago, I would be able to tell you.

I am going to speak on timber taxation, property taxation to forest landowners in my own county. It is a program brought about by the Texas Extension Service. I will be taking notes on these people tomorrow night, just what representation came to hear this topic, and just what the ownerships were.

I think the 500 figure is too small. I believe that we should be working with the local opinion leaders—and I think that is what the sociologists call it—the people that the landowners talk to and hear about. For instance, one of my colleagues in the university, a married naval officer, I think now owns over 500 acres of land. He is in a position to practice forestry. He is looked up to in his community, and others ask him about his practices, including myself.

So, I am not sure. This is a very difficult problem. I guess what it boils down to is whether you are considering subsidy or catalyst encouragement. If you are considering subsidy, 500 acres may be too large. If you are considering catalyst encouragement, 500 acres in many cases may be too small. I wish I could answer you specifically.

Mr. THONE. You have been an excellent witness. Thank you very much, Dr. Baker. Thank you very kindly.

Mr. RARICK. Dr. Baker, I notice that you include in your statement the recommendation that something needs to be done if we are to expand our exports in the timber market.



I assume, then, that you are in favor of unrestricted exports?

Dr. BAKER. It bothers me.

I do not know if we are going to win in the long run, but we talk about balance of payments; then there comes along a chance to gain favorably some balance of payment by exporting timber to Japan, and now we are talking about curtailment. I don't know whether or not in the long run that it is going to increase prices and inflation in our country, but it seems somewhat shortsighted to be thinking about curtailing exports at a time of balance-of-payments crisis in our country. We need to look at this question in a broader sense rather than just be alarmed at a rather dramatic increase in lumber prices. I think that we are going to see increases in lumber price. I certainly have no intention, I hope, of subsidizing the forest products with this plantation I am buying with pretty good interest rates. I would hope that the price of that product would justify my cost.

Mr. RARICK. Does that include how we can obtain the money to finance this program?

Dr. BAKER. No, no.

Mr. RARICK. What would be your thoughts as far as placing a contribution or excise tax on exported lumber and using that money to replenish the forestry reserves in our country?

Dr. BAKER. Personally, I am opposed to typing two things together when they may be independent items. I guess it is always nice to be a paperboy, be able to make all your collections, and theoretically get what you should during the month; but to tie it to something, I really object to that type of system. I think in the long run, it is better.

Now, the forest service for years has been trying to get more of the timber sales funds plowed back rather than 75 percent basically going into the general revenue. We have the same problem in Texas. Our agricultural department, if it sells well, the money goes not to the agricultural department, but to the general appropriations of our State. But basically I am in favor of this type of separation. I hate to see one thing tied to another.

Now, there may be some benefits, and plus factors, to such tying together, but perhaps there would be some negative ones. I would hate to see the chance of a catalyst type program if we follow this through, what industry says it needs to do at least in the South's forestry programs, what State forestry programs, what Forest Service and State and private programs with landowners are, what the SCS and ASC is doing, and all others, who have forests.

Mr. RARICK. What would be your feelings on the use of section 32 financing for this incentive program?

Dr. BAKER. Which?

Mr. RARICK. Section 32.

Dr. BAKER. The general revenue, I suppose.

Mr. RARICK. You have no position?

Dr. BAKER. I really have no position.

Mr. RARICK. Do either of the counsel have any questions?

Mr. RAINBOLT. If I might, Mr. Chairman.

Doctor, the Subcommittee seems to find itself in a position like a moth, bobbing in and out of a flame when we talk about costs. In your testimony you indicated that the \$25 million provided in this act is not enough, and I realize you touched on it to a certain extent; but what is enough?



Dr. BAKER. Well, I guess my philosophy is enough of enough would be whatever it would take for all sources to put our southern timberlands at the level of productivity so that we could meet the anticipated future timber needs. As I mentioned, that would be domestic and exports and to this I could only refer you to the new forest reappraisal for want of better figures, and I do not have these at hand right now.

Mr. RAINBOLT. I think one of the problems with the \$25 million figure is that it is written into this bill, and it would, I think my associate, Mr. Murray, raised the question and several members of the committee raised the question as to how long it is going to be before we find ourselves in exactly the same room, seeking to raise the limit, and how far can we see on this \$25 million level that is presently written into the bill?

Dr. BAKER. I am afraid that I cannot answer that.

Mr. RAINBOLT. No further questions.

Thank you, Dr. Baker.

Mr. RARICK. Mr. Murray?

Mr. MURRAY. Doctor, how many acres of potential land is there in the South for a program like this?

Dr. BAKER. I am turning to my colleagues back here.

VOICE. In the South there are 138 million out of 198 million acres of nonindustrial lands, that is out of the 296 million acres nationally of nonindustrial products.

Mr. MURRAY. National, there is a 300-million-acre potential and in the South 140 million acres and, of course, all of the acres are not going to get into it all at once, and they are not going to all get into it at \$10 an acre, but using that as a potential benchmark, it is \$1.4 billion to service the Southern States alone. And presumably, this bill would apply to other parts of the United States outside of the States of the South.

There is certainly, doctor, a potential for an extensive program in the years ahead, as the assistance level continues or increases for all potential land owners that would come under the program?

Dr. BAKER. Yes, I would say that potentially it is vaster than any reasonable appropriations would ever be. That is why I am thinking in terms of this program as a catalyst rather than a single unitary program to solve our timber supply problem. I don't think we can. I think our timber supply program is a combination of many inputs.

Mr. MURRAY. Well, in order to be a pilot, don't you think there should be some Federal strings attached as to how the catalyst is stimulating the other elements of the chemical body?

Would you attach strings to the management practices that occurred after the subsidy was received by the landowners?

