

Would it be possible in your judgment to have certain areas in Alaska from which you could have sales for export, reserving other areas for your own domestic sawmills?

Mr. DALY. In my opinion, no. We have had a quite a bit of discussion among ourselves on this in the last year or so, and my firm belief is no. But I think when some of these other gentlemen get done testifying, they are much more knowledgeable about timber volumes and contracts, and you may have a better understanding of why I say that.

Representative WYATT. Do you know approximately how much lumber was produced in Alaska in 1967 in round figures?

Mr. DALY. Well, we shipped 200 million to Japan. Now, there is more than that produced, because my company ships high-grade timbers and cants and so forth to Seattle and so forth for remanufacture there also.

Representative WYATT. You don't know what the total manufacture is?

Mr. DALY. No. We just split out the Japanese shipments.

Representative WYATT. Do you have a rough estimate as to what percentage of your lumber manufacture in Alaska does not go to Japan, what percent of the total, just in a rough way?

Mr. DALY. Maybe 10 percent.

Representative WYATT. In other words, about 90 percent of the lumber sawmill production in Japan, or rather, in Alaska, goes to Japan?

Mr. DALY. Yes.

Representative WYATT. What are the mechanics of your sales of your lumber to the Japanese? Will you describe them for the record?

Mr. DALY. I can describe our mill, yes. I can't describe the others, because I am not really familiar with them, but I will tell you how ours works annually.

Representative WYATT. That would be helpful.

Mr. DALY. For a number of reasons, but we sell through a Japanese company, and Wrangell Lumber Co., and we sell our lumber to them, and we negotiate with them annually for price and volume. The volume of course is somewhat flexible, depending on log supply, weather, and what have you. The price is fixed for the year.

Representative WYATT. Is that for a year?

Mr. DALY. Yes, it usually runs I think from April to April, and we prefer it this way and so do they.

Representative WYATT. One other question on this original subject. Do the pulpmills have long-term contracts with the Forest Service? Are they permitted to resell any part of their timber to the sawmills?

Mr. DALY. Oh, yes, practically all my timber comes from the Ketchikan Pulp Co.

Representative WYATT. In other words, your timber is coming indirectly through from long-term Forest Service contracts?

Mr. DALY. Well, for me, yes, but not for all of the mills.

Representative WYATT. What about the rest of the industry?

Mr. DALY. No, I think we are about the only one that gets practically all. We have a rather unique situation because I just sold my mill to Georgia-Pacific which is a part owner of Ketchikan Pulp Co. That is why I get all my timber there.