5-3-1980

United Brotherhood of Carpenters and Joiners of American Convention

Max S. Baucus
Instructions:
Prepare one form for insertion at the beginning of each record series.
Prepare and insert additional forms at points that you want to index.
For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: Floor Statements & Congressional Records

MONTH/YEAR of Records*: May-1980
(Example: JANUARY-2003)

(1) Subject*: Labor
(select subject from controlled vocabulary, if your office has one)

(2) Subject* none

DOCUMENT DATE*: 05/03/1980
(Example: 01/12/1966)

* "required information"
REMARKS BY
SENATOR MAX BAUCUS
BEFORE THE
INLAND EMPIRE DISTRICT COUNCIL OF LUMBER,
PRODUCTION AND INDUSTRIAL WORKERS,
UNITED BROTHERHOOD OF CARPENTERS AND
JOINERS OF AMERICA CONVENTION
MISSOULA, MONTANA
MAY 3, 1980

I WAS GRATEFUL WHEN BILLY BROTHERS ASKED ME TO BE HERE TONIGHT, BECAUSE I KNOW THAT WE HAVE PROBLEMS HERE IN WESTERN MONTANA, AND I WANTED YOU TO KNOW WHAT STEPS I WAS TAKING TO HELP PULL US OUT OF OUR CURRENT ECONOMIC SLUMP.

YESTERDAY, WHEN THE U.S. DEPARTMENT OF LABOR ANNOUNCED ITS UNEMPLOYMENT STATISTICS FOR APRIL, THE LUMBER AND WOOD PRODUCTS FIGURES SHOWED THAT UNEMPLOYMENT HAS INCREASED NEARLY THREOFOLD FROM WHERE IT WAS LAST YEAR. THAT MEANS THAT NEARLY THREE TIMES AS MANY OF YOU ARE OUT OF WORK NOW THAN WAS TRUE LAST YEAR.

BUT I THINK THAT ONLY GIVES A PARTIAL STORY, BECAUSE THE DISCUSSIONS I HAVE HAD WITH MONTANANS LIKE YOU CONVINCE ME THAT OUR UNEMPLOYMENT RATE AMONG YOURS AND RELATED UNIONS IS FAR HIGHER THAN THE NATIONAL AVERAGE.
Therefore, I would like to concentrate this evening on the actions that need to be taken nationally to deal with our problems here in Montana.

Abraham Lincoln once described the nation as its territory, its people and its laws. Lincoln said, "The TERRITORY is the only part which is of certain durability."

Durability, staying power, is what I am thinking about tonight.

My first concern is to put men and women back to work in Montana. That is staying power. You remember the refrain that begins:

Oh, why don't you work
Like the other men do?

And finishes with:

How the hell can I work
When there's no work to do?

Every night Walter Cronkite and John Chancellor tell us how the country will soon be going into a recession. Apparently they haven't visited Western Montana recently, because if they did, they would know that we have a depression going on here.
AND WE ALL KNOW WHY IT IS -- HIGH INTEREST RATES. YES, IT'S HIGH INTEREST RATES THAT HAVE STOPPED NATIONAL HOUSING CONSTRUCTION DEAD IN ITS TRACKS AND HAS COMPLETELY ELIMINATED THE DEMAND FOR MONTANA TIMBER.

THE POLICIES OF THE FEDERAL RESERVE BOARD TO INCREASE HIGH INTEREST RATES REMINDS ME OF HOW WE USED TO PLAY "CRACK THE WHIP" WHEN WE SKATED ON THE PONDS NEAR MY HOME. THE PEOPLE IN THE CENTER DIDN'T HAVE TOO MUCH PRESSURE PUT ON THEM, BUT THE CLOSER YOU CAME TO THE END OF THE LINE, THE GREATER THE FORCE WAS.

AND THAT'S WHERE WE ARE IN MONTANA RIGHT NOW WITH THE FEDERAL RESERVE BOARD. WHILE ITS GOVERNORS SIT IN WASHINGTON SLOWLY INCREASING INTEREST RATES, OUR FOREST PRODUCTS INDUSTRY HERE IN MONTANA IS BEING WHIPPED SENSELESS.

SINCE I HAVE BEEN IN WASHINGTON, I HAVE CONTINUED TO LOOK FOR POLICIES THAT WILL STOP THIS VICIOUS CYCLE OF "BOOM AND BUST" THAT HURTS SO MANY OF YOU AND SAPS THE LIFEBLOOD OF THE ECONOMY IN WESTERN MONTANA.

