

Senator Wayne Morse

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In attacking a problem such as this certainly our balance of trade and the out-flow of gold should be given considerable consideration. People complain that with the Japanese log trade we are exporting our jobs. However, if these jobs are going to be lost anyway because labor costs dictate that the existing mills be more efficient and if the existing mills are meeting the demand for lumber products, then it seems that the banning of log exports would accomplish nothing and lose for us an important national income of dollars.

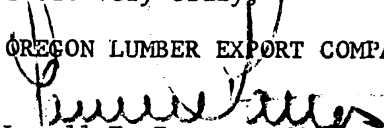
The people who complain about the export of jobs should compare the log export trade with the electronics, automobile, clothing, or other businesses where United States capital is exported to build plants, employ foreign labor, and then import into the United States the end product of this effort. In the log export business we have only exported the jobs of the mill worker that would have produced the lumber for the Japanese market, if, in fact, the order could have been obtained by an American firm. In the case of a radio manufactured in Hong Kong, the American firm sent the dollars out of the country for the capital investment in a manufacturing facility, exported the jobs necessary to produce the radio, and then imported the radio with a further out-flow of dollars. On the other hand, with the log export business we have a net in-flow of dollars.

I believe if someone will check the record they will find that as many mills went out of business between 1948 and 1958 (during a period when there was virtually no log export business) as have gone out of business between 1958 and 1968. We know from personal experience more mills with whom we were dealing closed in the period of 1948 to 1958 than have closed since. So, we would like to say that if a mill considers its livelihood endangered by the log export business, before a ban is put on to correct the ills, a more thorough investigation should be made. We are certain the problem is bigger than this and a ban would not be the remedy that would save the mill for very long.

In the overall, a ban on log exports would be more harmful than helpful to the Pacific Northwest as well as the country as a whole.

Yours very truly,

OREGON LUMBER EXPORT COMPANY


Lowell E. Patton - Manager

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