

constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail * * *

With respect to the application of the Export Control Act, we understand—and Acting Assistant Secretary of Commerce Nehmer testified before your Subcommittee—that the Department of Commerce had, on several occasions, considered the adoption of export controls for softwood logs under the “short supply” criteria of that Act, and on each of those occasions decided that the existing situation did not warrant the imposition of export controls. The decisions not to impose export controls on such occasions were not dictated by any obligation under the GATT but rather were based upon the judgment of the Department of Commerce after analysis of the information available to it and after appropriate consultation with interested agencies that the short supply criteria of the Export Control Act were not met.

Any consideration of export controls on softwood logs requires that adequate consideration be given to our obligations under the GATT. As is apparent from the above quoted excerpts from the GATT, that Agreement would not necessarily preclude imposition of export controls by the Department of Commerce.

With respect to export restrictions directed at the conservation of domestic resources, we understand that the Export Control Act does not authorize restrictions solely for conservation purposes. Paragraph (g) of article XX of the GATT, quoted above, would not preclude the United States from imposing export restrictions directed to the conservation of exhaustible natural resources if such measures are applied in conjunction with restrictions on domestic production or consumption. Thus, if there is an equitable sharing of the burden of conservation measures by both the domestic and the export sectors, the imposition of quantitative limitations to conserve the timber resource would present no GATT problem.

In implementing the provisions of the Export Control Act, the imposition of limitations on exports would be consistent with our international commitments as provided for in GATT articles I:1 and XIII:1 and our treaties of friendship, commerce and navigation provided such limitations are applied on a nondiscriminatory basis.

Maintenance of the principle of equal access for raw materials in international trade is of special significance to the United States, since we are increasingly dependent on foreign resources to meet the needs of our expanding economy.

Senator MORSE. Mr. Secretary, I have listened to you reading your statement and your answering the questions put to you by my colleagues on the committee. I heard nothing, however, that caused me to believe that the State Department at this time agrees that need for a Federal log and lumber mix in the Pacific Northwest calls for a prompt emergency relief now from the practices of the Japanese in the purchase of logs off of Federal timber, thereby making it necessary, if Oregon and Washington are to be given that relief, that some restrictions be imposed by our Government on the purchase and export of these logs to Japan.

So my first question is, does the State Department agree or not agree that the lumber industry in the Pacific Northwest is entitled now to a restrictive policy in regard to the purchase by Japan and the exportation as to the amount of logs that Japan purchased in 1966?

Mr. GREENWALD. Mr. Chairman, our position, I think is substantially the same as the other members of the administration group you have heard testifying, which is that we hope it will be possible to resolve the problem through the course of the discussions with the Japanese.

Senator MORSE. That is not responsive to my question. I am sorry, Mr. Secretary. My question calls for a yes or no, as far as I am concerned, although you are free to explain your yes or no however you wish.

Do you people in the State Department recognize, as of now, that the timber industry of the Pacific Northwest is entitled to a restrictive