Dr. BAKER. I would much rather see it take the form that it used to take with, I believe, Forest Service, cooperative forest program that they had where reports were produced, I believe, semiannually, on progress, outstanding landowner solutions to timber growing problems, so and so bought at such and such price, he had so much growth and he has so much value tied up in his timberland at the end of the management practice. I would rather see this type of thing than someone saying to the small private landowner, who basically is not a timber grower—he is a man doing something else. In our county, he may be a man working at the machine shop and raising cows on the



side, and leasing a timberland site. We have a different type of individual than we used to have. He is not necessarily a small farmer who is living and working on his acreage full time. He already has to supplement his income.

We did some studies a few years ago. I think it would take 500 acres of land under maximum production to make enough income timberwise to sustain a family.

Mr. MURRAY. I guess I am a little confused.

Do you look at this program as an income supplement program for rural landowners, or is it to get more commercial cuts, or forestry products down the line, or is it both?

Dr. BAKER. I think it is both.

Mr. MURRAY. So, it is a social program as well as a timber program, as you see it?

Dr. BAKER. It is, as I see it.

Mr. MURRAY. Thank you, Dr. Baker.

Mr. RARICK. We thank you, Doctor.

Our next witness is J. E. Moore, manager, forestry programs, American Pulpwood Association.

Mr. Moore, we are happy to have you with us.

#### STATEMENT OF J. E. MOORE, MANAGER, FORESTRY PROGRAMS, AMERICAN PULPWOOD ASSOCIATION, NEW YORK, N.Y.

Mr. MOORE. Thank you, Mr. Chairman.

I must apologize for Eastern Airlines. They flew me into Baltimore instead of Washington, and then I came on by bus. At least they did get me here.

I am J. E. Moore manager, forestry programs for the American Pulpwood Association, a national trade association of pulpwood producers, dealers, consumers, and others directly concerned with growing and harvesting pulpwood—the principal raw material used in the manufacture of pulp, paper, paperboard, and other products.

We feel that the Forestry Incentives Act provides very progressive and needed legislation. It recognizes the problem of supplying our Nation's increasing demand for wood and provides a basis for solving that problem.

We feel that a forestry incentives program is needed to increase growth on forest land belonging to small landowners for the following reasons:

(1) There is no doubt that we will need more wood in future years—population is increasing and per capita use of wood products is increasing.

(2) There is no such thing as instant growth. Trees to be used 20 or more years from now must be in the ground now.

(3) The amount of commercial forest land is decreasing because of withdrawals for recreation, farm crops, highways, and other purposes.

(4) Farmers and miscellaneous private forest landowners own about 60 percent of the commercial forest land in the United States. Unfortunately, this land is growing wood at less than half its potential.

(5) We cannot expect these landowners to increase the growth of timber on their lands because they do not have the capital to invest or they cannot wait 20 or more years for a return on their investment.



Now let's take a look at these points individually and then at some of the specific provisions of H.R. 2904 on which we suggest changes.

(1) The demand for wood 20 or 30 years—or at any particular time—in the future will depend on population, per capita consumption, and other factors. All three have been increasing and are expected to continue to do so. The question is, "How much?" Using a "medium" population projection by the Bureau of Census and a "medium" projection of potential timber demand, we will need 74 percent more timber by the year 2000. Projected supplies will fall short of this demand, particularly for sawtimber.

(2) There is a great variation in rate of tree growth, which is affected by species, length of growing season, site quality, genetic characteristics. Although some planted stands in the South can be thinned for pulpwood when about 15 years old, economics of growth and harvesting usually require at least a 30 year rotation. In other parts of the country longer rotations are required for pulpwood, and up to 100 years for sawtimber.

It is easy to suggest the use of substitutes, but most substitutes are made from nonrenewable resources and total supplies of these resources are limited. On the other hand trees are a renewable resource. We can always grow more trees if we start far enough ahead of the time we will need them and if we don't lose the land to other uses.

Another consideration is the amount of energy required to produce the substitute. It requires 17,000 KWH (kilowatt-hour) to produce a ton of aluminum, 2,700 KWH to produce a ton of steel and only 430 KWH to produce a ton of lumber. Think of the amount of oil or coal, which are also nonrenewable resources which may be required to produce this electricity and also the resulting pollution and aesthetic degradation caused by manufacturing and mining.

(3) Our commercial forest acreage is decreasing. There are 759 million acres of forest land in the United States. Of this total, only 500 million acres are considered to be commercial forest land. The balance is withdrawn from commercial production in parks, wilderness areas, wildlife refuges, military reservations or is incapable of producing crops of industrial wood because of adverse site conditions. In the past 10 years commercial forest acreage has decreased by 8 million acres. Most of this was withdrawn for recreation or converted to farm cropland. Projections indicate that commercial forest land will continue to decrease.

(4) Sixty percent forest land is in farm and miscellaneous ownerships. Of the total of 500 million acres of commercial forest land in the U.S., 296 million acres are owned by farmers and miscellaneous landowners. It is estimated that there are more than 4 million landowners in this group which means that the average size of ownership would be less than 75 acres. This acreage provides the greatest potential for increasing growth to meet future demands both because of the large amount of acreage and because adequate site preparation, planting and timberstand improvement could double the growth. Experience indicates that it is not likely to be developed unless incentives are provided.

The Nation has always depended heavily on this land for much of its timber supply and must continue to do so.

(5) Investment capital is needed. It costs money to make an unproductive or partially productive forest reach its full potential of



growth. It also requires a long term investment. The cost varies according to what treatment is necessary, but even under the best conditions, the landowner cannot expect any return on his investment for at least 15 years or 20 years—or even longer in some regions.

When the landowner begins to receive income from sale of stumpage, the Federal Government will also benefit. In fact, the landowner will pay considerably more money in income taxes than the Federal share of 80 percent of the funds needed to make his land produce at its full capacity. In short, the Government will receive a return on its investment in addition to providing needed products and reducing our dependence on imported wood.

