

be uninsured. Including funds to address fully the looming SCHIP shortfall would assure that States can continue to provide this important coverage while we work to address the longer-term success of the program.

So again, we have introduced our amendment today because Georgia's children are waiting. This is about them—our children. They are our Nation's future—and their health care needs must be met. The people in Georgia want a solution to this problem. Hard working Georgians and Americans across the U.S. don't need to wonder how they are going to pay for their children's health care. These are our middle class citizens who work to find a solution and that is what we have been doing and what we will continue to do.

I urge the Democratic leadership to allow consideration of this amendment, and I urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

#### CONTINUING RESOLUTION

Mr. SMITH. Madam President, the role of the Federal Government is both a protagonist and an antagonist of Oregon, and what a desperate situation we are in. I say this because some have said to me that you cannot filibuster a continuing resolution, you will shut down the Government. My point back is that whatever it takes, maybe in getting the Federal Government to look over the abyss with me, it will understand how many Oregon counties are feeling at this critical hour.

Senator WYDEN and I are one on this issue. He is working the majority now, and I worked the majority in the 109th Congress. He will find it frustrating trying to get a focus on this issue that affects not just our State but so many others, but ours is affected disproportionately.

The Federal Government owns 53 percent of Oregon and 57 percent of our timberlands. As you know, local communities cannot tax the Federal Government. So the deal that was cut back at the turn of the last century was that, in lieu of taxes, local communities would get 25 percent of timber receipts and, with that, kids could go to school, neighborhoods could be safer, streets would be paved, and civilizations would be built in these timber-dependent, isolated areas, and you are talking about most of Oregon.

So my call tonight is to lay out before the American people the plight, the history, and the reason for my arguing now on this bill and the next bill but, frankly, if the 110th Congress doesn't solve this on the continuing resolution, or on the emergency supplemental, the pink slips that have already gone out will turn red, and there will be tremendous damage done to rural Oregon, which is most of Oregon.

So I pick up now, Madam President, where I was interrupted before by the

needs of others and at the request of the majority leader:

Think of railroads as the internet of America's Gilded Age . . . a totally transforming technology . . . that allowed people in the late 1800s to communicate and travel great distances faster, cheaper, and more efficiently than ever before. Nowhere was this transformation more profound than in the Pacific Northwest.

Prior to the completion of the transcontinental railroad in 1869, there were less than 130,000 American settlers residing in all of the Oregon country, including the Washington and Idaho territories. Communications were typically hand delivered documents. To transport them across the country, they first had to be carried to Missouri, probably by riverboat or wagon, and then carted cross country to the Pacific Coast.

Alternatively, they could be delivered by boat from the Atlantic Coast, sailing around the southern tip of South America, then up the Pacific Coast; or, as a third option, sailing from the Atlantic coast to Central America, crossing over the mountains to the Pacific Ocean, loaded back on board ship, and sailing up the Coast.

However it was done, the trip was lengthy, dangerous and expensive. Having the ability to ride a railroad from the Atlantic to the Pacific changed America dramatically and helped to stitch together a nation nearly torn asunder by a horrific Civil War.

Eastern railroads connected to Omaha, where the route to the West began. The Union Pacific route more or less followed the Oregon Trail west to Utah where it connected with the Central Pacific, ultimately reaching San Francisco.

Building the railroad, itself, transformed the West. Congress enacted various "land grant" programs, selling off vast amounts of land in the West, to both bring settlers and raise money, to help finance construction. Many of these new "sodbusters" were attracted west by the promise of cheap farmland. They fenced and plowed the prairie to start their farms. The railroads, in turn, hauled their crops to far away cities, in so doing also transforming what Americans ate.

As rail construction moved westward, crews and supplies were constantly moved out to the end of the line, settling there until the next section of road was completed. These new towns were soon filled with a "Wild West" brood of gunslingers, cardsharps, prostitutes, saloons and bordellos, gathered to separate the construction crews from their wages.

As the line moved further along, the railroad also moved its supply stop. Some of the older towns left behind survived, and a few even thrived, but most were abandoned. Residents wanting to move to the next stop were loaded onto railroad cars, along with their buildings, including the saloons and bordellos, and hauled to the new end of the line, giving birth to the expression "Hell on wheels."

Even with completion of the transcontinental railroad, the Pacific Northwest remained largely isolated. Supplies and communications still needed to be packed in by wagon from the nearest rail line in Utah, or brought by land or ship north from San Francisco.

Rivers were the highways of the Northwest, and Portland, located near the confluence of the Columbia and Willamette Rivers, became the gateway. Millions of dollars worth of gold and silver poured through Portland on its way to San Francisco from mines as far away as Montana and Idaho.

Settlers quickly learned that the thick forests of the Northwest could be logged, and much of the lumber, when shipped south to California, created gold of its own.

In 1859, when Oregon became the first Northwest state admitted to the Union, Portland's population was less than 800 residents. Ten years later it had grown to nearly 10,000. It all happened so fast that Portland became known as "Stumptown." Early residents logged the riverfront to create the new town, not bothering to remove the stumps. Instead, they simply painted them white, hoping they could be seen in the dark.

It didn't take long for Oregonians, and East Coast financiers, to figure out that a railroad from Portland to San Francisco could transform the Northwest economy, making a lot of money along the way, for its builders.

By 1866, two rail lines had started south from Portland, one on the west side of the Willamette River, and the other on the east side. Construction was very expensive. Neither line had the financial wherewithal to make much progress. Oregonians needed the deep pockets of Uncle Sam to help build their railroad.

The Union victory in the Civil War created a spending spree in Congress. Taking advantage of this postwar exuberance, Oregon Senator George H. Williams persuaded Congress to authorize construction of a rail line from Portland to the California border.

"The Oregon and California Land Grant Act of 1866" provided that railroad construction would be subsidized by a grant of 5 million acres of public land in alternating 640 acre sections extending like a checkerboard for 10 miles on each side of the proposed rail line.

While the Act left it up to the Oregon Legislature to decide who would build the railroad, it provided that the United States Department of the Interior, through its General Land Office, would sell the land to "actual settlers" in plots no bigger than 160 acres, at a price no more than \$2.50 per acre. The land turned out to be some of the richest timberland in the world.

That kind of government largesse naturally brought out less than the best in business and political interests. It wasn't long before the railroads were dominating the state legislature. Since, at that time, legislatures still selected U.S. Senators, Sen. Williams was soon replaced.

Previously proving his worth to the railroads as President of the Oregon State Senate, [Senator John Mitchell] would represent Oregon as U.S. Senator, off and on, for the next 20 years. During his entire time in public office, Mitchell was also on the payroll, as legal counsel, to both the Northern Pacific and the O&C Railroads. He was known to boast that what the railroads wanted, he wanted.

Williams, suddenly retired as Oregon's Senator, did not return directly to Oregon. Instead, he was appointed Attorney General by recently elected President Ulysses Grant.

He served in that capacity for six years until an opening occurred as Chief Justice of the U.S. Supreme Court, and Grant nominated his Oregon friend for the job.

Unfortunately for Williams, the national railroad scandals then rocking Congress, combined with increasing rumors of things not being quite what they should in Oregon, convinced the Senate not to confirm Williams. He returned to Portland to practice law, and ultimately was elected Mayor of the growing city.

Even with the O&C land grants, railroad promoters went broke several times before construction was finally completed 20 years later. By this time, the O&C Railroad was a part of the Southern Pacific line. The driving of the mandatory "golden spike" near Ashland, Oregon in 1887 linked Portland to San Francisco at last.

To help pay for the lengthy construction, the federal government, through the Interior

Department's General Land Office, had been selling off 160 acre parcels of the O&C lands to all comers, regardless of whether they were "actual settlers", as the law required.

"Doing a land office business" took on a rather dubious meaning in Oregon, as land speculators hauled drunks out of saloons and sailors off ships, delivering them to the Government Land Office to claim a piece of federal land. The new "owners" then transferred their deed to the speculators, sometimes for as little as a bottle of whiskey, all with the Land Office approval.

