

Mr. PETTY. I could imagine a policy mix which achieves that; yes, sir.

Representative DELLENBACK. I appreciate that.

Thank you, Mr. Chairman.

Senator MORSE. Mr. Petty, I much prefer not to talk about the staff report of the Treasury Department, but I am compelled to do so only because I am satisfied that it has had a very negative effect within the industry, and I think a misleading effect on segments of American public opinion. I am afraid it will perform a disservice for our negotiators in their negotiations with Japan starting on February 20, because of the assumptions that the Japanese negotiators are likely to make based upon the report, and also because I think that it violated in its procedures of compilation appropriate protocol within the executive branch of Government with respect to the relationship of one agency to another.

Mr. PETTY. You do not think, sir, that the statement on lack of special expertise in forestry in my opening statement, made it clear that Treasury makes no claim in that area.

Senator MORSE. Let me tell you about the report. I read excerpts of the report in the Portland Oregonian before any of the officials in the Forest Service knew that there was such a report. In fact, I was in the strange and novel position of reading parts of the report to the people in the Forest Service before they even knew of the existence of the report. The procedure followed by the Treasury Department in the handling of this was most inadequate, to say the least. This report was made available to some Members of the Congress before it was made available to the Forest Service. I would like to find out from Mr. Rasmussen when he takes the stand when he got a copy of the report and what his relationship, if any, was to the report prior to its release.

But, I shall not dwell on it. I just want this record to show that in all my 23 years in the Senate, I have never known of an instance when the protocol in the relationship of one department to another and with the Congress was so markedly violated.

You heard Mr. Cliff today. Let the record he made speak for itself. You heard him tell about their relationship to the report prior to its publication—no communication, no conferences. I am not so sure that it would not have been equally appropriate for the Forest Service to have prepared a 15-page report and submitted it to the Treasury Department on what they thought ought to be done about the balance of payments.

I just think, may I say, as an old arbitrator and mediator of jurisdictional disputes, that if this were subject to arbitration, the arbitration board would unanimously rule against you as far as any attempt to obtain from them a finding that you were within your jurisdictional rights.

Mr. PETTY. There would not be any challenge on the issue in the first place.

Senator MORSE. I just think you must face up to the fact that this was a blooper.

Mr. PETTY. Absolutely.

Senator MORSE. I would not care about that.

We all make mistakes. But it is the consequences of such a mistake as this, I think, that as a Member of the Senate I have to concern