"On the surface," Hickel said, "this proposal might appear to be favorable to Alaska—but that could hardly be further from the actual situation.

"If the federal government takes steps leading to the export of round logs from Alaska, while holding the line on Washington and Oregon exports, we will witness a severe and possibly disastrous blow to the Alaskan timber economy.

"This move could destroy primary timber processing and close down our mills simply for a 'quickie exploitation' of our long-term log resources."

The Governor continued, "A serious question for Alaskans is this: 'In the event we would export round logs from Alaska, what reason would we have for expanding our timber manufacturing facilities?' "

John Daly, president of Ketchikan Spruce Mills and the Alaska Lumbermen's Association, and a member of the Governer's Timber Task Force, told Hickel he believes all saw mills in Alaska would close down within six months if round log export to Japan were permitted, putting several hundred Alaskans out of work.

Others present at the meeting included Commissioner Frank Murkowski of the state Department of Economic Development; Howard Johnson, regional forester for the U.S. Forest Service; Russ Lockhart, Johnson's assistant; Art Brooks, Ketchikan Pulp Co. vice president; Clarence Kramer, administrative assistant, Alaska Lumber and Pulp Co.; Chuck Cloudy, attorney for the Alaska Lumbermen's Association, and Cliff Reeves, president of Alaska Lumber Products of Haines.

After the meeting, the Governor contacted Price Daniels, head of the Office of Emergency Planning, asking Daniels to carry the state's appeal for caution of any change in log export from federally-owned lands in Alaska directly to President Johnson.

Hickel also said the state and the Alaskan timber industry will send representatives to testify in Washington on Jan. 16 when Oregon Sen. Wayne Morse, chairman of the Senate Small Business Sub-Committee, will hold hearings on the Treasury Department proposal.

Hickel said, "If Washington and Oregon would adopt a policy of primary manufacturing such as Alaska follows, they would have no problem.

"This would help the balance of payments, relieve unemployment by reopening mills in the Northwest, and contribute to increased sales of timber products from all three of our states."

"I cannot believe," Hickel added, "that any proposal to help Washington and Oregon at the expense of Alaska's lumber industry could be acceptable to Congress. It certainly isn't to Alaskans."

JANUARY 11, 1968.

Hon. WALTER J. HICKEL,
Governor, State of Alaska,
Juneau, Alaska:

Reurtel concerning Treasury Department internal staff study proposing changes in domestic timber and shipping policies. I will oppose any effort to sacrifice Alaska's interests and have advised Commissioner Murkowski that I will introduce Alaska representatives at Senate small business hearing on log export problem when they testify. Please have Commissioner Murkowski wire pertinent data re round log export from Alaska.

ERNEST GRUENING, *U.S. Senator.*

JUNEAU, ALASKA, *September 10, 1967.*

Hon. ERNEST GRUENING,
New Senate Office Building,
Washington, D.C.:

The following message was sent to Mr. Corman, office of E. L. Bartlett, Washington, D.C.:

"Reur wire on round log export the State, timber industry representatives, and service industry association will appear at subcommittee hearings to voice vigorous opposition to round log export from Alaska. The continuing growth of our lumber export economy points the way to a solution of the balance-of-trade problem as well as the depressive effect of round log export on Oregon-Washington economy. The disastrous loss to Alaska's economy bound to result from round log export will completely offset any benefits to either national or local economy otherwise anticipated.

WALTER J. HICKEL, *Governor of Alaska.*