

# **SOFTWOOD LUMBER FROM CANADA**

**Determination of the Commission  
in Investigation No. 701-TA-197 (Preliminary)  
Under Section 703(a) of the  
Tariff Act of 1930, Together With  
the Information Obtained  
in the Investigation**

**USITC PUBLICATION 1320**

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**United States International Trade Commission / Washington, D.C. 20436**



**UNITED STATES INTERNATIONAL TRADE COMMISSION**

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UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, D.C.

Investigation No. 701-TA-197 (Preliminary)

SOFTWOOD LUMBER FROM CANADA

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Canada of softwood lumber, provided for in items 202.03 through 207.30, inclusive, of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of Canada. 2/

Background

On October 7, 1982, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of the United States Coalition for Fair Canadian Lumber Imports, a group of 8 trade associations and more than 350 domestic producers of softwood lumber products, alleging that imports of softwood lumber from Canada are being subsidized by the Government of Canada within the meaning of section 701 of the act (19 U.S.C. § 1671). Accordingly, effective October 7, 1982, the Commission instituted a preliminary countervailing duty investigation under section 703(a) of the act (19 U.S.C. § 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with

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1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i), 47 F.R. 6190, Feb. 10, 1982).

2/ Commissioner Stern also determines that there is a reasonable indication of threat of material injury by reason of the allegedly subsidized imports.

material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise from Canada.

Notice of the institution of the Commission's investigation and of a conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on October 20, 1982 (47 F.R. 46780). The conference was held in Washington, D.C., on November 3, 1982, and all persons who requested the opportunity were permitted to appear in person or by counsel.



## VIEWS OF THE COMMISSION

In this preliminary countervailing duty investigation, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of softwood lumber from Canada. 1/ 2/ Our reasons for this determination are discussed below.

Domestic industry

As a threshold consideration the Commission is required to define the domestic industry against which the impact of the subject imports is to be examined. Section 771(4)(A) of the Tariff Act of 1930 defines the domestic industry as "the domestic producers as a whole of a like product or those producers whose collective output of the like product constitutes a major proportion of the domestic production of that product." 2A/ "Like product" is defined in section 771(10) as a "product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation. . . . 3/

The term "softwood lumber" refers to a variety of wood products made from coniferous species of trees. These products include boards, planks, timbers, framing materials, moldings, flooring, and siding. The Canadian imports covered by this investigation, however, are limited to those items listed in

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1/ Commissioner Stern also determines that there is a reasonable indication that an industry in the United States is threatened with material injury.

2/ Material retardation of the establishment of an industry is not at issue in this investigation.

2A/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

items 202.03 through 202.30 of the Tariff Schedules of the United States. 4/ Excluded from coverage are drilled and treated lumber, wood siding, and edge-glued or end-glued wood not over 6 feet in length or over 15 inches in width.

The items covered by this investigation, both imported and domestic, vary based upon such characteristics as size, shape, stage of manufacture, moisture content, and grade. 5/ In terms of usage, softwood lumber has its principal applications in the construction, shipping, and manufacturing industries. Normally about 45 percent of consumption of these products is for new housing. 6/

Information available to the Commission indicates that the softwood lumber products offered by Canadian mills in the United States market are generally fungible and interchangeable with U.S.-produced items. 7/ Moreover, this substitutability is not ordinarily dependent on the products having been fabricated from the same species of tree. Southern yellow pine, which does not grow in Canada, generally competes with Canadian spruce-pine-fir products for the same uses. Although certain wood species are preferable in particular construction applications, price differentials may make a less desirable kind of wood competitive even in those applications. 8/

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4/ Notice of institution of investigation, 47 F.R. 46780 (Oct. 20, 1982).

5/ Report at A-2 to A-3.

6/ Id. at A-4.

7/ Transcript of staff conference at 19.

8/ Id. at 101-102. One witness testified at the staff conference that perhaps 80 percent of all uses are common to all species. Transcript at 102, 104-109. Other kinds of wood and nonwood products can be substituted for softwood lumber in certain applications, depending in part both on performance characteristics and price. Each of these items is interchangeable with softwood lumber only with respect to limited applications and none is competitive with, or substitutable for, softwood lumber in the broad range of its uses.

Imported and domestic softwood lumber products may differ significantly in their sizes, shapes and other specifications. However, all such products share generalized characteristics and uses. Softwood lumber produced domestically, as well as that imported from Canada, is sold to U.S. wholesalers, who often mix the domestically-produced and imported products prior to resale. There is no information that would warrant making any distinctions between them for purposes of determining the like product. Therefore, we define the like product for purposes of this preliminary investigation to include all softwood lumber products covered by the Commission's notice of investigation. <sup>9/</sup> On the basis of our like product definition, we determine the industry to consist of all domestic producers of softwood lumber covered by the scope of this investigation.

#### Condition of the domestic industry

The Commission is required to make its preliminary determination on the basis of "the best information available to it at the time of the determination." <sup>10/</sup> Our assessment in this case of the question of material injury or threat thereof to the domestic industry is limited by the sparseness of the information received in response to Commission questionnaires. However, such information is reasonably reliable and consistent with the trends in the data available from published sources. In any final investigation, the Commission will seek more extensive and detailed information on the industry and the impact of the allegedly subsidized imported products under investigation.

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<sup>9/</sup> We note that this is the definition proposed by the petitioner and that respondents have not contested this definition.

<sup>10/</sup> 19 U.S.C. § 1671b(a).

Demand for softwood lumber is highly dependent on residential housing construction. 11/ The domestic softwood lumber industry is unquestionably undergoing a decline at present, but to a great extent this has been caused by slackened consumption of its products brought about by the drop in residential housing construction. 12/ Domestic consumption fell from 38.9 billion board feet in 1979 to 29.8 billion board feet in 1981. It further declined to 18.9 billion board feet in the January-August 1982 period compared with 21.4 billion board feet in the same period in 1981, a 12 percent drop. 13/

U.S. production has declined from 29.7 billion board feet in 1979 to 24.3 billion in 1980 and 22.7 billion in 1981. The decline continued in the first eight months of 1982, falling to 14.3 billion board feet compared with 16.3 billion board feet in the same period in 1981, a decline of 12 percent. 14/ Domestic producers' shipments dropped along with the decline in production. 15/

A number of mills in this industry have closed in recent years. From 1979 to 1981 the number of mills producing softwood lumber has decreased 5.6 percent. 16/ These closings largely account for the 8 percent decline in production capacity over the same period from 31.5 to 29 billion board feet. A further capacity decline of 18.6 billion board feet was marked in the

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11/ Report at A-6 to A-7.

12/ The act does not "contemplate that injury from . . . imports be weighed against other factors (e.g., . . . contraction in demand . . .) which may be contributing to overall injury to an industry." H. Rep. No. 96-317, 96th Cong., 1st sess. 47 (1979).

13/ Report at A-6 to A-7, A-46, Table 1.

14/ Report at A-12, A-46, Table 1. Data provided by 21 firms accounting for approximately 23 percent of U.S. production responding to the Commission's questionnaires were fairly consistent with these industry figures. Id. at A-14.

15/ Report at A-14.

16/ Id. at A-12.

beginning eight months of 1982, a 10 percent loss compared with same period in 1981. 17/

Despite falling capacity, utilization of available capacity has also continued to decline since 1979. Figures provided both by overall industry sources and by the firms responding to questionnaires indicate that capacity utilization fell about 20 percent from 1979 to 1981. Further declines were registered in January-August 1982. 18/

Thirteen U.S. producers, accounting for approximately 10 percent of production in 1981, supplied information concerning profitability on their softwood lumber operations. 19/ These firms reported a decline in net sales of 23 percent from 1979 to 1981 and a further decline of 25 percent in the first eight months of 1982 compared to the corresponding period in 1981. In 1979, the firms posted an aggregate operating profit of \$82 million, or 9.4 percent of net sales. Thereafter, they sustained operating losses of \$30 million in 1980 and \$99 million in 1981, which equalled 4.4 percent and 14.8 percent of net sales, respectively. A further operating loss of \$56 million, or 15.7 percent of net sales, occurred in the first eight months of 1982. 20/

Reasonable indication of material injury or threat of material injury by reason of allegedly subsidized imports. 21/

Although the drop in consumption due in large part to the decline in

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17/ Id. at A-12.

18/ Id. at A-13.

19/ We note that the responses to the Commission's questionnaires concerning the condition of the industry were limited. In a final investigation we would anticipate an improved response rate.

20/ Id. at A-15 to A-16, A-56, Table 12.

21/ Commissioner Haggart determines that there is a reasonable indication of material injury and does not reach the issue of threat of material injury.

residential housing construction has greatly affected this industry, we find a reasonable indication that allegedly subsidized imports from Canada have caused material injury. 22/ Over 99 percent of all imports of softwood lumber are from Canada. Imports have declined recently from 10.9 billion board feet in 1979 to 9.4 billion in 1980, 9 billion in 1981, and 5.7 billion in the period January-August 1982 compared with 6.4 billion in the period January-August 1981. While the absolute volume of imports has declined, the percentage of the U.S. market held by imports has increased slightly during this period of declining consumption. As a percentage of consumption, imports increased from 28 percent in 1979 to 29.5 percent in 1980 and 30.2 percent in 1981, slipping to 29.9 percent in the first eight months of 1982. 23/

There is sufficient information in the record to conclude that the softwood lumber products are fungible and that the commodity nature of the market for these products requires sales to be made on the basis of price. 24/ Prices fluctuate on a daily or on an even more frequent basis. 25/ Although very limited data regarding specific prices were supplied in response to the Commission's questionnaires, published data indicate a downward trend in both domestic and imported prices of certain softwood lumber products during the period under investigation. 26/ For example, monthly

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22/ Commissioner Stern notes that due to problems with the basic assumptions used in the petitioner's regression analysis, she was unable to use it. See Memorandum of Nov. 15, 1982, from the International Economist, Office of Economics, to the Commission.

23/ Report at A-22.

24/ Other indices of causation besides import penetration, such as lost sales and price suppression and depression, have been cited by the petitioner. These will be examined further in any final investigation.

25/ Transcript of staff conference at 25.

26/ Report, at A-19 to A-21.

comparisons of Canadian Douglas fir, f.o.b. mill British Columbia, and prices for U.S. Douglas fir, f.o.b. mill Portland, reveals that the prices of the Canadian product did not exceed those of the U.S.-produced product during the entire period January 1979-August 1982. 27/ At certain times, the price differential exceeded \$50 per thousand board feet. 28/ 29/

Import trends indicate a likelihood of continued influence by Canadian products on the U.S. market. As noted above, there have been recent small increases in market penetration by imports. Additionally, the Canadian industry is dependent on export trade for a large portion of its business because of the relatively limited Canadian demand for its products which, like that in the United States, is also presently depressed by a decline in homebuilding. Since 1979, 55 percent of Canadian production has been exported to the United States, and Canada has capacity for increasing this level of exporting. 30/

For the above reasons, we have concluded that there is a reasonable indication that an industry in the United States is materially injured by reason of allegedly subsidized imports of softwood lumber from Canada.

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27/ Id. at A-19 to A-21.

28/ Id.

29/ The pricing information raises certain issues regarding causation. The importers have argued that any underselling can be explained in large part, if not entirely, by the difference in exchange rates caused by the devaluation of the Canadian dollar. These issues will be explored further in any final investigation.

30/ Id. at A-22 to A-23.





## INFORMATION OBTAINED IN THE INVESTIGATION

## Introduction

On October 7, 1982, the U.S. International Trade Commission and the U.S. Department of Commerce received a petition from counsel on behalf of the United States Coalition for Fair Canadian Lumber Imports, a group of eight trade associations and more than 350 firms (accounting for approximately 8 percent of total U.S. production of softwood lumber in 1981 as reported by Forest Industries, 1982 Annual Lumber Review), alleging that ". . .the federal and provincial governments in Canada subsidize, directly and indirectly, the Canadian forest products industry, including softwood lumber, through a broad variety of programs and practices" and that an industry in the United States is materially injured by reason of imports of such subsidized softwood lumber 1/ from Canada. The Commission, therefore, instituted a preliminary countervailing duty investigation under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of such imports. The statute directs that the Commission make its determination within 45 days of its receipt of the petition, or in this case, by November 22, 1982. Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on October 20, 1982 (47 F.R. 46780). 2/ The public conference was held in Washington, D.C., on November 3, 1982, 3/ and the Commission voted on the investigation on November 17, 1982.

## Nature and Extent of Alleged Subsidies

The petitioner alleges that the Federal and Provincial governments of Canada subsidize, directly and indirectly, the Canadian forest products industry through a broad variety of programs and practices.

Although the petitioner lists a dozen programs that provide the alleged subsidies, the petitioner states that the principal one, by far, is the granting of stumpage rights. 4/ Specifically, the petitioner claims that the Canadian forest products industry is allowed to cut timber on government-owned lands at a fraction of the timber's actual market value.

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1/ Softwood lumber is classifiable under items 202.03-202.30 inclusive of the Tariff Schedules of the United States (TSUS).

2/ Copies of the notices of investigation for the Commission and Commerce are presented in app. A.

3/ A list of witnesses appearing at the conference is presented in app. B.

4/ Stumpage is standing timber which is to be cut for manufacture into various articles such as softwood lumber; virtually all the standing timber in Canada is owned by the Provincial governments.

The other alleged subsidy of note involves Federal-Provincial government agreements, i.e., a series of agreements between the Federal and Provincial governments for reforestation, silviculture, construction of access roads, timber salvage, and interest-free forgivable loans to assist in the modernization, expansion, or establishment of small-business enterprises which would normally not meet the criteria for other financial incentive programs.

The petitioner alleges that the subsidies for stumpage constitute about 95 percent of the estimated value of all of the subsidies and averaged \$113.78 out of a total of \$120.94 per thousand board feet in recent years. This total amount, the petitioner points out, was equivalent in 1980 to about 65 percent of the average unit value of U.S. imports of softwood lumber.

The petitioner maintains that the Federal-Provincial government agreements constitute more than 4 percent of the estimated value of all subsidies. The petitioner alleges that the value of this program has been about \$5.29 per thousand board feet in recent years.

## The Product

### Description

The term "softwood lumber" relates to a wide variety of products--such as boards, planks, timbers, framing materials, moldings, flooring, or siding--produced from coniferous species of trees. However, for purposes of this investigation, the term "softwood lumber" refers only to those products included in items 202.03-202.30 of the TSUS (rough, dressed, or worked softwood lumber). 1/ Specifically excluded are drilled and treated lumber, wood siding, and edge-glued or end-glued wood not over 6 feet in length or over 15 inches in width.

The term "softwood lumber," when associated with U.S. exports, generally will refer only to articles covered by Schedule B items 202.0420-202.3140 (rough, dressed, or worked softwood lumber), 2/ which again excludes drilled and treated lumber, wood siding, and edge-glued or end-glued wood not over 6 feet in length or over 15 inches in width.

