

Representative WYATT. I see. If the \$15 million is not restored or at least the portion for the Northwest were not restored, along with maintaining the present budget levels in the future, there would be a reduction in the amount of trees harvested over the long run?

Mr. CLIFF. It could have that effect, Mr. Wyatt. The alternative of course is to rely more heavily on operator construction. The sales are going ahead as planned. We were careful to make these adjustments so that they would not interfere with our ability to make the full cut under our allowable cut levels.

Representative WYATT. Yes. What you are trying to do is to compensate as best you can then to do everything within your power within the economics that you are faced with to see that there is no reduction in the timber harvest?

Mr. CLIFF. That is correct.

Representative WYATT. And I commend you for doing so. Can you tell me whether or not there has been an increase in the price paid for logs just during the past 90 days in the Northwest, in Oregon and Washington?

Mr. CLIFF. No, sir; I can't tell you that. Perhaps one of my colleagues here who follows this very closely would have some information on that. We don't have any definitive information on what has happened.

Representative WYATT. My information is that there has been an increase in the last 90 days of 1967 over the previous months of the year. This may or may not be accurate, then. But the reason that I was inquiring about this, assuming this information to be accurate, and assuming that there would be no Government restrictions on the sale of Forest Service and BLM timber between now and February 20 talks with the Japanese, isn't it fair to assume that the Japanese are going to intensify their efforts in regard to buying timber between now and February 20?

Mr. CLIFF. The assumption could be made that there might be some advance buying in anticipation of some action by the Federal Government. However, we have been getting reports currently from the customs authorities that up until last month, up until December, there had been no appreciable change in exports during the last 3 or 4 months of the year. We don't have the returns in for the last month of the calendar year. They are due in about a week. But for the 3 months preceding that, the applications for the declarations for export ran about the same.

Representative WYATT. It just seems to me, Mr. Cliff, that if the Japanese realize that we do mean business finally and that the February 20 date area, maybe the negotiations area fails and they are finally convinced that we mean action, that they are going to go out and get all the contracts committed they can now, because I am certain they realize that whatever action is taken can't be made retroactive and the contract would have to be honored for exports that might be entered into between now and February 20.

On page 7 of your testimony, under the heading of "Intensifying Management," you have said that:

The effects of reforestation and timber stand improvement work can be reflected quite promptly in allowable cut provisions, but financing the large amount of this needed work and actually accomplishing it would, from a practical standpoint, need to be done over a period of years.