

COMMUNICATIONS

JAN 19 1983

Governor's Office
State of Oregon

AS DELIVERED
JAN 17 1983
Governor Atiyeh

SPEECH, GOVERNOR VICTOR ATIYEH
ASSOCIATED OREGON LOGGERS ANNUAL CONVENTION
VALLEY RIVER INN, EUGENE
JANUARY 15, 1983 7:30 A.M.

PREPARED TEXT

NOVA
I AM PROUD TO BE HERE WITH YOU AGAIN --/ THIS TIME IN MY
SECOND TERM AS GOVERNOR OF OREGON. THIS IS A TRADITIONAL EVENT
FOR ME: / I SPOKE TO THE LOGGERS SHORTLY AFTER I WAS INAUGURATED
IN 1979, AND MANY TIMES SINCE. / I DEEPLY APPRECIATE THE SUPPORT
YOU HAVE GIVEN ME THROUGH THE YEARS. / THAT INCLUDES A NUMBER OF
VERY TUMULTUOUS YEARS IN OREGON'S VITAL FOREST PRODUCTS INDUSTRY.

IT IS NO MYSTERY THAT ACTION FOR THE TIMBER INDUSTRY IS
ONE OF THE TOP PRIORITIES OF MY ^{FIRST & NOW} SECOND TERM AS GOVERNOR. / MUCH
HAS BEEN DONE IN THE LAST YEAR, / AND DEFINITE GAINS HAVE BEEN MADE
THROUGH STATE ACTIONS ALREADY TAKEN. / BUT I HAVE ^{Also} BROUGHT A NUMBER
OF NEW ACTIONS TO THIS SESSION OF THE LEGISLATURE // ACTIONS
I WANT TO SHARE WITH YOU TODAY.

FIRST, / HOWEVER, / WE SHOULD REMIND OURSELVES WHERE WE
ARE --// AND WHAT THE PROSPECTS ARE BEFORE US.

(DEC. OF ECONOMIST)

YOU HAVE HEARD FROM ECONOMISTS YESTERDAY — NOW I WOULD LIKE TO GIVE YOU MY VIEWS

I BELIEVE THAT 1983 WILL BRING A MODEST RECOVERY TO THE FOREST PRODUCTS INDUSTRY IN OREGON. / OUR BANKERS, / OUR ECONOMISTS, AND INDUSTRY LEADERS ALL PREDICT A RISE IN HOUSING STARTS. / INTEREST RATES HAVE BEEN COMING DOWN. / AND WE ARE SEEING SOME HOPEFUL SIGNS OF TRENDS THAT CAN GIVE THE TIMBER INDUSTRY A DESPERATELY NEEDED BOOST.

BUT IT WILL TAKE ACTION / HERE AND IN WASHINGTON, D.C.
 -- TO MAKE SURE THOSE TRENDS ARE ENCOURAGED.

I DO NOT NEED TO TELL ANY OF YOU THAT THE \$200 BILLION FEDERAL BUDGET DEFICITS PROJECTED FOR THE NEXT SEVERAL YEARS ARE NOTHING SHORT OF INSANE. / THE ENCOURAGING SIGNS WE ARE SEEING IN INTEREST RATES AND HOUSING STARTS ARE IN TERRIBLE JEOPARDY IF EARLY ACTION IS NOT TAKEN TO REDUCE THESE APPALLING DEFICITS.

I AM PLEASED THAT THE ADMINISTRATION IS FINALLY INDICATING SOME WILLINGNESS TO COMPROMISE ON REASONABLE REDUCTIONS IN DEFENSE SPENDING. / OUR NATION MUST / AND WILL / BE SECURE - / BUT IT CAN NEVER BE SECURE WITHOUT A HEALTHY ECONOMY THAT PROVIDES OPPORTUNITY, / INSTEAD OF AGONY, / FOR THE CITIZENS OF THIS NATION.

NO ONE KNOWS THIS BETTER THAN THOSE OF YOU HERE WHO HAVE SPENT YOUR WORKING LIVES IN THE FOREST PRODUCTS INDUSTRY. / ENCOURAGING SIGNS FOR THE FUTURE CANNOT DISTRACT US FROM THE VERY REAL DEVASTATION YOUR LIVELIHOOD HAS UNDERGONE IN THE RECENT PAST.

IN DECEMBER ALONE, / THE WESTERN WOOD PRODUCTS ASSOCIATION CONFIRMS THAT MORE THAN HALF OF OREGON'S SAWMILLS ARE EITHER CLOSED OR WORKING SHORT SHIFTS. / THOUGH EMPLOYMENT IN FOREST PRODUCTS HAS IMPROVED FROM A YEAR AGO, THERE ARE STILL MORE THAN 20,000 WORKERS WHO HAVE LOST THEIR JOBS THROUGHOUT THE INDUSTRY SINCE 1979. / YET, 'NEARLY HALF OF ALL THE JOBS IN OREGON DEPEND IN SOME WAY ON THE HEALTH OF OUR FOREST PRODUCTS INDUSTRY.

