

shown quite conclusively that our timber supply is reaching the break-even point. Even if none is exported, by 1985, the situation can become critical, despite the heroic efforts of both Government and industry to push reforestation. The year 2000 will find our domestic demands exceeding available supplies.

It is our feeling that some accommodation can be reached with Japan relative to reasonable exports over the next several decades. However, such an accommodation will take a great deal of study. The point we wish to make is that an immediate stopgap relief is absolutely essential, pending a long-range solution to exports.

It is our belief that a 90-day moratorium on all public land timber sales is vital at this time to save many mills and the jobs they provide for our members. If we fail to institute remedial measures promptly, we will only be locking the barn door after the horse has departed for parts unknown.

In studying the President's state of the Union message, I found that he committed the Nation to a massive program of reconstruction which has tremendous implications for the lumber industry.

He asked for a 10-year campaign to build 6 million new housing units for low- and middle-income families.

Lumber is an indispensable ingredient in low-cost housing. The demands this will place on the lumber industry are tremendous.

In addition, he asked for a great deal more money to implement his model cities program. Again, this will pose additional challenges to the domestic lumber industry at a time when log exports are forcing curtailment.

Unfortunately, there is a wide diversity of interest in the log export situation.

The State Department is primarily interested in maintaining harmonious relations with other nations. Its concern for the health of domestic industries is distinctly secondary to its chief responsibility.

The Treasury Department is concerned mainly with improving the unhappy situation existing in the field of balance of payments.

Port authorities in some of the major Northwest cities are concerned lest the decrease in log exports adversely affect the tonnage they process each year.

However, none of the concerns voiced by these agencies bear much merit. The United States is the largest market Japan has for its exports. The Japanese will do nothing to jeopardize the vast potential for exports to the United States. The concerns of the Treasury Department are without real foundation. If the Japanese cannot buy unlimited supplies of logs in the United States, they will buy lumber instead.

Since lumber products bring nearly twice the price of raw logs, the balance-of-payments situation should be improved rather than harmed by realistic limitation on log export.

Port authorities likewise would benefit materially from the export of lumber rather than logs since at least 5 hours of additional loading time is involved in loading lumber vis-a-vis logs. Consequently, we believe that any fears voiced by these agencies are unfounded and are actually shortsighted.

As I stated in the beginning, we are not demanding a complete embargo on the export of logs to Japan. Rather, it is our feeling that