The U.S. softwood lumber production figures presented in this investigation are reported by the National Forest Products Association on a basis comparable with import and export data.

According to the extent or stage of manufacture, lumber (both softwood and hardwood) is classified in the TSUS as follows:

Rough lumber--lumber just as it comes from the saw, whether in its original sawed size or edged, resawn, crosscut, or trimmed to smaller sizes.

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1/ For statutory descriptions of these item numbers, see app. C.

2/ For descriptions of these item numbers, see the excerpt from Schedule B in app. D.

Dressed lumber--lumber which has been dressed or surfaced by planing on at least one edge or face.

Worked lumber--lumber which has been matched (tongue-and-grooved), shiplapped (rabbeted or lapped joint), or patterned on a matching machine, sticker, or molder.

Most lumber is also classified into three general size categories--board, dimension, or timber. The term "board" is generally used to describe lumber less than 2 inches thick and 2 or more inches wide. Boards less than 6 inches wide may be called strips. Dimension lumber generally refers to lumber 2 inches thick, but can include lumber up to but not including 5 inches thick, and over 2 inches wide. Dimension lumber may be classified as framing, joists, planks, studs, rafters, and so forth. Timbers are 5 inches or more in the smallest surface dimension and are sometimes referred to as beams, girders, and so forth.

Lumber is classified according to its moisture content as green or dried. 1/ Often, more than half the weight of green lumber is moisture. Some lumber is used green because various characteristics of the wood make such use easier or more economical. However, to prevent warping, most lumber is seasoned by drying before retail sale.

Generally, lumber is measured by the board foot, a three-dimensional unit which, for tariff purposes, is described in the TSUS as--

The quantity of lumber contained in, or derived (by drying, dressing, or working, or any combination of these processes) from a piece of rough green lumber 1 inch in thickness, 12 inches in width, and 1 foot in length, or the equivalent of such piece in other dimensions.

The above description of a board foot is on a rough green basis. In addition, the American Lumber Standards for Softwood Lumber 2/ sets forth minimum measurements for dressed lumber. For example, a rough 2x4 piece of lumber can be a minimum of 1-1/2 inches by 3-1/2 inches when dressed.

Softwood lumber is usually graded at the sawmill on characteristics which affect its strength, durability, utility, and/or appearance. Some common defects that lower the grade are knots, splits, shake (separation of annual rings), wane (bark or lack of wood on corner or edge), and pitch pockets. Standard rules for grading of lumber are published by regional lumber manufacturing or marketing organizations; they vary with geographic regions and species of lumber.

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1/ Generally, lumber with a moisture content of 18 percent or under is considered dried.

2/ These standards are published by the U.S. Department of Commerce in cooperation with manufacturers, distributors, and users.

Uses

Softwood lumber is readily workable, has a high strength-to-weight ratio, and is moderately durable; hence, it is widely used in the construction, shipping, and manufacturing industries. In years of normal construction activity, it is estimated that about 45 percent of the annual consumption of softwood lumber is used in new housing, as shown in the following tabulation: 1/

<u>End use</u>	<u>Percentage distribution of U.S. consumption</u>
Construction:	
New housing-----	45
Residential upkeep and improvement-----	15
New nonresidential construction-----	10
Shipping-----	10
Manufacturing-----	5
Other-----	<u>15</u>
Total-----	100

In years of poor housing starts, the amount of softwood lumber used in new homes may be somewhat less than 45 percent.

For a given end use, softwood lumber of different species or from different regions is generally interchangeable. However, for some uses, a specific species is frequently preferred because of its particular characteristics--e.g., Douglas-fir for house framing, redwood for home exteriors, and white pine for moldings.

Competitive products

Wood or wood-based products--such as plywood, hardwood lumber, hardboard, particleboard, insulation board, medium density fiberboard, and certain paperboards--as well as nonwood products--such as metal, plastics, and brick--compete with softwood lumber in many of its important uses. In many cases, the substitute products are more economical for a particular use, and in other instances, their unique performance characteristics may be a factor.

Plywood and the various building boards are frequently used in lieu of lumber as sheathing and subflooring or underlayment, as concrete forms in construction, and in the manufacture of furniture and other articles. Plywood and hardboard also replace lumber in some types of containers.

Hardwood lumber competes with softwood lumber in the manufacture of pallets, furniture, and various other articles. In areas where both hardwood and softwood lumber are produced, there is localized competition in some types of rural construction and in shipping (both containers and dunnage).

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1/ U.S. Forest Service, An Analysis of the Timber Situation in the United States 1952-2030, p. 95.

To some extent, paper and paperboard products have replaced lumber in the shipping container market and in construction. For example, paper honeycomb is used as a substitute for wood cores in plywood flush doors.

Nonwood materials have long competed with, and have often been substituted for, lumber. For example, brick and concrete block are important building materials in the construction industry. Aluminum, which to some extent replaced softwood lumber in window frames and sash, particularly in low-cost, mass-housing projects, now also competes with wood as a house-siding material. Steel studs compete with wooden ones, especially in nonresidential construction. Plastics and lightweight metals, such as aluminum and magnesium, have replaced lumber in many manufactured items.

### Manufacturing processes

Most sawmills are operated by concerns for which the sawmill and its attendant operations (logging, planing, retail selling, etc.), if any, are the sole business. In some cases, facilities for the further manufacture of lumber (e.g., a millwork plant) are integrated with the sawmill and planing mill. Some mills are operated by companies engaged in the production of more than one major forest product (e.g. plywood, pulp and paper). In multiproduct concerns, products other than lumber are generally produced in separate plants which may either be adjacent to the sawmill or located at other sites. Where the plants are adjacent, such facilities as the log yard, debarker, and power plant are often shared.

Most of the large mills are operated by corporations, whereas the smaller mills are predominantly partnerships and individual proprietorships. A few sawmills are operated by concerns or institutions not primarily engaged in the production of lumber (e.g., railroads, landholding and mining companies, schools, and other industries).

In general, the U.S. and Canadian softwood lumber industries use the same production methods. Both industries have access to the same technology. Plant size, layout, and capital equipment differ no more between U.S. and Canadian mills than they do between mills in different regions within each country. Conditions found in processing and product mix do not vary significantly when mill size and the quality and volume of raw material available are similar. When mills in adjacent areas along the U.S.-Canadian border are compared, differences noted in production methods are minimal.

## Tariff Treatment

### U.S. tariff treatment

As shown in appendix C, all of the items covered in this investigation have a free column 1 rate of duty. 1/ Rates of duty for softwood lumber

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1/ The rates of duty in rate of duty column numbered 1 are most-favored-nation rates and are applicable to imported products from all countries A-5 except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences or under the "TDRP" . . .

entered under column 2 (from countries under Communist domination or control) range from \$1 to \$4 per 1,000 board feet. <sup>1/</sup> The amount of softwood lumber imported dutiable at the column 2 rate is negligible. The United States has virtually no nontariff restrictions on imported softwood lumber. However, most lumber entering the United States is subject to inspection for wood-boring insects (not a major problem for most imports).

#### Canadian tariff treatment

The Canadian tariff provides duty-free treatment for imports of softwood lumber. The Canadian tariff classifications for softwood lumber are shown in appendix E.

#### Foreign tariffs affecting U.S. and Canadian exports

The major markets for U.S. and Canadian softwood lumber exports use the Customs Cooperation Council Nomenclature (CCCN) as the basis for their tariff classifications. The CCCN classifies softwood lumber under heading 44.05 (wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 millimeters) and 44.13 (wood planed, tongued, grooved, rebated, chamfered, v-jointed, centre v-jointed, beaded, centrebeaded or the like, but not further manufactured). The present rates of duty for the major export markets for the United States and Canada--the European Community and Japan--are given in appendix F.

### U.S. Market and Channels of Distribution

#### Apparent U.S. consumption

In 1981, U.S. consumption of softwood lumber was 29.8 billion board feet, 6 percent below 1980 consumption of 31.7 billion board feet. During 1979-81, consumption averaged 33.5 billion board feet per year, with a high of 38.9 billion board feet in 1979 and a low of 29.8 billion in 1981. During January-August 1982, consumption totaled 19.0 billion board feet, down 12 percent from that in the corresponding period of 1981 (table 1, app. G).

The recent decrease in consumption of softwood lumber is, for the most part, a result of the drop in residential housing construction since late 1979 associated with the rise in interest rates. <sup>2/</sup> During 1979-81, the consumption of softwood lumber had a positive 99 percent correlation coefficient (91 percent during 1972-81) with housing starts, thus displaying

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<sup>1/</sup> The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

<sup>2/</sup> In recent years, an average of about 11,000 board feet of softwood lumber was consumed in building a new 1-family home in the United States, although it is widely believed that the average house size will become smaller in future years.

an almost perfect correlation. 1/ The following tabulation shows housing starts and softwood lumber consumption for 1979-81, January-August 1981, and January-August 1982:

	<u>Housing starts</u> (million units)	<u>Softwood lumber consumption</u> (billion board feet)
1979-----	1.8	38.9
1980-----	1.3	31.7
1981-----	1.1	29.8
January-August--		
1981-----	1.2	21.5
1982-----	1.0	19.0

Imports have accounted for an average of 25 percent of consumption during the last 10 years. However, imports increased their share of U.S. consumption during 1979-81, accounting for an average of over 29 percent. Imports accounted for 30 percent of U.S. consumption during both January-August 1981 and January-August 1982. Canada supplies virtually all U.S. softwood lumber imports. Although the species mix may differ somewhat, most imported softwood lumber is used interchangeably with domestic lumber.

#### U.S. producers

Department of Commerce data indicate that approximately 6,900 establishments produced softwood and hardwood lumber in the United States in 1981. 2/ Of these, fewer than 1,900 had more than 20 employees. Since 1977, the number of mills has steadily decreased due to a variety of factors, but mainly because of increased technology resulting in stiff competition and centralization, and since 1979, decreased demand for wood products in the United States and in important foreign markets. The number of establishments in 1979-81 is shown in the following tabulation:

	<u>Establishments</u>
1979-----	7,280
1980-----	7,050
1981-----	6,872

These establishments are located throughout the United States, but are concentrated in the major softwood-lumber-producing regions (table 2). The number of producers in selected regions in 1981 is shown in the following tabulation: 3/

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1/ The least-squares linear regression method was used to arrive at the correlation coefficients presented in this report.

2/ There are numerous mills, some of which are portable, that the U.S. Bureau of the Census does not include in its data. These have been estimated to number approximately 25,000, and account for less than 10 percent of production.

3/ Forest Industries, 1982 Annual Lumber Review, for 1981.

<u>Region</u>	<u>Establishments</u>
North and East-----	2,164
South-----	2,787
West-----	1,921

The National Forest Products Association reports as of October 16, 1982, 238 mills were shut down in the West and South (175 and 63, respectively) with 336 mills (228 and 108, respectively) working reduced production schedules. Some of these closures are permanent but the exact number is unknown.

Although there are large corporations with high volumes of production, most of the softwood lumber producers are small firms. In 1981, the 5 largest producers accounted for approximately 30 percent of U.S. production, and the 50 largest firms accounted for approximately 72 percent (table 3). There were 89 mills with annual production exceeding 50 million board feet and 520 mills with annual production greater than 10 million board feet. 1/

U.S. production of softwood lumber is concentrated in the West and South. These areas account for approximately 68 and 27 percent, respectively, of total production with the North and East together accounting for 5 percent. The West has 284 mills each producing over 10 million board feet annually, mostly from old-growth, high-quality timber, compared with 198 mills in the South and 38 in the North and East.

According to Department of Commerce statistics, employment in the sawmill and planing mill industry increased from 142,000 production workers in 1975 to 163,500 in 1979 before falling to a 10-year low of approximately 132,000 production workers in 1981.

General comparative data from the Department of Commerce for sawmills and planing mills in 1980 are shown in the following tabulation, along with other data and other selected important segments of the forest products industry: 2/

Industry	Pro- duction workers	Man- hours worked	Wages	Value added per production worker	Value added per production worker hour
	Number	Millions	Million dollars		
Sawmills and planing mills-----	151,800	296.8	1,888.9	\$30,615	\$15.66
Softwood veneer and plywood-----	37,500	75.3	608.4	31,464	16.10
All wood products----	581,700	1,097.7	6,719.9	31,080	16.47

1/ Forest Industries, Annual Lumber Review and Buyers Guide, Miller Freeman <sup>A-8</sup> Publications, San Francisco, July 1982.

2/ U.S. Bureau of the Census, Annual Survey of Manufactures, 1980, 1982.



The National Forest Products Association reports that as of October 16, 1982, in the West and South, about 30,000 sawmill workers have been laid off and about 45,000 were working reduced hours. The following tabulation shows employment in the sawmills and planing mills for 1979-82 (in thousands): 1/

	<u>Total employees</u>	<u>Production workers</u>
1979-----	186	164
1980-----	175	152
1981-----	170	146
1982-----	152	131

Wages accounted for 24 and 29 percent of production costs in the United States and Canada, respectively, in 1981. In general, the close communication between trade unions in the Western United States and Canada tends to keep wage rates fairly comparable. It is estimated that 65 percent of softwood lumber production workers in both the United States and Canada are union members. The following tabulation shows average hourly earnings for production workers in the United States and Canada for 1979-81.

	<u>Sawmills and planing mills</u>	
	<u>United States</u>	<u>Canada</u>
1979-----	U.S. \$6.07	U.S. \$7.29
1980-----	6.65	7.97
1981-----	7.28	8.48

These data were compiled from information published by the U.S. Department of Commerce, Statistics Canada, and the International Woodworkers Association.

Hourly wages and average number of hours worked per week for production and related workers producing softwood lumber, as compiled from data submitted in response to Commission questionnaires, are shown in the following tabulation:

	<u>Average work week (hours)</u>	<u>Wages per hour</u>
1979-----	41	\$7.29
1980-----	40	8.02
1981-----	40	8.56
January-August--		
1981-----	37	8.30
1982-----	35	8.83

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1/ Estimates from U.S. Department of Commerce.

Table 4 shows average costs of materials and wages, by specified States and Provinces, in 1979 and 1980. These data indicate that the material costs and the wages of the coastal region of British Columbia substantially exceed those of the United States as well as those of the other regions of Canada. Table 5 shows average costs of materials at the mill and wages for the United States and Canada, in 1979 and 1980. These data indicate that the material costs and wages for the United States exceed those for Canada.

Table 6 shows softwood sawtimber on commercial forest land in the United States, by ownerships, regions, and specified States, in 1977. The following tabulation shows, by ownerships, U.S. sawtimber available and percent of total for 1977.

