Our status as a State has existed less than 10 years. The impetus to the development of a viable economy that statehood provides has been barely felt. We look ahead to a time when the forest products industries, as, also, others, will thrive and grow strong. Now, however, Alaska industries are young and in quite different position from that of our sister States of the Northwest. In Oregon and Washington numerous and vigorous manufacturing establishments have been built by the firms represented at these hearings as well as others that have not appeared but which are, likewise, dependent upon the resources of the forests. These are, except for the difficulties explained to the committee in the last few days, strong and prosperous enterprises.

Also, Alaska differs from her sister States of the Northwest in that not some, but virtually all forest land is under the control of the Forest Service, and, to a lesser extent, the Bureau of Land Management. In Alaska, the Federal Government owns more than 98 percent of the land of the State, as reported by the Bureau of Land Management in its compilation of statistics of public domain for 1966. This statistic is cited in comparison with the 52.160 percent of federally owned land in Oregon, and 29.441 percent in Washington.

Thus, in Alaska, the attitudes and official policies of the Federal Government toward management of the land and resources of our State assume exceedingly great importance and are possibly the most significant determinants of the extent and rate of growth of commerce and industry. Insofar as concerns the industries which are the subject of these hearings no Federal policy is of greater importance than that traditionally applied by the Forest Service, prohibiting the export from Alaska of "round logs." Without firm and unswerving adherence to the policy that requires some processing lumber in Alaska before it may be exported we would indeed, except for logging, have no industry at all.

This being the case, it can be well imagined what a disturbing impact was made upon the sensitivities of the Alaskan forest industries when word was spread of that imaginative bit of original thinking known generally as the Treasury Department staff report on the Pacific Northwest log export problem. We are all aware of the urgency in the executive branch of the Government to improve the American balance of payments. I have my own—differing—ideas as to how this might be accomplished.

However, Alaska has no intention of sacrificing its logs and its infant forest products industry to, at best, an exceedingly dubious scheme for reducing our national trade deficit. We will not allow our forest industry to be impaired and seriously injured by the whimsical proposal of an agency having no responsibility for the care and use of forest products and no expertise with which to make decisions in this important segment of our economy.

We realize fully that these hearings were planned to examine the very real problems of the forest products industries of the Northwest caused by greatly increased prices of lumber long before the staff of the Treasury Department undertook to offer its ill-considered advice on the subject. However, since the emergence of the Treasury's effort, that Department's views have become inextricably entangled in the subject matter of these hearings. Accordingly, the State of Alaska and its forest products industries find it necessary, as I find it necessary, to make it perfectly clear we are in total opposition to that part