

Plant expansion undertaken by the sawmills of our association since 1960 includes deepwater dock facilities able to handle oceangoing lumber ships presently capable of lifting 5½ million board feet of lumber; Ketchikan Spruce Mills is again expanding its deepwater dock facilities to handle the Ketchikan Maru, a special lumber ship now being constructed in Japan with a capacity of 7 million board feet. Wastewood recovery systems, which include barkers, chippers, and barge-loading facilities, are being installed in all the sawmills of our association. Our 1968 production which will be sold to the two pulpmills located in the Tongass National Forest, is now projected at the rate of 70,000 2,000-pound bone-dry units per year with an annual gross sale value in excess of \$1,200,000.

The sawmills in Alaska have been looking to the day when they could develop the Japanese lumber market to the point where our mills could go on a double-shift operation. As any sawmill man well knows, a double-shift operation is a necessity if the profits necessary to the success of a sawmill are to be realized. I am happy to report at this time that two of the largest sawmills in Alaska will be going on a double-shift operation in March or April of this year.

I have a number of photographs of my sawmill taken in the past few years which show the size and nature of our operation. Although I realize these cannot be included in the record as such, I offer them to the committee for their consideration. The photos are representative of the other large sawmills located in the Tongass National Forest.

Senator MORSE. The photographs, appropriately identified by the witness, will be made a part of the appendixes filed with the hearing and will be considered by the committee in executive session.¹

Mr. DALY. They are identified, Mr. Chairman, and one of the reasons I thought they might be appropriate is that they show the type of lumber we produce. If there is any question, you can just take a look at it as shown right here.

Senator MORSE. We will be glad to receive them. I think it would be wise if counsel would get those so we can see them now.

Mr. DALY. Sawmill people in Alaska are of the positive belief that we have barely scratched the surface of the Japanese lumber market. We are actively pursuing the means of developing a further refinement of our position in the Japanese lumber market through the use of spruce side cuts and hemlock lumber. All of us are looking to the day, in the not too distant future, when these market demands will increase to a point in excess of the cutting volumes available in Alaska. Our association has consistently pressed the U.S. Forest Service to further open the Tongass National Forest to sawmill cutting on a basis which will not only allow further expansion of the existing mills and ownerships but which will permit a competitive entry into Alaska by Northwest operators who are looking for a challenge in this market. To further highlight these developments, I want to mention that when the members of our association leave these hearings, we will be going directly to Japan on a long-scheduled trip designed to further explore the Japanese lumber market.

¹ The photographs referred to are retained in the committee's files as an unpublished appendix to the record.