

Let me say for your record now, that ever since the U.S. Forest Service and the Bureau of Land Management have been selling timber, this timber has been sold. Except for a few instances where someone made a mistake on the cruise or through some freak circumstance of the moment, this timber has been sold and converted. Now this is a matter of clear, unchallengeable record.

For a number of years we in this industry throughout western Oregon have been listening to the U.S. Forest Service's competent personnel making speeches in our area. On theme of these speeches has been that there is not a sufficient amount of wood to cut, and that a lot of the operations in this industry must go out of business. They have been making these speeches, in candor, even before the Japanese began buying our raw materials.

Remember, please, what I said. Through the years, every bit of available material has been cut in this Eugene-Roseburg, Medford, Coos Bay area.

There is only one reason a man with a mill shuts it down: there may be many variations on this reason—imports, marketing problems, capital problems—but the basic and underlying reason is that he cannot operate at a reasonable profit on his investment. The only reason, gentlemen, that I know of for a well-managed mill to not operate at a profit is traceable to the cost of raw materials in almost every instance.

I can say today, that even though there has been economic depression in the building products industry and its markets, the volume of wood sold through Government sales or made available through private sales, has been cut and manufactured and sold. But many of us have not always made a profit in that process.

In my opinion, and my experience is with the timber resource of the Northwest, I am here today to tell you that Roseburg Lumber Co. is not the only company, nor the only payroll, that requires Government timber. I am here to tell you that with the exception of a couple of publicly held companies, there is not a single operation that has sufficient timber reserves to operate on a scale of current growth without the backup resources offered for sale by the Government.

Certainly, there is no private operation that I know of that can afford to ignore a Government timber sale, on the premise that they have enough timber of their own to maintain their operations.

This then is the interest all of us have in log exports. It is one thing to sell off your timber, gathered and held through the years in the creation of a balanced manufacturing complex. We certainly, as individuals, would have enough to eat from that sale. But what of the responsibility we have to those other people in our communities and the responsibilities we have to the generation that is coming behind us and seeking to develop a new industry out of the chemicals and fibers of our wood resource?

When so much has been done for us in preparing this resource to bring it to where it is today, can we in any conscience at all, sell it out?

Allow these exports to continue at the projected rate they have been going and our industry is gone.

Like the flow of river water, the resource builds its own economic channels. Once the mill in Roseburg or Winchester or Dillard or Coos Bay is shut down, the timber flows away somewhere else—in this case, to Japan. Your community dries up and your equipment is sold off and