In the process more than 3 million acres were fraudulently looted from Oregon's public domain.

Rumors of the O&C land fraud soon began circulating in the nation's capitol, but it wasn't until Teddy Roosevelt entered the White House in 1901 that the federal government responded.

Special investigators were sent by the President to Oregon in 1903, where they were met with intense hostility from Oregon's political and business community. The railroad and logging interests attempted to stonewall the investigators, but a series of damning articles, published by crusading editor Harvey Scott of the Portland Oregonian, finally exposed the fraud.

The federal investigators soon returned 1,032 indictments, including Senator Mitchell, several Oregon Congressmen, U.S. Attorney's, GLO officials, judges, mayors, lawyers and businessmen. When the cases went to trial in 1905, they were pared down to 35 of the chief culprits, of whom 34 were convicted, including Senator Mitchell. He died at age 70 before being sent to prison.

Just as completion of the railroad transformed the Northwest economy, the land scandal transformed its politics, creating a populist foundation which can still be felt.

Led by political reform groups such as the farm-based Grange, the "Oregon System" was enacted by the Oregon Legislature, calling for the direct election of U.S. Senators, and public oversight of Legislative Acts. Voters could decide public issues at the ballot box, with measures to initiate laws (initiative), repeal legislative acts (referendum), or even remove officeholders (recall).

Within a decade the 17th Amendment to the U.S. Constitution was adopted nationwide, requiring the direct election of all U.S. Senators, and the initiative, referendum and recall became the state standard for political reform.

After the spectacular trials of 1905, the federal government acted to take back the valuable O&C timberlands, now owned by the Southern Pacific, but the Railroad fought back in court. The battle raged in the courts until 1915 when the Supreme Court ruled for the government.

The following year, Congress set up an "O&C" account, funded by timber sales off the lands, to reimburse the Southern Pacific for the lands the federal government had taken back, and to provide funds to the O&C Counties where the lands were located.

It wasn't until the depression years that Oregon's Senator Charles McNary turned the O&C lands golden. Senator McNary had become the Republican Minority Leader of the Senate in 1933, at the beginning of President Franklin Roosevelt's second term.

Over martini's at the White House, the Republican Senator and the Democrat President sorted out their differences and agreed on significant legislation beneficial to the Northwest, including federal help for farmers, the creation of the Bonneville Power Administration, the International Pacific Salmon Fisheries Act, and the O&C Lands Sustained-Yield Act, all enacted by 1937.

The new O&C Act transformed federal funding for the 18 Oregon counties home to

the O&C lands, and Oregon's golden goose was born. The Act created the Bureau of Land Management in the Department of the Interior, out of the ashes of the old General Land Office, and directed the BLM to harvest timber off the O&C Lands, on a sustained yield basis, with an unprecedented 75 percent of the receipts from the timber sales being returned to the O&C counties.

At one of those White House visits, Roosevelt, in anticipation of his run for a third term in 1940, suggested McNary should be his Vice-Presidential running mate on a "Unity Party" platform. McNary declined and was later nominated by the Republicans to run as their Vice Presidential candidate with corporate attorney Wendell Willkie at the head of the GOP ticket.

With the post war building boom in the 1950s, the O&C revenues were pumping hundreds of millions of dollars into Oregon's cash starved rural counties, funding schools and other local projects. The golden goose had become the touchstone of Oregon politics.

Oregon's Mark Hatfield championed the O&C lands as governor, and used the issue to help get elected to the Senate in 1966. As he gained power on the Senate Appropriations Committee, Hatfield became the guardian of Oregon's unique golden goose.

Madam President, that is a brief history of the O&C lands—one that will become more consequential later in my statement, when I specifically discuss county payments safety net.

The fundamental point I am trying to make is that between the national forests and the O&C lands, the Federal Government holds 57 percent of Oregon's standing timber. Yet the Federal Government contributes less than 7 percent to the State's total timber harvest. This was not always the case.

The history of my State, as well as its current predicament, is closely tied to the harvest of timber, of "green gold." Atop our State capitol in Salem stands a 23-foot gold-gilded pioneer, an ax proudly in his hand.

In 1909, the Oregon State Board of Forestry described my State's timber wealth as follows:

Beyond question, the greatest national endowment of Oregon is the unsurpassed wealth stored up in the forests of the State.

Oregon has approximately 300 billion feet of standing merchantable timber. This is not an idle guess, but it is the average of the estimate of government officials, cruisers, and timber experts who have traversed the entire State and made the matter a thorough study. This is a much greater amount than is possessed by any other State in the Union and is nearly one-sixth of the total amount of standing merchantable timber in the United States. It is noteworthy that this immense amount of timber is found on an area which is only 57 percent of the area of the State. The value of this body of timber is twofold; first, as a source of lumber supply; second, as a factor in the maintenance of a perpetual flow of water in the streams and rivers of the State, by retarding the melting of the snow and holding a continuous supply of moisture in the ground during the summer months.

Commercially, the value of the standing timber of Oregon, when manufactured into lumber and sold at the rate of \$12 per thousand, would be \$3.6 billion, a sum in excess of the total amount of currency in the United States at the present time.

Amazing. At current lumber prices, the value of this standing timber would

be \$150 billion in stumpage value alone. But in the early years of Oregon country, timber was not a primary commodity, it was considered a nuisance and a detriment to agriculture. Trading companies such as the Hudson's Bay Company harvested Oregon's wealth from its fur-bearing animals, such as the beaver—the State animal of Oregon and the mascot of our land grant college, Oregon State University. Go Beavs! But as time rolled on, the settlers of Oregon country sought a new source of wealth in the lush virgin forest all around them. Oregonians made great strides into turning trees into 2 by 4s. The first power-driven sawmill was built in 1836, 23 years before our statehood. The first commercial production of Douglas fir plywood was invented in St. John's, OR, by the Autzen family. That name is now familiarly associated with the University of Oregon football stadium. Go Ducks!

The single most important invention affecting logging was the chainsaw of 1935. It was not invented in Oregon, but it was perfected in Oregon. In 1947, a lumberjack named "Joseph Cox" invented chainsaw teeth. Joe was chopping firewood one chilly autumn day in 1946, when he paused for a moment to examine the curious activity in a tree stump. A timber beetle larva the size of a man's forefinger was easily chewing its way through sound timber, going both across and through the wood grain at will.

Joe was an experienced operator of the gas-powered saws used in those days, but the cutting chain was the problem. It required a lot of filing and maintenance time. He said: I spent several months looking for nature's answer to the problem. I found it in the larva of the timber beetle.

Joe knew if he could duplicate the larva's alternating C-shaped jaws in steel, it might catch on. He went to work in the basement shop of his Portland, OR, home and came up with a revolutionary new chain. The first Cox Chipper Chain was produced and sold in November 1947. The basic design of Joe's original chain is still widely used today and represents one of the biggest influences in the history of timber harvesting.

In 1907, there were 173 sawmills in Oregon, but with new and improved chainsaws in the woods, came equally impressive sawmills. C.A. Smith Lumber and Manufacturing Company built the Nation's largest sawmill in Coos Bay. Coos Bay also became the largest lumber-exporting port in the world. The world's largest pine lumber factory was built by Weyerhaeuser in Klamath Falls, south of the Winema National Forest.

By 1929, there were 608 lumber mills, 5 paper mills, 64 planing mills, and 47 furniture factories in Oregon. By 1947, Oregon had 1,573 lumber mills turning out more than 7 million board feet.

Timber also served as a national strategic interest. The Federal Government built its own sawmill in Toledo,

OR, to harvest spruce trees for airplane manufacturing during World War I.

During World War II, Oregon had the unfortunate distinction of receiving the first mainland aerial bombing. On September 9, 1942, a Japanese pilot flew over the Oregon coast, with the intention of dropping a firebomb on the thick forest and causing a massive fire, shocking Americans and diverting resources from fighting the war to fighting fire. Once over forested land, the pilot released the bomb, which struck leaving a crater about 3 feet in diameter and 1 foot deep.

