

myself with. I am making these statements so that the Japanese negotiators will understand that as far as I am concerned, and I hope they will understand it when they read these hearings and our committee report, the Treasury's report in no way should be considered as a substitute for the national forest policy of the Forest Service and the BLM.

But I turn to that part of the report in which you list, by way of summary, these points:

One, permit Japanese purchases of unprocessed logs from Alaska and the U.S. Pacific Northwest together up to 1.7 billion board feet per year, the present limit from Washington and Oregon.

Two, permit in additional Japanese purchases of quantities of simply processed logs from Alaska up to 0.4 billion feet per year.

Three, permit the Japanese to take part of the growth of their wood needs out of Alaska in the form of sawn lumber. Sawn lumber purchases should be understood as the quid pro quo for the continuation of log exports and given the log potential from Alaska, this would provide an additional one billion board feet of lumber.

Were those recommendations made with any consultation as to their forestry feasibility with either the Forestry Service or the BLM?

Mr. PETTY. No, sir; I should indicate again and I want to make very clear, that it is an initial draft of a paper that was to be worked out first in interagency discussions. It is because of a flaw that troubles me more than you, sir, in our interagency procedure that this got into the public domain before the standard operating procedures, which are quite appropriate, would have their effect upon the final shape the paper would take.

Senator MORSE. Well, in your report, you recommend some modifications of the Jones Act in respect to Alaska. I find no proposal for any modification of the Jones Act in respect of other areas of the United States.

Has the Johnson administration ever made any official recommendations to the Congress for modification in the Jones Act, to your knowledge?

Mr. PETTY. I think there was a waiver under President Kennedy, in 1962, with respect to transportation of lumber to Puerto Rico. Other waiver proposals have been made in recent years.

Senator MORSE. Was there any proposal to your knowledge by the President, either in the state of the Union message or any other message, for this proposal of yours for a modification of what amounts to our merchant marine policies?

Mr. PETTY. I am sorry, I missed the question.

Senator MORSE. Do you know of any message of the President outside of the state of the Union message or in the state of the Union message that recommends any modification of our merchant marine policy along the lines of your recommendation in this staff report?

Mr. PETTY. Oh, gosh, it has not percolated anywhere near that far.

Senator MORSE. Well, when you proposed modification of the Jones Act, you are dealing with the merchant marine proposals.

Mr. PETTY. I appreciate that.

Senator MORSE. In your report, when you talk about allowable cut, and I happen to be for a maximum allowable cut within a sound sustained yield program. You refer to figures for the increase of the allowable cut. Did you check those recommendations with either the