

November 16, 1967

Hon. Alexander B. Trowbridge
Secretary
U. S. Department of Commerce
Washington, D. C. 20230

Dear Mr. Secretary:

As you may be aware, the exportation of logs from the Pacific Northwest has been causing increasing concern.

In the May, 1967 hearings in Portland, Oregon, of the Senate Small Business Committee, Mr. Branson J. Lewis, the Secretary of the American Plywood Association, testified as follows:

"The Japanese are importing increasing amounts of timber from the Pacific Northwest, more than one billion feet in 1966. The rate in the first quarter of 1967 suggests 1.3 billion feet this year. These purchases, even in a time of domestic market slack, have developed a highly competitive log market on the West Coast, tending to inflate timber prices and drain off raw material.

"Part of the problem has been our success in selling plywood building systems in Japan. . .the Japanese obviously prefer. . .(to) add value to a relatively inexpensive raw material by manufacturing it in their sheltered market. . . ."

As you would imagine, the greatest impact of these developments is upon the small, non-integrated sawmills in Washington and Oregon.

As a result, it appears that diplomatic discussions will commence between the governments of the United States and Japan in December of this year in an effort to reach an understanding in this matter.

It is my understanding that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of the scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance in exports from the standpoint of their significance to the