In 1944, Japan launched over 9,000 firebomb balloons over the Pacific Ocean. Once again, the goal was to start forest fires in Oregon and wreak havoc. The most tragic incident involving balloon bombs also found a place in history as yielding the only deaths due to enemy action on mainland America during World War II.

The events unfolded on May 5, 1945, as a pastor and his wife took five children for a picnic on a beautiful spring day east of Bly, OR. I should note that a few years ago, Mr. President, the Federal authorities thwarted al-Qaida plans to build a jihadist training camp in Bly, OR. But back in 1944, Rev. Archie Mitchell parked his car near Bly, and he heard his pregnant wife call out: Look what I found, dear.

One of the children tried to remove the balloon from a tree and triggered the bomb. The force of the blast immediately filled the air with dust, pine needles, twigs, branches, and dead logs. The entire family was killed.

During World War II, private timberlands, not Federal, fueled the war effort. This was necessary because they had roads and quick access to timber that was needed to help win the war. Lumber producers also had implicit assurances from the Federal Government that Federal forests would open up after the war. As Associate Forest Service Chief Sally Collins recently stated:

Post-World War II, the Forest Service entered a new period characterized, in large part, by timber production. From the 1960s to the 1980s, every administration, with strong congressional support, called for more timber harvest from the national forests, with the goal of replacing the depleted stocks of private and State timber as a result of the war effort. At its peak in 1987, the national forests provided close to 30 percent of the Nation's timber supply.

The bulk of the wood came from Federal lands in Oregon. Postwar timber harvest on Federal land alone in my State oscillated between 4 and 5 billion feet per year—enough wood to build nearly 300,000 homes. The revenues from these harvests energized rural Oregon, not to mention the Federal Treasury, since 75 percent of the proceeds came right here and were deposited in Washington, DC.

It was a win-win and in the spirit of the Federal Government acting in the aide, not the ailment, of the States united under its banner. It was the same spirit in which Franklin Delano

Roosevelt dedicated the Bonneville Dam on the mighty Columbia River. Said he at the time:

The responsibility of the Federal Government for the welfare of its citizens will not come from the top in the form of unplanned hit or miss appropriations of money, but will progress to the national capital from the ground up, from the communities and counties and States which lie within each of the logical geographical areas.

The timber industry built itself literally from the ground up and is a living legacy in Oregon to this day. Back cuts and board feet, buckers and fellers, chokers and cruisers, skidders and slashers, springboards and spring poles and widow-makers, these are terms still heard in the woods, in smokey bars, and in Forest Service rigs all across Oregon.

The great Johnny Cash once wrote a song about Roseburg, OR, the timber capital of the world. In spoken word, on his "Ride this Train" album, the "man in black" said this:

Ride this train to Roseburg, Oregon, now there's a town for you; and you talk about rough, you know a lot of places in the country claim Paul Bunyon lived there; but you should have seen Roseburg when me and my daddy'd come there; every one of them loggers looked like Paul Bunyon to me; as I was a skinny kid about 16 and I was scared to death when we walked into that camp; none of the lumberjacks paid any attention to me at first; but when my pa told the boss that me and him wanted a job; a lot of 'em stopped their work to see what was gonna happen; that big boss walked around me, looked me up and down, and said, Mister, I believe that boy is made out of second growth timber, and I guess I was. Everybody but me and my pa had a big laugh over it. Pa got kinda mad and the boss finally said he might start me out as a high climber—I didn't know what a high climber was. Boy, I sure learned fast. That steel corded rope cut my back, and that ax, I thought it was gonna break my arms off, but I stuck with it. It wasn't long till I learned a man's got to be a lot tougher than the timber he's cuttin'. Finally I could swing that crosscut saw with the best of them.

Country singers were not the only artists to embrace Oregon's logging heritage. Ken Kesey might be known to some of my colleagues as the author of "One Flew Over The Cuckoo's Nest." Oregonians know Ken Kesey as one of their own—a countercultural figure, bridging the gap between the beatniks of the 1950s and the hippies of the 1960s.

Kesey's second novel, "Sometimes a Great Notion," tells of a hardheaded Oregon logging family hacking a family wage out of the woods. I would read some of that work, but in the interest of getting through this 5-hour speech in an hour, I will save that for another day. His work does personify the pride, passion, and perseverance of the Oregon logger and the Oregon spirit itself.

Kesey's words vividly describe the back-breaking work of logging, seen through the eyes of a long-lost brother from the east coast. In the nonfiction world, another east coast brother—"Big Brother," if you will—would break the back of Oregon's logging industry.

(Mr. SANDERS assumed the Chair.)

Mr. WYDEN. Mr. President, will the Senator yield for a question?

Mr. SMITH. I will yield.

Mr. WYDEN. Through the Chair, I would like to pose a couple of questions to my colleague making an important speech.

I have been attending a lot of town meetings across the State, and I know my colleague is attending some as well. What is your sense of how dire the situation is at home? When I talk to people, you get the sense this is a real lifeline, and I think it would be helpful if you could lay out exactly that sense of urgency you are picking up at home.

Mr. SMITH. My response is the same as the Senator's. It is a sense of abandonment, a sense of betrayal, a sense that the Federal Government made a deal, changed the terms, and now is welching on the deal.

That is why I am here giving the history of this State, trying to share with my colleagues some of the feeling, the history, the blood, sweat, and tears that went into building Oregon and why the Federal Government needs to be the protagonist for Oregon again, not the antagonist.

So that would be my answer. They feel like the Federal Government gave its word and needs to keep it.

Mr. WYDEN. Again, through the Chair, Mr. President, would it be my colleague's sense that at home the kinds of services that are on the line are not exactly what the people call the extras? We are talking about law enforcement. We are talking about schools.

I know the Senator shares a long friendship with Sheriff Mike Winters, for example, of southern Oregon, and he has told me the kinds of cutbacks we have seen in law enforcement are extraordinary, such as involving the effort to fight methamphetamines.

What is your sense of the kinds of services we would see go by the boards if this program is not sustained?

Mr. SMITH. Well, Senator, I have spoken to it at the beginning, in the middle, and at the end of this, the kinds of things you are asking, the kinds of services that will be jeopardized or the kinds of services every American citizen expects local communities to provide. Most communities provide them through property taxes, local levies of some kind that keep our teachers, our policemen, our roads paved, health services, and more. These are the kinds of things which are the cornerstone of what we would call "civilization" in rural places.

It is that and more. We could go looking at program after program that, if the Federal Government welches on its bargain, are the kinds of services that will be lost to Oregon because Oregon is over half owned by the Federal Government. It is real simple. Time is up, and the deal needs to be kept.

Mr. WYDEN. Continuing through the Chair, Mr. President, isn't it correct, I

ask my colleague, that members of our delegation, of both political parties, have suggested alternatives for funding this program? For example, our whole delegation to a person was very troubled about this idea of selling off our treasures because not only was that not morally right, clearly it would have no prospect whatever of passing in the Senate. So I know our colleague in the other body who represents the eastern part of our State had some good ideas, and our colleague in the other body from southwestern Oregon had some good ideas. It seems to me—and I think it would be helpful if you could bring the Senate up to date—that both Democrats and Republicans have been trying to work in good faith for ideas that would responsibly fund this program. I think it would be helpful to have my colleague's reaction on that.

Mr. SMITH. The Senator is exactly right. There has been virtually nothing taken off the table. The administration made a proposal for funding this that had difficulties with our delegation, in selling off public lands or other forest land. To me, the offset ought to be the word of the United States, and ultimately the funding source is really the American Treasury because the American Treasury gains so much from Oregon, owns over half of Oregon, and contributes 7 percent to its local governments. So you are absolutely right. There have been many suggestions made. I have supported virtually all of them to try to break through this logjam that we find in Congress. It has been a labor of the greatest frustration for this Senator, and I know for you.

Now we have traded sides as to who is in the majority and who is in the minority. My recourse in the minority is to do what I am doing, and that is to look for every opportunity I can to speak for Oregon, to slow down the Federal Government if necessary to get the Federal Government to understand its obligation.