I THINK I HAVE DEVELOPED ONE POLICY WHICH, IF PUT IN PLACE, WOULD HELP LEVEL OUT THE BOOM AND BUST CYCLE.

MY PROPOSAL IS QUITE SIMPLE. I WOULD LIKE TO BE SURE THAT THE MONIES TAKEN IN FROM OUR NATIONAL FORESTS ARE USED TO KEEP PEOPLE WORKING BY REINVESTING IN THE NATIONAL FORESTS.
THIS YEAR, THE FEDERAL GOVERNMENT EXPECTS TO RECEIVE ROUGHLY $1.6 BILLION IN REVENUES OFF THE NATIONAL FORESTS. YET, THE GOVERNMENT EXPECTS TO SPEND ONLY HALF THAT AMOUNT IN MAINTAINING THE QUALITY OF THE NATIONAL FORESTS. I THINK THAT IS A MISTAKE, AND I THINK WE SHOULD INSURE THAT MONIES TAKEN FROM NATIONAL FORESTS ARE SPENT ON THE NATIONAL FORESTS.

THAT IS WHY SENATOR FRANK CHURCH AND I INTRODUCED LAST YEAR THE NATIONAL FOREST INVESTMENT ACT. THAT LEGISLATION DIDN'T MOVE LAST YEAR, BECAUSE NOT ENOUGH PEOPLE REALIZED THE CONSEQUENCES OF THE HIGH INTEREST RATE POLICIES INSTITUTED OVER THE PAST YEAR. BUT NOW PEOPLE HAVE WAKEN UP, AND I FEEL A REAL MOMENTUM MOVING TOWARD THE PASSAGE OF THIS BILL.

NEXT WEEK, I EXPECT TO REINTRODUCE A NEW VERSION OF THE NATIONAL FOREST INVESTMENT ACT. THIS TIME I HAVE THE BROAD BIPARTISAN SUPPORT OF KEY DEMOCRATIC AND REPUBLICAN SENATORS WHO NOW SEE THE WISDOM OF KEEPING THE REVENUES FROM THE NATIONAL FORESTS SO THAT THEY CAN BE SPENT DURING PERIODS OF LOW DEMAND FOR TIMBER PRODUCTS.

UNDER THIS PROPOSAL, HUNDREDS OF MILLIONS OF DOLLARS TAKEN IN AS REVENUE CAN BE SPENT ON IMPORTANT REFORESTATION ACTIVITIES. ADVANCED SITE PREPARATION FOR FUTURE TIMBER CUTS CAN BE FUNDED. NOW, KEEPING OUR PEOPLE AT WORK AND PROVIDING CONTRACTING OPPORTUNITIES FOR FOREST PRODUCTS EMPLOYERS.
As we sit here tonight, there are nearly one-quarter million acres of Montana forest land alone that have been identified by the Forest Service as ready for reforestation. These tracts stand ready to be worked, thinned and seeded. Yet, this reforestation backlog is not being worked for lack of manpower.

It doesn't make any sense to me, and I'm sure it doesn't to you. When so many of Montana's able bodied workers are looking for jobs, I can't think of a better and more sensible federal policy than to reinvest its revenues in improving our national forests.

Reinvestment of our resources is staying power. This is, in my judgment, the kind of durability that Abraham Lincoln had in mind when he talked about the strength of our nation.

Short Term Policies

The proposal I have just outlined is primarily a long range proposal -- it is something we can put in place now to deal with the next recession.

We need something now to deal with the immediate problems caused by the Federal Reserve policy of high interest rates.
I HAVE TAKEN SEVERAL STEPS TO DEAL WITH THE PROBLEMS IMMEDIATELY.

FIRST, I CO-SPONSORED A RESOLUTION WITH SENATOR MAGNUSON AND 17 OTHER SENATORS TO BEGIN ROLLING BACK INTEREST RATES. WHEN WE INTRODUCED THAT, SENATOR MAGNUSON SAID THAT:

"THE FEDERAL RESERVE'S HIGH INTEREST POLICY IS A TRAVESTY AND SHOULD BE ABANDONED. HIGH INTEREST RATES ARE NOT REDUCING INFLATION. RATHER, LEFT UNCHECKED, THE FEDERAL RESERVE'S HIGH INTEREST POLICY WILL MAKE INFLATION WORSE NOW AND LATER, AT THE SAME TIME IT WILL BRING ON RECESSION AND HIGHER UNEMPLOYMENT. ONCE THAT OCCURS, WE WILL BE CONFRONTED WITH SEVERE FEDERAL BUDGET DEFICITS AS REVENUES DECLINE AND SPENDING INCREASES FOR UNEMPLOYMENT COMPENSATION. IN SUM, THE CURRENT HIGH INTEREST RATE POLICY HAS NOTHING TO RECOMMEND IT."

I HAVE WRITTEN AND CALLED UPON PRESIDENT CARTER TO CHANGE THE HIGH INTEREST RATE POLICY OF THE FEDERAL RESERVE. I TOLD HIM THAT INTEREST RATES ARE KILLING MONTANA'S SMALL BUSINESSES, HOMEBUILDERS, OUR FARMERS, AND OUR TIMBER INDUSTRY. I URGED HIM TO MAKE CREDIT SELECTIVELY AVAILABLE TO THOSE SECTORS THAT ARE MOST HEAVILY AFFECTED BY THE FEDERAL RESERVE'S POLICIES.
IN SHORT, I TOLD HIM WE HAVE TO HAVE MONEY TO MAKE THIS NATION WORK AND THAT WE HAVE TO HAVE A BUDGET THAT WE CAN DEPEND UPON.

THIS PAST WEEK I WORKED TO SUPPORT A NEW HOUSING LAW THAT WILL PROVIDE EXTRA FUNDS FOR HOUSING CONSTRUCTION. I EXPECT IN THE COMING WEEKS THAT OTHER POLICIES, SUCH AS TAX CREDITS FOR NEW HOUSING CONSTRUCTION, WILL BE CONSIDERED BY CONGRESS AND I WILL WORK TO SEE THAT THESE ARE ENACTED.

NONE OF THESE POLICIES I HAVE DESCRIBED ABOVE ARE THE FINAL SOLUTIONS, BUT AT LEAST THEY ADDRESS THE INSANE ECONOMIC POLICIES THAT PROVIDE THE ROLLER COASTER MENTALITY THAT THE FEDERAL RESERVE GOVERNORS HAVE ASSUMED.

THE LONG TERM SOLUTION I THINK IS TO CREATE WAYS TO INSURE A STABLE, HEALTHY TIMBER INDUSTRY. IF WE ARE TO MAINTAIN A SUSTAINED YIELD FROM OUR NATIONAL FOREST SYSTEM, WE MUST PLOWBACK REVENUES FROM PRESENT USES AS AN INVESTMENT FOR THE FUTURE. WE STILL CONTINUE TO CUT MORE THAN WE PLANT AND MORE THAN WE GROW. IF WE INVEST OUR REVENUES, WE CAN REVERSE THIS TREND, AND WE CAN KEEP PEOPLE WORKING IN WESTERN MONTANA AT ALL TIMES.
OUR DURABILITY WILL COME FROM SOUND MANAGEMENT. OUR STAYING POWER IS IN THE PEOPLE OF THE TIMBER INDUSTRY.

I SPENT A FEW MINUTES WITH A MAN IN WASHINGTON LAST WEEK. I WAS TELLING HIM ABOUT TWO TREES -- THE FIRST, GROWN "WILD" WAS ABOUT THREE INCHES IN DIAMETER. IN COUNTING THE RINGS, I TOLD HIM THE TREE WAS OVER 40 YEARS OLD. HE WAS AMAZED.

THE SECOND TREE, GROWN IN A CAREFULLY PLANNED REFORESTATION PROJECT, WAS ALSO JUST ABOUT THREE INCHES IN DIAMETER, BUT COUNTING THE RINGS, I SHOWED HIM THAT IT WAS ONLY THREE YEARS OLD. THE EASTERNER WAS AMAZED.

WE MUST WORK TO AMAZE MORE PEOPLE IN WASHINGTON WITH THE REALITIES OF GOOD MANAGEMENT AND PRODUCTIVE FORESTS IN MONTANA. S. 1161 REPRESENTS GOOD MANAGEMENT AND DOLLAR FOR DOLLAR, WORKER FOR WORKER, STAYING POWER.

STAYING POWER REMINDS ME OF A SMART GRIZZLY. HE IS ALWAYS READY FOR THE HARD TIMES. BUT, A BEAR WHO HAS NOT FULLY PREPARED FOR THE LONG, HARD WINTER, WHO HAS NOT STORED UP FOR THE COLD WITH A BIG ENOUGH DINNER, THAT BEAR IS GOING TO WAKE UP IN THE SPRING MONSTROUSLY HUNGRY, OR HE ISN'T GOING TO WAKE UP AT ALL.

WE MUST HAVE THE MONEY TO PUT MEN AND WOMEN BACK TO WORK. WE MUST STOP THE ECONOMIC BOOM AND BUST. WE MUST CAREFULLY PLAN FOR THE LONG ECONOMIC WINTERS.