

The fact is that the Japanese Government believes, first, that it must reduce the cut on Japanese forests, and, second, that the Japanese wood products manufacturing capacity must be maintained at full productive efficiency if the capital invested therein is to be preserved and if payrolls and employment are to be maintained. Hence the sudden Japanese quest for soft wood logs in the one market that as of this moment happens to be readily available to it. We think there are other solutions.

At any rate, current West Coast log export statistics are little more than symptoms of the problem that suddenly confronts the United States. An understanding of the internal Japanese resource situation demonstrates that our problem will swell - that far deeper trouble portends.

Solely in order that the Departments may be informed of what happened in the two months between the end of their statistics and the date of their report, shipments of West Coast logs during the first six months of 1961 are as follows:

Log Exports to Japan (Brereton Scale)

Port*	1960	1st 6 Mos. 1961
Port Angeles	None	8,000 ***
Coos Bay	62,467	40,593 **
Portland)		
Longview)	32,192	105,242 ***
Vancouver)		
Astoria)		
Grays Harbor	4,400	32,801 **
Olympia	None	4,189 **
Bellingham	Not Available	13,561 **
Tacoma	None	24,180 **
Stockton	16,000	5,800 ***
		<u>234,366</u>

* Everett: First log ship in recent history now loading from this port.

Willapa: Shipped 1,500 M in 1st 6 mos., with one more ship now loading -- 1st log shipments in recent history from this port.

** Jan-May based on actual shipments. June based on reports from port managers who based estimates on space reserved for vessels to be loaded.

*** Actual shipments for June included.

STATE DEPARTMENT REPORT

2. United States exports to Japan of West Coast softwood lumber have increased sharply in the first four months of 1961 compared with the corresponding 1960 period. Virtually all the increase is in softwoods other than Douglas-fir: the increase for fir was from 12,911,000 board feet (lumber tally) to 13,296,000 board feet, and for other softwoods was from 3,247,000 board feet to 17,717,000 board feet. Through April, each successive month of 1961 saw an increase in exports of West Coast softwood lumber to Japan.

WFIA COMMENT

Lumber exports to Japan now appear to be subsiding. This may be due in part to the 10% ad valorem duty that the Japanese imposed as of June 1, 1961 on imports of Pine, Fir, Cypress and Larch lumber. Considering the Japanese desire to maintain their full employment, to protect their investments and to maintain their tax base, it is understandable that the Japanese impose no duty upon the import of logs.

Lumber shipments to Japan from the United States, according to an address made on June 2, 1961, at Corvallis, Oregon, by Mr. James M. Owens, Director Forest Products Division, Business and Defense Services Administration, and Department of Commerce,