Mr. WYDEN. Mr. President, one last question, if I might, for my colleague. I appreciate his point with respect to the alternatives because the administration offered a proposal, a selloff of national treasures. I and others thought that was wrong. We went to work. Our colleagues came up with alternatives. Senator BAUCUS and I found an example in an area where Government contractors were not paying taxes in a prompt way. There were questions about whether it made sense, at least in the administration. Then they went off and took the revenues.

I think your point about how Democrats and Republicans have brought alternatives with respect to how to pay for this program in the Congress is an important one.

The last one I would like to have you lay out for the Senate is that I want Senators to know that this is not some exercise on our part, in terms of just plucking an arbitrary figure out of the air and saying: By God, this is the money that we want for our State. As

I understand the presentation of the Senator, you are trying to lay out the history.

Mr. SMITH. I am.

Mr. WYDEN. The history goes back to the beginning of the last century, essentially. Because the Federal Government owns more than half of our land, we historically received payments for essential services—schools, police and the like—that were based on timber receipts. Now that the environmental laws have changed, those funds are not there.

So, as I understand it, the presentation that my colleague is making today is based on the idea that this is not about Oregon's seeking some kind of arbitrary figure that we basically would like to offer up as kind of a wish list or to try to get through because we will try to bull it through, but that it is really based on history. It is based on a historical formula that stems from the fact that the Federal Government owns most of the land. Is that essentially the kind of historical viewpoint that my colleague is trying to bring to the Senate?

Mr. SMITH. Absolutely. I will be making it several more times in this presentation—5 hours condensed into an hour and a half, I suppose. But when you and Senator CRAIG first cut the deal—and I was an original cosponsor with you—you had to have a basis for the money, the formula for distributing it. You all wisely came up with what is the historical timber harvest on Federal lands. That made sense. It makes logical sense. It is defensible. Now some of our neighboring Senators don't like that deal anymore. They want to change that. They would like to ignore that history, but that is the basis of the formula for these secure county schools payments. It is literally replacing the money lost from the way Oregon historically operated in collaboration with the Federal Government. The terms were changed. The terms were changed in the 1990s.

There is a cost to not harvesting timber. The rest of the country wants us not to harvest timber, but there is a cost to not doing that, and the cost is borne by humans, by local governments. I think it is a dastardly thing on the Federal Government's part to walk away from this now, for it to change the terms and not care for the people impacted by that.

Mr. WYDEN. One last question, if I might, Mr. President. Also, let me also tell the Senate we are very pleased that the Senator from Vermont has joined the Energy and Natural Resources Committee. He is going to hear us talking an awful lot in the committee about the county payments legislation, but I just want to say tonight in the Senate I am very pleased the Senator from Vermont has come to the Senate, and we are glad to have him on the committee.

The last question I would pose to my colleague deals, again, with the urgency of all of this, so the Senate is

clear on this. I think there is always a sense that sometimes you come to the floor and there is a little bit of an alarmist kind of approach.

My understanding is in our home State, from county officials, there are pink slips going out now. There are budgets that are being made now that are going to be very hard to alter. I appreciate my colleague's presentation over the last bit, and I enjoyed the earlier one as well, and I felt it was an important presentation.

What exactly is taking place? So the Senate is up on this in terms of county budgets, layoff notices, and the kind of pain—that is what this is really all about, the pain we are seeing working families and citizens going through—what exactly is taking place as these budget choices are being made?

Mr. SMITH. The Senator is exactly right in his description of the local pain and the bewilderment of many public employees who work in the counties and need to make mortgage payments, want their kids educated, and would like their neighborhoods kept safe. They are getting pink slips as we speak.

This act expired in September of last year. The money runs out in June. The last two vehicles you and I have to fix this is the CR or the emergency supplemental. My good friend, my senior colleague, is doing exactly what I was doing when I was in the majority, and that is meeting with chairmen, meeting with the leader, describing the intensity of the problem and the moral importance of this for the Federal Government to keep its word. It was an experience in great frustration.

Now I am in the minority, and I am left to stall, throw wrenches in the works, make the moral case. I will continue to do that. You and I, as we have done since our earliest days in the Senate, will work in tandem because, when it comes to Oregon's interests, between Senator WYDEN and myself, politics stop at the State border. This is a perfect example of it. We have two shots.

Mr. WYDEN. I thank my colleague for his presentation. I hope the entire Senate followed this discussion—that our whole country does.

I yield the floor.

Mr. SMITH. In 1976, shortly after the Endangered Species Act became law, an Oregon State graduate student named Eric Forsman published a master's thesis.

It surmised that the spotted owls of Oregon were "declining as a result of habitat loss." The study caused a sensation among the environmental community, which was looking for an Endangered Species test case.

By 1988, the environmental activists had defined their battle—to preserve, "old growth forests." In their own words, these activists needed a "surrogate" species—one that lived in and needed old growth for its habitat. At a law clinic in 1988, one activist stated:

Thanks to the work of Walt Disney, and Bambi and his friends . . . wildlife enjoys substantive statutory protection. While the northern spotted owl is the wildlife species

of choice to act as the surrogate for old growth protection, and I've often thought "thank goodness the spotted owl evolved in the Northwest, for if it hadn't we'd have to genetically engineer it." It's a perfect species for use as a surrogate. First of all, it is unique to old growth forests. And there's no credible scientific dispute on that fact. Second of all, it uses a lot of old growth. That's convenient because we can use it to protect a lot of old growth.

And "convenient" it was to those seeking to end timber harvest in Oregon. The United States Fish and Wildlife Service was forced to review the status of the spotted owl in 1982 and again in 1987.

In both instances it found that a listing under the Endangered Species Act was not warranted. In 1986, an Audubon Society report stated that the spotted owl population was teetering toward the doomsday number of 1500 pairs.

Further reviews by the Fish and Wildlife Service in 1989 and 1990 proposed that it should be listed as threatened throughout its range—northern California, Oregon and Washington.

By 1989, environmental litigants had secured a court injunction on BLM timber sales near spotted owl sites. My predecessor, Senator Mark Hatfield, and Senator Brock Adams of Washington intervened that same year.

They passed what was called the "Northwest Compromise"—also known as the "section 318 rider." This rider required the BLM and Forest Service to map out ecologically significant old growth stands for interim protection, while insulating federal timber sales outside those areas from litigation challenges.

I would like to read from a floor statement Senator Hatfield gave that year:

For those who like to isolate themselves in a little cocoon and talk about theoretical and esoteric subjects, let us not forget we are talking about human problems. That leads back to a common denominator which is the adequacy or inadequacy to house human beings. There may come a time when we will have to opt for a choice between an owl and a human being, but let me tell you in this proposal today we do not have to make that choice.

We have opted to continue studying the owl as a threatened species, and there is nothing in this report that in any way impinges upon the Endangered Species Act. But at the same time we are sensitive to human need. In my 30 years as a governor and Senator, I have often found myself in the eye of the storm when I have been accused by some of trying to preserve too much of our natural resources for posterity, including seashores, including the Columbia River Gorge, including wild and scenic rivers and including wilderness.

On the other hand, I often find myself in the eye of the storm from those representing the environmental community who think somehow we have sacrificed the spotted owl for timber production.

Mr. President, the facts will not bear that out. I think sometimes that striking the balance is the most impossible political stance to take. It is far easier to line up with one side or the other. To try to strike a balance in anyone of these controversial areas, particularly as it represents economic and human need on one side and they need to preserve unique areas of our God-created Earth on the other, is very difficult. I fear that too often we are adopting the single-

issue mentality that bubbles up to the top in many of these groups today.

When you subscribe to that single-issue mentality, it is not what you have done in the past or what you are trying to do for the future; it is how you cross the t's and dot the i's today, and it is a dogmatic mind that is very difficult to try to find any kind of accommodation. Thank goodness, I think that the minds of balance and the minds of many of these people in both groups prevailed and made this compromise possible.

So I want to say, Mr. President, we have made great movement in trying to accommodate those from the environmental community who have raised legitimate issues and concerns.