ULTIMATELY, / IT IS CLEAR THAT OREGON MUST SELL MORE OF ITS WOOD -- / THE BEST WOOD IN THE WORLD. / AND WE MUST SELL IN MARKETS WHERE THE CHALLENGE HAS NEVER BEEN GREATER.

YOU KNOW ABOUT THESE CHALLENGES. / CANADIAN IMPORTS ARE HOLDING STEADY AT 30%. / IN THE MEANTIME, / THE PLYWOOD MARKET SHARE OF THE SOUTHERN STATES HAS GROWN STEADILY EVERY YEAR. / THE SOUTH NOW CHALLENGES FOR DOMINANCE A WESTERN REGION THAT ONCE PRODUCED NEARLY ALL U.S. PLYWOOD. / AND NO ECONOMIST OR INDUSTRY EXPERT ANTICIPATES THAT WE WILL EVER RETURN TO THE 2 MILLION-PLUS HOUSING STARTS WE SAW IN THE LATE 1970'S.

CLEARLY / WE ARE IN FOR A FIGHT / A FIGHT FOR EVERY JOB ~~X~~ AND A FIGHT IN EVERY MARKET / GETTING OREGON IN SHAPE TO WIN THAT FIGHT IS WHAT THE ACTIONS WE ARE TAKING FOR THE TIMBER INDUSTRY ARE DESIGNED TO DO.

- DIVERSITY - REMEMBER TIMBER - AS - DIVERSITY

I HAVE ALREADY MOVED FORWARD WITH STEPS WE MUST TAKE TO STIMULATE DEMAND FOR OREGON WOOD PRODUCTS IN THE SHORT TERM:

- WE ARE AGGRESSIVELY PROMOTING OREGON WOOD PRODUCTS.
- WE HAVE BEGUN TO IMPLEMENT A PROGRAM TO PURCHASE "OREGON FIRST" FOREST PRODUCTS FOR STATE GOVERNMENT IN EVERY POSSIBLE INSTANCE.
- WE ARE MAKING CONTACT WITH THE FEDERAL GOVERNMENT AND MAJOR INDUSTRIES TO ENCOURAGE IMMEDIATE PURCHASE OF OREGON FOREST PRODUCTS WHEREVER POSSIBLE.

I AM ALSO BRINGING THE LEGISLATURE A SERIES OF MAJOR STEPS TO PROVIDE DESPERATELY NEEDED ASSISTANCE IN MARKETING, / ADMINISTRATION, / AND UTILIZATION.

CHIEF AMONG THEM IS CREATION OF AN INTERNATIONAL FOREST PRODUCTS COMMODITY COMMISSION, / AND A MARKETING AND DEVELOPMENT DIVISION WITHIN OUR DEPARTMENT OF FORESTRY, / USING THESE NEW TOOLS, WE CAN AGGRESSIVELY MARKET OREGON TIMBER AS NEVER BEFORE, / WITH THESE GROUPS, / WE CAN BRING TOGETHER UNDER OUR FORESTRY DEPARTMENT OUR MOST KNOWLEDGEABLE TIMBER EXPERTS, / OUR MOST CREATIVE MARKETING MINDS, / AND REPRESENTATIVES FROM KEY AGENCIES, / INCLUDING THE DEPARTMENT OF ECONOMIC DEVELOPMENT.

WE ALREADY KNOW THAT WESTERN SAWMILLS ARE EXPECTED TO SUPPLY NEARLY HALF OF ALL LUMBER CONSUMED BY U.S. MARKETS IN 1983. / WE WANT TO MEET THAT GOAL AND INCREASE IT -- / ~~AND~~ THAT TAKES STRONG MARKETING EFFORTS.

I AM ALSO RECOMMENDING A STREAMLINED BOARD OF FORESTRY TO BETTER HANDLE THESE CHALLENGES. / THE LEGISLATION NOW BEFORE THE ASSEMBLY PROPOSES REDUCING THE SIZE OF THE BOARD FROM 18 TO 12 MEMBERS (15 TO 9 VOTING MEMBERS). / THE DEAN OF THE SCHOOL OF FORESTRY WOULD STAY ON AS A NON-VOTING MEMBER -- BUT WOULD NO LONGER BE CHAIRMAN. / OTHER NON-VOTING MEMBERS WOULD BE THE REGIONAL U.S. FORESTER AND THE STATE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT.

