

STATEMENT OF JOHN C. HAMPTON
PRESIDENT, WILLAMINA LUMBER COMPANY AND
HAMPTON TREE FARMS, INC.
HEARING ON RESERVATION PROPOSALS #1 AND #2
AUGUST 10, 1987

I AM JOHN HAMPTON, PRESIDENT OF WILLAMINA LUMBER COMPANY AND HAMPTON TREE FARMS, INC. THE MILLS WHICH WE OPERATE IN THE WILLAMINA AREA EMPLOY ABOUT 300 HOURLY WORKERS AND 25 SALARIED PERSONNEL. LAST YEAR OUR PAYROLLS AT THESE PLANTS FOR ALL PERSONNEL TOTALED ALMOST \$16 MILLION. IN ADDITION, WE EXPENDED ALMOST \$4 MILLION FOR MILL SUPPLIES AND REPAIR PARTS. THE LOGGING CONTRACTORS WHICH WE EMPLOYED TO DELIVER LOGS TO OUR PLANTS WERE PAID \$10.5 MILLION. TRUCKERS IN THE AREA WHO HAUL OUR RESIDUALS WERE PAID ALMOST \$2.5 MILLION. I CITE THESE FIGURES BECAUSE I THINK THE ECONOMIC ACTIVITY GENERATED BY OUR PLANTS IS SIGNIFICANT AND THAT IT SHOULD BE A CONSIDERATION IN THE DETERMINATION OF THE DISPOSITION OF THESE TWO PROPOSALS. THE POINT IN PARTICULAR THAT NEEDS TO BE MADE IS THAT OUR COMPANY DEPENDS ON GOVERNMENT TIMBER FOR APPROXIMATELY 80% OF ITS WOOD SUPPLY, WITH THE BALANCE COMING FROM OUR TREE FARM AND FROM OPEN MARKET PURCHASES. OBVIOUSLY, ANYTHING IMPACTING THE GOVERNMENT TIMBER SUPPLY ON WHICH OUR COMPANY HEAVILY DEPENDS IS A MATTER OF SERIOUS CONCERN TO US, PARTICULARLY THE LANDS BEING PROPOSED IN THE RESERVATIONS AS OUTLINED SINCE THEY HAVE PROVIDED OUR COMPANY WITH A CONSISTENT SUPPLY OF RAW MATERIAL OVER THE YEARS THEY HAVE REPOSED IN THE PUBLIC DOMAINE AND IN O&C OWNERSHIP.

SINCE THE QUESTION OF A PHYSICAL RESERVATION FOR THE GRAND RONDE TRIBE HAS BEEN PROPOSED, WE HAVE BEEN ON RECORD OPPOSING THE SET-ASIDE. ASIDE FROM THE PHILOSOPHICAL QUESTION OF A SPECIAL DISPENSATION OF GOVERNMENT LANDS FOR INDIAN PURPOSES WITH WHICH WE FIND OURSELF IN DISAGREEMENT, A MORE PARTICULAR CONCERN HAS TO DO WITH THE WAYS THE LANDS WILL BE PUT IN A POSITION OF CONTINUING TO MAKE THEIR CONTRIBUTION TO OUR POTENTIAL WOOD SUPPLY AND THE COST OF THAT WOOD SUPPLY.

AS A GENERALITY, THE CLOSER THAT A RESERVATION PROPOSAL COULD EMULATE THE STATUS QUO FOR GOVERNMENT TIMBER DEPENDENT MILLS THE LESS OBJECTION LOCAL MILLS WILL HAVE. INTENSITY OF MANAGEMENT WITH TIMBER PRODUCTION AS THE HIGHEST PRIORITY, THE CONTINUATION OF THE CURRENT METHOD OF APPRAISAL WITHOUT A FACTOR INCLUDED FOR EXPORT PREMIUM, THE PROHIBITION OF LOG EXPORTS, THE CONTINUATION OF ORAL AUCTION, THE REGULAR AND PREDICTABLE OFFERING OF TIMBER SALES, AND THE CONTINUATION OF SUSTAINED YIELD ARE ALL ITEMS OF CONCERN WHICH COULD BE DEALT WITH BY AN AGREEMENT FROM THE GRAND RONDE TO CONTINUE THESE PRACTICES IF SUCH A RESERVATION WERE ESTABLISHED.

