

If you have in mind, Senator, whether there might have been public hearings, no.

Senator HATFIELD. Not public hearings necessarily, but various lumber and timber associations which are data-compiling and data-keeping organizations, individual members of the great timber industry. Did you go to any of the private sectors of the industry to gather any information for your analysis?

Mr. NEHMER. Without having firsthand knowledge, I would say that undoubtedly, there must have been representations made orally or in written communications by the domestic industry on the subject.

Senator HATFIELD. Mr. Nehmer, let me pose a hypothetical situation. If, say, the governmental agencies did not satisfy you with their information as fulfilling all three of these criteria, and hypothetically, let us say that the industry testimony in evidence indicated that there was a shortage, that there was an abnormally high demand, that there were inflationary tendencies—in other words, that the situation did represent all these three criteria—hypothetically, how would you resolve these difficulties?

Mr. NEHMER. Well, Senator, this does happen often in various areas.

Senator HATFIELD. I am sure it does.

Mr. NEHMER. And the Government agencies, and in this case, particularly the Department of Commerce, is charged with the responsibility of sifting through the information available to the agencies to come up with a conclusion. I know this was not done casually, it was done after great care, as we do in any matter such as this, because we do not take the invocation of the Export Control Act lightly. It is a serious step to take. The judgment of the agencies concerned and of the Secretary of Commerce was, as I have stated, that the criteria would not apply in this case.

Senator HATFIELD. Then let me follow. If it did not apply on any of these several previous occasions, you indicate on page 6, that in light of the present circumstances, with the substantial increase in log exports to Japan in 1967 and anticipated further increases, that these criteria would now be met has not yet been determined.

Mr. NEHMER. Yes, sir.

Senator HATFIELD. You are now in the Department. You are now a part of this agency.

Mr. NEHMER. Yes, sir.

Senator HATFIELD. You were not, as you have indicated to me, a part of the analysis procedures carried out on these previous occasions. Tell me what you are doing now in terms of this analysis. Are you in touch with, have you received and requested data from the industry?

Mr. NEHMER. Well, Senator, first of all, we found the discussion with the Japanese Government in December most enlightening, because a statement as to the anticipated further increases in exports, Japanese interest in having increased exports of logs from the United States to Japan certainly became very clear from discussions with the Japanese. We are dealing with the possibility, I believe as pointed out in Mr. Cliff's statement, of a level twice the 1967 level in 1970.

Senator HATFIELD. That would be No. 2 in your criteria.

Mr. NEHMER. This is a very significant factor.