



TREASURY DEPARTMENT

WASHINGTON, D.C. 20220

Treasury Department Staff Report on the
Pacific Northwest Log Export Problem

Attached is a copy of a staff report prepared by economists in the Office of the Assistant Secretary for International Affairs. The Treasury Department is interested in the Pacific Northwest log export problem because there are ways in which this problem can be handled so as to help the nation's current balance of payments difficulties.

The Treasury Department is asking the Departments of Agriculture and the Interior to consider the proposal in the staff paper, along with other proposals now before the Government, as a possible long-range solution to the present log export problem. Some of the recommendations would require obtaining changes in existing legislation. Other recommendations would require changes in long-standing administrative policy that has been sanctioned by the Congress.

The Staff of Office of Assistant Secretary for International Affairs believes that implementing the plan could bring about significant benefits to U. S. balance of payments and could be useful as a solution to the current problem of log exports from the Pacific Northwest. The urgent need to improve this country's balance of payments position was underlined by the President's statement of January 1, 1968.

The Treasury Department believes that significantly increased investments for intensified forest management constitute an important balance of payments measure as well as being justified on their own merits.