Unfortunately, according to many of the statements coming out of that community, it is not enough. On the other hand, when I face in my State 70 communities that are totally dependent on a 1- or 2-mill economy, I can say this: I look forward not with anything but anxiety and concern that we are going to see some of those communities so deeply impacted that I may have to repeat an experience I had in Valseltz, OR.

On that occasion I gave the last high school commencement. Instead of the usual smiles and laughter at such an event, there were tears and sadness in the faces of the members of that small timber-dependent community whose mill had recently closed. In 2 weeks the bulldozers came in, and today there is not a sign left of community life because we are now finding the underbrush taking over.

We face that reality in our State. It is awfully easy for people from other States to say, oh, well we have to do this and that. But I have to concern myself with representing the people who have to put bread on the table of their children, and to cut it off abruptly, without any consideration for the human needs, to me, is cruelty.

If we want to reduce our timber sales level by half, all right. But let us have a prospective goal, and give time to re-train those employees, give time to readjust those communities, give time to those human needs, but to do it as proposed by various members of the environmental community is to do it without human concern.

Following Senator Hatfield's action in the Senate, the House Agriculture Committee ordered the creation of a team of scientists—forest experts—to analyze and report on the management of old growth forests within the range of the spotted owl.

This group came to be known as the "Gang of Four." Their report found that the amount and distribution of old growth forests in the Pacific Northwest was insufficient to support both current timber harvest level and the viability of the spotted owl.

The Gang of Four presented 14 management alternatives, from the status quo to massive set asides of old growth reserves.

Congress considered many of these alternatives, but acted on none of them.

In 1990, the hammer finally fell. The U.S. Fish and Wildlife Service formally listed the northern spotted owl as "threatened" under the Endangered Species Act.

A federal court soon ordered the agency to declare critical habitat for the spotted owl in western Oregon and Washington and northern California. A spotted owl recovery team was appointed in 1992.

The year that the spotted owl was listed, 1990, Time Magazine ran this cover story.

It read:

WHO GIVES A HOOT?

The timber industry says that saving this spotted owl will cost 30,000 jobs. It isn't that simple.

When this story ran, the Senator from Tennessee, Mr. Gore, came to this floor to with the magazine in hand.

The distinguished Senator stated:

Why would Time magazine do a cover story on the spotted owl, to say it is not that simple? Because the issue has been misunderstood, and it is not that simple.

Well, Senator Gore and Time Magazine were right. The battle between loggers and owls wasn't that simple. The economic fallout under the forthcoming Clinton-Gore administration would be far worse. And despite draconian federal actions, the owl would not be saved.

Following the ESA listing of the spotted owl, biologists and foresters within the federal government began their own war with each other. With critical habitat in place, the Fish and Wildlife Service warned the BLM that its planned timber sales would jeopardize the survival of the spotted owl.

In October 1991, Interior Secretary Manuel Lujan convened the Endangered Species Committee—also known as the "God Squad." The God Squad consisted of three cabinet-level appointees and one representative from the State of Oregon. They convened a month of evidentiary hearings in Portland, OR with 97 witnesses.

The God Squad decided to exempt several of the BLM's timber sales from ESA guidelines, while also requiring the agency to implement the draft spotted owl recovery plan in other areas.

Without a final recovery plan, however, litigants seized the opportunity to shut down the remaining timber sales. Blanket injunctions were issued by Federal courts in 1991 and 1992, finally bringing western Oregon's Federal timber program to a complete deadfall.

This chart shows timber harvest on each of Oregon's thirteen National Forests. The Willamette National Forest alone was producing nearly a billion board feet of timber a year. By 1992, it was in a free-fall to near zero, where it remains today.

Think of the economy. think of the human consequences. But maybe we saved the owl. We will get to that.

Enter the presidential campaign between George Herbert Walker Bush and the Governor of Arkansas, Bill Clinton. Both candidates made numerous visits to the Pacific Northwest. Bush lamented to loggers the situation that had unfurled on his watch. Clinton promised labor unions that he would convene a "forest summit" to resolve the problem and end the gridlock.

In April 1993, President Bill Clinton did just that—at least insofar as the "summit." In Portland, OR the president convened his Vice-President, Al

Gore, along with the Secretaries of Agriculture, Interior, Labor, and Commerce, plus the EPA Administrator, the Deputy Director of the Office of Management and Budget, and his Science and Technology Advisor.

At the conclusion of the eight-hour, televised summit, President Clinton announced a 60-day deadline by which his Cabinet would craft a plan to break the Pacific Northwest's forest impasse.

He said that his goal was to develop a policy based on principles that would

Produce a predictable and sustainable level of timber sales that will not degrade or destroy our forest environment.

That plan would come to be known as the "Northwest Forest Plan." It called for the set aside of 88 percent of federal forests within the range of the spotted owl. The "predictable and sustainable" level of timber would come from the remaining 12 percent of the landscape. This amounted to 1.1 billion board feet a year—a 78 percent reduction from historic levels. But it was more than zero, which is what we had. So we were happy. We would get 1.1, even though there used to be 8 billion.

In all honesty, both trenches in the timber war shirked at the Northwest Forest Plan. The timber industry did

not want to codify such a dramatic drop in federal timber sales.

Environmentalists objected to the fact that the Plan explicitly relied on some old growth harvest to meet its volume prediction.

Nonetheless, the Northwest Forest Plan—and its equivalent in eastern Oregon, the Interior Columbia Basin Ecosystem Management Project—became the law of the land, without a single vote in Congress. The Plan was implemented through administrative rule-making and blessed by federal judges.

Nonetheless, federal timber sales remained gridlocked in court. Harvest levels were still dropping. Mills were still closing. Unemployment lines were still growing. Oregon was no better off.

The year Oregon cast its electoral ballots for Bill Clinton a second time, in 1996, it also elected to send me to the United States Senate.

Holding the Clinton Administration to its own promise to Oregon was a primary directive from my constituents. And I did what I could.

I pleaded with Clinton Administration officials to fully fund its own Northwest Forest Plan. It never did.

I fought off efforts in this chamber to slash funding from the federal timber sale program. And the Senate never did.

The time between 1996 and 2000 was a grueling and frustrating fight. While the president lamented the poverty in Appalachia, his administration was creating it in Oregon.

It became obvious very quickly that the promise of the Clinton Northwest Forest Plan was a ruse—sabotaged by its own architects at every political turn.

When George W. Bush took office in 2001, he agreed to make good on Bill Clinton's 1993 commitment. His administration has tried to fix the Northwest Forest Plan, to fund it and to implement it.

Unfortunately, the current president's efforts have been stifled by federal courts.

Northwest Forest Plan timber harvest under President Bush has been consistently lower than under President Clinton. And it has never risen above 30 percent of what Bill Clinton promised Oregon 13 years ago.

These are the legal and political facts of the case. Let me take a moment to describe the human, social and economic casualties of the timber war.