<u>Ownership</u>	<u>Sawtimber</u> ( <u>million board feet</u> )	<u>Percent of</u> <u>total</u>
National forest-----	1,008,171	50.8
Other public forest-----	235,559	11.9
Total public forest-----	1,243,730	62.7
Forest industry-----	309,540	15.6
Farm and other private-----	429,848	21.7
Total private forest-----	739,389	37.3
Grand total-----	1,983,118	100.0

Tables 7 and 8 show the average bid stumpage price for timber sold on public lands during 1979-81 and timber cut and sold during 1979-81 in Washington and Oregon. These data show that the average bid stumpage price on U.S. Forest Service timber lands have decreased 17 percent from \$251.12 per thousand board feet in 1979 to \$208.60 per thousand board feet in 1981. In the first quarter of 1982, bid prices were \$99.32 per thousand board feet. The average bid stumpage price on Washington and Oregon State Department of Natural Resources timber lands decreased 31 percent from \$318.95 per thousand board feet in 1979 to \$220.13 per thousand board feet in 1981. In the first quarter of 1982, bid prices were \$169.83 per thousand board feet. The volume of timber sold from U.S. Forest Service land decreased only 1 percent from 5,365 million board feet in 1979 to 5,289 million board feet in 1981 while the volume cut dropped dramatically, by 32 percent, from 4.4 billion board feet in 1979 to 3.0 billion board feet in 1981.

#### U.S. importers

Importers of softwood lumber from Canada include domestic producers and traders, as well as wholesale and retail lumber distributors. Most importers are distributors, and some are manufacturers and/or remillers (planing mills) with kiln operations. Because of this, some importers have their operations on the border and utilize rough, green lumber only.

Some U.S. industries, such as the mobile-home-building and cash-and-carry outlets, while not necessarily importers, prefer spruce-pine-fir (SPF) because it is less expensive. These industries are supplied by distributors that purchase their stock from large shipments which generally go through reload centers for disbursement. A-10

Canadian producers

Statistics Canada reports that in 1980, there were 1,317 sawmills and planing mills in Canada (up from 1,308 mills in 1979), concentrated principally in Quebec (384), British Columbia (354), and Ontario (245). 1/

Total employment in the Canadian sawmill and planing mill industry was 49,000 in 1975. It increased to approximately 68,000 in 1979 and then declined to 55,903 in 1980. Concentration by size among the Canadian producers is similar to that for the U.S. producers, although there are fewer Canadian mills overall. In 1980, the five largest Canadian producers accounted for about 22 percent of all Canadian softwood lumber production, and the 50 largest producers accounted for 67 percent. Summary data for sawmills and planing mills in Canada in 1980 are given in the following tabulation: 2/

Item	1980
Production workers-----	55,903
Man-hours worked-----millions of hours--:	118.8
Wages-----millions of U.S. dollars--:	\$968.5
Value added per production worker-----:	\$31,898
Value added per production worker hour-----:	\$15.02

U.S.-owned mills in the Canadian sawmill industry account for about 10 percent of all lumber production in Canada. In British Columbia, U.S. ownership is even more significant; 10 U.S.-owned firms produce nearly 20 percent of that Province's production, representing about 2.5 billion board feet in 1980. 3/ Total production of firms in British Columbia in which U.S. companies held some ownership was 5.7 billion board feet in 1980. 4/

As of October 16, 1982, production curtailments in British Columbia, as reported by the National Forest Products Association caused production to decline 29 percent and man-hours worked to decline 34 percent from normal. This represented a mixture of layoffs, reduced shifts, and short weeks. Man-hours worked were also off substantially in the Prairie Provinces and in Eastern Canada.

Softwood lumber imports from countries other than Canada account for less than 1 percent, by value and volume, of total U.S. imports.

1/ Statistics Canada, Sawmills, Planing Mills and Shingle Mills, 1981.

2/ Statistics Canada, Sawmills, Planing Mills and Shingle Mills, 1981.

3/ Forest Industries, Annual Lumber Review and Buyers Guide, Miller Freeman Publisher, San Francisco, May 1981.

4/ Canadian Softwood Lumber Committee, Consolidation of material presented to the International Trade Commission, February 1982, p. 3.

## The Question of a Reasonable Indication of Material Injury

U.S. production

U.S. production of softwood lumber averaged 25.6 billion board feet during 1979-81, ranging from a high of 29.7 billion in 1979 to a low of 22.7 billion in 1981, a 24 percent decline. January-August 1982 showed production at 14.4 billion board feet, representing a decline of 12 percent from that in the corresponding period of 1981 (table 1).

The West produced an estimated 15.4 billion board feet, or 68 percent of U.S. softwood lumber output in 1981. The South accounted for an estimated 6.3 billion board feet in 1981, or 28 percent of total U.S. softwood production. In the North, production in 1981 was an estimated 1.0 billion board feet, or 4 percent of U.S. softwood lumber production, with Maine accounting for about 30 percent of the production in this region (table 2).

Capacity

In the lumber industry, practical capacity of a mill is measured by the greatest level that the mill can achieve within a realistic work pattern. For most mills the capacity is based on one or two 8-hour shifts, 5-days per week, 252 days per year. It is acknowledged that many variations (i.e., 9-hour shifts; three 8-hour shifts; 6 or 7 days per week; 252 to 263 days per year) exist; however, one and two 8-hour shifts dominate.

The following tabulation shows the U.S. production capacity, as reported by the National Forest Products Association, for U.S. producers during 1979-81, January-June 1981, and January-June 1982.

	<u>Production capacity</u> (million board feet)	<u>Percentage</u> <u>decrease</u>
1979-----	31,529	1.9
1980-----	29,932	5.1
1981-----	29,069	2.9
January-June--		
1981-----	20,940	1/
1982-----	18,688	10.8

1/ Not available.

The following tabulation shows the number of U.S. mills producing softwood lumber, as reported by the U.S. Department of Commerce, during 1979-81.

<u>Year</u>	<u>Mills</u>	<u>Percentage decrease</u>
1979-----	7,280	2.9
1980-----	7,050	3.2
1981-----	6,872	2.5

Capacity utilization

The National Forest Products Association figures capacity utilization for each year by taking the best month's production in the previous 5 years, then adding them up to get practical capacity. The following tabulation shows U.S. production and capacity utilization for 1979-81, January-June 1981, and January-June 1982.

<u>Period</u>	<u>Production</u> (million board feet)	<u>Capacity utilization</u> (percent)
1979-----	29,744	94
1980-----	24,335	77
1981-----	22,710	72
January-June--		
1981-----	16,151	74
1982-----	14,375	70

Another way to measure of capacity utilization is to take a base year and divide that into the year desired. The following tabulation uses 1973 (32,228 million board feet) as optimum capacity and shows capacity utilization in 1979-81:

	<u>Production</u> (million board feet)	<u>Capacity utilization</u> (percent)
1979-----	29,744	92
1980-----	24,335	76
1981-----	22,710	70

The 21 companies answering the Commission's questionnaires had a total of 141 mills in January-August 1982 and accounted for 23 percent of domestic production. 1/ The following tabulation shows production capacity, capacity utilization, and percentage changes in production for these firms during 1979-81, January-August 1981, and January-August 1982:

	<u>Production</u> (billion board feet)	<u>Capacity</u> (billion board feet)	<u>Capacity utilization</u> (percent)	<u>Change in production</u> (percent)
1979-----	6.7	7.2	93	<u>1/</u>
1980-----	5.8	7.4	78	-13
1981-----	5.9	7.7	77	+2
January-August--				
1981-----	3.8	4.4	86	<u>1/</u>
1982-----	3.3	4.4	75	-13

1/ Not available.

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1/ Many of the firms did not respond to the Commission's questionnaire in time for their data to be included in this report. Other firms have submitted data since the Commission's vote on the investigation and still others have indicated that responses are enroute to the Commission. A-13

U.S. producers shipments

Domestic shipments.--Data published by the National Forest Products Association show that shipments of softwood lumber have not varied more than 2 percent from production in the last 3 years, as shown in the following tabulation:

	<u>Production</u> (million board feet)	<u>Shipments</u>	<u>Ratio of</u> <u>shipments to</u> <u>production</u> (percent)
1979-----	29,744	29,572	99.4
1980-----	24,335	24,447	100.5
1981-----	22,710	22,903	100.8
January-August--			
1981-----	16,359	16,075	98.3
1982-----	14,375	14,182	98.7

U.S. exports.--Exports of softwood lumber totaled 1.9 billion board feet, valued at \$652.6 million, in 1981, representing a 4-percent decline (by volume) from the record export level of 2.0 billion board feet, valued at \$776.8 million, in 1980 (table 9). During January-August 1982 there was a 17-percent decline (by volume) compared with production in the corresponding period of 1981, from 1.3 billion board feet, valued at \$452.3 million, in the 1981 period to 1.1 billion board feet, valued at \$398.3 million, in the 1982 period.

Exports as a share of U.S. production were relatively small during 1979-81, averaging about 7 percent. Exports in January-August 1981 and January-August 1982 averaged 7.9 percent of production. Douglas fir, hemlock, and southern pine together accounted for about 60 percent of U.S. softwood lumber exports.

Most softwood lumber exported from the United States exits from Seattle, Wash.; Portland, Oreg.; and Anchorage, Alaska. Collectively, these three customs districts accounted for 65 percent of the quantity and 66 percent of the value of U.S. softwood lumber exports during January-September 1982 (table 10).

In January-August 1982, exports of softwood logs rose by 29 percent from those in the corresponding period of 1981 (table 11). Exports to Canada in this period rose 39 percent from those in the corresponding period of 1981.

### Financial experience of U.S. producers

Operations on softwood lumber.--Thirteen U.S. producers (accounting for 10 percent of softwood lumber production in 1982, as reported by the National Forest Products Association) supplied usable income-and-loss data relative to their softwood lumber operations. In the aggregate, these firms experienced diminishing sales and deteriorating profits during the reporting period.

Net sales of softwood lumber declined annually from \$871 million in 1979 to \$673 million in 1981, or by 23 percent. Net sales dipped to \$356 million during January-August 1982, representing a decline of 25 percent from the \$473 million in sales reported for the corresponding period of 1981 (table 12).

The 13 firms posted an operating profit of \$82 million, or 9.4 percent of net sales in 1979, but sustained losses in all the other reporting periods. The 1981 operating loss of \$99 million was equal to 14.8 percent of net sales, compared to an operating loss of \$30 million, or 4.4 percent of net sales, in 1980. The producers sustained an operating loss of \$56 million, or 15.7 percent of net sales, during January-August 1982, compared to an operating loss of \$38 million, or 8.1 percent of net sales, during the corresponding period of 1981. Net income or loss before income taxes followed the same pattern as operating profit-or-loss.

Cash flow generated from U.S. producers' softwood lumber operations declined annually during 1979-81, from a positive cash flow of \$113 million in 1979 to a negative cash flow of \$71 million in 1981. The 13 firms reported negative cash flows of \$15 million and \$33 million, respectively, in January-August 1981 and January-August 1982.

As a share of net sales, manufacturing costs (cost of goods sold) rose from 86 percent of net sales in 1979 to 107 percent in January-August 1982. In the aggregate, the 13 firms sold softwood lumber for about cost in 1980, and for less than cost in 1981 and January-August 1982. As a share of net sales, general, selling, and administrative expenses also increased during this period, from 4.4 percent in 1979 to 8.5 percent in January-August 1982.

Nine firms reported operating losses in 1980. The number increased to 13 firms in 1981 and January-August 1982. No losses were reported in 1979.

Investment in productive facilities.--Thirteen firms supplied data relative to their investment in productive facilities used in production of softwood lumber. The 13 firms' investment in productive facilities, valued at cost, increased by \$219 million during 1979-81, and the book value of such assets increased by \$159 million during this period (table 13).

Capital expenditures.--Twelve firms supplied data relative to their capital expenditures during 1979-81, January-August 1981, and January-August 1982, for land, buildings, and machinery and equipment used in the production of softwood lumber. As shown in the following tabulation, aggregate expenditures increased from \$51 million in 1979 to \$129 million in 1980 and then declined to \$91 million in 1981:

	<u>Capital expenditures</u> (1,000 dollars)
1979-----	51,222
1980-----	128,519
1981-----	91,400
January-August--	
1981-----	41,219
1982-----	14,576

Such expenditures were \$15 million in January-August 1982, compared to \$41 million in the corresponding period of 1981. Purchases of machinery and equipment accounted for the bulk of the capital expenditures.

Table 14 shows the decline in the return on stockholders' equity for U.S. and Canadian companies in the logging and sawmilling industries during 1979-81 (38 and 45 percent, respectively) and the decline in their return on total capital (30 and 35 percent, respectively). Median net profit per sale declined 12 percent for U.S. companies and 35 percent for Canadian companies.

The Question of the Causal Relationship Between Alleged Material  
Injury and Allegedly Subsidized Imports from Canada

U.S. imports

U.S. imports of softwood lumber have generally moved in the same direction as the level of U.S. construction activity, particularly housing starts. The following tabulation shows imports and housing starts during 1979-81, January-August 1981, and January-August 1982:

	<u>Imports</u> (billion board feet)	<u>Housing starts</u> (million units)
1979-----	10.9	1.8
1980-----	9.4	1.3
1981-----	9.0	1.1
January-August--		
1981-----	6.4	1.2
1982-----	5.7	1.0

During 1979-81, softwood lumber imports averaged 9.8 billion board feet valued at \$2.0 billion, showing a steady decline from 1979 (table 15). The ratio of imports to domestic consumption averaged 29.3 percent during 1979-81, and 30.0 percent during January-August 1981 and January-August 1982.

Canada supplies nearly all U.S. imports of softwood lumber. During 1979-81 and January-August 1982, it provided over 99 percent (by both quantity and value). In 1981, total softwood lumber imports amounted to 9,024 million board feet, and imports from Canada totaled 9,007 million board feet. Central and South American countries account for most of the remainder.



In 1981, 67 percent (by quantity) of U.S. softwood lumber imports were classified as spruce. Nevertheless, it is believed that most such imports are actually a mix of spruce-pine-fir, known in the trade as SPF. SPF is manufactured in British Columbia and Eastern Canada in dimension sizes primarily for the U.S. market. Imports of softwood lumber (by quantity) from all sources during January-August 1982, by types, are shown in the following tabulation:

<u>Type</u>	<u>Imports</u> (million board feet)	<u>Percent of</u> <u>total</u>
Spruce-----	3,953	70
Pine-----	507	10
Cedar-----	372	6
Douglas fir-----	325	6
True-fir-----	304	5
Hemlock-----	203	4
All other-----	1/	1/
Total-----	<u>5,685</u>	<u>100</u>

1/ Less than 500,000 board feet, or 0.5 percent.

Note.--Because of rounding, figures may not add to the totals shown.

Imports of softwood lumber from Canada enter the United States primarily by rail through Midwest and Northern customs districts. In January-June 1982, the Duluth, Minn. customs district accounted for imports of 1.2 billion board feet, followed by Detroit, Mich. with 0.6 billion board feet (table 16). The following tabulation shows imports through the top 10 customs districts and total of all others, for softwood lumber imports from Canada during January-June 1982:

<u>Customs district</u>	<u>Imports</u> (million board feet)	<u>Percent of</u> <u>total</u>
Duluth, Minn-----	1180	30
Detroit, Mich-----	590	15
Seattle, Wash-----	532	13
Buffalo, N.Y-----	310	8
St. Albans, Vt-----	287	7
Pembina, N.Dak-----	264	7
Ogdensburg, N.Y-----	251	6
New York, N.Y-----	83	2
Portland, Maine-----	60	2
Los Angeles, Calif-----	41	1
All other-----	377	9
Total-----	<u>3,975</u>	<u>100</u>

Related-party imports

Imports of softwood lumber by related parties were 973 million board feet in 1981, 11 percent of total U.S. imports (table 17). It is believed that most related-party transactions occur between large multinational corporations operating in both Canada and the United States. Related-party imports are shown for 1979-81 in the following tabulation:

	<u>Related-party imports</u> (billion board feet)	<u>Percent of total</u> <u>imports</u>
1979-----	1.5	13
1980-----	.9	10
1981-----	1.0	11

Market penetration

Imports of Canadian softwood lumber accounted for 30.2 percent of U.S. consumption in 1981. Of the 9 billion board feet imported in 1981, 58 percent came from British Columbia and the remainder from east of the Rockies. The following tabulation shows U.S. imports of softwood lumber from Canada and their U.S. market share during 1979-81 and January-June 1982.

Source	1979	1980	1981	January-June 1982
British Columbia:				
Quantity-million board feet--:	7,796	6,383	5,225	3,059
Percent of total-----:	71.7	68.2	58.0	54.0
Ratio of U.S. imports to consumption-----percent--:	20.0	20.1	17.5	16.1
East of Rockies:				
Quantity-million board feet--:	3,077	2,976	3,783	2,606
Percent of total-----:	28.3	31.8	42.0	46.0
Ratio of U.S. imports to consumption-----percent--:	7.9	9.4	12.7	13.8
Total, Canada:				
Quantity-million board feet--:	10,873	9,359	9,007	5,665
Percent of total-----:	100.0	100.0	100.0	100.0
Ratio of U.S. imports to consumption-----percent--:	27.9	29.5	30.2	29.9

Softwood lumber marketing, traditionally, has no border between Canada and the United States; there are no tariffs. The regions in the United States and Canada have standardized common grades and sizes for general construction and the U.S. and Canadian building codes and practices are similar. The Canadian grading agencies are certified by the American Lumber Standards Committee, whose inspectors have access to Canadian mills.

Historically, British Columbia and western Alberta exported softwood lumber along the U.S.-Canadian border to the midwest, south, and north central parts of the United States. This left the Pacific northwest and the south to service the remainder of the United States. Now, however, with the resurgence of the softwood lumber industry in Quebec as well as in the United States' southern region, new marketing patterns have formed. British Columbia and the U.S. Pacific northwest are meeting increased competition in the midwest U.S. market from producers in the southern U.S. producing region. Quebec is assuming a more dominant position in the northeastern U.S. market and penetrating the midwestern markets, competing with the U.S. supplying regions for those areas. British Columbia now competes with the U.S. Pacific northwest in California and the U.S. southwest.

Table 18 shows shipments of softwood lumber to U.S. consuming regions from selected producing areas in the United States and Canada. The share of shipments from British Columbia to the United States has dropped from 19.2 percent of shipments in 1979 to 18.2 in 1981. However, Canada as a whole has increased its share of shipments from 26.9 percent in 1979 to 27.3 percent in 1981. The following tabulation shows the share of shipments within the United States for 1979-81 (in percent):

Source	1979	1980	1981
British Columbia-----	19.2	18.7	18.2
Canadian prairies-----	1.3	1.5	1.6
Eastern Canada-----	6.5	7.3	7.6
Total, Canada-----	26.9	27.5	27.3
U.S. Pacific Northwest-----	44.6	43.5	44.7
California-----	4.2	4.6	3.5
Southern Pine area-----	19.5	19.7	19.8
All other United States-----	4.7	4.7	4.7
Total, United States-----	73.1	72.5	72.7

### Prices

Prices received for softwood lumber at any time are determined by such factors as the species of wood, the quality or grade of the lumber, and the size. Lumber of certain species, larger size, and that more free from defects generally fetches higher prices.

Most species of lumber are interchangeable to some degree, depending on the particular intended end use, local supply and preferences, and building codes or practices. At any time, the price of a less desirable species may increase its attractiveness for certain applications. Prices for softwood lumber are quoted both f.o.b. mill, and, in many instances, on a delivered basis. Transportation costs of the lumber by either rail or truck are a significant factor in most marketing areas in the final delivered price; mills located close to their markets may have a sales advantage over more distant producers.

Softwood lumber is an item on the futures market and as such there are daily and even hourly price adjustments. Mills responding to Commission questionnaires indicate that their offer prices are heavily influenced by their perception of market conditions, inventory considerations, and prices for the lumber as published daily in the press.

The Commission requested U.S. producers and importers to provide information on prices received for their largest shipments of various species grades and sizes of dimension softwood lumber during January 1980-September 1982. Producers were generally unable to provide the information requested in the time allotted by the constraints of this preliminary investigation; four producers provided prices for certain southern pine categories and one producer provided prices for certain Douglas fir categories. No prices were received from importers of softwood lumber from Canada. Because the prices reported by U.S. producers closely followed those reported in publicly available sources, the following discussion is of published prices of 2x4 Douglas fir and SPF lumber as reported in the publication by Random Lengths, 1981 Yearbook.

Prices of lumber, f.o.b. mill generally have moved lower in each year from 1979 through 1982 (table 19). The mill price of 2x4 Douglas fir in Portland was about \$257 per thousand board feet in January-March 1979 and increased to a high of \$326 in August 1979. Prices of this product generally declined through the last months of 1979 and early 1980 to a low of \$162 per thousand board feet in April 1980, or by about 50 percent. During the summer months of 1980, prices of Douglas fir followed historical seasonal trends, rising to \$238 per thousand board feet in June, but declining thereafter. Although there has been considerable price fluctuation in prices of this product, the trend has been downward since mid-1980. Prices began 1981 at \$207 per thousand board feet but declined to as low as \$155 in November of that year. In 1982, published prices dropped to \$145 per thousand board feet in February, increased to \$160 in March and April, but declined to \$146 in July and August, 55 percent below the price prevailing in August 1979.

Prices of SPF in both Western and Eastern regions followed similar price trends with some individual but temporary differences. As in the case of Douglas fir, SPF prices peaked in August 1979 at 25 to 30 percent above the price at the beginning of that year. Prices of SPF then generally declined to their lowest levels in April 1980, 42 to 51 percent below their earlier peaks. Prices generally remained relatively low throughout the remaining months of 1980 and in 1981, but declined further at the end of 1981 and in early 1982. In August 1982, prices of SPF were 49 percent and 38 percent below the 1979 peaks for Western and Eastern markets, respectively.

Prices of Douglas fir at the mill in British Columbia for delivery to the United States generally followed the trends of other lumber prices shown in the table. Prices of this product peaked in late summer 1979 at \$296 per thousand board feet, 34 percent above the price in January 1979, and declined thereafter in early 1980 by 51 percent to a low of \$144 per thousand board feet in April 1980, concurrent with the decline in prices of U.S.-produced lumber. Prices of Canadian Douglas fir generally remained between \$166 and \$187 per thousand board feet through the remainder of 1980 and early 1981, but began to decline in September 1981. Canadian prices reached their lowest

level for the entire period covered by the data, \$131 per thousand board feet, in May 1982. In August 1982, prices had increased slightly to \$134 per thousand board feet, but were still 55 percent below the peak price of September 1979. The price of the Canadian product did not exceed that of the U.S. produced product at any time during the period January 1979-August 1982, although prices were the same (\$155 per thousand board feet) in January 1982 and were close in some other periods. In most months, however, the Canadian price was well below that of the U.S. producers, and in several months the differential exceeded \$50 per thousand board feet.

### Lost sales

In the softwood lumber industry domestic producers generally sell their products through a wholesaler. Larger companies have their own marketing division to sell their products and to buy and sell on the market. While many mills publish periodic price lists, most sales are initiated and consummated by telephone. Sales are generated by the producer who will call a wholesaler and offer a price quote or special offerings, or the wholesaler will call the producer to see what stock is available. In this system of buying and selling, a producer's or wholesaler's pricing policy tends to be influenced by published prices, open order file position, the season of the year, as well as the overall inventory on hand.

Once sales offers are tendered by telephone, there is very little discussion; if the buyer does not take the order, the seller usually does not know why the buyer bought elsewhere or at what price. Thus, the data reported by U.S. producers on lost sales in this investigation are sketchy and rather tentative. Keeping this in mind, the following situations were reported as being typical of those where U.S. producers are either forced to lose sales to Canadian imports or lower their prices..

- o A wholesaler is contacted and tells the seller that he must lower his price by \$10 per thousand board feet.
- o A producer contacts a wholesaler and is told that the wholesalers inventory is stocked by lumber from Canada which the wholesaler sells on consignment.
- o A producer that markets its product in the South and Midwest is told that waterborne shipments to the South and rail shipments to the Midwest of SPF are cheaper than his product.
- o A Canadian mill starts up from its summer shutdown and offers its stock at below market price to lure wholesalers back.

### Price suppression/depression

As with lost sales, price suppression/depression is not documentable. In any market, adjustments to prices are necessary to compete. While no verified documentation of lost sales or price suppression/depression is on hand, the

petitioner has filed copies of telephone logs to support the contention of lost sales and price suppression/depression. The presence of Canadian lumber in the U.S. market is cited by petitioner as having a negative influence on lumber prices.

The Question of a Reasonable Indication of the  
Threat of Material Injury

The rate of increase of U.S. imports from Canada

As shown in the following tabulation, imports of softwood lumber from Canada have decreased steadily, while the ratio of U.S. imports to consumption increased from 1979-81 and declined slightly from January-August 1981 to January-August 1982:

	<u>Imports from Canada</u> (million board feet)	<u>Ratio of imports</u> <u>to consumption</u> (percent)
1979-----	10.9	28.0
1980-----	9.4	29.5
1981-----	9.0	30.2
January-August--		
1981-----	6.4	30.0
1982-----	5.7	29.9

The capacity of producers in Canada to generate exports  
and the availability of other export markets

Because of the relatively small size of Canada's domestic market, the Canadian softwood lumber industry has traditionally been oriented toward export markets (table 20). Table 21 shows that Canadian imports of softwood lumber are relatively small, but that they have increased by 150 percent from 1979 (339 million board feet) to 1981 (515 million board feet).

Canada's housing starts are between 220,000 and 260,000 during normal years. However, in January-June 1982, annualized housing starts were 130,000, representing a decline of 34 percent since 1979. The following tabulation shows Canadian housing starts, production, and exports:

	<u>Housing starts</u> (thousands)	<u>Production</u> (billion board feet)	<u>Exports</u> (billion board feet)
1979-----	197	18.5	13.3
1980-----	159	18.1	12.3
1981-----	178	16.4	11.6
January-June--			
1982-----	130	7.8	5.7

Since 1979, exports to the United States have averaged 55 percent of Canadian production. Table 22 shows that Canadian exports have steadily declined since 1979 when they were 13.3 billion board feet, to 11.6 billion board feet in 1981. The following table show the trend of Canadian exports to world markets:

Canadian exports to--	1979	1980	1981	January-June 1982
Quantity (million board feet)				
United States-----	10,782	9,281	9,031	4,329
European Community-----	1,110	1,268	1,052	504
Japan-----	1,014	1,083	1,052	868
All other-----	352	664	601	270
Total-----	13,258	12,296	11,552	5,723
Percent of total				
United States-----	81	76	78	76
European Community-----	8	10	9	9
Japan-----	8	9	8	11
All other-----	3	5	5	4
Total-----	100	100	100	100

With the world economy down, residential building is suffering. The European Community has lagged behind the U.S. housing slump; hence, it is likely that it will be at least a year after the U.S. housing market recovers before the European market recovers. Together, the European and U.S. markets account for 80 percent of total world exports of softwood lumber. Also, Japan is experiencing a slowdown in its construction activities and cannot be expected to recover to what was previously expected. Traditionally, Japan has imported less than 10 percent of its domestic consumption. Malaysia has had heavy investments in the wood products industry and is expected to be actively engaged in exporting to the Asian and U.S. markets.





APPENDIX A  
NOTICES OF INVESTIGATION

scheduling of a conference to be held in connection with the investigation.

**SUMMARY:** The United States International Trade Commission hereby gives notice of the institution of an investigation under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Canada of softwood lumber, provided for in items 202.03 through 202.30, inclusive, of the Tariff Schedules of the United States, which are alleged to be subsidized by the Government of Canada.

**FOR FURTHER INFORMATION CONTACT:** Mr. Edward Furlow (202-724-0068), Chief of the Agriculture, Fisheries, and Forest Products Division, Office of Industries, U.S. International Trade Commission.

**SUPPLEMENTARY INFORMATION:**

**Background.**—This investigation is being instituted in response to a petition filed October 7, 1982, on behalf of the United States Coalition for Fair Canadian Lumber Imports, a group composed of 8 trade associations and more than 350 U.S. producers of softwood lumber products. A copy of this petition is available for public inspection in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition or by November 22, 1982 (19 CFR 207.17). Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11, as amended by 47 FR 6189, February 10, 1982), not later than seven (7) days after the publication of this notice in the *Federal Register*. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the notice.

**Service of documents.**—The Secretary will compile a service list from the entries of appearance filed in this investigation. Any party submitting a document in connection with the investigation shall, in addition to complying with section 201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 6188, February 10, 1982, and 47 FR 13791, April 1, 1982),

serve as copy of each such document on all other parties to the investigation. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR 201.16(b), as amended by 47 FR 33682, August 4, 1982).

In addition to the foregoing, each document filed with the Commission in the course of this investigation must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

**Written submissions.**—Any person may submit to the Commission on or before November 9, 1982, a written statement of information pertinent to the subject matter of this investigation (19 CFR 207.15, as amended by 47 FR 6190, February 10, 1982). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8, as amended by 47 FR 6188, February 10, 1982, and 47 FR 13791, April 1, 1982).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

**Conference.**—The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m., on November 3, 1982, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact the supervisor for the investigation, Mr. Edward Furlow, telephone 202-724-0068, not later than October 29, 1982, to arrange for their appearance. Parties in support of the imposition of countervailing duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, Subparts A and B (19 CFR Part 207, as amended by 47 FR 6182, February 10, 1982, and 47 FR 33682, August 4, 1982), and Part 201, Subparts A through E (19 CFR Part 201, as

[Investigation No. 701-TA-197  
(Preliminary)]

**Softwood Lumber From Canada**

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of a preliminary countervailing duty investigation and

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amended by 47 FR 6182, February 10, 1982, 47 FR 13791, April 1, 1982, and 47 FR 33682, August 4, 1982). Further information concerning the conduct of the conference will be provided by Mr. Furlow.

This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: October 12, 1982.

**Kenneth R. Mason,**  
*Secretary.*

[FR Doc. 82-28862 Filed 10-19-82; 8:45 am]

**BILLING CODE 7020-02-M**

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**Initiation of Countervailing Duty Investigations; Certain Softwood Lumber Products From Canada****AGENCY:** International Trade Administration, Commerce.**ACTION:** Initiation of countervailing duty investigations.

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**SUMMARY:** On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating countervailing duty investigations to determine whether producers, manufacturers, or exporters in Canada of certain softwood lumber products receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of certain softwood lumber products are materially injuring, or threatening to materially injure, a U.S. industry. If the investigations proceed normally, the ITC will make its preliminary determinations on or before November 22, 1982, and we will make ours on or before December 31, 1982.**EFFECTIVE DATE:** November 3, 1982.**FOR FURTHER INFORMATION CONTACT:** Roland MacDonald, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230, (202) 377-4036.**SUPPLEMENTARY INFORMATION:****Petitions**

On October 7, 1982, we received a petition from the United States Coalition for Fair Canadian Lumber Imports on behalf of a number of trade associations and producers in the United States softwood forest products industries. The petitioner alleges that manufacturers, producers, or exporters in Canada of certain forest products receive benefits that constitute subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act). The petitioner further alleges that imports of this product are materially injuring, or threatening to materially injure, a U.S. industry.

Canada is a "country under the

section 701(b) of the Act; accordingly, Title VII of the Act applies.

#### Initiation of Investigations

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether a petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting these allegations. We have examined the petition on certain forest products from Canada and we have found that the petition meets these requirements.

Therefore, in accordance with section 702(c) of the Act, we are initiating countervailing duty investigations to determine whether manufacturers, producers, or exporters in Canada of certain softwood forest products, as specified in the "Scope of Investigations" section of this notice, receive benefits that constitute subsidies within the meaning of section 771(5) of the Act. If the investigations proceed normally, we will make our preliminary determinations by December 31, 1982.

#### Scope of Investigations

The products covered by these investigations are softwood lumber, softwood shakes and shingles, and softwood fence. For a further description of these products, see the appendix to this notice.

#### Allegation of Subsidies

The petitioner alleges that producers, manufacturers, or exporters in Canada of softwood forest products receive benefits that constitute subsidies, including:

1. The provision of capital, loans, or loan guarantees on terms inconsistent with commercial considerations.
2. The provision of goods or services at preferential rates.
3. The grant of funds or forgiveness of debt to cover operating losses sustained by a specific industry.
4. The assumption of costs or expenses of manufacture, production, or distribution.

The petitioner alleges that the above benefits are realized through a number of agencies and types of programs, including:

- Assumption of stumpage costs
- Regional development incentives programs
- Federal and provincial government agreements
- Enterprise Development Program
- Forest Industry Renewable Energy
- Program for export market development

- Export Development Corporation
- Transportation
- Canadian Forestry Service
- Manpower
- Small business loans
- Taxation measures
- Other provincially funded programs

At this time, the Department has of course made no determination as to whether any of the alleged benefits, including stumpage, in fact constitutes subsidies.

#### Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

#### Preliminary Determinations by ITC

The ITC will determine by November 22, 1982, whether there is a reasonable indication that imports of softwood lumber products from Canada are materially injuring, or threatening to materially injure a U.S. industry. If its determinations are negative, these investigations will terminate; otherwise, they will proceed to conclusion.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

#### APPENDIX—Description of Products

For purposes of these investigations:

1. The term "softwood lumber" covers those products included in the *Tariff Schedules of the United States Annotated (1982) (TSUSA)* in items 202.03-202.30 (rough, dressed, or worked softwood lumber) specifically excluded are drilled and treated lumber, wood siding, and edge-glued or end-glued wood not over 6 feet in length or over 15 inches in width. "Rough lumber" is "lumber just as it comes from the saw; whether in its original sawed size or edged, resawn, crosscut, or trimmed to smaller sizes." "Dressed lumber" is "lumber which has been dressed or surfaced by planing on at least one edge or face." "Worked lumber" is "lumber which has been matched (tongue-and-grooved), shiplapped (rabbeted or lapped joint), or patterned on a matching machine, sticker, or molder."

2. The term "softwood shakes and shingles" refers to wood products most

used for roofing or siding." Softwood shakes, "approved durable wood of random widths ranging from 4 inches to 14 inches come in four types: Hand-split and resawn, taper split, straight-split and taper sawn." "Softwood shingles are tapered pieces of approved durable wood, sawed both sides, of random width ranging from 3 inches to 14 inches and in lengths of 16 inches, 18 inches or 24 inches; for purposes of this investigation, the term softwood shakes and shingles refers only to those products designated in *Tariff Schedules of the United States Annotated (1982) (TSUSA)*, as item 200.85.

3. The term "software fence" refers to three types of fences: picket, stockade, and rail. Picket fences are made of wood pickets nailed to horizontal back rails which are fastened to the supporting posts. The pickets vary in length and thickness, lengths range from 24" to 92", and thickness varies from 1/2" to 3". The species of wood fences is usually cedar for the post and conifers or softwoods for the backrails and pickets. Rail fences consist of line post and horizontal rails. Cedar is generally used for the line posts and cedar or conifers or northern softwoods are used for the rails. Stockade fences vary in height from 3 feet to 10 feet. Widths are usually 7 feet or 8 feet. Line posts are generally cedar, and stockade sections are made from northern softwoods. This investigation covers softwood fences both assembled and unassembled, which fall under *TUSUA* item 200.75.

[FR Doc. 82-30208 Filed 11-2-82; 8:45 am]

BILLING CODE 3510-25-#



**APPENDIX B**

**WITNESSES APPEARING AT THE CONFERENCE**

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 701-TA-197 (Preliminary)

SOFTWOOD LUMBER FROM CANADA

Those listed below appeared as witnesses at the United States International Trade Commission conference held in connection with the subject investigation on November 3, 1982, in the Commission's Hearing Room, 701 E Street, NW., Washington, D.C.

In support of the imposition of countervailing duties

Preston, Thorgrimson, Ellis & Holman  
Washington, D.C.  
on behalf of

U.S. Coalition for Fair Canadian Lumber Imports

- Paul F. Ehinger, Chairman, U.S. Coalition for Fair Canadian Lumber Imports; and Executive Vice President, Western Resource Alliance
- Charles Lumbert, President, Moose River Lumber Co., Inc.
- Robert K. Hood, Manager, Industry Relations and Communications, International Paper Co.
- Wilbur Doyle, President, Doyle Lumber, Inc.
- Thomas Westbrook, President, Cascade West Forest Products; and President, Northwest Independent Forest Manufacturers
- Richard V.L. Cooper, Partner in Charge, Economic Studies, Coopers & Lybrand

Kermit W. Almstedt)  
 Richard L. Barnes )--OF COUNSEL  
 F. Amanda DeBusk )

In opposition to the imposition of countervailing duties

Herbert A. Fierst, Esq.  
Arnold & Porter  
Washington, D.C.  
on behalf of

Canadian Softwood Lumber Committee

Herbert A. Fierst )  
 Robert E. Herzstein )  
 Hadrian R. Katz )--OF COUNSEL  
 Lawrence A. Schneider)

North American Wholesale Lumber Association, Inc.

Harlan M. Niebling, Executive Vice President

National Association of Home Builders

David Stahl, Executive Vice President  
Larry McBennett, Counsel



APPENDIX C

EXCERPT FROM SUBPART B, PART 1, SCHEDULE 2, OF THE TARIFF SCHEDULES OF THE  
UNITED STATES ANNOTATED (1982)

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TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1982)

SCHEDULE 2. - WOOD AND PAPER; PRINTED MATTER  
 Part I. - Wood and Wood Products

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			<p>Subpart B. - Lumber, Flooring, and Moldings</p> <p>Subpart E headnotes:</p> <p>1. This subpart covers lumber, wood siding, wood flooring, wood moldings, and certain wood carvings and ornaments, including such products when they have been drilled or treated.</p> <p>2. For the purposes of this part, the following terms have the meanings hereby assigned to them:                      (a) <u>Lumber</u>: A product of a sawmill or sawmill and planing mill derived from a log by lengthwise sawing which, in its original sawed condition, has at least 2 approximately parallel flat longitudinal sawed surfaces, and which may be rough, dressed, or worked, as set forth below:                      (i) <u>rough lumber</u> is lumber just as it comes from the saw, whether in the original sawed size or edged, resawn, crosscut, or trimmed to smaller sizes;                      (ii) <u>dressed lumber</u> is lumber which has been dressed or surfaced by planing on at least one edge or face; and                      (iii) <u>worked lumber</u> is lumber which has been matched (provided with a tongued-and-grooved joint at the edges or ends), shiplapped (provided with a rabbeted or lapped joint at the edges), or patterned (shaped at the edges or on the faces to a patterned or molded form) on a matching machine, sticker, or molder.</p> <p>Edge-glued or end-glued wood over 6 feet in length and not over 15 inches in width shall be classified as lumber if such wood as a solid piece without glue joints would be deemed to be lumber as defined above.</p> <p>Note: For explanation of the symbol "A" or "A*" in the column entitled "GSP", see general headnote 3(c).</p>				

TARIFF SCHEDULES ON THE UNITED STATES ANNOTATED (1982)

Page 116

SCHEDULE 2. - WOOD AND PAPER, PRINTED MATTER  
Part I. - Wood and Wood Products

2 - 1 - B

202.03 - 202.09

C S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
			<p>(b) <u>Softwood</u>: Wood from trees of coniferous species (order Coniferae).</p> <p>(c) <u>Hardwood</u>: Wood from trees of non-coniferous species.</p> <p>(d) <u>Drilled or treated</u>: Drilled at intervals for nails, screws, or bolts, sanded or otherwise surface processed in lieu of, or in addition to, planing or working, or treated with creosote or other wood preservatives, or with fillers, sealers, waxes, oils, stains, varnishes, paints, or enamels, but not including anti-stain or other temporary applications mentioned in headnote 4 of this subpart.</p> <p>(e) <u>Standard wood moldings</u>: Wood moldings worked to a pattern and having the same profile in cross section throughout their length.</p> <p>3. Lumber, including certain flooring provided for in this subpart, is dutiable on the basis of "board measure" for which the unit of measurement is the board foot. For the purposes of this subpart, a board foot is the quantity of lumber contained in, or derived (by drying, dressing, or working, or any combination of these processes) from, a piece of rough green lumber 1 inch in thickness, 12 inches in width, and 1 foot in length, or the equivalent of such piece in other dimensions.</p> <p>4. The treatment of lumber or other products provided for in this subpart with anti-stain or other temporary applications which serve only for the purpose of maintaining the products in their rough, dressed, or worked condition until installation or further manufacture shall not affect their classification under any of the provisions of this subpart.</p>				
			Lumber, rough, dressed, or worked (including softwood flooring classifiable as lumber, but not including siding, molding, and hardwood flooring):				
			Softwood:				
	202.03		Spruce ( <i>Picea</i> spp.).....	Free			\$4 per 1000 ft., board measure
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
			Pine ( <i>Pinus</i> spp.):				
	202.05		Eastern white pine ( <i>Pinus strobus</i> ) and red pine ( <i>Pinus resinosa</i> ).....	Free			\$1 per 1000 ft., board measure
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.09		Other pine.....	Free			\$4 per 1000 ft., board measure
			Lodgepole pine ( <i>Pinus contorta</i> ):				
		25	Rough.....	M.bd.ft.			
		45	Dressed or worked.....	M.bd.ft.			
			Other:				
		65	Rough.....	M.bd.ft.			
		85	Dressed or worked.....	M.bd.ft.			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1982)

SCHEDULE 2. - WOOD AND PAPER; PRINTED MATTER  
Part 1. - Wood and Wood Products

G S P	Item	Stat. Suf- fix	Articles	Units of Quantity	Rates of Duty		
					1	LDDC	2
	202.12		Lumber, rough, dressed, or worked, etc. (con.): Softwood (con.): Parana pine ( <u>Araucaria angustifolia</u> ).....	Free		\$4 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.15		Douglas-fir ( <u>Pseudotsuga menziesii</u> ).....	Free		\$4 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.18		Fir ( <u>Abies</u> spp.).....	Free		\$4 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.21		Hemlock ( <u>Tsuga</u> spp.).....	Free		\$4 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.24		Larch ( <u>Larix</u> spp.).....	Free		\$4 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
	202.27		Cedar ( <u>Thuja</u> spp., <u>Juniperus</u> spp., <u>Chamaecyparis</u> spp., <u>Cupressus</u> spp. and <u>Libocedrus</u> spp.).....	Free		\$3 per 1000 ft., board measure	
		20	Western red cedar ( <u>Thuja plicata</u> ): Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			
		60	Other: Rough.....	M.bd.ft.			
		80	Dressed or worked.....	M.bd.ft.			
	202.30		Other.....	Free		\$3 per 1000 ft., board measure	
		20	Rough.....	M.bd.ft.			
		40	Dressed or worked.....	M.bd.ft.			

APPENDIX D

EXCERPT FROM SUBPART B, PART 1, OF SCHEDULE B

SCHEDULE 2. WOOD AND PAPER; PRINTED MATTER

(2-1-B)

(2-1-B)

Schedule B number	Commodity description	Unit of quantity	Schedule B number	Commodity description	Unit of quantity
	<p>Subpart B--Lumber, Siding, Flooring, and Moldings</p> <p><u>Subpart B headnotes:</u></p> <p>1. This subpart covers lumber, wood siding, wood flooring, wood moldings, and certain wood carvings and ornaments, including such products when they have been drilled or treated.</p> <p>2. For the purposes of this part, the following terms have the meanings hereby assigned to them:                      (a) <u>Lumber</u>: A product of a sawmill or sawmill and planing mill derived from a log by lengthwise sawing which, in its original sawed condition, has at least 2 approximately parallel flat longitudinal sawed surfaces, and which may be rough, dressed, or worked, as set forth below:                      (i) <u>rough lumber</u> is lumber just as it comes from the saw whether in the original sawed size or edged, re-sawn, crosscut, or trimmed to smaller sizes;                      (ii) <u>dressed lumber</u> is lumber which has been dressed or surfaced by planing on at least one edge or face; and                      (iii) <u>worked lumber</u> is lumber which has been matched (provided with a tongued-and-grooved joint at the edges or ends), shiplapped (provided with a rabbeted or lapped joint at the edges), or patterned (shaped at the edges or on the faces to a patterned or molded form) on a matching machine, sticker, or molder.</p> <p>Edge-glued or end-glued wood shall be classified as lumber if such wood as a solid piece without glue joints would be deemed to be lumber as defined above;                      (b) <u>Softwood</u>: Wood from trees of coniferous species (order Coniferae);</p>			<p>(c) <u>Hardwood</u>: Wood from trees of non-coniferous species;                      (d) <u>Drilled or treated</u>: Drilled at intervals for nails, screws, or bolts, sanded or otherwise surface processed in lieu of, or in addition to, planing or working, or treated with creosote or other wood preservatives, or with fillers, sealers, waxes, oils, stains, varnishes, paints, or enamels, but not including anti-stain or other temporary applications mentioned in headnote 4 of this subpart.</p> <p>3. For the purposes of this subpart, a board foot is the quantity of lumber contained in, or derived (by drying, dressing, or working, or any combination of these processes) from, a piece of rough green lumber 1 inch in thickness, 12 inches in width, and 1 foot in length, or the equivalent of such piece in other dimensions.</p> <p>4. The treatment of lumber or other products provided for in this subpart with anti-stain or other temporary applications which serve only for the purpose of maintaining the products in their rough, dressed, or worked condition until installation or further manufacture shall not affect their classification under any of the provisions of this subpart.</p> <p>Lumber, rough, dressed or worked, not treated with creosote or other permanent wood preservative, whether or not drilled or otherwise treated (including softwood flooring classifiable as lumber, but not including siding, molding, and hardwood flooring):</p> <p>Softwood:                      Spruce (<i>Picea</i> spp.):                      Rough..... M bd. ft.                      Dressed or worked..... M bd. ft.</p>	
202.0420			202.0440		

SCHEDULE 2. WOOD AND PAPER; PRINTED MATTER

(2-1-L)

(2-1-B)

Schedule B number	Commodity description	Unit of quantity	Schedule B number	Commodity description	Unit of quantity
	Lumber, rough, dressed or worked, etc.--Continued Softwood--Continued			Lumber rough, dressed or worked, etc.--Continued Softwood--Continued	
	Pine ( <u>Pinus</u> spp.):			Fir ( <u>Abies</u> spp.):	
	Eastern white pine ( <u>Pinus strobus</u> ) and red pine ( <u>Pinus resinosa</u> ):		202.1920	Rough.....	M bd.ft.
			202.1940	Dressed or worked.....	M bd.ft.
202.0720	Rough.....	M bd.ft.		Hemlock ( <u>Tsuga</u> spp.):	
202.0740	Dressed or worked.....	M bd.ft.	202.2220	Rough.....	M bd.ft.
	Southern yellow pine ((loblolly pine) ( <u>Pinus taeda</u> ), longleaf pine ( <u>Pinus palustris</u> ) pitch pine ( <u>Pinus rigida</u> ), shortleaf pine ( <u>Pinus echinata</u> ), slash pine ( <u>Pinus elliotii</u> ), and Virginia pine ( <u>Pinus virginiana</u> )):		202.2240	Dressed or worked.....	M bd.ft.
			202.2520	Larch ( <u>Larix</u> spp.):	
202.0820	Rough.....	M bd.ft.	202.2540	Rough.....	M bd.ft.
202.0840	Dressed or worked.....	M bd.ft.		Dressed or worked.....	M bd.ft.
	Ponderosa pine ( <u>Pinus ponderosa</u> ):		202.2820	Cedar ( <u>Thuja</u> spp., <u>Juniperus</u> spp., <u>Chamaecyparis</u> spp., <u>Cupressus</u> spp. and <u>Libocedrus</u> spp.):	
202.1020	Rough.....	M bd.ft.	202.2840	Western redcedar ( <u>Thuja plicata</u> ):	
202.1040	Dressed or worked.....	M bd.ft.		Rough.....	M bd.ft.
	Other pine:		202.2860	Dressed or worked.....	M bd.ft.
202.1120	Rough.....	M bd.ft.	202.2880	Other cedar:	
202.1140	Dressed or worked.....	M bd.ft.		Rough.....	M bd.ft.
	Douglas-fir ( <u>Pseudotsuga menziesii</u> ):		202.2920	Dressed or worked.....	M bd.ft.
	Rough:		202.2940	Redwood ( <u>Sequoia sempervirens</u> ):	
202.1620	In least dimension under 2 inches.....	M bd.ft.		Rough.....	M bd.ft.
202.1640	In least dimension 2 inches but under 5 inches.....	M bd.ft.	202.3120	Dressed or worked.....	M bd.ft.
202.1660	In least dimension 5 inches and over.....	M bd.ft.	202.3140	Other softwood:	
202.1680	Dressed or worked.....	M bd.ft.		Rough.....	M bd.ft.
				Dressed or worked.....	M bd.ft.
			202.4312		
			202.4314		





**APPENDIX E**

**EXCERPT FROM CANADIAN TARIFF SCHEDULES**

## Softwood Lumber: Canadian rates of duty, present and negotiated

(Percent ad valorem)

Item	Description	Present Rate of Duty 1/	Negotiated Rate of duty
50040-1	Lumber of any species not further manufac- tured than sawn.	Free	Free.
50045-1	Lumber of any species not further manufac- tured than by a planing or matching machine.	Free	Free.
50050-1	Softwood lumber, drilled but not otherwise further manufactured than by a planing or matching machine.	Free	Free.
50055-1	Edge- or end-glued lumber not over 6 feet in length or over 15 inches in width, not drilled and not further manufactured than by a planing or matching machine.	Free	Free.

1/ Rates currently applicable to imports from the United States on  
Jan. 1, 1982.

Note.-- Duty-free rates applicable to the United States are also applicable  
to imports from the European Community and Japan.

APPENDIX F  
LUMBER TARIFFS OF SELECTED COUNTRIES

## Softwood lumber: Foreign rates of duty, present and negotiated

Market	Description	Present rate of duty <u>1/</u>	Negotiated rate of duty <u>2/</u>	
European Community	Wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 mm:			
	Coniferous wood, length less than 125 cm; thickness less than 12.5 mm (44.05-2000)	4.6%	3.8%.	
	All other [44.05- (4011-7999)].	Free	Free.	
	Wood, planed, tongued, grooved, etc. but not further manu- factured 44.13 (all).	4.6%	4.0%.	
	Japan-----	Wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 mm:		
		Genera <u>Pinus</u> , <u>Abies</u> <u>Picea</u> and <u>Larix</u> , not more than 160 mm in thickness:	2.5%	2.5%.
Genus <u>Pinus</u> (44.05-310)-----		2.5%	2.5%.	
Genus <u>Abias</u> and <u>Picea</u> (44.05-320).		2.5%	2.5%.	
Genus <u>Larix</u> (44.05-330)-----		2.5%	2.5%.	
All other [44.05 (510-599)]--		Free	Free.	
Wood planed, tongued, grooved rebated, chamfered, V-jointed, centre V-joint- ed, beaded, centrebeaded or the like, but not further manufactured:				
Genera <u>Pinus</u> , <u>Abies</u> , <u>Picea</u> and <u>Larix</u> , not more than 160 mm in thickness (44.13-300).		2.5%	2.5%.	
All other [44.13 (510 and 590)].		Free	Free,	

1/ Rates currently applicable to imports from the United States on Jan. 1, 1982.

2/ Final rates negotiated under the Multilateral Trade Negotiations (MTN) effective on Jan. 1, 1987.

Note.--Foreign duty rates applicable to the United States are also applicable to imports between the trading markets of Japan, the European Community, and Canada. Rates on this page were drawn from unofficial sources and may not accurately reflect current rates of duty.

**APPENDIX G**  
**STATISTICAL TABLES**

Table 1.--Softwood lumber: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1979-81, January-August 1981, and January-August 1982

(Quantity in millions of board feet; value in thousands of dollars; unit value per thousand board feet)

Period	Production <sup>1/</sup>	Exports	Imports	Apparent consumption	Ratio (percent of imports to consumption)
Quantity					
1979-----	29,744	1,729	10,916	38,931	28.1
1980-----	24,335	1,967	9,378	31,746	29.6
1981-----	22,710	1,895	9,024	29,839	30.2
January-August--					
1981-----	16,359	1,325	6,449	21,483	30.0
1982-----	14,375	1,101	5,682	18,956	30.0
Value					
1979-----	<sup>2/</sup>	776,879	2,457,000	-	-
1980-----	<sup>2/</sup>	776,847	1,762,000	-	-
1981-----	<sup>2/</sup>	652,567	1,695,000	-	-
January-August--					
1981-----	<sup>2/</sup>	452,275	1,234,000	-	-
1982-----	<sup>2/</sup>	398,278	995,000	-	-
Unit value					
1979-----	-	\$449.31	\$225.08	-	-
1980-----	-	394.97	187.84	-	-
1981-----	-	344.34	187.72	-	-
January-August--					
1981-----	-	341.28	191.35	-	-
1982-----	-	361.69	175.11	-	-

<sup>1/</sup> National Forest Products Association, Fingertip Facts and Figures.

<sup>2/</sup> Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 2.--Softwood lumber: U.S. production, by geographic regions, 1972-81 <sup>1/</sup>

Year	West		North and East		South		Total United States
	Total	Percent of total United States	Total	Percent of total United States	Total	Percent of total United States	
	Million board feet		Million board feet		Million board feet		Million board feet
1979-----	20,375	68.5	1,320	4.4	8,049	27.1	29,744
1980-----	<u>2/</u> 16,435	67.5	1,076	4.4	<u>2/</u> 6,824	<u>2/</u> 28.0	24,335
1981-----	<u>2/</u> 15,440	68.0	1,000	4.4	<u>2/</u> 6,270	<u>2/</u> 27.6	22,710

<sup>1/</sup> Figures have been adjusted by National Forest Products Associations data.

<sup>2/</sup> Estimated by the staff of the U.S. International Trade Commission.

Source: Current Industrial Reports, U.S. Department of Commerce-1979, and National Forest Products Association, Fingertip facts and Figures, February 1982, except as noted.

Note.--Because of rounding, figures may not add to the totals shown.

Table 3.--Softwood lumber: U.S. and Canadian production, total, by the 5 largest, and by the 50 largest producers, 1979-81

Year	All producers		5 largest producers		50 largest producers	
	Million board feet	Percent of total production	Million board feet	Percent of total production	Million board feet	Percent of total production
United States:						
1979-----	29,744	27.1	8,078	27.1	18,864	63.4
1980-----	24,335	27.9	6,794	27.9	16,402	67.4
1981-----	22,710	30.0	6,792	30.0	16,231	71.5
Canada:						
1979-----	18,494	22.4	4,143	22.4	11,956	64.6
1980-----	18,178	22.0	3,995	22.0	12,050	66.3
1981-----	16,408	21.3	3,491	21.3	9,900	60.3

Source: Forest Industries, May of 1973-81.

Table 4.--Lumber: Average costs of materials and wages, by specified States and Provinces, 1979 and 1980  
(Per 1,000 board feet)

Item	United States							
	Maine		Georgia		Idaho and Montana		Oregon and Washington	
	1979	1980 1/	1979	1980 1/	1979	1980 1/	1979	1980 1/
Materials and other costs	US\$200	US\$219	US\$172	US\$189	US\$156	US\$169	US\$223	US\$244
Wood	142	155	155	170	138	148	188	205
Fuel and energy	6	7	6	7	7	8	7	8
Contract work	14	15	2/	2/	2/	2/	2/	2/
Other	38	42	11	12	12	13	28	31
Wages	65	70	58	62	58	65	64	69
Total	265	289	230	251	214	234	288	313
	Canada							
	British Columbia				Quebec			
	Coast		Interior		Total			
Materials and other costs	US\$239	US\$254	US\$122	US\$135	US\$162	US\$193	US\$135	US\$148
Wood	210	216	73	77	120	138	89	93
Fuel and energy	4	4	5	6	5	6	8	10
Contract work	9	12	29	34	22	27	23	27
Other	17	22	15	18	15	21	15	18
Wages	75	82	50	54	59	68	63	68
Total	315	336	172	189	221	262	198	216

1/ Estimated by the staff of the U.S. International Trade Commission using projections provided by Data Resources, Inc.  
2/ Included with other materials.

Source: Compiled from the U.S. Department of Commerce, Census of Manufactures, 1977, and Annual Survey of Manufactures 1978-80, and Statistics Canada, Mills and Planing Mills and Shingle Mills, 1977-1979, except as noted.

Note.--Because of rounding, figures may not add to the totals shown.



Table 5.--Lumber: Average costs of materials at the mill and wages for the United States and Canada, 1979 and 1980

Item	1979	1980 <sup>1/</sup>	1979	1980 <sup>1/</sup>
	Per 1,000 board feet		Percent	
<b>United States:</b>				
Materials and other costs-----	\$222	\$245	<sup>1/</sup> 77	78
Wood-----	<sup>1/</sup> 158	173	<sup>1/</sup> 55	55
Fuel and energy-----	<sup>1/</sup> 7	8	<sup>1/</sup> 2	3
Contract work <sup>2/</sup> -----	<sup>1/</sup> 16	18	<sup>1/</sup> 6	6
Other-----	<sup>1/</sup> 42	46	<sup>1/</sup> 15	15
Wages-----	65	70	23	22
Total-----	287	315	100	100
<b>Canada:</b>				
Materials and other costs-----	\$195	\$215	72	72
Wood-----	140	146	52	49
Fuel and energy-----	7	8	3	3
Contract work <sup>2/</sup> -----	29	36	11	12
Other-----	20	25	7	8
Wages-----	75	82	28	28
Total-----	270	297	100	100

<sup>1/</sup> Estimated by the staff of the U.S. International Trade Commission using projections provided by Data Resources, Inc.

<sup>2/</sup> Includes resales.

Source: Compiled from official statistics of the U.S. Department of Commerce, Census of Manufactures, 1977, and Annual Survey of Manufactures, 1978-80, and Statistics Canada, Sawmills and Planing Mills and Shingle Mills, 1977-1979, except as noted.

Note.--Because of rounding, figures may not add to the totals shown.

Table 6.--Softwood sawtimber on commercial forest land in the United States, by ownerships, regions, and specified States, 1977

Ownership	West			North			South		
	Washington	Oregon	Percent of total U.S.	Maine	All other	Total	Percent of total U.S.	Total	Percent of total U.S.
National forest	133,819	252,804	95.9	44	7,027	7,071	0.7	33,843	3.4
Other public	67,715	72,137	88.7	306	12,443	12,749	5.4	13,932	5.9
Total, public	201,534	324,941	94.6	350	19,470	19,820	1.6	47,775	3.8
Forest industry	75,974	59,013	64.3	13,808	9,268	23,076	7.5	87,329	28.2
Farm and other private	35,792	28,132	39.7	11,517	42,953	54,470	12.6	204,867	47.7
Total, private	111,766	87,145	50.0	25,325	52,221	77,546	10.5	292,196	39.5
Grand total	313,300	412,086	78.0	25,675	71,691	97,366	4.9	339,971	17.1

Source: Compiled from official statistics of United States Department of Agriculture Forest Service, Forest Statistics of the U.S., 1977, p. 40.

Table 7.--Average bid stumpage price for timber sold on public lands in Washington and Oregon, 1979-81, January-March 1981, and January-March 1982

State-ownership	1979			1980			1981			January-March 1982		
	Value		Volume	Value		Volume	Value		Volume	Value		Volume
	per 1,000 board feet	board feet	per 1,000 board feet	per 1,000 board feet	board feet	per 1,000 board feet	board feet	per 1,000 board feet	board feet	per 1,000 board feet	board feet	
Washington:	Million	board feet	Million	board feet	Million	board feet	Million	board feet	Million	board feet	Million	board feet
West:												
USFS	1,223	\$224.68	1,114	\$208.06	1,225	\$180.57	203	\$235.69	323	\$72.76		
USBLM	-	-	-	-	-	-	-	-	-	-	-	-
USBIA	23	264.95	7	182.32	13	129.09	0	1/	0	1/		
State	1,151	332.10	504	304.71	369	208.95	116	234.07	251	177.09		
Subtotal	2,396	276.66	1,625	237.91	1,607	186.65	318	235.11	574	118.47		
East:												
USFS	421	104.68	429	90.92	389	77.57	63	64.56	39	52.11		
USBLM	3	16.80	2	21.25	4	105.60	0	1/	2/	1/		
USBIA	140	212.01	211	162.32	54	173.78	18	159.70	34	230.10		
State	126	210.79	80	207.67	54	198.94	9	276.21	18	195.41		
Subtotal	689	145.50	722	124.63	500	101.15	91	105.70	2/	1/		
Total Washington	3,086	247.36	2,346	203.06	2,107	166.36	409	206.33	2/	1/		
Oregon:												
West:												
USFS	2,441	332.09	2,644	354.60	2,379	276.36	787	258.34	646	121.01		
USBLM	890	292.59	1,150	323.63	1,031	246.68	307	309.79	2/	1/		
USBIA	-	-	-	-	3	365.16	0	1/	0	1/		
State	219	314.93	239	332.25	135	262.31	67	315.67	45	128.37		
Subtotal	3,550	321.13	4,033	344.44	3,548	269.30	1,161	343.05	2/	1/		
East:												
USFS	1,272	169.55	1,168	130.22	1,295	144.49	309	179.61	266	85.77		
USBLM	7	103.25	2	118.72	18	84.31	8	245.62	2/	1/		
USBIA	15	196.29	25	226.61	55	112.47	0	1/	85	82.60		
State	7	229.38	6	186.29	1	16.00	1	16.00	7	110.22		
Subtotal	1,301	169.88	1,202	133.37	1,369	142.32	318	180.75	2/	1/		
Total Oregon	4,852	280.57	5,235	295.97	4,917	233.95	1,479	308.15	2/	1/		
Total Washington and Oregon:												
USFS	5,356	251.12	5,355	254.06	5,289	208.60	1,362	285.90	1,273	99.32		
USBLM	899	290.41	1,154	322.75	1,052	243.40	307	310.49	2/	1/		
USBIA	179	217.43	244	173.80	126	147.23	18	159.70	119	125.17		
State	1,503	318.95	829	302.38	560	220.13	193	263.24	322	169.83		
Total	7,937	267.66	7,581	267.21	7,025	213.67	1,888	286.09	2/	1/		

1/ Not applicable.  
2/ Not available.

Source: USDA Forest Service, Production, Prices, Employment, and Trade in Northwest Forest Industry, January-March 1982, except as noted.

Table 8.--Timber cut and sold, United States Forest Service Region 6, 1979-81

Area	1979		1980		1981	
	Volume : Million : board feet	Value : per 1,000 : board feet	Volume : Million : board feet	Value : Per 1,000: :board feet	Volume : Million : board feet	Value : Per 1,000 :board feet
Timber sold:						
Oregon-----	3,713	\$276.42	3,812	\$285.73	3,672	\$231.92
Washington-----	1,635	195.07	1,514	176.42	1,609	155.81
Western Region 6--	3,822	290.46	3,917	300.91	3,636	244.91
Eastern Region 6--	1,542	156.37	1,410	126.31	1,653	130.58
Total,						
Region 6 1/-----	5,365	251.69	5,327	254.71	5,289	209.11
Timber cut:						
Oregon-----	3,131	148.48	2,427	139.69	2,021	155.49
Washington-----	1,245	103.23	1,059	92.48	956	87.43
Western Region 6--	3,225	140.69	2,449	138.55	1,924	135.29
Eastern Region 6--	1,138	123.28	1,043	94.43	1,055	87.72
Total,						
Region 6 1/-----	4,363	135.53	3,492	125.36	2,979	117.44

1/ Includes a small section of California.

Source: U.S. Forest Service, Timber Cut and Sold Reports, 1979-82.

Note.--Because of rounding, figures may not add to the totals shown.

Table 9.--Softwood lumber: U.S. exports of domestic merchandise, by principal markets, 1979-81, January-August 1981, and January-August 1982

Market	1979	1980	1981	January-August--	
				1981	1982
Quantity (million board feet)					
Japan	640	634	506	308	406
Canada	383	364	495	383	169
Italy	161	186	88	62	57
Australia	94	90	123	81	81
Mexico	96	180	199	151	85
Federal Republic of					
Germany	58	71	49	37	31
Saudi Arabia	31	41	45	29	31
United Kingdom	37	53	32	22	23
Trinidad	12	20	24	14	18
Egypt	0	39	35	35	1
All other	217	289	299	203	199
Total	1,729	1,967	1,895	1,325	1,101
Value (1,000 dollars)					
Japan	253,860	221,360	175,960	108,139	134,335
Canada	122,420	101,383	123,043	94,744	42,953
Italy	127,042	138,627	55,447	40,964	34,776
Australia	46,483	36,991	47,727	31,426	31,007
Mexico	22,497	33,546	43,841	31,217	21,302
Federal Republic of					
Germany	42,938	42,417	27,966	21,131	17,110
Saudi Arabia	12,370	15,945	19,941	13,827	12,304
United Kingdom	22,104	21,533	14,661	10,421	10,203
Trinidad	5,210	8,592	11,479	7,161	8,010
Egypt	-	14,936	11,354	11,318	624
All other	121,955	141,517	121,150	81,929	85,655
Total	776,879	776,847	652,569	452,277	398,278
Unit value (per thousand board feet)					
Japan	\$396.51	\$349.22	\$347.45	\$351.53	\$331.10
Canada	319.85	278.88	248.35	247.26	253.73
Italy	788.82	745.11	627.67	657.88	613.59
Australia	496.81	409.16	389.34	390.25	381.79
Mexico	235.15	186.59	220.65	206.37	251.21
Federal Republic of					
Germany	736.08	599.78	569.65	574.10	558.57
Saudi Arabia	401.76	390.34	447.79	473.75	395.19
United Kingdom	591.08	404.37	455.63	463.98	438.86
Trinidad	416.14	436.79	480.61	510.03	444.76
Egypt	-	386.21	321.86	322.00	418.47
All other	562.68	487.91	405.63	404.11	437.54
Average	449.31	394.97	344.34	341.28	361.69

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--Softwood lumber: U.S. exports of domestic merchandise, by principal customs districts, 1979-81 and January-September 1982

Source	1979	1980	1981	January-September 1982
Quantity (million board feet)				
Seattle, Wash-----	401	514	465	327
Portland, Oreg-----	426	463	458	313
Anchorage, Alaska-----	278	255	196	139
Detroit, Mich-----	127	95	126	42
San Diego, Calif-----	80	91	106	62
Great Falls, Mont-----	60	50	79	34
El Paso, Tex-----	8	71	67	20
Portland, Maine-----	31	36	48	9
San Francisco, Calif-----	31	34	47	37
Nogales, Ariz-----	4	7	18	5
All other-----	283	351	285	212
Total-----	1,729	1,967	1,895	1,200
Value (1,000 dollars)				
Seattle, Wash-----	162,870	167,722	154,623	101,195
Portland, Oreg-----	269,054	260,084	196,271	137,471
Anchorage, Alaska-----	103,431	88,587	59,911	48,703
Detroit, Mich-----	48,628	33,129	30,471	9,807
San Diego, Calif-----	16,976	20,895	24,961	13,432
Great Falls, Mont-----	17,900	12,457	18,275	7,961
El Paso, Tex-----	3,441	9,218	11,008	6,057
Portland, Maine-----	5,339	8,501	10,264	1,835
San Francisco, Calif-----	23,733	19,274	20,248	15,229
Nogales, Ariz-----	1,172	2,436	6,989	2,368
All other-----	124,335	154,544	119,546	90,554
Total-----	776,879	776,847	652,567	434,612
Unit value (per thousand board feet)				
Seattle, Wash-----	\$406.53	\$326.11	\$332.20	\$309.48
Portland, Oreg-----	631.43	561.95	428.68	439.91
Anchorage, Alaska-----	372.08	346.89	305.70	351.64
Detroit, Mich-----	382.65	347.15	242.05	235.11
San Diego, Calif-----	212.39	229.11	234.46	217.87
Great Falls, Mont-----	296.73	248.49	231.53	235.48
El Paso, Tex-----	426.97	129.12	163.78	307.52
Portland, Maine-----	170.38	233.93	211.68	307.52
San Francisco, Calif-----	774.62	562.74	430.57	410.04
Nogales, Ariz-----	290.66	372.57	382.99	431.17
All other-----	439.35	440.30	419.46	427.14
Average-----	449.31	394.97	344.34	362.32

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--Softwood logs: U.S. exports of domestic merchandise, by principal markets, 1979-81, January-August 1981, and January-August 1982

Source	1979	1980	1981	January-August--	
				1981	1982
Quantity (thousand board feet)					
Japan-----	3,140,927	2,532,643	1,768,707	1,181,740	1,266,056
China-----	0	87,785	222,442	118,940	377,365
Republic of Korea---	258,301	200,009	149,579	107,824	161,241
Canada-----	356,503	273,721	208,966	142,026	179,208
Hong Kong-----	1	53	10,883	7,862	23,139
Taiwan-----	2,236	1,050	3,683	1,905	4,700
Saudi Arab-----	205	942	1,494	230	507
Venezuela-----	89	28	1,329	1,157	4,174
Egypt-----	0	271	1,991	1,991	0
Spain-----	1,141	2,463	1,302	23	1,803
All other-----	8,845	10,143	6,723	5,503	2,339
Total-----	3,768,248	3,109,108	2,377,099	1,569,201	2,020,532
Value (1,000 dollars)					
Japan-----	1,468,097	1,290,941	822,869	559,885	554,229
China-----	-	41,435	89,211	48,316	150,252
Republic of Korea---	85,555	75,357	48,020	34,844	51,767
Canada-----	50,023	35,694	31,673	21,585	15,887
Hong Kong-----	1	40	4,175	3,115	8,640
Taiwan-----	2,177	548	938	319	1,624
Saudi Arab-----	205	388	798	161	156
Venezuela-----	110	30	630	476	1,431
Egypt-----	-	198	518	518	-
Spain-----	1,735	1,768	514	14	1,038
All other-----	5,652	5,293	3,500	2,794	1,331
Total-----	1,613,555	1,451,691	1,002,846	672,026	786,355
Unit value (per thousand board feet)					
Japan-----	\$467.41	\$509.72	\$465.24	\$473.78	\$437.76
China-----	-	472.00	401.05	406.22	398.16
Republic of Korea---	331.22	376.77	321.04	323.15	321.05
Canada-----	140.32	130.40	151.57	151.98	88.65
Hong Kong-----	1,318.00	754.09	383.63	396.16	373.42
Taiwan-----	973.71	521.44	254.66	167.69	345.60
Saudi Arab-----	999.27	411.70	534.42	699.53	308.50
Venezuela-----	1,236.79	1,057.79	473.92	411.04	342.91
Egypt-----	-	729.74	260.33	260.33	-
Spain-----	1,520.88	717.84	395.13	613.09	575.75
All other-----	638.96	532.84	520.66	507.63	569.16
Total-----	428.20	466.92	421.88	428.26	389.18

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--Income and loss experience of 13 U.S. producers on their softwood lumber operations, 1979-81, January-August 1981, and January-August 1982

Item	1979	1980	1981	January-August	
				1981	1982
Net sales---1,000 dollars--:	871,429:	697,929 :	672,636 :	473,078 :	356,111
Cost of goods sold---do----:	751,246:	686,494 :	719,450 :	479,989 :	381,798
Gross income-----do-----:	120,183:	11,435 :	(46,814):	(6,911):	(25,687)
General, selling, and administrative expenses	:	:	:	:	:
1,000 dollars--:	37,999:	41,865 :	52,643 :	31,514 :	30,234
Operating income-----do-----:	82,184:	(30,430):	(99,457):	(38,425):	(55,921)
Other income or expense	:	:	:	:	:
1,000 dollars--:	2,590:	9,014 :	(6,451):	140 :	1,143
Net income or (loss) before income taxes	:	:	:	:	:
1,000 dollars--:	84,774:	(21,416):	(105,908):	(38,285):	(54,778)
Depreciation and amorti- zation expense	:	:	:	:	:
1,000 dollars--:	27,998:	30,619 :	34,946 :	23,353 :	21,322
Cash flow from operations	:	:	:	:	:
1,000 dollars--:	112,772:	9,203 :	(70,962):	(14,932):	(33,456)
Ratio to net sales:	:	:	:	:	:
Gross income--Percent--	13.8:	1.6 :	(7.0):	(1.5):	(7.2)
Operating income or (loss)-----Percent----	9.4:	(4.4):	(14.8):	(8.1):	(15.7)
Net income or (loss) income taxes	:	:	:	:	:
Percent-----:	9.7:	(3.1):	(15.7):	(8.1):	(15.4)
Cost of goods sold-do-----:	86.2:	98.4 :	107.0:	101.5 :	107.2
General, selling, and administrative expenses:	:	:	:	:	:
Percent-----:	4.4:	6.0 :	7.8 :	6.6 :	8.5
Number of firms report- ing operating losses---	0:	9 :	13 :	10 :	13
Number of firms report- net losses-----	0:	9 :	12 :	10 :	13

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.



Table 13.--Investment in productive facilities by 13 U.S. producers of softwood lumber, as of the end of accounting years 1979-81, January-August 1981, and January-August 1982.

