

a long-range accommodation can be worked out to allow a reasonable export of surplus logs to Japan at levels which will not decimate the domestic industry.

As a result of all these considerations, it is our feeling that:

1. A 90-day moratorium on the sale of logs from public lands to Japan should be instituted immediately. This would enable domestic mills to bid more favorably on available logs from public lands. It would permit them to borrow money from lending institutions to start building roads and preparing for logging operations. Most important of all, it would allow them to make future plans secure in the knowledge that an adequate supply of logs will be available.

2. Following this moratorium, the export of logs from public lands should be limited to 1966 levels pending a comprehensive study of the entire problem and the establishment of a realistic, long-range policy.

3. A policy should be developed requiring agencies to determine that logs are in surplus supply in any area before Japan would be permitted to bid on public lands sales in that area.

4. Safeguards need to be written into the long-range program to insure that private timber holders do not export their own logs to Japan and make up the difference by buying timber from public lands.

This is a relatively simple program—in our estimation—and requires neither legislation nor departure from existing agency authority.

Appended hereto are some reports which dramatically pinpoint the extent to which log exports to Japan have harmed the Northwest lumber industry. I cite these to underscore the urgency of the situation and the need for immediate stopgap action to save many additional mills which are hanging in the balance.

If remedial action is not forthcoming promptly, these will go out of business. On the other hand, if relief is forthcoming, they will continue to operate. The lumber industry is cyclical and subject to wide fluctuations in both demand and price. Mills can survive many such adversities, but the one thing they cannot cope with is an inadequate supply of logs at prices affording them an opportunity to compete.

The Pacific Northwest is dotted with ghost towns which developed in the early years of this century when the industry pursued far less enlightened policies. Unless the Japanese log export situation is given some prompt attention the return of the ghost town is inevitable. Therefore, we plead with this committee to recommend realistic measures for coping with the immediate problem and paving the way for a long-range solution equitable to everybody.

Thank you very much for your attention and your invitation to appear here.

Senator MORSE. You have given exceedingly helpful testimony, Mr. Terzick. The exhibits attached to your testimony will be printed in the record immediately following your testimony.

(The exhibits referred to follow:)