Between 1989 and 2003, 213 lumber mills in Oregon were closed, some permanently. I'd like to read you the list:

		Employees	
Simpson Timber Co.	Albany	Plywood	200
Stone Forest Industries	Albany	Sawmill	286
Weyerhaeuser	Albany	Sawmill	39
Willamette—Durafake	Albany	Sawmill	
	Alice	Sawmill	
Croman Corporation	Ashland	Sawmill	
Astoria Plywood	Astoria	Plywood	300
Ellingson Lumber Co.	Baker City	Sawmill	152
	Bandon	Sawmill	
	Beavercreek	Sawmill	
	Bend	Sawmill	
Crown Pacific	Bend	Particle board	111
Weyerhaeuser	Boring	Sawmill	180
Vanport Manufacturing	Carver	Sawmill	
	Cascade Locks	Sawmill	44
Cascade Cascade Locks Lumber	Cave Junction	Sawmill	
Rough & Ready Lumber	Central Point	Sawmill	
Central Point Lumber	Central Point	Sawmill	40
Double Dee Lumber	Central Point	Sawmill	
Tree Source	Chiloquin	Sawmill	
	Clatskanie	Sawmill	70
Beaver Lumber	Colburg	Sawmill	
	Coos Bay	Sawmill	
Coos Bay Mill	Coos Bay	Sawmill	175
Weyerhaeuser	Coos Bay	Sawmill	40
Weyerhaeuser—Dellwood Logging	Coquille	Sawmill	340
Georgia Pacific	Corvallis	Sawmill	6
Brand-S Corporation	Corvallis	Plywood	46
Leading Plywood	Corvallis	Sawmill	50
Midway Engineered Wood Products	Corvallis	Sawmill	40
Superior Hardwoods	Corvallis	Sawmill	40
Cascade Lumber	Cottage Grove	Sawmill	40
Starfire Lumber Co.	Cottage Grove	Sawmill	30
Weyerhaeuser	Cottage Grove	Sawmill	235
Cress Ply	Creswell	Plywood	65
Bohemia	Culp Creek	Sawmill	225
	Cushman	Sawmill	
Diversified Fiber Corp.	Dairy	Sawmill	70
Weyerhaeuser	Dalles	Sawmill	
Roseburg Forest Products	Dillard	Sawmill	275
Roseburg Forest Products	Dillard	Plywood	
	Dixonville	Sawmill	
	Drain	Sawmill	
	Eddyville	Sawmill	
Boise Cascade	Elgin	Stud Mill	37
Boise Cascade	Elgin	Sawmill	
Great Western Pellet Mills	Enterprise	Pellets	14
Estacada Forest Products	Estacada	Sawmill	
Cuddeback Lumber	Eugene	Sawmill	75
Falcon Manufacturing	Eugene	Sawmill	120
Seneca Sawmill	Eugene	Sawmill	24
Springfield Forest Products	Eugene	Sawmill	60
WTD Industries	Eugene	Sawmill	55
WTD Industries	Eugene	Veneer	80
Zip-O-Log Mills	Eugene	Sawmill	30
	Forest Grove	Sawmill	
	Foster	Sawmill	
International Paper	Gardiner	P&P	
Willamette—Bohemia	Gardiner	Sawmill	280
Gregory Forest Products	Glendale	Plywood	25
Gold Beach Plywood, Inc.	Gold Beach	Plywood	315
Cone Lumber Co.	Goshen	Sawmill	69
Goshen Veneer	Goshen	Veneer	53
Fourply Lumber	Grants Pass	Sawmill	200
Medford Corporation	Grants Pass	Plywood	170
U.S. Forest Industries	Grants Pass	Sawmill	200
Spalding & Son	Grants Pass	Sawmill	160
Olympic Mill (Interforest)	Gresham	Veneer	44
W—Cascade Logging	Griggs	Sawmill	32
DG Mouldings	Harrisburg	Sawmill	95
Noble & Bittner Plug Co.	Hebo	Sawmill	19

			Employees
Kinzua-Heppner Mill .....	Heppner .....	Sawmill .....	135
Frontier Forest Products .....	Heppner .....	Sawmill .....	
Louisiana Pacific .....	Hines .....	Sawmill .....	116
Snow Mountain Pine Ltd. ....	Hines .....	Sawmill .....	260
Hanel Lumber .....	Hood River .....	Sawmill .....	138
Green Veneer, Inc. ....	Idanha .....	Veneer .....	
Peacock Lumber Co. ....	Idanha .....	Sawmill .....	25
Mountain Fir .....	Imbler .....	Sawmill .....	45
Malheur Lumber .....	Independence .....	Chip Mill .....	
Boise Cascade .....	Jasper .....	Sawmill .....	
Joseph Timber .....	John Day .....	Sawmill .....	30
R-Y Timber, Inc. ....	Joseph .....	Sawmill .....	52
Junction City Lumber (WTD) ..	Joseph .....	Sawmill .....	70
Circle D .....	Joseph .....	Sawmill .....	68
Collins Products .....	Junction City .....	Sawmill .....	102
Klamath Veneer .....	Klamath Falls .....	Chip Mill .....	
Modoc Lumber .....	Klamath Falls .....	Plywood .....	
Roseburg Forest Products ..	Klamath Falls .....	Veneer .....	50
Weyerhaeuser .....	Klamath Falls .....	Sawmill .....	169
American Precision Millwork ..	Klamath Falls .....	Sawmill .....	680
Goose Lake Lumber .....	Klamath Falls .....	Sawmill .....	
Lakeview Lumber .....	Lakeview .....	Sawmill .....	27
Lebanon Mill .....	Lakeview .....	Sawmill .....	60
White Plywood .....	Lakeview .....	Sawmill .....	60
WI—Lebanon Plywood .....	Langlois .....	Sawmill .....	
Linnton Plywood .....	Lebanon .....		
Blue Mountain Forest .....	Lebanon .....	Plywood .....	180
	Lebanon .....	Plywood .....	125
	Linnton .....	Plywood .....	235
	Long Creek .....	Sawmill .....	20
	Madras .....	Sawmill .....	
	Mapleton .....	Sawmill .....	
	Maupin .....	Sawmill .....	
	Medford .....	Plywood .....	450
Boise Cascade .....	Medford .....	Veneer .....	
Boise Cascade .....	Medford .....	Sawmill .....	
Pine Products .....	Prineville .....	Sawmill .....	97
Crown Pacific .....	Prinville .....	Sawmill .....	
Cascade Pine Specialties .....	Redmond .....	Sawmill .....	60
Crown Pacific .....	Redmond .....	Sawmill .....	214
DAW Forest Products .....	Redmond .....	Sawmill .....	45
International Paper .....	Redmond .....	Sawmill .....	80
International Paper .....	Reedsport .....	Sawmill .....	325
C & D Lumber .....	Gardiner .....	P&P .....	80
Louisiana Pacific .....	Riddle .....	Sawmill .....	
Medford Corporation .....	Rogue River .....	Veneer .....	75
California Cedar Products .....	Rogue River .....	Veneer .....	50
Champion (Seneca Timber) .....	Roseburg .....	Sawmill .....	260
P&M Cedar Products .....	Roseburg .....	Plywood .....	
Pacific Chips .....	Roseburg .....	Sawmill .....	
Roseburg Forest Products .....	Roseburg .....	Chip Mill .....	36
Willamette Industries .....	Roseburg .....	Sawmill .....	42
Diamond Pacific Milling/Dry Kilns ..	Saginaw .....	Sawmill .....	62
North Santiam Plywood .....	Salem .....	Sawmill .....	15
Kohl Lumber .....	Salem .....	Plywood .....	100
Taylor Lumber & Treating .....	Seaside .....	Sawmill .....	13
Silverton Forest Products .....	Sheridan .....	Sawmill .....	
Georgia Pacific .....	Silverton .....	Sawmill .....	65
Nicolai Company .....	Springfield .....	Plywood .....	250
Oregon Cedar Products .....	Springfield .....	Sawmill .....	163
Springfield Forest Products .....	Springfield .....	Sawmill .....	80
Stone Forest Industries .....	Springfield .....	Sawmill .....	200
Weyerhaeuser .....	Springfield .....	Sawmill .....	53
Weyerhaeuser Pulp and Paper .....	Springfield .....	Sawmill .....	270
Weyerhaeuser .....	Springfield .....	P&P .....	520
Pacific Western Forest Products ..	Springfield .....	P&P .....	140
St. Helens Mill .....	St. Helens .....	Plywood .....	288
Weyerhaeuser .....	St. Helens .....		
	Stayton .....	LVL Plant .....	43
Linn Forest Products .....	Sutherlin .....	Sawmill .....	
Weyerhaeuser .....	Sweet Home .....	Sawmill .....	95
WI—Foster Sawmill .....	Sweet Home .....	Sawmill .....	81
WI—Midway Veneer .....	Sweet Home .....	Sawmill .....	44
Willamette Industries .....	Sweet Home .....	Veneer .....	80
	Sweet Home .....	Plywood .....	168
	Swishome .....	Sawmill .....	
WTD .....	Tillamook .....	Sawmill .....	30
Wheeler Manu. (Conf. Tribes of Siletz) ..	Toledo .....	Sawmill .....	90
American Hardwoods .....	Tualatin .....	Sawmill .....	166
	Tygh Valley .....	Sawmill .....	
WTD Industries .....	Union .....	Sawmill .....	80
	Vaughn .....	Sawmill .....	
C B Cedar Co. ....	Medford .....	Sawmill .....	50
Eugene F. Burrill Lumber Co. ....	Medford .....	Sawmill .....	112
KOGAP .....	Medford .....	Sawmill .....	200
Medford Corporation .....	Medford .....	Sawmill .....	320
Miller Redwood .....	Merlin .....	Sawmill .....	85
Bugaboo Timber .....	Mill City .....	Sawmill .....	50
Green Veneer .....	Mill City .....	Veneer .....	40
Young & Morgan .....	Mill City .....	Sawmill .....	
Simpson Timber Co. ....	Millersburg .....	Sawmill .....	200
Murphy Co. ....	Milwaukie .....	Sawmill .....	97
Avison Lumber Co. ....	Molalla .....	Sawmill .....	
Brazier Forest Industries .....	Molalla .....	Stud Mill .....	83
Murphy Creek Lumber Co. ....	Murphy .....	Sawmill .....	24
	Myrtle Point .....	Sawmill .....	
	North Bend .....	Sawmill .....	
	North Plains .....	Sawmill .....	
Tree Source .....	North Powder .....	Sawmill .....	
	Norway .....	Sawmill .....	
Evergreen Forest Products .....	Oakland .....	Sawmill .....	480
Bald Knob .....	Oakridge .....	Sawmill .....	140
Pope & Talbot .....	Oakridge .....	Sawmill .....	370
Pope & Talbot .....	Oakridge .....	Sawmill .....	20
	Ophir .....	Sawmill .....	
Stimson Lumber .....	Oregon City .....	Sawmill .....	85
Caffal Brothers .....	Oregon City .....	Sawmill .....	
	Paisley .....	Sawmill .....	
	Pedee .....	Sawmill .....	
Diamond B Georaia Pacific) .....	Philomath .....	Sawmill .....	155
Philomath Wood Products .....	Philomath .....	Sawmill .....	106
Tree Source Pac/Soft .....	Philomath .....	Sawmill .....	
Tree Source/Phil. FP .....	Philomath .....	Sawmill .....	
Special Products of Oregon .....	Phoenix .....	Sawmill .....	80



