

INFORMATION SUBMITTED BY WFIA IN RESPONSE TO INQUIRY ON PAPER AND
PAPERBOARD

The manufacture of 1 million tons of paper or paperboard requires, as a rule of thumb, the entire wood fibre from one-half billion board feet of debarked logs.

Mr. McCracken. The extraordinary quality of this pressure in Japan for wood, as one would expect, is reflected dramatically in the price structure. According to data we have received from our Tokyo Embassy, the Japanese Composite Commodity Wholesale Price Index—based on 1960 equals 100—as of October 1967 was 108.2. But for lumber and wood products, the wholesale price index on the same base was an astounding 165.7.

That, briefly, is Japan—sharply soaring wood needs and a woefully inadequate domestic wood supply.

What about the Oregon-Washington area, or even some of the intermountain area as a source of wood for Japan.

If price is any indicator, we certainly have no present surplus of lumber. Random Lengths, a standard trade journal published weekly in Eugene, Ore., shows prices in December 1967, for dimension lumber sharply above prices for the same month during the years 1962-66. Some specimen prices:

2 by 4 standard and better	December 1967	Highest December 1962-66
Green Douglas-fir.....	\$78	\$65
Kiln-dried Douglas-fir.....	89	79
Kiln-dried hemlock.....	80	66
Kiln-dried white fir.....	84	71
Green fir and larch.....	80	68

These are hardly the kinds of prices that accompany a lumber surplus.

Nor does this promise to be a temporary situation. In 1967, we started about 1.3 million nonfarm houses. According to the usually reliable forecast of Western Wood Products Association in its publication, Trends and Prospects:

Basic demand for nonfarm housing starts is projected at 1,750,000 units per year for 1968-70 and at 2,000,000 units per year for 1971-1975.

Consumption of softwood lumber in the United States should increase from 33.9 billion board feet in 1967 to 39.2 billion board feet in 1972—an increase of about 16 percent. Most of the gain in demand will be due to residential building, but other markets can be expected also to grow at a moderate rate.

There we have something of the dimensions of the problem that Mr. Smith described. With our domestic wood supply already tight, we have to find another 5.3 billion board feet annually to house our own people. On top of this, according to Pulp and Paper cited above, our consumption of paper and paperboard will increase from 46,242,000 tons in 1965 to 56,162,000 tons in 1970, and continue the climb to 66,634,000 tons in 1975 and 77,933,000 tons in 1980. Simply to supply this American load will tax our capabilities as we now measure them.

The rest of the world seems to understand and, therefore, to be disturbed by the situation. The Director, Forest Products Division, Business and Defense Services Administration, Department of Commerce, reported on the Annual European Softwood Importers' and Exporters' Conference held in Madrid on October 16-19, 1967. He said: