

of lumber from the logs it saws.

6. The increase in log exports to Japan, which has come in a period of poor market conditions and relatively low production rates for the domestic lumber industry, thus far appears to have had no discernible adverse impacts on employment or production in the domestic forest products industry. Increased log exports to date have had a favorable effect on logging and port activities.

WFIA COMMENTS

All items included in the summary are answered above.

STATE DEPARTMENT REPORT

Conclusion

It is evident that Japanese purchases of saw logs in the Pacific Northwest have considerably increased in 1961 compared with the same period in 1960. The information that has been developed does not show, however, that increased exports of logs have harmed the domestic lumber industry. Limitations on shipping facilities and signs that demand is weakening make it seem unlikely that log exports will reach such a scale as to harm the domestic lumber industry.

Available information up to now does not suggest that increased purchase of sawlogs in Oregon and Washington has been artificially stimulated or subsidized by the Japanese Government. To meet the domestic demand for lumber, the Japanese are cutting their domestic stands at a high rate, and have increased imports of both lumber and logs.

WFIA COMMENT

The conclusion that the American lumber industry is not harmed ignores the facts that should have been known to and reported by the agencies. When the facts are put in a frame of reference that is related to reality, the harm is clear.

In the light of the fact that as of June 1, 1961, the Japanese Government has imposed a 10% ad valorem duty on some soft wood lumber but not on soft wood logs, we are at a loss to explain the Departments' statement that the Japanese purchase of sawlogs in Oregon and Washington has not been artificially stimulated by the Japanese Government. The Departments' statement surpasses our understanding.

Nor do we fathom the Departments' casual unconcern with this new pressure to overcut our timber supply -- particularly the small wood lot of thrifty, immature timber on which, the Forest Service says in its Timber Resources Review, we shall have to depend so heavily in another few years.

The inadequacy of the Departments' report, its failure to comprehend or even take note of the basic resources and human problems, indicates that full and realistic evaluation of the scope and consequences of the log export problem and the consideration of possible remedial steps require investigation from the Congress rather than from the Executive agencies.