

areas log volumes and prices make it no longer possible to profitably manufacture lumber and plywood. As long as the export market has equal access with U.S. industry to public timber while denying U.S. products access to Japanese markets, the domestic forest products industry has no alternative but to export.

The long term effects, however, are such that the industry must recognize the need for control and must take the leadership in assuring that the best means is applied at the earliest possible date.

Positive action must be taken now, before conditions become more critical, to press for the adoption of a solution to the log export problem. The alternative is to await the reaction of an aroused people whose families and communities are adversely affected by lost employment and a shrinking industrial base. The potential is for legislative action that might not be satisfactory to the industry or in the best long term national interest. An example is the January 9, 1968 announcement of the AFL-CIO Carpenters Union that they now believe that legislative or legal action is necessary.

The federal administration has taken no positive action on the log export question because the joint decision of the Departments of State, Treasury, Commerce, Agriculture and Interior and the Council of Economic Advisors has been that other national affairs would not permit imposing restriction on Japanese trade. This position must be modified to permit the Departments of Agriculture and Interior to use administrative action under existing authority. The various departments of the administration must be convinced that the "Domestic First Sale" approach is workable and not disruptive to other U.S. interests.