

called to the unlimited exportation of logs? Is that part of your purpose?

Mr. TERZICK. That is correct, and I call your attention to the fact that we did not ask for a complete embargo. We asked first for this short moratorium to save mills which are now hanging in the balance, to allow time for a more comprehensive study to be made so that a long-range accommodation can be made, and I think that with the moratorium we will be leading from strength in our negotiations with the Japanese rather than from weakness.

Senator MORSE. Counsel Watts has a question that he wants to ask at this point to clarify his thinking in regard to your proposal.

Mr. WATTS. Yes, Mr. Terzick. I wondered whether, to be meaningful, would we not have to also provide that during the 90-day period of the moratorium you propose, the Forest Service and BLM would set up meaningful and substantial sales within the working circles of each of the mills you want to help?

Mr. TERZICK. Well, it is my understanding that these sales are projected for a considerable period ahead. I am not qualified to answer. If that isn't a true statement of the facts, I would say that the Forest Service and the Bureau of Land Management ought to be required to carry on normal sales during the 90-day moratorium.

Mr. WATTS. But if these sales are scheduled, as I think they may be, rather far in advance, it would be necessary either to schedule some additional sales or to so time the 90-day moratorium that it coincided with some already scheduled sales. What you have to do, I gather, is to get some timber into the pipeline which is earmarked, planned for the domestic mills. You want a 90-day period when the whole supply is available for domestic consumption?

Mr. TERZICK. That is the objective, sir.

Mr. WATTS. So it seems to me you need a two-pronged program here. One, that there be no exports or sales made in this period, but second that there will be some sales in this period and they would have to be spread through a number of different national forests, I should think.

Mr. TERZICK. Well, as I said, my understanding is that these sales are projected for a considerable period ahead, and certainly the agencies handling the public timberlands ought to proceed with those sales with the moratorium on exports to Japan.

Mr. WATTS. Thank you, Mr. Chairman.

Senator MORSE. The second point that you have in your proposal for a temporary adjustment of the problem is that following this moratorium you say :

The export of logs from public lands should be limited to the 1966 levels pending a comprehensive study of the entire problem and the establishment of a realistic long-range policy.

Do you mean to include in this proposal that our negotiators should then attempt to negotiate with the Japanese for an understanding that the ceiling for round logs will be the ceiling of 1966, which is 350 million board feet, but included in that negotiation would also be an attempt to negotiate with them for the purchase of cants or the purchase of x million board feet of finished lumber? Are those thoughts comprehended in your second proposal?

Mr. TERZICK. That is it and I am sorry I didn't spell it out more completely.