

problem and in examining all available evidence from all sources. Log exports were not a serious issue during the first part of this decade. In view of the striking increases in log exports to Japan, the problems of the Pacific Northwest forest products industry have increased.

The second U.S.-Japanese discussions are scheduled for February 20 in Tokyo. Because demand for log exports is expected to double by 1970 and continue upward thereafter, the greater need is to arrive at a permanent understanding.

If for any reason negotiations do not appear to be reaching meaningful solutions, we are prepared to discuss with the Secretary of the Interior the actions to be taken under our existing authorities. The action taken will depend upon the judgment of the Government as to the best course.

There are some important considerations that need to be borne in mind in considering both the timing and nature of restrictive action. First, restrictions imposed upon Federal timber at this time would have little impact on total log exports during the current year. For example, there is over one billion feet of uncut timber in