

Exports of softwood logs from the Pacific Northwest have increased steadily and substantially during the past 7 years. They attained an unprecedented high level in 1967, when they reached an estimated volume of 1.6 billion board feet, of which an estimated 1.5 billion were exported to Japan.

Because of the nature of the export buying, domestic consumers—the large companies, as well as the smaller nonintegrated mills dependent on public timber—have objected strenuously to the adverse effects on their operations. At the same time, however, other sectors of industry and labor, such as exporters, stevedores, and port authorities have benefited from increased log exports.

The increased demand for the available log supply has been a factor in the rising trend of log prices to a point which some domestic mills indicate endangers their existence. We recognize that the demand pressure on the available supply would be relieved over the long term by more intensive forest management practices, such as reforestation, precommercial thinning, and additional timber access roads. However, we are confident that the Federal agencies responsible for the management of Federal timberlands are cognizant of these possibilities.

The Department of Commerce has been greatly concerned with the Pacific Northwest log export problem for some time. Recognizing that a better balance between exports of logs and wood products would contribute greatly to the improvement in the position of the Pacific Northwest mills, the Department has been instrumental in the development of an aggressive export promotion program by the lumber and plywood industries, directed primarily to Japan.

The Department gave assistance to three industry-approved trade missions to Japan. These were the American Plywood Association missions in August 1964 and April 1965 and the then West Coast Lumbermen's Association—now, the Western Wood Products Association—mission in April 1965.

Subsequent to the first plywood mission, exports of softwood plywood exports to Japan from Oregon and Washington rose from 200,000 square feet in 1964 to an estimated 9.7 million in 1967; softwood plywood exports to Japan prior to 1964 were negligible.

Senator MORSE. May I interrupt for just a moment, Mr. Secretary, because I think this is a good place to supplement your testimony—

Mr. NEHMER. Yes, sir.

Senator MORSE. At this time in 1964, how many plywood plants were there in Japan? Do you know?

Mr. NEHMER. I do not know offhand. We can look into this, Mr. Chairman.

Senator MORSE. I wish you would, because let me state now that the building of plywood plants in Japan has been of recent date. But the building of mills for processing of round logs into lumber has been of a much earlier date.

The record also should show, and we have it already in the record, that there is now increasing interest in the development of plywood plants over there, too.

I speak from recollection, Mr. Counsel; but please check the record for this documentation. I think you will find that in the earlier testimony of Mr. Jones.