Many small landowners have not initiated a program of increasing growth on their land because they do not have the capital to invest, or they cannot afford to invest it without any return for such a long period of time. There are also a number of risks to be considered. Fire, insects, disease or windstorm might wipe them out. Although fire destroys a comparatively small percentage of the Nation's total forest area each year, it doesn't take a very big fire to destroy a small landowner's forest. Insects are becoming a more serious risk as the only known chemical controls are being eliminated from use before alternate controls are developed.

Another factor affecting a landowner's decision is taxes. Ad valorem taxes on forest land have increased rapidly in recent years in some parts of the country and there are no indications that the trend will change.

We must look at an incentives program as a long-range investment in our country. We will need the wood. Our economy is based on our natural resources but many resources are nonrenewable. Fortunately our forests are a renewable resource. We know how to renew them, but it cannot be done overnight.

Locking up our forests by prohibiting cutting or limiting cutting is not the answer. We need wood now. But equally important, we need to bring our forest land into full production as quickly as possible. A forestry incentives program such as provided in H.R. 2904 will help to do this, although we think it could be improved by amending several points.

Specifically, section 2(b) limits participation in the incentives program to "small nonindustrial private forest lands" whose total ownership does not exceed 500 acres. Some landowners in the farm and miscellaneous group who own more than 500 acres are restricted in their forest management activities by the same restraints as smaller landowners—capital and risk. It is equally important that their lands be made productive—perhaps even more so because the larger blocks of forest land permit more efficient management. We propose that lines 21 and 22 of this section be amended to read "—whose total ownership does not exceed 2,000 acres."

Section 4(a) (1) places a limit of 50 percent on the Federal contribution to cost sharing. Past experience has indicated that 50 percent cost sharing is not enough for most small landowners. We propose that this section be amended by omitting that portion beginning on line 25 of page 3 with "No cost sharing" and substituting the following:



A Federal contribution of up to 80 per centum of the total cost of practices on lands owned by any person whose total ownership does not exceed 500 acres, or up to 50 per centum of the total cost of practices on lands owned by persons whose ownership is more than 500 acres but less than 2,000 acres. No one small nonindustrial private forest landowner shall receive cost sharing under this Act in excess of \$5,000 in any one fiscal year but the State or local committees are authorized to set lower maximum amounts in keeping with available funds and local conditions.

Section 4(b) might be amended because of reductions in the ASCS program and elimination of REAP we propose that the first four lines of section 4(b) be amended to read "The Secretary may, for purposes of this section, utilize the services of the State Forester or other appropriate official of each State."

State forestry programs operate throughout the forested areas in each State, and State forestry personnel are well informed about local forestry needs and practices.

There is no instant way to create wood. The wood we are using from trees that are being cut now began growing many years ago. The trees that will furnish wood for lumber in the year 2000 are growing now. At best, trees that will supply pulpwood for the year 2000 should be planted within the next few years unless science makes some unexpected discovery in the field of silviculture or utilization.

An incentives program that will provide financial assistance to the small landowners for site preparation, planting and timber stand improvement will help to supply future wood requirement and will benefit the entire Nation.

We urge your consideration of these proposed amendments and passage of this legislation.

Mr. RARICK. Thank you very much, Mr. Moore. It was a very fine statement that you have made with some good recommendations, but, we have been down this road before.

Mr. MOORE. I think so.

Mr. RARICK. Mr. Baker, have you any questions?

Mr. BAKER. I have no questions, Mr. Chairman.

Mr. RARICK. The only answer I can give you is that when the administration was here, they indicated the need for more flexibility as far as the maximum annual payment and acreage limitation. I believe when we get above the 500 acres—it is a very, very small number—that the immediate reaction of some of our colleagues would be that we are trying to supplement the big land baron and industrial producer.

That type of reaction doesn't pass legislation in Congress.

Mr. MOORE. Well, I understand your point, and frankly, I have mixed emotions about it. I have mixed feelings.

Larger blocks of timber are more efficient to operate, but I think the principal thing is to make the maximum big enough that it won't place too serious constraint on the people administering the program. You notice that I said "up to" meaning these are—that it is raising the maximum to be sure, but it is not necessarily raising what will happen in the real world. By increasing, for example, the Federal cost share from 50 to 90 percent, or up to 50 or up to 90 percent really doesn't necessarily change what will happen in the real world if the bill is passed. It just provides a ceiling which gives a little bit more flexibility to the local administrators.



Mr. RARICK. We certainly thank you, Mr. Moore, for your experiences, and for your testimony.

Does either of the counsel have any questions?

Mr. RAINBOLT. One brief question, if I may.

On page 2 of your printed testimony, you make reference to projected supplies falling short of demand, and you indicate that this particularly is true for saw timber.

Do you have any idea what would be the relative fallout in terms of benefits between saw timber and pulpwood under this bill?

Mr. MOORE. You mean the benefit for the people using pulpwood versus saw timber?

Mr. RAINBOLT. Addressing ourselves to the supply situation, and with particular reference to saw timber against pulpwood, would the bill before us have a tendency, as far as you can tell, to benefit one class of wood over the other?

Mr. MOORE. No, not really, for several reasons.

First, the landowner is going to sell for the best price he can get, and if he thinks he can get a better price for pulpwood now rather than saw timber later, he will probably sell pulpwood. That would benefit pulpwood.

On the other hand, if the price of saw timber is increasing, he may feel it would be better to sell some of what he has in smaller trees, and let his best trees grow for saw timber which would bring a bigger price.

