

# Northern Concerns Attempt Logging In SC Mountains

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Despite a possible detrimental effect on local timber industries, the Ukiah-based Masonite Corporation is attempting to expand its northern logging operations into the Santa Cruz mountains due to depleted timber lands in its previous forest harvesting areas.

The 327-acre parcel of redwood forest purchased by Masonite on May 2 for its logging operations is located between China Grade and Highway 236 in the Santa Cruz mountains.

In the past, timber companies have operated logging operations within the Santa Clara and San Mateo county areas of the Santa Cruz mountains. According to Gene Scarborough, owner of Standard Lumber Mills in Scotts Valley, "This is nothing new. They are just moving a little farther south."

If the larger lumber companies, such as Masonite and Louisiana-Pacific Corporation, did move into the Santa Cruz area, it could have a negative effect on the local timber industry.

The move south into the northern forest of the Santa Cruz mountains is prompted by two primary factors.

First, lumber reserves in the large northern forests in Humboldt, Sonoma and Mendocino counties largely have been restricted because state and federal agencies, such as the U.S. Forest Service, recently have begun to set aside timber lands for parks and natural reserves.

Jim Abel, timber buyer for Louisiana-Pacific in Humboldt, believes that this restriction of timber property is one of the primary reasons for expansion into new timber areas.

"It's a matter of getting land not

preserved for parks," he said. "If there's lumber in the Santa Cruz area, then we have to move in."

He added that since so much of the northern woodlands is being converted to parks and natural reserves, the larger, more efficient companies are forced to move "further than where they used to buy."

The second primary reason for timber company expansion is that large northern lumber operations, such as Masonite, require continued supplies of timber in order to apply their high-yield timber cutting operations.

With the need to expand their operations into other areas of potential high-yield logging, the lumber companies turned to the Santa Cruz mountains, one of the largest timber areas in the state.

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Bill King, Masonite's representative in charge of the China Grade operation, stated that the company planned to harvest approximately 30-50 per cent of the land by the end of this year, depending on weather and permit conditions.

He said this was the third year that Masonite has conducted logging operations in the Santa Cruz mountains, but added that most of the other projects were conducted in adjacent county areas.

Currently, he said, Masonite is attempting to obtain permits in several areas of California for continued harvesting. He pointed out, however, that the Santa Cruz mountain area was one of the most profitable areas for timber harvesting.

The parcel purchased by Masonite lies south of the Waterman Gap area, and was previously owned by the Cowell Foundation. Because of its location and potential harvest status, it was selected as a favorable site for harvesting operations.

The property was sold on a sealed-bid basis by the Oakland timber brokerage firm of Hammond, Jensen and Wallen.

Among those firms bidding on the parcel were Louisiana-Pacific of Humboldt, Masonite Corporation, and several local lumber mills, such as Big Creek Lumber of Davenport.

With the large number of funds available to the larger companies bidding on the property, local competition had difficulty in matching the Masonite Corporation.

The exact amount of the Masonite bid is not known, and a spokesman for Hammond, Jensen and Wallen declined to state the amount of Masonite's bid on the parcel.

He also stated that Louisiana-Pacific and Masonite were not always the highest bidders on timber property. He explained that because of a "more efficient operation," Masonite could achieve a "more complete utilization of the logs" than smaller local mills.

The three smaller mills in the Santa Cruz area do not have the integrated facilities to "keep pace" with the larger companies, he said.

Although local reactions to northern lumber interests moving into the area are mixed, the majority of local lumber mills and employes fears possible supply shortages and layoffs if northern companies continue their expansion.

"A move like this could put a little company out of business," Scarborough stated. "It could also force the market up high enough to put smaller mills at a disadvantage." Although he said that Standard Mills had enough wood for this year, he indicated that if northern companies continue to move into this area, there is "no question" that it would affect his operation.

Roy Webster, chief forester for Standard Mills, said that "people are worried." He added that the northern companies "are bigger and can pay more" for local land.

"We have to have free enterprise for everybody," Mildred Holmes, co-owner of Holmes Lumber Co. in Scotts Valley, declared. "If you have restrictions in one area, you will have restrictions in another." She added that she feared foreign intervention, such as the Japanese who logged the area a few years ago, more than domestic expansion.

"There's something healthy about competition if it's healthy," she said.

One local mill owner who doesn't consider northern competition healthy is H.T. McCrary, president of Big Creek Lumber.

"We didn't realize what was

happening in the lumber market," he said, "This caught us off guard."

He said that the problem with the northern companies is not that they are being restricted by park reserves, but that they have a "tremendous timber consumption." He said that he has talked to employes of the northern companies and they admit to having shortages.

Adding that there is a "good possibility" that northern companies could drive local mills out of business, he contends that a shortage of lumber at his mill will close down operations for about three months next winter. He also said that the 150-area nurseries which Big Creek supplies mulch to will be affected.

McCrary pointed out that rising prices in the cost of timber will also prevent smaller mills from bidding on logging property in the future.

Despite the fact that large-scale operations will be conducted by Masonite on the China Grade property, the operation required no Environmental Impact Report from the county.

According to Bob Williams, county forester, a report was submitted to the Environmental Review Committee for consideration. It was returned on May 23 with a negative declaration, therefore requiring no impact report.

Williams also believes the company will be using its own personnel on the operation. In addition, he said Masonite will be using its own trucks to transport the logs to its Ukiah mill, due to its inability to construct an efficient mill in the area.

The issue of the Masonite timber operation will go before the planning commission for approval Monday. Williams stated that the Masonite application to harvest the proposed area meets requirements and that he will recommend approval for the operation.