

payments besides the ones dealing with the forest management program?

Mr. PETTY. Well, sir; in the Committee on Balance of Payments I believe we have a whole series of discussions going on. Some are put on paper, some are not put on paper. Discussions are going on jointly; whether with respect to the establishment of a direct investment program, whether it is contributing thoughts with respect to the import-export progress on petroleum, whether it is with respect to balance-of-payments impacts of the SST, or coal exports. Certainly it is a whole host of things in trade negotiations, too, Senator.

Senator HATFIELD. Did you have one with the Defense Department? Have you created one for the Defense Department?

Mr. PETTY. Yes, sir.

Senator HATFIELD. Does it make recommendations as to matters like in terms correlating to the recommendations you have made to forest management issues? What did you recommend for the Defense Department that would correspond or parallel these recommendations?

Mr. PETTY. There were a series of meetings, Senator, which preceded my time in this general area, and I must say there is a chapter on this in that report that the chairman was kind enough to include in the appendix. Certainly we had discussions on the provisions with respect to U.S. procurement, the use of our script in combat areas, and repair facilities on some equipment—bringing it back home rather than using foreign places to reduce the balance-of-payments impact. If I may, Senator, I can give you a list of particular things in that area.

Senator HATFIELD. But the point I am asking basically is that you have then, if I understand you correctly, engaged in interagency dialogs via the use of a think piece with other than those agencies dealing with the forestry management programs of our country, to wit, the Defense Department, as an example.

Mr. PETTY. I wonder whether your question means that we wrote the first paper.

Senator HATFIELD. Yes.

Mr. PETTY. Then I would have to go back. Yes, sir; I think I would probably have to answer that, too, yes.

Senator HATFIELD. And that you initiated the think piece for the Defense Department similarly to the think piece—

Mr. PETTY. We sit down and work on defense problems as they affect the balance of payments, maybe dismissing portions of some ideas, maybe accepting portions of others—reach a final product in the crucible of interagency dialogs. Another example is the area of “additionality” in economic assistance, by which we seek to insure that the funds used under our economic assistance program provide additional exports and not exports which would have taken place anyway. Again in that case in the term of the parlance we are now establishing we prepared a think piece for State and AID.

Senator HATFIELD. Have you received an impression that the interagency relationships might be strained a little bit by the use of this vehicle, this method that might reflect on these agencies to whom you are addressing a think piece initiated within your agency, without consultation with them in making recommendations governing their responsibilities?