Now, there is also a less defining line between trees that can be used for pulpwood and saw timber. With some of the new developments of the past 10 years, say for example, pine trees 6 inches in diameter are sometimes put through what we call a chip and saw mill. Of course, they are debarked first, but then the chips are taken off as it runs through the machine and so on, to 2' x 4's. So you are actually getting lumber in chips for pulpwood from the same small tree. This is a new development which I think will continue.

Mr. RAINBOLT. Do you have any studies relating to timber supply as compared to the anticipated demand other than to detail the information you provide on page 2 that we have just been discussing?

Mr. MOORE. This is from a recent Forest Service study. As you probably know, the Forest Service makes a study of the national timber supply periodically, and these are out of their most recent projections.

Mr. RAINBOLT. Thank you, Mr. Chairman.

Mr. MURRAY. I have just one question, Mr. Moore.

On your comment that you thought the level of the land ownership should be increased to 2,000 acres, why do you say that?

Mr. MOORE. Partly to give a little bit more flexibility and partly because the people, a lot of the people who own, say, between 5,000 and 100,000 acres have the same problems that the smaller landowners have in regard to capital and income.

Mr. MURRAY. Well, I am sure you have read the bill, and in keeping the language of the bill and the definition of the persons and 500-acre limitation as it applies, would you see any problem for a landowner to have any lands split up with different members of his family, each of them having 500 acres if they had four members, and getting 2,000 acres in the program that way?



Mr. MOORE. I think the local administrators probably would know who owns what land and could avoid that.

Mr. MURRAY. Well, there would be no way—there would be nothing illegal about four brothers putting in 500 acres. A father and a son could each put in 500 acres the way the bill is set up.

Mr. MOORE. I suppose they could. I do not particularly like that way of operating.

Mr. MURRAY. Well, the other thing is that the bill is drafted to say that private corporations manufacturing products wouldn't come within this scope of benefits under the proposed program, but there could be other kinds of corporations beyond subsidiaries of manufacturers, corporations, or subsidiaries of utilities as the language of the bill alludes to. So, a family could start a corporation, or a group of citizens could incorporate and be entitled to qualify for the assistance, could they not?

Mr. MOORE. Well, I suppose so, but my understanding of the way the bill is written, it is intended to leave out forest products or eliminate support for forest product industries.

Mr. MURRAY. Yes, that is right, but I am talking about this class of landowner that you are alluding to of the 2,000-acre class, where under the terms of the bill they would probably be able to hold land in a 10-year system ably enough to avoid an effective limitation of 500 acres if they could get the money and in all the other ways qualify.

Mr. MOORE. I suppose that they could. That does not seem quite ethical, does it?

Mr. MURRAY. It is not a matter of being ethical. It is just a matter of the way the law is written. We have had a lot of experiences in our committee with limitations one way or the other, payment limitations, and the way people organize their land holdings in order to avoid limitations that apply to them in law, and we find that people are quite ingenious and quite clever and quite legal at doing that.

Mr. RARICK. There is quite a difference between a \$40,000 payment limitation and a \$2,500 payment limitation.

Mr. MURRAY. This has a \$2,500 payment limit. It has not only the acreage, but the payment limit.

Mr. RARICK. I don't know how many people would want to go through the title transfer problems for \$2,500 a year if this is retained in the bill. Of course, it is possible.

Mr. MOORE. I would imagine that there would be some of the same kind of shenanigans under this type of thing as there are, as you indicate, under some of the farm programs. I suppose that no matter what limitation you put on it, a family could divide up its holdings amongst the individuals, and claim it. I don't know how you would get around it.

How did they get around it in the farm program?

Mr. MURRAY. One way to clarify it is to define what a "person" is by an actual and factual determination of whether the individual concerned has de facto control over the property and the legal relationship of the other persons who are drawing benefits, and then limit it that way. But that has to be very carefully drawn language, and very carefully prepared structures for the Department in order to enforce that. In absence of that, it is not done.

Mr. MOORE. Could that not be put in the committee report?



Mr. MURRAY. That is why we have hearings in order to examine questions like these and raise them so that when the committee and subcommittee examine this, they can at least consider the implications because we are drafting a bill here that is going to be a pretty big program in the years ahead and will involve lots and lots of people, and there will be people in the outside world, near the mountains, on the prairie, who will say that they would like to get in on this forest incentives program for their country estates. They will figure out ways to get in on this program.

So, we have to look ahead at the kind of program it is going to be down the line when the general public is made aware of this and begins to take advantage of it.

Mr. MOORE. That brings up a very interesting problem which the procurement people in the industry have been trying to deal with for some time. From forest surveys, we know that there is a certain amount of timber within a certain area. It is not hard to find that out through timber cruising surveys, and so forth. The problem, though, to a lot of people in industry is how much of that timber is available for forest industry, not just how much is available to my industry, but how much is available, how much can be bought? This has been discussed with the Forest Service on a number of occasions, and up to the present time, there doesn't seem to be any good way of determining how much is available for purchase.

A few small studies have been made. The indication that runs through these is that regardless of what the landowner sees today, whether he is going to sell timber, whether he is growing his trees to sell or not, many of them will say that they do not want to sell them, that they want to keep them this way because they want a place to come to when they can get out of the city, and they want to leave that to their children. But at some time in the future, and this is as a result of the followup on some of the surveys, if someone offers that landowner a certain amount of money for certain trees on his property, and he suddenly realizes that all these years his trees have been quietly increasing in size and value, he sells them. That, at least, gives an indication that some of these people who have 20 or 40 or 50 acres on a summer place or retreat, when they buy this land, they say that they are not going to let the trees go, but sometime in the future they will realize that maybe they should sell. I think this will become increasingly true when taxes go up some more. There is no indication that property taxes will decrease. They have been on the increase for years, and they will probably continue. Some of these people will have to sell some of their trees in order to pay the taxes, and this will make the wood, the lumber and fiber available to people in the country.

