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The Honorable Wayne Morse
706 U. S. Court House
620 S. W. Main
Portland, Oregon

Dear Senator Morse:

In reading the papers on the log export problem it seems to me that a certain basic element is being disregarded - the legality of allowing excessive amounts of federally owned timber to leave the country. I hold these facts to be self evident:

1. The American people get forest products at the lowest possible cost because we have a free market regulated only by the law of supply and demand.
2. We have a competitive market because we have eight or ten huge timber owning companies and hundreds of good independent smaller operators.
3. The independent operators in the west are largely dependant on federal timber for their log supply.
4. The pressure of unregulated buying by log exporters is raising the log market to the point where the independent operator can no longer stay in business; bearing in mind that he must sell in competition with Southern Pine and Canadian imports.
5. Some of these same large corporations have huge holdings in the Southern Pine region and are, year by year, expanding their hold on the timber lands of that region.
6. If this industry trend continues at its ever increasing rate, it is only a matter of two or three years until there will be no independent sawmill and plywood operations in Washington, Oregon and California. These operations will either liquidate or sell out to one of the giants.
7. When the industry is controlled by eight or ten huge corporations we will have a situation comparable to the steel industry. The free competitive market will be gone and prices will be established on a cartel basis.
8. The ultimate loser is the American public who owns this federal timber.

I believe that if we can recognize that the independent is an absolute necessity in this industry, then the small business set aside program is the logical answer. I think that the federal timber allowable cut should