

1. National Forest timber sale bidding experience in western Washington and western Oregon during the previous 90 days. Congressman Wyatt expressed interest in this subject in order to find out if exporters were buying up National Forest sales, during this period, in anticipation of some form of export control, early in 1968. We are enclosing a statement on this subject.

2. You asked us to provide such data as we might have on wood products traded by Japan for use in Viet Nam. We have no records on this subject and found that the only available source is the Department of Commerce. Commerce informs us that it is assembling this material and will submit it directly to your Committee.

Sincerely yours,

EDWARD P. CLIFF,
Chief, Forest Service.

Enclosures.

NATIONAL FOREST TIMBER SALE BIDDING IN WESTERN WASHINGTON AND OREGON
DURING THE PAST NINETY DAYS

Congressman Wyatt raised a question, during the Hearing on January 23, about National Forest sales experience in western Washington and western Oregon during the previous 90 days. Had export buyers increased their log purchases during this period in expectation of some form of export control early in 1968?

The latest information that might serve to clarify this point is for the final quarter of calendar year 1967. The following illustrates what took place:

	Volume sold millions of board feet	Advertised price	Bid price	Bid ratio
Last 3 months of 1967 (preliminary):				
Western Washington.....	236	\$18.65	\$32.36	1.74
Western Oregon.....	485	27.05	43.49	1.61
Total.....	721	24.30	39.85	1.64
First 9 months of 1967:				
Western Washington.....	658	14.83	27.21	1.83
Western Oregon.....	1,494	19.34	36.03	1.86
Total.....	2,152	17.96	33.33	1.86
Last 3 months of 1966:				
Western Washington.....	217	16.76	24.53	
Western Oregon.....	606	24.46	40.01	
Total.....	823	22.43	35.94	1.60

The table shows that average bid prices during the last three months of 1967 were higher than those in the first nine months. However, the ratio of average bid prices to advertised prices dropped, during the last three months of 1967, from 1.86 during the preceding nine months to 1.64. This is indicative that competition for stumpage declined during the last ninety days of 1967. Experience during the corresponding period of 1966 indicates no appreciable change in the bid ratio.

During the last quarter of 1967, total sales from National Forests in western Washington and western Oregon amounted to 721 million board feet. This is a lower volume than was sold during the same period in 1966.

On the basis of this information, we conclude that there was no increase in buying during the last quarter of 1967 in expectation of export controls.

Senator MORSE. Mr. Petty, the Deputy Assistant Secretary for International Affairs of the Treasury Department. I offer you my apologies for your having to wait so long, but there was no way in my judgment that it could be avoided. Will you please come forward and take the stand and proceed in your own way.