ANOTHER IMPORTANT ELEMENT THAT SHOULD BE RECOGNIZED IS THAT UNFAIR COMPETITION WOULD BE GENERATED BY PROVIDING THE INDIANS WITH A MULTI-MILLION DOLLAR TIMBER AND LAND BASE AT NO COST TO THEM, UNLESS PROVISIONS WERE MADE TO PRECLUDE THE GRAND RONDE TRIBE FROM COMPETING FOR OTHER AVAILABLE TIMBER SUPPLIES WITH EXISTING MILLS. IT WOULD HARDLY BE FAIR TO GIVE THEM THE NET WORTH WITH WHICH TO PROVIDE THE COMPETITION AGAINST THOSE OF US WHO ARE RISKING OUR OWN MONEY AND THAT OF OUR CREDITORS. IF A RESERVATION IS TO BE ESTABLISHED, IT SHOULD BE DONE WITH A VERY CLEAR COVENANT AGAINST COMPETITION WITH EXISTING OPERATORS.

FOREST PLANNING HAS ESCALATED TO A POINT OF HIGH LEVEL DEBATE AND IT IS BECAUSE OF THE INSECURITY OF PUBLIC TIMBER SUPPLIES THAT THE SIUSLAW TIMBER OPERATORS, WESTERN WOOD PRODUCTS ASSOCIATION AND NATIONAL FOREST PRODUCTS ASSOCIATION HAVE PREVIOUSLY TAKEN A POSITION IN GENERAL THAT THEY OPPOSE THE LEGISLATIVE WITHDRAWAL OF FEDERAL FOREST LANDS FOR THE ESTABLISHMENT OF TRIBAL RESERVATIONS, SUCH AS THE GRAND RONDE INDIANS OR SIMILAR UNCOMPENSATED SET-ASIDES FOR THE EXCLUSIVE BENEFIT OF OTHER SPECIAL INTEREST GROUPS. A VERY SIZABLE SEGMENT OF OUR INDUSTRY DEPENDS ON PUBLIC TIMBER SUPPLIES AND AS A CONSEQUENCE, DOES NOT AGREE IN PRINCIPLE THAT THEY SHOULD BE ESTABLISHED AS RESERVATIONS. ONE HAS TO CONSIDER THE DOMINO EFFECT OF THE ESTABLISHMENT OF A TIMBER BASE FOR THE GRAND RONDE. IT IS WELL KNOWN THAT THE SILETZ WOULD LIKE TO HAVE A LARGER RESERVATION THAN THEY PRESENTLY ENJOY. IT IS ALSO EXPECTED THAT THE COW CREEK WILL BE HEARD FROM IN DUE COURSE. FOLLOWING THAT, ONE WOULD EXPECT THE KLAMATH TRIBE TO FEEL DEPRIVED IF CONSIDERATION IS NOT GIVEN TO THEIR NEEDS, ASSUMING THAT OTHER TRIBES HAVE BEEN TAKEN CARE OF. IT IS SIMPLE TO EXTRAPOLATE THIS KIND OF A DOMINO EFFECT TO EVERY AREA THROUGHOUT THE UNITED STATES WHERE PUBLIC TIMBER LANDS EXIST. IT IS PREDICTABLE THAT INDIAN TRIBES IN THOSE AREAS WILL PRESENT CLAIMS FOR ADDITIONS OR ESTABLISHMENT OF RESERVATIONS OF VALUE OF THIS MAGNITUDE. THIS DOES NOT SEEM TO BE WISE PUBLIC POLICY.

I WOULD FAVOR THE ESTABLISHMENT OF A SMALL LAND BASE FOR THE PURPOSE OF CONSTRUCTION OF HOUSING, FOR THE PRACTICE OF CEREMONIAL ACTIVITIES, AND FOR ASSOCIATED ETHNIC REASONS. THIS COULD BE TAKEN CARE OF WITH A SEVERAL HUNDRED ACRE SET-ASIDE OF NON-TIMBERED LANDS.

AT THIS TIME I DO NOT FAVOR EITHER PROPOSAL AS PRESENTED. THANK YOU FOR THE OPPORTUNITY TO APPEAR.