Mr. MURRAY. Thank you, Mr. Chairman.

Mr. RARICK. Thank you, Mr. Moore.

Is there anyone else who desires to be heard on the forest incentives bill?

Congressman Shoup of Montana has presented a statement which will be inserted in the record at this point, and also Congressman Derwinski of Illinois is sending a statement which will be placed in the record at this point.

[The above-referred statements and statements from other Members follow:]



STATEMENT OF HON. DICK SHOUP, A REPRESENTATIVE IN CONGRESS FROM THE  
STATE OF MONTANA

Mr. Chairman: First and foremost I would like to emphasize my enthusiasm and support of the Forest Incentives Act. I feel it is essential in the efforts to build a long term and lasting supply of wood fiber for the Nation.

Pressures on our Nation's forest resources and on our forest resource managers are great and they continue to build. The pressures arise from many demands; from industry, home builders, recreationists, conservationists and others. The heaviest pressures are directed at the managers of our publicly owned forest lands.

Public forest lands which make up about 30 percent of our total forest lands are producing half of our timber. Private forests must play a greater role in meeting increased demands for wood fiber, recreation, watershed and wildlife habitat. Poor management on these private lands must be remedied.

We have 510 million acres of commercial forest lands in the U.S., 365 million acres of these are privately owned. Sixty-five million acres are owned by commercial forest industries. Only a fraction of the remaining 300 million acres is properly managed. These 300 million acres should be producing half of our timber needs but 25% of the land is in need of planting and another 45% needs timber stand improvement. Many of the owners have neither the funds nor the technical knowledge to carry out needed improvements.

If the U.S. is to have the timber needed in the years to come, the Federal Government must render assistance to see that forests (both public and private) are protected from fires, that young trees are planted and that our forests are tended and nurtured.

These private forests of which I speak are the most accessible in the country and are potentially the most productive. Sad to relate, they are in the worst condition. State programs are scarcely adequate. In 1970, state assistance was available to only 2% of eligible acreage.

The Act would authorize the Secretary of Agriculture to encourage and assist in the reforestation of private lands that are nonstocked or understocked. It would foster intensive multiple-purpose management, improving timber production, watersheds, forage values, fish and wildlife habitat and recreation.

Cost sharing would be provided for up to 50% of costs, not to exceed 500 acres. The Secretary is directed to provide technical assistance wherever it is requested with no limitations on acreage. Management problems do not stop when a forest reaches 500 acres in size.

This is the only change that I made in the bill you have been considering. I agree that the average owner of a parcel of forest land greater than 500 acres should not require assistance with costs. However, I do feel that all forest owners should be provided encouragement and technical assistance in better management practices regardless of the extent of their holdings.

The many provisions of this Act will provide technical knowledge, manpower, equipment, planting stock and other materials needed to stimulate forest practices desperately needed on our private forest lands.

Mr. Chairman, I appreciate the opportunity to present my views on this important piece of legislation to you and the members of your committee.

STATEMENT OF HON. EDWARD J. DERWINSKI, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF ILLINOIS

Mr. Chairman: As a cosponsor of H.R. 2904, it is my hope that the Committee will favorably consider the basic intent of the sponsors of this bill.

In my judgment, we must develop and carry out a forestry incentives program to encourage a higher level of forest resource protection. One of the primary purposes of this act would be to motivate and encourage owners of small non-industrial forest lands and owners of non-Federal public forest lands in actions required to protect and develop their forest lands, recognizing the need to meet growing national demands.

It is my understanding that the Department of Agriculture is seriously considering a pilot effort that will test the effectiveness of a forestry incentives program. However, I am fearful of undue delay and that is why I believe H.R. 2904 should receive positive legislative processing.



STATEMENT OF HON. TOM BEVILL, A REPRESENTATIVE IN CONGRESS FROM THE  
STATE OF ALABAMA

Mr. Chairman, thank you for this opportunity to express my support for H.R. 2904, a bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentive program. This program aims at encouraging a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners.

Mr. Chairman, the need for this legislation has become increasingly evident. We must rely more and more on privately held stands of timber for the rapidly increasing national demand for timber and less and less on our national forests as our primary timber reserve.

Some four million Americans own more than 300 million acres of timberland. These smaller tracts constitute 59 percent of the Nation's productive forest land base. This is more than three times the comparable acreage in our National Forests. These lands already produce huge amounts of pulpwood, sawlogs, and other timber products needed by our growing economy. However, these small farms are producing at only a fraction of their potential.

Owners of these small tracts of forest land are unable to make the long-term investments needed to produce quality timber. This legislation is designed to help these small landowners in managing and developing their forests.

The need for this program has been established by the U.S. Forest Service and other Federal agencies. According to recent national inventories, millions of acres of nonindustrial private forest land needs reforestation—and almost half of the 300 million acres in these holdings need cultural treatment to improve the growth and quality of the stand and to replace diseased and defective trees.

During a time when we are facing a severe shortage of energy fuels and other vital natural resources, we are fortunate that trees are a renewable resource if managed properly. We must begin this task immediately, however, if we are to meet the urgent needs of our citizens of today and tomorrow by developing, protecting, and using our forests to their fullest potential.

Passage of H.R. 2904 would do this, bringing a wide range of benefits for landowners as well as the general public.

Mr. Chairman, I respectfully urge the committee to give favorable consideration to this measure.

Thank you.

STATEMENT OF HON. BEN B. BLACKBURN, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF GEORGIA

As a legislator from a predominately urban district and a member of the Committee on Banking and Currency's Subcommittee on Housing, I am very familiar with the increasing need for a continued adequate supply of lumber and other forest products for home construction at reasonable prices. It is estimated that the Nation must build or rehabilitate 2,500,000 housing units per year for the next decade to meet the requirements of a growing population. Furthermore, lumber and wood products, such as plywood, etc., are vital raw materials to accomplish the job.

