

a plywood veneer plant which would provide veneer for shipment to the lower 48. AWP's plant and facilities is worth approximately \$2 million.

A change in the present regulations on export of lumber would undoubtedly mean a drastic cutback in both operations or permanent closure. The economic impact upon the community would be immense. Service businesses would suffer extreme setbacks.

Lumber processing provides Wrangell with a stable, year around industry. It is complemented by fishing and sea food processing. Both of these industries, however, are seasonal in nature.

The reasoning behind the change in ruling is hard for residents of this community to grasp. At present, almost 100 per cent of all the lumber shipped from Wrangell is sent to Japan. How changing the type of product being shipped would mean an increase in the balance of payments picture is very difficult to understand.

It would mean the death of Southeastern Alaska's primary year around business.

And it would mean financial disaster to this community.

With few exceptions, the residents of Wrangell are 100 per cent behind you in your opposition to this change. We feel the balance of payments within our community and state are our primary interest. We feel we have been doing our part for several years as one of the few areas that has been able to export goods and at the time provide local jobs and economic growth with the same industry.

It is our feeling that without such an industry, Southeastern Alaska would become economically depressed to such a degree as to become a financial burden to all levels of government.

Sincerely yours,

EDWARD J. BRADLEY, *President.*

NEWS FROM ALASKA'S GOVERNOR, WALTER J. HICKEL; JUNEAU, ALASKA; JANUARY 15, 1968

PORTLAND.—Alaska Gov. Walter J. Hickel called on the Oregon and Washington timber industry here today to join Alaska in opposing a federal plan which would permit the export of unprocessed, round logs from the 49th State to Japan.

Speaking before the Portland Chamber of Commerce, Hickel said the Pacific Northwest timber industry could ease pressures on its own timber market better by increasing production of "cants"—logs which have gone through primary manufacture, rather than by supporting round log exports from Alaska.

The Governor said such development would encourage new sawmill construction and raise employment levels in the Pacific Northwest, while also easing price pressures on Oregon's and Washington's domestic timber markets.

Hickel said Alaska continues to strongly oppose a proposal by the Treasury Department which would permit round log exports from Alaska, because "We have found it good business to require primary manufacture in Alaska, and I am sure your timber people would too."

"In fact," Hickel added, "we suggest that your timber industry follow our program, and further develop the export of processed lumber to Japan."

Hickel said such a policy would "assist our government's effort to maintain a more favorable balance of payment policy," while "revitalizing sawmill production and stimulating employment" in Oregon and Washington.

Outlining the administration's reasons for opposing round log export from Alaska, Hickel said, "We made commitments to American and Japanese firms to provide them with a sustained-yield supply of timber in return for building plants in Alaska.

"We will not turn our backs on these commitments. The plants are good for Alaska—good for Japan— and good for the United States."

Hickel repeated an Alaska timber industry warning that round log exports from the 49th State could result in "closure of every sawmill in Alaska within six months."

And the Governor continued: "Any plan to restrict log exports from Oregon and Washington and open up log exports from federal lands in Alaska will ruin our timber industry."

"We cannot stand idly by," Hickel added, "while our timber resources are sacrificed—rather we would ask that you join us in what we believe would be a successful solution to the problem you face here.