

but we certainly wouldn't want to do that, if it didn't mean solving the problem over here where we are really attacking it.

Mr. TERZICK. May I answer that question, Senator?

I think there are a number of factors involved here. In the first place if you had a moratorium on sales for 90 days, that wouldn't mean that there would be any increased production of logs, let alone lumber for a long, long time. Usually there is a period of at least 6 months to a year between the time that a sale is consummated and the time that the logs come out of the woods, and that therefore there is no immediate problem in this regard.

Secondly, as it has been pointed out by previous witnesses here, particularly those from Alaska, that part of the problem is that as long as we export round logs to Japan, they are going to buy round logs in Japan, and if we place some realistic limitations, and I emphasize the word "realistic," that the Japanese will buy finished products from us just as they do from British Columbia, which has a limitation on the export of logs.

But I think the overriding consideration at this time is how are we going to save a large number of mills which are hanging in the balance at this time.

As my colleague Mr. Viancour pointed out, there are many serious situations which the public doesn't know about, because a man with a mill is facing a very serious situation. He has difficulty getting logs at a price that allows him to compete, and he owes money to possibly a lending institution, and he has other creditors, and he can't come out and say, "Well, if I don't get some relief I am going out of business." He is fighting to save his business.

Our people know some of these things. They work in the plants, mostly in the smaller plants. They know the owner or the manager by his first name, and you have a situation where there are a great many plants hanging in the balance, and if they don't get some immediate relief, they are going to go the way of many others which are listed and appended to the brief I presented. So that I think that the primary consideration ought to be to get some immediate relief to stop these mills from going out of business, and that that ought to get real consideration.

Senator HATFIELD. Would you care to comment as to your impression on the building market today, the home construction industry and its ability to absorb additional wood products that might come to the market through a restriction of Japanese log exports?

Mr. TERZICK. Well, again I emphasize the point that I made originally, that a moratorium on sales isn't going to mean any increased lumber probably for a year. I think that is a safe statement. That it would take probably a year before the effects of the moratorium on the logs and the making of these logs available to domestic mills would really hit the industry.

You know how economies are. You can get a wide diversity of opinions about what is going to happen to housing, and you can get real optimistic ones and you can get real pessimistic ones. But I think that there is an upturn. There has been an upturn during the last 3 months, and I think that that upturn is going to continue.

People are appalled by the interest rates that are being charged by the lending institutions, and they have held back, thinking that