

Lumber Co., at Olympia, Washington. Export of these logs to Japan has left the Buchanan Lumber Co., on the verge of closing and its workers facing unemployment.

Private and BLM sales of thinnings have found ready markets. One recent BLM sale of thinnings brought enough competition to sell at double the appraised price. To infer that there is no market for small material is absurd.

While it is by no means clear as to what the Department means by Japanese preference for logs of less than average size and quality, it is clear that in this area there is a market, the manufacturing capacity and the labor force to process such material. (Minutes, p. 1, lines 14-33; p. 5, lines 14-28, p. 8, lines 23-31).

The statement that peeler logs are not being purchased is simply not true. (Minutes, p. 3, lines 26-30; p. 4, lines 1-12). The statement is also misleading because it ignores the export of the peelable sawlogs on which plywood plants depend so heavily.

In the depressed area of The Dalles, the last, remaining mill needs pine logs. Recently the mill operator, as is his custom, gave his regular logger checks for use in bidding on two Forest Service sales on which the pine averaged 36 inches D.B.H. The logger bought the two sales but returned the checks, and told the operator that he had received and accepted an offer of an additional \$3.00 per M. for the pine for export to Japan. This mill operator has logs or timber to operate only for the next eight weeks. (minutes, p. 9, lines 12-28).

STATE DEPARTMENT REPORT

5. The primary source of export logs is west of the Cascade summit and north of the Columbia River in the State of Washington. A considerable portion of such material is transported to the Columbia River and shipped from the ports of Portland and Longview and shows up in the statistics of the Oregon customs district. A secondary source is the portions of western Oregon where logs can be economically brought to the Columbia River or to the Willamette River below Albany, Oregon, and the area tributary to Coos Bay, Oregon.

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Dislocation is not confined to the areas where actual purchases are made for export to Japan. When Japanese purchases are made in any area, the mills located there must either reduce or close their operations or reach out into other areas for logs. But when they reach to other areas, they force the mills that are located there to reduce their production or close their mills. For example, mills in the Eugene area, which is above Albany, are feeling the pressure because logs in the area from which they normally draw their supply have been purchased at an excessive price for a long and seemingly uneconomic haul to the navigable portions of the Willamette River for ultimate shipment out of the Columbia River ports to Japan. Still other Eugene area logs are moving at bankrupting prices to Columbia River mills that have lost their tributary supply to Japan. (Minutes, page 7, lines 24-37). The Roseburg mills will also encounter dislocations because Coos Bay operators understandably must reach northeasterly in an attempt to replace the logs from Coos Bay that are going to Japan. (Minutes, page 9, lines 29-37; page 10, lines 1-12). In short, the impact of Japanese log purchases is spreading throughout Western Oregon and Washington. (Minutes, page 3, lines 23-25; page 10, lines 32 et seq).

STATE DEPARTMENT REPORT

6. It is estimated that at least fifty percent of the log volume to be exported this year will be cut from national forests in the State of Washington. The remainder will come primarily from private lands. Export of logs from national forests or Bureau of Land Management lands in the State of Oregon is expected to be minor. Undoubtedly some logs cut from the extensive State timber holdings in western Washington will be exported. The State of Washington has taken no action on controlling log export from State lands. Possibly 100 million