

1957-59 base. Softwood plywood in mid-1967 averaged only 82.2 percent of the 1957-59 base -- near the lowest point ever reached. This reflected a sharp drop in housing construction.

In late 1967, prices for lumber and plywood advanced. Douglas fir dimension lumber, for example, increased about 20 percent, while plywood prices were nearly eight percent higher than in mid-1967. It is too early, however, to determine if the changing pattern of lumber, plywood and stumpage prices in later 1967 represents a significant change in the domestic market trend.

The substantial rises in stumpage and log prices plus increases in production costs have occurred in the face of smaller increases in prices of lumber and actual reductions in prices of plywood through mid-1967 may have contributed to a cost-price squeeze.

Timber Supplies

Log production in western Oregon and Washington rose about 2.2 billion board feet, log scale, between 1960 and 1965 to a peak of 13 billion board feet. In 1966 and 1967 log production declined to about 12 billion board feet.

The allowable cut of timber from National Forests, BLM and other public