

perhaps there was going to be a reversal of that trend. But I think everybody is pretty well convinced by now that there is not going to be a reversal of that trend, and if there is going to be any gamble, the gamble is going to be that rates are going to go up rather than go down. So that I believe that there is going to be a healthy although gradual increase in housing starts and as Mr. Bailey pointed out, if the model cities program and the housing program advanced by the President are going to get the consideration that they hope they get, that there is will be a very substantial increase in demand for lumber.

Senator HATFIELD. Then the 90-day moratorium would actually be this short-term action which would permit these other programs to at least get underway, so that by that yearend which would take really for some of this to really get into the market and change the character of the market, that by that time, with these other programs underway, then the market could absorb and would have the demand for this additional production, and at that time there would be sufficient stability to the lumber industry to even then, when the moratorium is lifted, to permit Japanese log sales again, would it?

Mr. TERZICK. That is my feeling. I tried to point out that we have the immediate problem which concerns us most, and that is for some stopgap relief pending a long-range study which would work out some sort of an accommodation we could all live with. And I emphasize again that we are not asking for a total embargo on exports to the Japanese. As the chairman of the committee very ably pointed out, we have an obligation to other countries to help them build their economies in the interests of world peace and our own security, but the thing that concerns us is that there are a large number of mills whose future is hanging in the balance right now, and that is why I am so concerned that we have some stopgap relief now, so that we can give some hope to these mills, which are hanging in the balance.

As I said previously, the public isn't aware of this, because the man who is fighting for his life isn't going to admit that he has financial difficulties, that he has difficulties with raw products and all, because the creditors would close in immediately.

I also stated that the log sales I think on the average would run almost a year ahead of the actual logs getting to the mill, so that a moratorium would give these mills hope. If they could make commitments for logs, it would take a while to build access roads, it would take a while to finance the logging of them, and it is a long process. My concern is the immediate problem.

Senator HATFIELD. One last question. Tell me again what would be your feeling on this 90-day moratorium? What kind of impact would it have on the maritime industry? We were told that many of these ports have expanded, have reactivated based upon the log export business. Now, if this 90-day moratorium should apply, would this create havoc within these other groups that now are engaged in log export handling and shipping?

Mr. TERZICK. Well, I don't know how competent I am to answer that question. Of course it might immediately have some impact, although I think that is doubtful, because even the sales that are made to the Japanese, you don't buy the logs today and get them to the docks tomorrow. It is a rather long process. Usually it involves access