

not? Let's take a hypothetical situation. Let's say that the evidence presented to you and the Department, from valid sources, sources with credentials, should indicate that we do have an endangerment here of our domestic industry, the lumber industry as represented by your No. 1 fundamental; and let's say it could be proven to you that by certain restrictions on log exports to Japan that in the overall picture we could help No. 2, as it relates to the balance of payments, that you indicate at least is a component of No. 2, on page 2, but let's say that in the situation that I am developing hypothetically, that it was running contrary to our longstanding policy of not imposing so-called unnecessary barriers to the international trade; there might be a qualitative and quantitative argument on that No. 3 with Nos. 1 and 2 proven, being proven valid, and that it might cause a little ripple in our basic relationships with Japan, as related to No. 4; so in effect what I have said here, hypothetically, is that No. 1 and No. 2 might be proven as supporting the fundamentals, the concepts of your fundamentals, but No. 3 and No. 4 might not be; or let's say there was a degree of negative influence on No. 3 and No. 4. How would you resolve that kind of situation?

Mr. GREENWALD. Senator, if I may, instead of taking a hypothetical situation, could I relate it to the actual situation we have?

Senator HATFIELD. All right. What I am really asking you, whose side are you on?

Mr. GREENWALD. I am on the side of the national interest of the United States. And let me try to apply this to the specific problem we have at hand.

On the first point, on the situation of the domestic industry, a decision was made by the executive branch of the Government that there was a problem in the Pacific Northwest. That decision was reflected in the position that was taken by the U.S. delegation at the September meeting of the U.S.-Japan Committee in Trade and Economic Affairs when we asked them if they would talk to us about this problem and see if we could find a balanced, constructive, and positive solution.

So far as I see the position of the administration, the decision, if you like, has been made with respect to whether there is a problem or whether there isn't a problem in the Pacific Northwest.

We are proceeding on the assumption there is one, so the next question is, How do we find a solution and what is the best solution?

What we are pursuing at the moment is whether we can find a solution that will satisfy all four of these. You may think this is a will-o'-the-wisp we are pursuing. At the moment we still think there is a real possibility that we can achieve a solution, and, I think, a lot of people have talked about what the elements of such a solution might be. We think we can achieve one that will not adversely affect any of these four considerations and, this, of course, is obviously the ideal.

If we can't do that, then we are obviously going to have to weigh the disagreeable alternatives that you have proposed, but at this stage, at least, from our point of view, we still hope and still think we can achieve a solution that will satisfy all of these considerations.

Senator HATFIELD. What is the position that we will carry into these negotiations that seek to accomplish this that you have just outlined, this objective of solving the problem without isolating any one of these four, but incorporating all of these four fundamentals? What is that