thereon. To date there have been no operable national forest timber sales that have not been bought at appraised or higher prices.

However, we are most concerned with this situation, and the recent Treasury Department staff release recommending the export of round logs from Alaska as a means of building a more favorable balance of trade has brought home to us the necessity of bringing to the attention of all interested parties the actual timber situation in Alaska, particularly that situation with respect to the coastal forests of southeastern Alaska which are the subject of the Treasury Department staff report.

The Treasury Department staff report apparently overlooked the fact that two large pulpmills have been established in Alaska under Forest Service timber management which together manufacture 25 percent of the U.S. production of dissolving pulp.

Practically all the pulp manufactured at Sitka by Alaska Lumber and Pulp Co. is exported to Japan; and a $5 million net favorable balance of trade comes to the United States annually from foreign exports by Ketchikan Pulp Co.

Our company has the greatest amount of experience in large-scale logging operations in Alaska. We have logged 1,750 million b.f.m. from our own contract area and have produced 2,220,000 tons of pulp. Recent evaluation of the remaining timber and area left within the boundaries of our contract based upon our recovery to date have brought to us the realization that the 8.25 billion feet b.m. originally estimated thereon was actually only 5 billion feet of operable timber.

At intervals during our logging operations we have checked this situation jointly with the Forest Service and each time a lower estimate of the remaining volume of timber has resulted.

A difference of opinion exists as to what additional timber may become available in the future through new techniques in logging, but as one who has spent a lifetime in the industry and who has explored with an eager mind every new method proposed to increase the recovery of timber and reduce the cost of logging, I can see little in the foreseeable future which would significantly increase the recovery from the southeastern Alaska timberlands.

Furthermore, a general knowledge of the forest areas outside our immediate area leads me to believe that the relation of timber estimates to actual operable timber in the other areas of the Tongass National Forest will prove them to be at least equally as deficient in comparison to Forest Service estimates and probably more so.

There have been numerous references in the press and trade publications concerning the advantages enjoyed by Alaska timber operators over those in the other Pacific Northwest States. It is very true that we have a favorable stumpage cost in comparison to those people who are bidding against the log exporters. However, we feel certain that those who make such references have not investigated the unfavorable factors offsetting the stumpage or realize what few advantages we would have if we were forced to compete against round log export.

In the first place we in Ketchikan have a 26-percent higher wage rate in logging and manufacturing than is current down South and all payroll-related costs are based on this high rate. In addition, almost all logging operations are conducted on a 6-day basis which means 52 hours' pay for 48 hours' work.