In my opinion the only way to meet these increasing needs is to greatly expand our natural resource base. This means planting more trees and greatly improving the productivity of our forest lands. Moreover, no amount of regulation, be it on timber cutting, price control, etc., will serve to increase our timber supply over the long pull. The only means I see is to expand our timber base—plant more acres and make them more productive.

It is for this reason that I am a strong supporter of forestry incentives legislation. Toward this end I have co-sponsored H.R. 2904 with my fellow Representatives, Bob Sikes of Florida, and have introduced my own slightly different bill, H.R. 3592.

While I agree that the government should provide incentives for cost sharing for timber production, I feel that when the timber is sold the owner could reap a substantial profit. For this reason, my bill provides for the repayment of the loan with an appropriate rate of interest at the time the timber is sold or transferred. I do not believe that the American taxpayer should subsidize profits in this manner.

Over the short run timber from federal government and private industrial lands will likely be able to meet our needs. However, on the long term the lands of small, private, nonindustrial owners must be made more productive to meet anticipated requirements.



These smaller, private owners are not actively seeking a subsidy or incentives program, and left to make their own decisions will likely not produce much more timber than they are currently. Most of them feel that timber growing is not necessarily a good investment for them. They have better and safer alternatives for their often limited funds.

Therefore, what we need to consider is whether the Nation needs the timber these owners can grow. And we must also recognize that they own the majority of the commercial timberland in Georgia, the South and the Nation. Then we must act to provide the incentives which will motivate these owners to grow the timber to meet the Nation's needs.

I believe H.R. 2904 and related similar bills will provide sufficient incentives to get the job done, and I therefore strongly endorse such legislation and urge this committee's recommendation for its passage.

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STATEMENT OF HON. DON H. CLAUSEN, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF CALIFORNIA

Mr. Chairman, I am pleased to have the opportunity to submit my views in support of the Forestry Incentives Act. This Subcommittee is to be commended for its recognition of the national reforestation problem as demonstrated by its scheduling of public hearings in the beginning months of this Congress.

Last year the Congress enacted the Accelerated Reforestation Act of which I was pleased to be a coauthor with our former colleague from Kansas, Mr. John Kyl. That bill, signed into law by President Nixon last Fall, provides the basis for an expanded reforestation program on Federally-owned lands. I am hopeful it will encourage watershed stabilization and help close the tree planting gap we have left untouched for many decades—a gap that must be closed.

The Forestry Incentives Act is a means to transfer to private lands and non-Federal public lands the same emphasis on reforestation included in last year's Act. I believe it can do the job and I am pleased to join the gentleman from Florida (Mr. Sikes) in introducing it and urging its enactment.

Unlike Federal lands where the Congress can exercise its direct control and establish its own management policies, we can only encourage small private land holders to practice progressive conservation practices and to devote their attention to reforestation needs. Unlike the large land owner and the commercial tree grower, the small land owner often considers reforestation as a peripheral concern and an added financial burden. Many times he is a small farmer who recognizes the conservation, aesthetic and recreational aspects of woodlands but simply does not have the time or money to devote to such a project in view of the many other demands on his time, his energies and his finances.

The Forestry Incentives Act recognizes this aspect of human nature and counters it simply by creating a public policy that reforestation on private lands is of general public value and provides the necessary encouragement to the land owner to undertake reforestation on a cost-sharing basis that recognizes both his interest in reforestation and the public interest.

Our bill limits the cost of this program to not more than \$25 million and provides that at least half of the costs of any reforestation project shall be borne by the small land owner. No funds may be used for reforestation on lands where the owner holds more than 500 acres. This costsharing formula means that at least \$50 million in forestry benefits will accrue from our investment.

Additionally, however, there are the many intangible benefits which flow directly and indirectly from an investment in sound forestry management. We can identify, but not quantify, many of these including clean air, erosion control, recreational opportunities, fish and wildlife enhancement, timber production, scenic enhancement, and watershed stabilization.

I hope the Subcommittee will take advantage of this opportunity to achieve an important goal and give its favorable attention to this legislation.

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STATEMENT OF HON. WILLIAM L. DICKINSON, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF ALABAMA

Mr. Chairman, I am pleased to appear before this subcommittee to testify in support of H.R. 4406 which I cosponsored with Mr. Sikes. I believe we need a "Forestry Incentives Act" and appreciate this opportunity to stand in behalf of such legislation.



Alabama is the most extensively wooded state in the Mid-South with forests covering 22 million acres or 67 percent of our natural land area. Everyone in Alabama benefits either directly or indirectly from our forests and from the forestry segment of our economy. Naturally, therefore, I am greatly interested in forestry incentives legislation. My interest is not purely selfish, however, because the whole country is greatly affected by the status of the forest industry.

There will be increased pressures placed on our forests by non-owners for recreation, watershed, wildlife, hunting, fishing and ecology. Therefore, it will be more important each year for our forests to be well protected from the ravages of wildfires, insects, diseases, bad harvesting practices and abuse by non-owners. Our forests can meet the needs of the future if they are protected and managed wisely.

A program of financial incentives is necessary to obtain a higher level of protection, development, and management of our forest resources on the private non-industrial ownerships and those public forests managed by states and other local governments. Since forest management investments are long-term and require large amounts of out-of-pocket funds, they are not appealing to the small private non-industrial owners, and although states are improving the productivity of state managed forestlands, the rate of improvement needs to be increased. The answer to both problems lies in financial incentives.

Such incentives would complete a comprehensive cooperative forestry program which is in the national interest. This interest not only deals with the importance of having adequate timber supplies, but also with increasing demands for forest recreation, enhancement of wildlife habitat, and the environmental values of soil and water protection.