Item	1979	1980	1981	January-August <u>1/</u>	
				1981	1982
Original cost--1,000 dollars--	411,003	534,461	630,006	389,729	411,081
Book value-----do-----	213,886	308,197	372,852	179,361	181,208
Ratio of operating profit or (loss) to:					
Net sales-----percent--	9.4	(4.4)	(14.8)	(8.1)	(15.7)
Original cost-----	20.0	(5.7)	(15.8)	(9.9)	(13.6)
Book value-----	38.4	(9.9)	(26.7)	(21.4)	(30.9)

1/ Data are for 11 firms for January-August 1981 and January-August 1982.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 14.--Lumber: Comparison of U.S. and Canadian companies in the logging and sawmilling industry, 1979-81

Item	(In percent)		
	1979	1980	1981
United States:			
Median return on stockholders equity-----	<u>1/</u> 19.0	<u>1/</u> 12.5	<u>1/</u> 11.7
Median return on total capital-----	<u>1/</u> 12.0	<u>1/</u> 9.4	<u>1/</u> 8.4
Median net profit per sale <u>2/</u> -----	<u>1/</u> 6.7	<u>1/</u> 5.8	<u>1/</u> 5.9
Canada <u>3/</u> :			
Median return on stockholders equity-----	23.8	<u>1/</u> 14.7	<u>1/</u> 13.2
Median return on total capital-----	16.5	<u>1/</u> 11.4	<u>1/</u> 10.8
Median net profit per sale <u>2/</u> -----	8.0	<u>1/</u> 5.4	<u>1/</u> 5.2

1/ Estimated by the staff of the U.S. International Trade Commission.

2/ Profit after taxes.

3/ Percentages for Canada are calculated from Canadian dollars.

Source: Compiled from official statistics of the U.S. Department of the Treasury, I.R.S., Corporation Source Book, 1975-78, and Statistics Canada, Corporation Financial Statistics, 1975-79, except as noted.

Table 15.--Softwood lumber: U.S. imports for consumption, by principal sources, 1979-81, January-August 1981, and January-August 1982

Source	1979	1980	1981	January-August--	
				1981	1982
Quantity (million board feet)					
Canada-----	10,873	9,359	9,007	6,436	5,665
Honduras-----	28	14	11	8	6
Brazil-----	9	2	2	2	2
Mexico-----	3	1	1	1	0
New Zealand-----	2	1	1	1	2
All other-----	1	1	2	1	7
Total-----	10,916	9,378	9,024	6,449	5,682
Value (1,000 dollars)					
Canada-----	2,439,498	1,753,493	1,685,927	1,233,394	989,608
Honduras-----	5,790	3,674	4,055	3,022	1,535
Brazil-----	5,790	1,670	2,088	1,426	1,612
Mexico-----	1,213	801	950	699	279
New Zealand-----	798	890	781	522	530
All other-----	3,433	1,949	1,101	785	1,009
Total-----	2,456,522	1,762,477	1,694,902	1,239,848	994,573
Unit value (per thousand board feet)					
Canada-----	\$224.36	\$187.35	\$187.17	\$191.59	\$174.68
Honduras-----	244.81	346.60	406.06	387.10	269.97
Brazil-----	619.03	718.69	828.75	827.62	660.57
Mexico-----	504.69	451.74	707.26	656.21	546.67
New Zealand-----	408.47	474.02	579.91	547.39	606.86
All other-----	429.12	389.80	550.50	785.00	144.14
Total-----	224.92	187.84	187.72	192.13	174.94

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 16.--Softwood lumber: U.S. imports for consumption from Canada, by principal customs districts, 1979-81 and January-June 1982

Source	1979	1980	1981	January- June 1982
Quantity (million board feet)				
Duluth, Minn-----	3,317	3,135	2,730	1,180
Seattle, Wash-----	2,167	1,670	1,363	532
Detroit, Mich-----	1,015	979	1,243	590
Pembina, N. Dak-----	1,186	854	678	264
Buffalo, N.Y-----	624	643	631	310
Ogdensburg, N.Y-----	441	495	589	251
St. Albans, Vt-----	311	318	495	287
Portland, Maine-----	280	219	203	60
New York, N.Y-----	314	172	202	83
Los Angeles, Calif-----	233	186	172	41
All other-----	985	688	701	377
Total-----	10,873	9,359	9,007	3,975
Value (1,000 dollars)				
Duluth, Minn-----	705,203	536,972	454,619	165,934
Seattle, Wash-----	516,968	332,356	282,348	104,846
Detroit, Mich-----	207,376	181,032	239,210	108,424
Pembina, N. Dak-----	291,105	170,555	136,901	46,604
Buffalo, N.Y-----	132,734	122,177	121,063	57,850
Ogdensburg, N.Y-----	88,733	93,576	112,758	47,755
St. Albans, Vt-----	68,113	61,986	93,235	52,031
Portland, Maine-----	54,409	41,440	38,646	10,804
New York, N.Y-----	85,272	32,904	36,874	13,826
Los Angeles, Calif-----	60,388	40,309	32,388	7,111
All other-----	229,197	140,186	137,885	72,476
Total-----	2,439,498	1,753,493	1,685,927	687,661
Unit value (per thousand board feet)				
Duluth, Minn-----	\$212.63	\$171.27	\$166.50	\$140.62
Seattle, Wash-----	238.62	199.04	207.12	196.93
Detroit, Mich-----	204.25	184.88	192.51	183.76
Pembina, N. Dak-----	245.54	199.69	201.91	176.78
Buffalo, N.Y-----	212.75	190.02	191.85	186.44
Ogdensburg, N.Y-----	201.14	189.14	191.39	190.52
St. Albans, Vt-----	219.10	194.81	188.32	181.26
Portland, Maine-----	194.52	189.50	189.92	178.60
New York, N.Y-----	271.19	191.11	182.47	166.85
Los Angeles, Calif-----	259.37	216.67	188.65	172.61
All other-----	232.69	203.76	196.42	192.24
Average-----	224.36	187.35	187.17	172.99

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 17.--Softwood lumber: U.S. imports for consumption, by related parties and by principal sources, 1979-81

Year	Source	Total	Related party	Other	Percent related party
-----Million board feet-----					
1979	Canada	10,873	1,469	9,405	14
	Other	48	<u>1/</u>	48	<u>2/</u>
	Total	10,922	1,469	9,453	13
1980	Canada	9,359	946	8,414	10
	Other	24	1	23	3
	Total	9,383	946	8,437	10
1981	Canada	9,008	972	8,036	11
	Other	21	1	20	5
	Total	9,029	973	8,056	11

1/ Less than 0.5 million.2/ Less than 0.5 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 18.--Softwood Lumber: Shipments to U.S. consuming regions from selected producing areas in the United States and Canada, 1979-81

Region	British Columbia	Canadian prairies	Eastern Canada	Total Canada	U.S. Pacific Northwest	California	Southern pine area	All other		Total U.S.	Grand Total
								U.S.	U.S.		
<b>Northeast: 1/</b>											
1979	2,286	118	1,984	4,388	1,713	145	1,481	1,168	4,507	8,895	
1980	1,649	90	1,931	3,670	1,333	106	1,281	965	3,685	7,355	
1981	1,459	86	1,834	3,379	1,251	73	1,172	901	3,397	6,676	
<b>Southeast: 2/</b>											
1979	1,449	96	97	1,642	740	76	2,187	14	3,017	4,659	
1980	1,313	92	124	1,529	510	62	1,944	7	2,523	4,052	
1981	1,162	87	118	1,367	479	43	1,777	7	2,306	3,673	
<b>North Central: 3/</b>											
1979	1,773	241	410	2,424	2,514	196	1,101	687	4,498	6,922	
1980	1,427	251	370	2,048	1,637	160	878	572	3,247	5,295	
1981	1,263	238	352	1,853	1,535	110	802	533	2,980	4,833	
<b>Southwest: 4/</b>											
1979	786	44	54	884	1,388	144	3,122	7	4,661	5,545	
1980	704	45	5	754	1,208	136	2,554	4	3,902	4,656	
1981	623	43	5	671	1,133	94	2,336	3	3,566	4,237	
<b>West: 5/</b>											
1979	493	11	36	540	7,216	1,099	-	21	8,336	8,876	
1980	492	10	3	505	6,031	1,040	-	11	7,082	7,587	
1981	435	10	3	448	5,658	717	-	10	6,385	6,833	
<b>Pacific Northwest:</b>											
1979	939	18	27	984	4,468	49	-	14	4,531	5,515	
1980	740	15	19	774	3,967	44	-	12	4,023	4,797	
1981	655	14	18	687	3,722	30	-	10	3,762	4,449	
<b>Total:</b>											
1979	7,726	528	2,608	10,862	18,039	1,709	7,891	1,911	29,550	40,412	
1980	6,325	503	2,452	9,280	14,686	1,548	6,657	1,571	24,462	33,742	
1981	5,597	478	2,330	8,405	13,778	1,067	6,087	1,464	22,396	30,801	

1/ Connecticut, Delaware, District of Columbia, Maine, Maryland, Michigan, New Hampshire, North Dakota, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Vermont, Virgin Island, and West Virginia.

2/ Alabama, Florida, Georgia, Kentucky, Mississippi, South Carolina, and Tennessee.

3/ Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin.

4/ Arkansas, Louisiana, Oklahoma, and Texas.

5/ Arizona, California, Colorado, Hawaii, Nevada, New Mexico, and Utah.

6/ Alaska, Idaho, Montana, Oregon, Washington, and Wyoming.

Source: Canada and National Forest Product Association's, Fingertip Facts and Figures.

Table 19.--Monthly prices for selected U.S. and Canadian lumber products, by months, 1979-81 and January-August 1982

(Per 1,000 board feet)

Year and type	Jan- uary	Feb- ruary	March	April	May	June	July	Aug- ust	Sept- ember	Oct- ober	Nov- ember	Dec- ember	Unweighted average
179: Douglas fir, 2X4 (B.C.) 1/-----	221	227	232	228	223	222	235	270	296	258	204	194	234
Douglas fir, 2X4 (U.S.) 2/-----	251	257	263	251	252	257	283	326	310	273	218	219	263
Spruce-pine fir, 2X4 Western 3/-----	211	225	223	217	219	224	238	262	256	234	200	191	225
Spruce-pine fir, 2X4 Eastern 4/-----	250	257	264	261	267	280	302	327	320	277	246	249	275
80: Douglas fir, 2X4 (B.C.) 1/-----	210	205	180	144	166	183	186	184	180	174	179	178	181
Douglas fir, 2X4 (U.S.) 2/-----	214	218	184	162	216	238	224	210	193	203	219	208	207
Spruce-pine fir, 2X4 Western 3/-----	204	199	162	128	152	174	194	175	152	157	168	156	168
Spruce-pine fir, 2X4 Eastern 4/-----	262	264	228	187	212	238	251	237	214	218	232	220	230
81: Douglas fir, 2X4 (B.C.) 1/-----	187	180	170	175	167	163	174	177	156	140	144	158	166
Douglas fir, 2X4 (U.S.) 2/-----	207	193	187	193	183	198	194	180	170	164	155	162	182
Spruce-pine fir, 2X4 Western 3/-----	163	155	155	169	169	169	181	160	141	131	139	141	156
Spruce-pine fir, 2X4 Eastern 4/-----	225	218	220	239	234	241	250	226	206	194	203	202	222
82: Douglas fir, 2X4 (B.C.) 1/-----	US\$155	US\$143	US\$140	US\$139	US\$131	US\$140	US\$138	US\$134	5/	5/	5/	5/	5/
Douglas fir, 2X4 (U.S.) 2/-----	155	145	160	160	153	152	146	146	5/	5/	5/	5/	5/
Spruce-pine fir, 2X4 Western 3/-----	136	131	134	130	133	149	142	135	5/	5/	5/	5/	5/
Spruce-pine fir, 2X4 Eastern 4/-----	190	190	200	199	203	219	214	203	5/	5/	5/	5/	5/

1/ Standard and Btr., Random 8/20' unseasoned f.o.b. Mill (British Columbia to United States).

2/ Standard and Btr., Random 8/20' unseasoned f.o.b. Mill (Portland rate).

3/ Standard and Btr., Random 8/20' kiln dried f.o.b. Mill.

4/ Kiln-dried Std. and Btr., Random 8/20' delivered to Northeast United States.

5/ Not available.

Source: Random Lengths 1981 Yearbook.

Table 20.--Softwood lumber: Canadian production, imports, exports, and apparent consumption, 1979-81 and January-June 1982

Year	Production			Exports to the U.S. <sup>1/</sup>	Total exports	Total imports	Apparent consumption	Ratio of-- Exports:Imports to to : apparent pro- : consump- duction:
	British Columbia	East of the Rockies	Canada total					
-----Million board feet-----								
1979	12,518	5,976	18,494	10,782	13,258	339	5,575	71.7
1980	11,779	6,317	18,096	9,281	12,296	289	6,089	68.0
1981	10,424	5,984	16,408	9,031	11,552	515	5,371	70.4
January-June 1982	5,120	2,726	7,846	4,329	5,723	128	2,251	72.9
<sup>1/</sup> U.S. Department of Commerce statistics.								

Source: Statistics Canada, except as noted.

Table 21.--Softwood lumber: Canadian imports for consumption, by principal sources, 1979-81 and January-June 1982

Market	1979	1980	1981	January- June 1982
Quantity (million board feet)				
United States-----	335	287	509	125
All other-----	4	2	6	3
Total-----	339	289	515	128
Value (1,000 U.S. dollars) <sup>1/</sup>				
United States-----	110,165	94,347	109,691	29,252
All other-----	2,302	1,882	4,094	1,257
Total-----	112,467	96,229	113,785	30,508
Unit value (per 1,000 board feet)				
United States-----	\$328.85	\$328.74	\$215.50	\$234.02
All other-----	575.50	941.00	682.33	419.00
Total-----	331.76	332.97	220.94	238.34

<sup>1/</sup> Exchange rates used: 1979 - \$1.1715; 1980 - \$1.1690; 1981 - \$1.1990; 1982 - \$1.3020

Source: Statistics Canada.



Table 22.--Softwood lumber: Canadian exports of domestic merchandise, by principal markets, 1979-81 and January-June 1982

Market	1979	1980	1981	January- June 1982
Quantity (million board feet)				
United States-----	10,782	9,281	9,031	4,329
All other-----	2,476	3,015	2,521	1,394
Total-----	13,258	12,296	11,552	5,723
Value (1,000 dollars U.S.) <sup>1/</sup>				
United States-----	2,385,145	1,708,571	1,634,132	682,302
All other-----	876,357	1,083,999	794,947	397,073
Total-----	3,261,502	2,792,570	2,429,079	1,079,375
Unit value (per \$1,000 board feet)				
United States-----	\$221.22	\$184.09	\$180.95	\$157.61
All other-----	353.94	359.54	315.33	284.84
Total-----	246.00	227.11	210.27	188.60

<sup>1/</sup> Exchange rates used: 1979 - \$1.1715; 1980 - \$1.1690; 1981 - \$1.1990; 1982 - \$1.3020

Source: Statistics Canada.



