

for hemlock and the true firs and \$78.94 for Douglas fir. Stumpage prices have risen as a result. Although the stumpage prices of export species have risen faster than the other species none has escaped the effect of export demand. In prior years, when lumber and plywood markets reduced the demand for logs, stumpage prices fell. The new demand for export has nullified this response, and in the past two years of poor product markets, stumpage prices have continued to rise. As long as protected Japanese prices are allowed to effect stumpage prices paid by domestic mills, the cost of lumber and plywood in the U.S. will continue to increase. The result can only be the loss of markets to domestic mills.

The listings of lumber mills and plywood plants that have been permanently closed in the past two years give testimony to the plight of the industry. These closures were due to a combination of factors; poor product markets and the rising cost of logs made them unprofitable to operate or gave no justification for needed capital improvements. Although these losses in employment and to the communities they supported cannot be directly tied to log exports, there are some direct relations that can be measured. From standing timber each thousand board feet of logs requires 5.5 man-hours to export, 12.7 man-hours to produce lumber and 20.3 man-hours to produce plywood. Each million board feet of export logs takes with it 3.6 jobs in lumber manufacturing or 7.4 jobs in plywood production. In addition to the losses in manufacturing employment are the jobs lost in related supply and service industries and those in the sale and use of wood products domestically.

LOG EXPORT IMPACT ON NORTHWEST FOREST PRODUCTS INDUSTRY

In assessing the impact of log exports upon the forest products industry, it is necessary to realize that the question is not simply one of