

Senator HATFIELD. Why has there been this timelag in your area as it relates to Japanese interests and to Japanese purchases?

Mr. FORD. Primarily, I would think, because of the location of the particular type of wood which they want. The Japanese have always preferred what we in the timber business call the white woods—the hemlock, white firs, and spruce. These species have been more predominant up in Washington and along the Columbia.

Then No. 2, the cost of handling and loading logs up in those areas is roughly, I think, about 15 percent of what it costs to load logs out in the Coos Bay area. In other words, the place we export from in our area is Coos Bay. And in Coos Bay they still load the ships off of the water. You get up in Washington and the rest of the places they load off of docks. They use large cranes. They load a ship around the clock 24 hours a day. The areas where they work off of the water, like Coos Bay, safety standards require they only work through the daytime. If the water gets a little rough, a man cannot stand on the logs.

Senator HATFIELD. Mr. Ford, what is the kind of material that is coming into the American market today from the Canadian source as it relates to the original resource? Is it these white woods or what is it basically that is sold in the American market?

Mr. FORD. It is my understanding that for all practical purposes it is white woods—the spruce and the hemlocks and the white firs.

Senator HATFIELD. Then as I follow your reasoning, if the American mill operator did not have this \$10 to \$15 higher cost for his logs because of Japanese bidding, he would be able to fill much of the American market that is now being filled by the Canadian, because he would be able to have a lower price than the Canadians now enjoy, is this my understanding?

Mr. FORD. That is correct, and as an example, about 20 percent of our production of logs is in white wood. We are merchandising it.

Senator HATFIELD. And you are selling into the American market?

Mr. FORD. We are merchandising it on the American domestic market.

Senator HATFIELD. And this is because you have not experienced what other areas of our Northwest have already experienced—that is, namely, the Japanese involvement—so you are able to meet the Canadian competition today in the American domestic markets, is this my understanding?

Mr. FORD. I can only say we have sold every foot of lumber we have ever made.

Senator HATFIELD. And you feel that this could be true of the areas other than your own, if they did not have this present erratic factor of Japanese log exports?

Mr. FORD. I do.

Senator HATFIELD. I also understood you in your extemporaneous remarks following your written testimony, a very interesting comment, and Mr. Chairman, I may be wrong but I think this is a point that has not been spoken about by any other witness, and I want to know that I understood you correctly. I understood our witness to say that he believed that the American manufacturer could put the manufactured wood product into the Japanese market, the Japanese domestic market, in a competitive relationship, and I wanted to probe further into that, because so much of the impression we have today is