		Employees
Felt Mill .....	Portland .....	
Portland Mill .....	Portland .....	
Weyerhaeuser .....	Headquarters .....	Admin .....
	Prairie City .....	Sawmill .....
Crown Pacific Ltd. ....	Prineville .....	Sawmill .....
Crown Pacific Ltd. ....	Prineville .....	Sawmill .....
D & E Wood Products ..	Prineville .....	Sawmill .....
Northwest Pacific Moulding & Cutstock .....	Prineville .....	Moulding .....
Ochoco .....	Prineville .....	Sawmill .....
Ochoco Lumber .....	Prineville .....	Sawmill .....
International Paper .....	Prineville .....	Sawmill .....
	Veneta .....	Sawmill .....
	Waldport .....	Sawmill .....
Rogge Wood Products .....	Wallowa .....	Sawmill .....
Wallowa Forest Products ..	Wallowa .....	Sawmill .....
Warm Springs FP .....	Warm Springs .....	Sawmill .....
Warrento Lumber Products ..	Warrento .....	Sawmill .....
Boise Cascade .....	White City .....	Veneer .....
Burrill Lumber Co. ....	White City .....	Sawmill .....
Double Dee Lumber Co. ....	White City .....	Sawmill .....
Medco .....	White City .....	Sawmill .....
Medford Corporation .....	White City .....	Sawmill .....
Medite Corporation .....	White City .....	Sawmill .....
Conifer Plywood Co. ....	White City .....	Sawmill .....
	Williams .....	Plywood .....
	Williams Sawmill .....	Sawmill .....
	Winchester Sawmill .....	Sawmill .....
Weyerhaeuser .....	Winston .....	LVL Plant .....
Weyerhaeuser .....	Wood Burn .....	Sawmill .....
Yoncalla Timber Products (WTD) .....	Yoncalla .....	Sawmill .....

It goes on and on. These mill closures manifest themselves in the most horrific human ways. It is more than just loss of logging and truck driving jobs and destroyed communities in places I have mentioned. Thirty-five thousand Oregonians in the forest products industry lost their jobs in the 1990s—35,000. I remember those dark days. The year the Federal courts shut down the woods, I was elected as State Senator from Pendleton, OR. At the time there was talk that Oregon had to move on from the boom-and-bust cycle of Federal timber sales. There was talk that we could swap out jobs in the Douglas fir forests for ones in the silicon forest.

Such talk seems so hollow now. But of the 35,000 Oregonians who lost their jobs in the woods and in the lumber mills, nearly half of them never found work again in our State. They either moved to another State, retired or remained chronically unemployed. Those who did find other work ended up with lower wages than they earned a decade before. Mr. President, 450 workers out of 35,000, just 1 percent, joined the high-tech industry.

Not surprisingly, high unemployment in Oregon led to higher hunger rates. Between 1999 and 2001 Oregon had the Nation's highest incidence of hunger. Now my State faces a new epidemic, that of methamphetamine.

But we might ask, how is the owl doing? The answer may surprise you. It infuriates me.

The spotted owl has become one of the most intensely studied species on earth. Ten years of research and more than 1,000 published studies detail the threats to its survival, but none is conclusive.

Most recently, in 2004, the U.S. Fish and Wildlife Service reviewed the status of the northern spotted owl. It did so at the request not of environmentalists, but the timber industry—who wanted to know if the shut-down of the forests had actually worked.

The status review introduced a new antagonist to the saga. Not the logger, but another owl. The barred owl is not native to the Pacific Northwest. It is larger, more aggressive, more success-

ful in predation and reproduces faster than the spotted owl.

No one knows for sure how the barred owl made its way to the Northwest from the east coast. Some biologists believe that, ironically, the growth and planting of trees across the Great Plains created a "tree bridge" for the barred owl to traverse the nation and into spotted owl habitat.

The Fish and Wildlife Service report found, quote:

Barred owls react more aggressively towards northern spotted owls than the reverse. There are also a few instances of barred owl aggression and predation on northern spotted owls. The information collected to date indicates that encounters between these two species tend to be agonistic in nature, and that the outcome is unlikely to favor the northern spotted owl. Given this relationship, barred owls may be able to displace or preempt northern spotted owls from territories. Further, use of more diverse habitat types and prey, may confer some competitive advantage to barred owls over northern spotted owls with respect to reproductive output.

The report cited empirical evidence that barred owls were killing the spotted owl. Here is a biologist's account of one such incident:

On 11 May 1997 at approximately 14:30 Leskiw found a freshly (blood fresh and wet) killed Spotted Owl along a trail in Redwood National Park, Humboldt County, California. Two sets of feathers were found within 60 meters of the body. The owl was decapitated, but the head could not be located. Additionally, what appeared to be several Spotted Owl feathers were seen in a tree 4 meters above the ground. Finally, the ground litter was disturbed in a 2 meter radius around the carcass, suggesting a struggle had occurred. Leskiw left the area and returned at approximately 15:30. When he returned to the kill site at 15:45, a Barred Owl spontaneously hooted nearby. . . . Gutierrez necropsied the Spotted Owl. The bird's head had been removed by disarticulation of the cervical vertebrae. The muscle from the left side of the bird's breast, side, and wing were eaten. These lines of circumstantial evidence combine to suggest that a Barred Owl indeed killed and partially consumed this Spotted Owl.

One writer put the relationship between barred and spotted owl more eloquently. She wrote:

A new twist emerges in the turf war over Pacific Northwest forests as a new adversary invades the remaining haunts of the threatened spotted owl.

Just before dawn, a chill fog drifts through the old-growth redwoods of northwestern California. A group of birders breathe out puffs of steam as they listen to the growing chorus of morning birdsong. Then the gentle sounds of kinglets and thrushes are buried under a torrent of avian rock 'n' roll as the wild, intense hoots of a barred owl ring out.

It is one of the first recorded sightings of this species in this part of California. A couple of months later an agitated barred owl will be found perched near the body of a freshly killed spotted owl in Redwood National Park, near the Oregon border, feathers of his presumed victim stuck in his talons. The latest turf war in the Pacific Northwest has reached redwood country.

Dark-eyed woodland species, the barred owl and spotted owl are cousins that look so similar that novice birders have trouble telling them apart. Until recently, the two birds never met. The barred owl haunted forests east of the Great Plains, while the spotted owl lived only in old conifer forests of the Pacific Northwest. Now the barred owl is on the move—and it is moving in on the threatened spotted owl.

Eric Forsman, the Oregon State University masters student who wrote the first major opus on the decline of the spotted owl in 1976, is now a biologist for the Forest Service and a leading researcher of the barred owl. He recently commented:

For the last thirty years we've been trying to come up with ways of protecting the spotted owl, and now all of a sudden, this huge monkey wrench gets thrown into the works. In the past, we could assume that what we were seeing in terms of habitat would help us to understand what was happening with the spotted owl. Now we don't know if spotted owls aren't there because there is no habitat for them or because of the barred owls.

A spokesperson for the Audubon Society, which led the charge to set aside spotted owl habitat in the 1980s and 90s, reacted to news of the barred owl by simply stating: "We are ambivalent."

Biologists, too, are perplexed over another question: why more old growth forest has resulted in fewer spotted owls.

A ten year review of the Clinton Northwest Forest Plan found that there are 600,000 more acres of old



growth in western Oregon and Washington than there was a decade ago.

However, the sharpest decline in spotted owl populations actually occurred where the least amount of federal timber harvest took place namely the Olympic Peninsula of Washington State. This is also the location of the greatest number of barred owls.

The spotted owl actually increased its population in southern Oregon—where the most federal harvest activity took place, and had the smallest incidence of barred owl invasion.

One thing is for certain—the future of the spotted owl is not only affected by the teeth of chainsaws, but in the bloody talon of the barred owl.

And there is a third twist. Forest fires are decimating spotted owl habitat. Over 100,000 acres of spotted owl habitat was severely burned over the last 10 years. Now, we don't clear-cut for human use, we just burn it all in wildfires.

This is the Biscuit Fire, the largest fire in Oregon's history, the most expensive to fight in Forest Service history, costing in excess of \$150 million. Shoot, folks, with \$150 million we could take care of all the problems I am talking about with Oregon counties. The Biscuit Fire incinerated 65,000 acres of the spotted owl habitat as seen in this picture. This is more than four times the amount affected by timber sales in the 50 years preceding the fire. One notable difference is that areas harvested were replanted.

So after 15 years of not logging old growth, growing new growth, and burning "protected" old growth, the Federal Government doesn't know what to do for the spotted owl. After 15 years since its listing under the ESA, the Federal Government does not even have a recovery plan for the spotted owl. And now we are hearing from the Federal Government it doesn't have much of a plan for the people whose lives were ruined.

As I stand here today, it is also clear that the Federal Government doesn't know what to do with these communities in the wake of its failed management decisions.

Let me also mention a fourth impact. This should be of particular interest to those Members concerned about the outsourcing of U.S. jobs and industries to other countries. As wood production fell on the Federal timberlands, it was replaced—board foot by board foot—by the Canadian Government in its "Crown Lands." Does anyone think the spotted owl knows the difference between the United States and Canadian borders? I don't think they know. But what we are doing now is not harvesting our land. What we are doing now is burning our land, and the Canadians are overcutting their lands.

This trend is mirrored in reverse by the blue line on this chart, showing Canadian lumber imports into this country.

The green and blue lines diverge in 1990—the years the spotted owl was

listed as threatened. The flood of Canadian imports met the ever-growing U.S. demand for lumber.

So instead of milling our lumber, harvested from our own forests, with our own environmental laws, we are exporting the impact and the jobs to other countries—other countries with fewer environmental protections and where forests regenerate more slowly.

For a further example of the outsourcing of our lumber industry, go to Hurricane Katrina in 2005. With western timber locked up in court, southern timber blown down in the storm, the administration actually floated the idea of lowering tariffs on foreign imported lumber for the Katrina rebuilding effort.

Needless to say, that concept did not move far. Plenty of lumber was reproduced for the reconstruction. Much of it was salvaged, probably from Mississippi and Louisiana.

The point here is that actions have consequences. If the United States wants to consume wood, and it should, then it needs to recognize where wood comes from. But if Americans don't want wood to come from American forests, harvested under the strictest environmental guidelines in the world, then let's face that reality. But the reality has consequences.

I wonder if I can ask for an additional 15 minutes and that will be all I will require.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

Mr. SMITH. I thank the Senator from Vermont for listening to me. I have detailed for you the dramatic story of the Federal timber in Oregon that serves as the backdrop for the issue at hand.

Beginning in the late 1980s, timber sales received the primary funding source for the 25 Percent Fund and began a precipitous decline for the reasons I have explained earlier. This plunge in receipts intensified and then bottomed out at a much lower level in the 1990s. The decline in receipts impacted rural communities in the West, particularly communities in Washington, Oregon, northern California, and Idaho.

For example, in fiscal year 1995, national forest revenues were \$557 million, only 36 percent of fiscal year 1989 peak revenues of \$1.531 billion. In fiscal year 2004 national forest revenues were \$281 million. That is from "billions" to "millions."

Payments to many States under the 25 Percent Fund Act declined by an average of 70 percent from 1986 through 1998. These are national figures. Those in Oregon were far more severe, reflecting the drastic fall in the timber sales program.

The problem was compounded because 18 Oregon counties have different revenue-sharing agreements with the Bureau of Land Management.

Mr. SANDERS. I ask the Senator to yield so I can do some housekeeping.

Mr. SMITH. If I don't lose my place.

## ADDITIONAL STATEMENTS

### HONORING JOE AND DEE SPORTS

• Mr. ISAKSON. Mr. President, today I honor two wonderful Georgians, Joe and Dee Sports of Conyers, as they celebrate 50 years of marriage.

Joe and Dee both grew up in south Georgia. Joe is a native of Douglas in Coffee County, and the former Dee Plymell hails from Thomasville. They are blessed with one daughter, Susan, and two grandsons, Ali Joseph and Amir Elias.

Joe has worn many hats over the years in Georgia and Washington including political leader, newspaper and television reporter, congressional aide and public affairs consultant. He was executive director of the Democratic Party of Georgia during the administrations of 2 Governors and served as a congressional aide to U.S. Senator David Gambrell as well as four Georgia congressmen. He began his governmental affairs firm, Joe Sports & Associates, over 25 years ago. He also edits Georgia Beat, Georgia's oldest political newsletter.

Dee is retired from the Georgia Secretary of State's office after many years of distinguished service. She now enjoys helping to raise her grandsons, who live close by with their mom.

On February 24, Joe and Dee will gather together with their family and friends to celebrate this truly momentous occasion. Although I cannot be there in person, it is a privilege to stand in this Senate and honor this tremendous milestone that embodies the profound love and commitment they have for one another. Their marriage is an inspiration to us all. •

### WE THE PEOPLE NATIONAL FINALS

• Mr. BINGAMAN. Mr. President, from April 28–30, 2007, more than 1,200 students from across the country will visit Washington, DC, to take part in the national finals of We the People: The Citizen and the Constitution, an important program developed to educate young people about the U.S. Constitution and Bill of Rights. The We the People program is funded by the U.S. Department of Education and administered by the Center for Civics Education.

I am proud to announce that the State of New Mexico will be represented by a class from Highland High School from Albuquerque at this prestigious national event. These outstanding students, through their knowledge of the U.S. Constitution, won their statewide competition and earned the chance to come to our Nation's Capital and compete at the national level.

While in Washington, the students will participate in a 3-day academic