

January 22, 1968
The Honorable Wayne Morse
Re: Log Exports

timber supplies. When we look at figures such as the average return to U.S. Forest Service sales which almost doubled from 1962 to 1966, we believe this itself is inflation in its severest form and is being permitted by Government who, on the other hand, proposes that both industry and labor move cautiously on wage and price increases. We think it cannot be denied, nor should it be, that the export of logs to Japan has helped create part of this spiralling increase in stumpage prices. However, I am sure no one would seriously contend that it, by itself, is anywhere near responsible for the doubling of prices in a span of 4 years. We believe there are many other factors that become involved including one American company bidding against another merely to run the price of stumpage up. This, they will, of course, deny. Company after company will bid, in many cases, beyond their ability to pay, trying to hang on hoping that something will happen that will prevent them from either closing, going broke, or taking out bankruptcy.

We could go on and cite many similar types of reasons but putting it simply, we believe the entire bid system should be abandoned and there should, in its place, be established, a reasonable and fair system and formula which would provide for lumber industry companies to purchase public owned timber at a fair and a reasonable price for stumpage in relationship to the finished products derived therefrom.

An additional comment which we might express, we do not understand why the Northwest lumber industry does not cut lumber in the odd sizes which would meet Japanese standards. Were they to do so, we would be hopeful this would lead to an expansion of the export of the finished lumber products rather