increased during the first three months of 1961 by 6% over the corresponding period of 1960. But, from British Columbia, where the law allows export of only a nominal volume of <u>logs</u>, the export of <u>lumber</u> has increased several hundred percent. The British Columbia export record seems to demonstrate that the Japanese can buy the wood products they need for consumption without the destruction of our jobs, our investments and our tax base.

STATE DEPARTMENT REPORT

3. The Forest Service estimates that the present backlog of firm orders of logs, other than Port Orford cedar, for export to Japan is around 250 million board feet. Available shipping space and port facilities make it doubtful if this backlog can be shipped in 1961. If maximum feasible exports in 1961 should prove to be 220 million board feet, this amount is 2 percent of expected total log production in western Oregon and Washington. A trade source reports that some Japanese buyers are beginning to have surpluses, and may start to diminish their rate of purchasing.

WFIA COMMENT

The Departments' bland suggestion that log exports may be falling off bumps against the hard fact that from Columbia River ports, for example, in the two months of May and June, log exports to Japan (46,680 M feet Brereton) almost equaled the shipments from these same ports during the preceding four months, January-April (53,080 M feet Brereton). And in part 7 of its own memorandum, the Department of State reports a statement by the Japanese Government that demand for soft wood log imports continues strong.

The Departments put the problem into a distorted context when they say that 1961 export of 220 million board feet would by only 20 of expected total log production in Western Oregon and Washington. The primary thrust of the Japanese incursion is in the port areas. In some of these port areas the Japanese seem to be removing at least 20% of the log supply available for purchase. (Minutes, p. 8, lines 8-13, 32-37; p. 9, lines 12-28.) And it is elementary that a mill can be forced to close and its employees thrown out of work long before the log supply is reduced to zero. At the point where the log supply is so inadequate as to cause operation at an unbearable loss, then the mill is forced to close even though it may have some logs available to it for sporadic or reduced operating levels. These are simpleaxioms of forestry and mill economics that the Departments, for reasons that are probably known to them, seem not to have reported to the Senators.

Whether the total volume of 1961 log exports to Japan will be 2% of the log-cut West of the Cascades or whether it is 4%, or even more, is again a question of schoolboy interest. Again the Department fails to fasten on to the basic human and natural resource problem.

American sawmills are not mobile. Frequently they are found in small towns. There they constitute the community's economic core.

The mill furnishes the major payroll and often even the excuse for the existence of the community. If the Japanese raid the timber tributary to this mill, it must close, its workers are rebbed of their investment in their homes. And the older workers may even be rebbed of their opportunity for the future. To this community and to these workers, it makes little difference that only 25 or 45 or whatever percentage of the total log supply of the entire area West of the Cascades is exported to Japan.

Note that even the Department's projections, bland as they are, are the equivalent of removing an average-size national forest from this area. More likely, we shall lose the resource production of two such forests this year.

If the Forest Service now reports that log exportation from our area is meaningless, it is guilty of fooling the people and the Congress either now or in its recent budget presentations when it represented, and we think truthfully, that the Pacific Northwest is a seriously log short area. The prices bid over appraisal for public timber offerings during 1960 and 1961 in the most affected areas is full proof that mill operators do not think there are logs to spare.