The Alabama Forestry Commission has gathered statistics pertinent to forests in Alabama, how the forest industry contributes to our State, and why we need forestry incentives legislation. I associate myself with these remarks and would like to read the statement into the record. (Statement attached).

Mr. Chairman, I urge the subcommittee to take immediate action to report a "Forestry Incentives Act" to the full Agriculture Committee with the recommendation that this legislation be reported to the House of Representatives for action as soon as possible.

Thank you, Mr. Chairman.

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#### PREPARED BY THE ALABAMA FORESTRY COMMISSION

Forests occupy one-third of the 2.3 billion acres of land in the United States, or some 754 million acres. These forests vary from scrubby or sparsely stocked stands growing under adverse conditions of climate, soil or elevation, to highly productive forests intensively managed for maximum timber production.

The Alabama Forestry Commission is dedicated to the protection and development of Alabama's forests to meet the needs of both the present and future generations.

Alabama's forests contribute greatly to the economy of the State. The landowners receive over 90 million dollars annually from the sale of timber grown on their land. The additional value added by the managing, harvesting, manufacturing, transporting and sales of wood products results in a total economic impact created by the forest industry in Alabama of over 1.5 billion dollars annually. Almost 80,000 people are employed by the forest industry. One of every ten jobs in the State depend on Alabama's forests.

The monetary value of the other goods and services created by forest land—clean water and air, scenic landscapes, game and fish habitat and a host of forest based recreational activities—has not been estimated due to the complexity of such a task. The value is enormous and will grow larger as people depend more and more on the forests to improve their quality of life.

Growing pressures to improve the environment of urban areas, including improvement of housing and living conditions will require more lumber and wood products. Any reduction in the availability of wood products will result in an increase in price, limiting the nations ability to achieve higher goals for housing construction and economic development.

The sight of ugly and usually permanent scars on the land where a strip mining or quarry operation has removed the raw materials for one of the much publicized wood substitutes awakens one to the fact that substitutes are not the answer. Wood is our only renewable resource and we must accept the responsibility of providing the nation with the vast quantities of it required.



The job of producing more and better timber, while meeting other needs, requires better forest practices by the owners who grow the timber and the industries who use them. Better forest practices means many things—improved protection, more cultural work, and improved harvesting methods—all the while conserving or improving wildlife habitat, recreational opportunities, soil and water relationships, aesthetics and the many other values associated with forest life.

There are 21,333,100 acres of forest land in Alabama—about 66% of the total land area. Following is the approximate ownership by types:

| Type of Ownership:    | Number<br>of acres |
|-----------------------|--------------------|
| Public .....          | 1, 020, 500        |
| Forest Industry ..... | 4, 204, 900        |
| Farmer .....          | 6, 732, 500        |
| Misc. Private .....   | 9, 375, 200        |

The largest amount of forest land in Alabama, is in private ownership. Of this, 47% or 9,693,238 acres are owned in small private ownerships of 500 acres or less. Our records show that over 167,000 landowners are in this group. They include farmers, businessmen, professional people, clerks, housewives and retired people. Most of these landowners are not now doing what must be done to meet the nation's future needs for wood.

It has been proven that Forestry incentives work in Alabama. With Government participation by cost sharing in forestry practices we have been successful in motivating landowners. Last year more than one million dollars in REAP funds were spent on small private landowners. The conclusion must be that many small private landowners will respond where there is Government participation in the cost of Forestry practices.

This response by the small landowners indicates that there is a real need for some type of forestry incentives program. We view The House of Representatives Bill H.R. 4406 as being a very fine investment for this country and the future of our forests.

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STATEMENT OF HON. JACK EDWARDS, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF ALABAMA

Mr. Chairman, I am appearing to urge your Committee to take favorable action on my bill, H.R. 5215, the Forestry Incentives Act of 1973. This bill establishes a forestry incentives program to motivate, encourage, and involve owners of small, nonindustrial private forest lands as well as the owners of non-Federal public forest lands in the protection, development and management of their forest lands. A total of \$25 million is authorized to accomplish this purpose.

We have all become aware in recent days of the rapidly rising demand for forest products, a demand that has not been matched by increased supply. We know that the United States is importing 25 percent of its housing and construction lumber. We know that this use of foreign goods occurs at a time when we are trying to climb out from under a serious deficit in our balance of payments. We know that a great deal of our forest land is producing well under its potential.

Mr. Chairman, the small private landowner is often unable or unwilling (and understandably so) to make the financial commitment which would bring his property up to its potential but which would also tie up his investment for long periods of time.

It is very much in the national interest to encourage development of our forest lands. H.R. 5215 will accomplish this goal, while at the same time providing much needed relief for small property owners. I urge the Committee to report this legislation favorably.

Mr. RARICK. We have also received a letter from Mr. Howard J. Doyle, Hardwood Research Council, Statesville, N.C., in support of H.R. 2904, which we would have placed in the record at this point.

Mention is also made of correspondence received from the following named individuals in support of a forestry incentives bill:

Joe W. Graham, Alabama Forestry Association, Montgomery, Ala.; Richard I. Wood, Washington Farm Forest Association, Kelso, Wash.; the Honorable Bert L. Cole, commissioner of the public land department of the natural resources, Olympia, Wash.; the Honorable Alan



Thompson, assistant majority floor leader, Washington State House of Representatives, Castle Rock, Wash.

[The letter from Howard J. Doyle follows:]

HARDWOOD RESEARCH COUNCIL,  
Statesville, N.C., May 16, 1973.

Hon. JOHN RARICK,  
Chairman, House Subcommittee on Forests, 1301 Longworth House Office Building, Washington, D.C.

DEAR SIR: We wish to endorse H.R. 2904 concerning forestry incentives for 50-50 sharing with small (less than 500 acres) non-industrial, private forest owners.