IN THE VOTING MEMBERSHIP, OUR GOAL IS TO MAKE CERTAIN THAT ALL CURRENTLY REPRESENTED GROUPS STAY REPRESENTED ~~4~~ BUT AT THE SAME TIME ACHIEVE A MORE MANAGEABLE SIZE FOR THE BOARD. / ACCORDINGLY, / INDUSTRY REPRESENTATION IS MAINTAINED -- BUT REDUCED BY HALF. / UNION REPRESENTATION IS MAINTAINED -- BUT REDUCED BY HALF. / PUBLIC MEMBERSHIP IS MAINTAINED -- BUT REDUCED BY HALF. / THE LIVESTOCK AND FARMING SEATS ARE MERGED, / AND A REPRESENTATIVE OF THE SCHOOL BOARDS IS ADDED.

I BELIEVE THAT THIS STREAMLINED BOARD OF FORESTRY PROPOSAL WILL GIVE US A BOARD WITH GREATER FLEXIBILITY ~~4~~ BETTER ABLE TO HANDLE THE MANY CHALLENGES AND NEW DIRECTIONS NOW BEING UNDERTAKEN.

THE BUDGET I HAVE SUBMITTED TO THE LEGISLATURE ITSELF REFLECTS A STRONG COMMITMENT TO OUR FOREST PRODUCTS INDUSTRY, / AND OUR PRECIOUS TIMBER RESOURCE BASE.

IN THE LATTER CONNECTION, I HAVE URGENTLY RECOMMENDED THE RESTORATION OF FUNDS IN OUR INSECT AND DISEASE MANAGEMENT PROGRAM. / WITHOUT ACTION, INSECTS AND DISEASES THREATEN LITERALLY TO "EAT US OUT OF FUTURE HOUSES AND HOMES." / ANNUAL LOSSES ARE ALREADY ESTIMATED AT 5.6 BILLION BOARD FEET -- AN AMOUNT ALMOST EQUAL TO OUR TOTAL HARVEST LAST YEAR. / FURTHERMORE, / FOREST ENTOMOLOGISTS TELL US THAT MANY FOREST INSECTS ARE CURRENTLY IN THE BEGINNING STAGES OF A CYCLICAL POPULATION BUILDUP.

WE SIMPLY CANNOT ALLOW THESE PESTS TO PILLAGE OUR FOREST RESOURCE BASE -- A BASE THAT IS CRITICAL TO OUR STATE'S ECONOMY AND EACH ONE OF YOU.

ANOTHER EXTREMELY IMPORTANT BUDGET RECOMMENDATION HAS BEEN MADE FOR A MAJOR FOREST PRODUCTS UTILIZATION PROJECT. WE INTEND TO USE STATE AND FEDERAL FUNDS TO MAKE A THREE-PRONGED APPROACH, USING OUR STATE DEPARTMENT OF FORESTRY AS THE IMPLEMENTING AGENCY.

FIRST, WE WILL START A SAWMILL IMPROVEMENT PROGRAM THAT WILL USE THE LATEST TECHNIQUES TO EVALUATE MILL EFFICIENCIES, AND GET THE MOST PRODUCTION FROM EVERY LOG. SECOND, IN AN EFFORT OF GREAT INTEREST TO LOGGERS, WE INTEND TO BEGIN A FALLING AND BUCKING PROGRAM TO EVALUATE LOG PRODUCTION, ELIMINATE WASTE, AND MAKE CERTAIN WE GET THE BEST VALUE FROM IN-WOODS OPERATIONS. THIRD, WE WILL PROMOTE A MAJOR SALVAGE EFFORT ON INSECT AND DISEASE-KILLED TIMBER, ESPECIALLY IN CENTRAL OREGON.

WE KNOW THESE PROGRAMS WILL WORK BECAUSE THEY HAVE ALREADY BEEN USED IN OTHER AREAS OF THE WEST WITH GREAT SUCCESS -- AND HAVE INCREASED UTILIZATION OF THE PRIMARY TIMBER PRODUCT BY UP TO 15% AND MORE.

THESE COMBINED EFFORTS -- MARKETING, UTILIZATION, SAWMILL IMPROVEMENT, FOREST PROTECTION, AND SALVAGE -- ARE ALL DESIGNED TO WORK TOGETHER TO MAKE OREGON TIMBER MORE COMPETITIVE, TO OPEN NEW MARKETS, TO RESTORE JOBS, AND TO BRING THE ECONOMY OF OREGON BACK TO HEALTH -- THROUGH RESTORING THE HEALTH OF ITS FLAGSHIP INDUSTRY.

WILL OWENS RECOMMENDATION
 PAST - TIMBER STRATEGY PANEL -
STATE FORESTER TO REBID SALES
 THANK YOU VERY MUCH.

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