

That is the context of the balance of payments?

Mr. NEHMER. Yes, sir.

Senator HATFIELD. Context—is that synonymous to “the basis of any solution” or how do I interpret this?

Mr. NEHMER. What this really is saying, Senator, is that the balance-of-payments problem must be taken into consideration to a very large extent with regard to this particular problem. It does not mean necessarily that it has to be the only consideration.

Senator HATFIELD. Does it mean that it has to be overriding or the primary consideration?

Mr. NEHMER. I think we are perhaps dealing in semantics here. It certainly has to be very important.

Senator HATFIELD. But not the sole—

Mr. NEHMER. Certainly not the sole.

Senator HATFIELD. One last question that relates to this matter of balance of payments that you are very deeply concerned with, as we all are.

I do not know if you were in the room when I read to Mr. Petty from the Congressional Record relating to the export of Japanese goods into South Vietnam, sold to the United States and to the South Vietnamese Government with money given by the United States, which grew from, in 1965, \$36 million to \$138 million in 1966, and projected for 1967, it would be \$1.4 billion to \$1.7 billion.

Are you familiar with the kind of export Japan is engaged in in Vietnam and what effect this has on the balance of payments as it might relate to our selling of this merchandise and goods into that area, purchased from American manufacturers rather than from Japanese?

Mr. NEHMER. No, I am not, Senator. We would be very glad to have the data on this checked and submit some information for the record.

Senator MORSE. Would you do that, Mr. Secretary; supply us with a memorandum?

This has cropped up several times in these hearings, and I would like to have you get a breakdown for us.

Mr. NEHMER. Yes, sir.

Senator MORSE. While you are preparing that memorandum, you may also include in it—although the most appropriate source would be the State Department, but you also in Commerce have some knowledge, I am sure—a description of any trade commitments that we have made with Japan that might have any bearing on whether or not Japan had cause to believe that if she spent the large sums of money that she has in building processing plants, she can count on the United States for adequate supply of logs to operate them.

Senator HATFIELD. Mr. Chairman, I have finished my questioning. I would like just to make one brief comment for the record.

Again I emphasize that this is not personal at all, but rather it is in the context of this problem of law and legal authority to act in a time of need. I just can't help but again observe that every bit of expert testimony that we have had from the timber industry, with minor exception here and there, everybody has given testimony to this committee which has not been unlike what we have discussed with the industry previously and with members of the administration, or as former Governor of my State of Oregon, not unlike that I heard from industry back then. The information given would clearly establish,