

delegation and presented the problem. That led to discussions with the Washington delegation, and then that led to our meetings with representatives of the agencies downtown, and finally it led to the December negotiations with the Japanese.

I simply wanted this record to show the appreciation of the chairman, and through him the appreciation of the Oregon and Washington delegations, for the interest that you have taken in this matter. Your helping to bellwether it, so to speak, has brought this matter through to the point where we are today.

Mr. Bailey, I would be very glad to have you make any statement you care to before I call upon my colleagues to ask questions of each one of you.

Mr. BAILEY. Thank you, sir. But I think that Mr. Terzick could answer all the questions. I feel that he has done an adequate job, a commendable job, and anything that I would say would be superfluous. Thank you, Senator.

Senator MORSE. Senator Scott, do you have any questions?

Senator SCOTT. I have no questions.

Senator MORSE. Senator Hatfield.

Senator HATFIELD. Mr. Bailey, the request for the 90-day moratorium would infer that if such moratorium were employed, that there would be a market for all of the logs to be purchased by American mills that are now going to export trade, is that correct?

Mr. BAILEY. I think so, Senator.

Senator HATFIELD. Would it be appropriate to ask you what your feeling would be concerning the existing market here in this country for finished products, finished wood products? Would the market be able to assimilate or to absorb this additional quantity of wood products that would come from these additional logs that the domestic mills would buy that are now going into the Japanese market?

Mr. BAILEY. I could not say definitely at present, Senator, but I do know as a certainty that if the proposed housing program and the model cities program does start operating, that these two programs will require almost the total output of lumber from the mills that are in present operation.

Senator HATFIELD. How would you identify or define the present home construction industry here in this country? Is it on the up level, is it leveled off, is it on the decline? How would you identify it?

Mr. BAILEY. I think, Senator, that at present it is on the upturn.

Senator HATFIELD. On the upturn?

Mr. BAILEY. Of course I don't think anyone right at present can say that it will continue that way because there are too many variables involved.

Senator HATFIELD. This is true. I only asked for your general estimate of the market or the situation of the homebuilding industry at this moment. But it then is your opinion that the market as it now exists, and with these other situations pending, the Model Cities Act which you mentioned and so forth, that all of the logs now going into Japanese trade could be absorbed through finished products that are characteristic of our mill operations in Oregon and Washington, the market could now absorb that additional lumber product?

Mr. BAILEY. No, I don't think I said that, Senator. I said that it could absorb most of it, and that with the start of these other programs,