We understand that an annual appropriation of \$25,000,000 is proposed and that payments are to be limited to \$2,500 to one owner in one year for the costs of planting seedlings and applying cultural treatments.

We recommend that Section 4(b) be amended to "utilize the services of the State Forester or other appropriate official of each State." This change is necessary because of the reduction in ASCS offices following elimination of the REAP program.

The small forest landowner is generally the one who cannot afford or is too ignorant to practice good forestry. We feel that H.R. 2904 will be helpful in getting him started in the right direction.

We solicit your active support for this important legislation.

Sincerely,

HOWARD J. DOYLE,  
Council Forester.

Mr. RARICK. The subcommittee will recess subject to call of the Chair.  
[Whereupon, at 11:45 a.m., the subcommittee recessed, subject to the call of the Chair.]

[The following letters and statement were also submitted to the subcommittee:]

MISSISSIPPI FORESTRY ASSOCIATION,  
Jackson, Miss., June 1, 1973.

Hon. JOHN R. RARICK,  
Chairman, Subcommittee on Forests, Committee on Agriculture, U.S. House of Representatives, Washington, D.C.

DEAR MR. RARICK: The Mississippi Forestry Association is on record in support of a forestry incentives program such as that proposed in H.R. 2904 now under consideration by your Forests Subcommittee.

As state tree farm sponsor since 1944, the MFA has become increasingly concerned about the need for better management on small private holdings. A study conducted for the association in 1971 indicated that on such timberlands in Mississippi over two million acres are in need of tree planting.

In addition, it was found that perhaps as much as 4.8 million acres, on these small private tracts, need timber stand improvement practices.

We believe that a forestry incentives program, as contained in H.R. 2904, would stimulate interest in more intensive forest management on small forest ownerships, thus helping develop the tremendous potential they hold for timber production.

As representative of about 1400 timberland owners, forest products manufacturers, and suppliers, MFA is also aware of the need for better forestry on non-federal public lands. Consequently, we are very interested in this aspect of H.R. 2904.

It's our hope that congress will act promptly and favorably on this legislation and we'd appreciate having our letter included in the record supporting it.

Sincerely yours,

MISSISSIPPI FORESTRY ASSOCIATION,  
BEN A. DAVIS, Jr.,  
Executive Vice President.



YALE UNIVERSITY,  
New Haven, Conn., May 22, 1973.

HON. JOHN R. RARICK,  
Chairman, Subcommittee on Forestry, House of Representatives, 1301 Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN RARICK: This letter is intended to be included in the record of the May 21-22-23, 1973 hearings on bills dealing with forestry incentives programs to encourage forest management on small non-industrial ownerships. These bills address themselves to a problem which has been of serious concern to me during about 25 years of contact with it. In addition to my duties at Yale, I am a director of the Connecticut Forest and Park Association and also have for ten years been the unpaid President of Connwood, Inc., a forest land-owners' cooperative which functions to provide forestry services to the very kind of owners whom this legislation is designed to encourage. Last year I served as a consultant to the President's Advisory Panel on Timber and the Environment. I write only for myself and wish to endorse the basic objectives of the proposed legislation rather than necessarily all of the details of the bills which are not fully known to me and are subject to change for logical reasons.

It is abundantly clear that American industrial forests and the various public ownerships, no matter how well managed they may be, cannot provide all the wood and other forest benefits necessary to meet national requirements or the export demands that should help with our international balance of payments. Owing to our earlier laudable policy of trying to put every man on his own farm, we have wandered into the situation in which a high proportion of the most productive and accessible forest land is irretrievably fractionated into a crazy quilt of small ownerships. The prospective tenure of such ownerships is usually so short that most of the benefits of sound forest management on these redound far more abundantly to society and the future than to current ownership. If society and posterity are to reap most of the benefits, it is logical that they pay a fair proportion of the bills through tax incentives and the kinds of subsidies envisioned in the proposed legislation.

One is certainly entitled to argue previous subsidy programs, such as those associated with REAP, have been somewhat disappointing in their operation. The proposed legislation is an important improvement in that it addresses the problems of forest management on these small ownerships directly rather than as a secondary adjunct to agricultural problems. The small amounts of money doled out under previous programs have tended to be split up into such small batches that the overhead costs of administering and conducting each project are very high in relation to the prospective benefits of each. The experience gained from previous efforts should enable the development of a more concerted and efficient program. The basic problem is a critical one and I hope that its inherent difficulties do not dissuade the Congress from seeking the cure envisioned in the proposed legislation.

Yours truly,

DAVID M. SMITH,  
Morris Jesup Professor of Silviculture.

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STATEMENT OF GEORGE W. DEAN, STATE FORESTER, COMMONWEALTH OF VIRGINIA

My name is George W. Dean, State Forester of Virginia, Charlottesville, Virginia.

"Forestry Incentives" H.R. 2904 assistance to landowners to provide reforestation will be effective and will be readily accepted by the small landowners, as has similar incentive legislation proved to be true in Virginia.

The 1971 General Assembly of Virginia enacted "Forestry Incentive" legislation which is basically similar to H.R. 2904. From July 1, 1971, the effective date of the legislation, to June 30, 1972, a twelve month fiscal year period, 530 small landowners signed agreements for reforestation on 24,200 acres.

During the current year, July 1, 1972 to May 15, 1973, the Division of Forestry has received 830 requests involving 28,000 acres. It will be necessary to level off the accepted acreage at about 32,000 annually due to limitation of available funds.

This Virginia Forestry Incentive legislation is Title 10, Chapter 4, Article 9:1, Sections 10-90.20 through 10-90.29 and Sections 58-838.5:2 and 58-838.7:1 of the Virginia Code.

Basically, the Virginia legislation provides:



