

Mr. VAN BRUNT. Mr. Taro's observations are most certainly correct on southeastern Alaska. I spent a lot of time with Mr. Terrell, Senator Gruening, the past Governor of the State of Alaska, some years ago on this subject in Alaska, and as I stated earlier, I visited each of the mills and locations in Alaska, where they ship out the timber product. His statement about it being finished lumber is rather erroneous. You can't hardly consider what they do to it as any form of finishing. But they certainly have developed from this shipment a great deal of employment in our industry.

As to what would happen if they shipped round logs, I am not in agreement with him. If they shipped logs in addition to what they have, they would increase their employment considerably. I think that there is a lot of room for increased production in southeastern Alaska of either logs or some type of finished product.

As I stated earlier, we are interested both in Alaska, Oregon, Washington, and California, anywhere in the United States in helping develop a market for a finished product, but I think that we should pursue the market of actual finished product both for Alaska, Oregon, and Washington, rather than the cants that are being shipped from Alaska now, and the logs that are being shipped from Oregon and Washington. But I think this can be done, and effectively reduce the number of logs exported automatically by obtaining the portion of the market of finished product in Japan. I think Alaska has a lot of room. They have got an advantage over Oregon, Washington, and California in shipment time, ship turn-around time from Japan, and that our efforts, if we put them forth to get into finished products in Japan will probably result in a greater economic increase to Alaska than it will Oregon and Washington to begin with.

Senator MORSE. I wanted to give you an opportunity to make the comments that you made. You know in my responsibility as chairman I have to see to it that the record receives all points of view, and that the people that are involved in the pros and cons in those points of view are given an opportunity, in all fairness, to respond. I have one more letter I want to read in the record for your response, Mr. Van Brunt. It comes from the International Longshoremen's & Warehousemen's Union, Local 62, 728 Water Street. Ketchikan, Alaska, President George Inman, Secretary Sayers McAlpin, signed by the secretary, Mr. McAlpin:

DEAR SENATOR MORSE: Please accept this letter as our opposition to round log export from the State of Alaska.

It would appear quite impossible to export 700 million board feet of round logs from Alaska in 1968, as recommended in the Treasury Department Staff Report on the Pacific Northwest Log Export Problem, without causing a disastrous economic situation in the communities involved in the processing of timber.

Industries which process timber in Alaska have spent, and committed, large sums of money to become and remain established. The export of round logs from Alaska will result in the reduction of logs processed in Alaska because speculation in log export markets always leads to inflated log prices with which saw mills will no longer be able to compete.

The U.S. Treasury Department Staff Report on the Pacific Northwest Log Export Problem recommends Federal administrative and legislative changes which would allow the export of round logs from Alaska. We feel that this would impose upon Alaska the same situation which was allowed to occur and is now a serious problem in the States of Washington and Oregon, the closures of established timber processing industries.