

You go on to say that we would not be in agreement with any suggestion the allowable cut could be increased now, anticipating that supporting forestry work will be accomplished some time in the future.

I would just like to clarify this a little bit. If a program were launched, you are familiar with our correspondence, Mr. Cliff, relative to the 10-year program involving about \$80 million over this period of time for completely reforesting the reforestable land in the Forest Service in Oregon and Washington, and also allowing the maximum precommercial thinning.

If that program were once launched, could you then immediately increase the allowable cut?

Mr. CLIFF. What I have tried to say here is that we would increase it as we accomplished the work. It is a little risky to make increases in anticipation that some year in the future you are going to have money appropriated. We have experienced this year a setback in this work, and we feel that you have to have the eggs in the nest before you start counting them.

If we plant up acreage, then you can immediately add it to the base upon which the allowable cut is based, and as you improve the stands and increase the growth, as soon as that work is accomplished, that can be added in, but it shouldn't be done until such time as you actually make the inputs.

Representative WYATT. I believe I understand that, Mr. Cliff.

On page 14 in your last paragraph, you talk about the requirements for explorations between the two Governments to make sure the trade barriers do not stand in the way of expanding business opportunities and that will require the businessmen in this country to be willing to make the efforts needed to meet specifications of the Japanese market to do business there and to meet price competition in that market.

Now, I have had quite a little bit of inquiry in this area of meeting the Japanese specifications for lumber, because obviously if we can improve our mix, so to speak, and start exporting substantial quantities of lumber, everybody is going to be much better off, we feel. Everywhere I have gone, our lumbermen in the Northwest have assured me that they can and are willing to meet the Japanese specifications. Now I just want to ask you whether or not in this statement you are inferring that it is not possible or that our people in the Northwest aren't willing to meet the specifications. Do I read that wrong?

Mr. CLIFF. Statements have been made in the testimony by other witnesses that the people in the industry are not willing. I think those statements have been made, as I recall. I think it includes more than just cutting the sizes and the dimensions that the Japanese will require. It involves a willingness to enter into contracts for a large enough volume of timber to be interesting to them over a long enough period of time. I have confidence that these things can be worked out. I think our industry can respond if they can establish communication with these traders in Japan. I don't see why we can't do the same thing as British Columbia is doing.

Representative WYATT. Of course, in British Columbia they can't get the log in the round except through great difficulty as I understand it, so they then, as I understand it, are able to get lumber through mills that have long-term low stumpage contracts for the raw material which permits probably a more competitive price. You yourself