Operators in Washington and Oregon have practically forgotten the added expense and the myriad problems involved in running a logging camp; yet almost every logger in Alaska faces these problems.

Capital investments in our type of logging operations are probably four times the amount required for the same annual production in Washington and Oregon. There are other problems in Alaska but I fully believe that the industry people both in manufacturing and logging have just recently achieved control of the situation, and these people and others who desire to come to Alaska, who are competent and have a sincere desire to come to Alaska and to put their ability and capital into the industry, should be afforded an opportunity to develop the industry to the fullest extent under the timber programs presently in force in our State.

As for our company, I also believe that the U.S. Government through the Forest Service has not only a commitment for the contractual volume of timber but also for the additional volume of timber necessary to the continued operation of our mill at an economic level, provided, we maintain an efficient operation and that until such time as it can be determined beyond any reasonable doubt that timber is available for that purpose there should be no consideration of round log export from Alaska.

If the national forests in Alaska were opened to log export within the sustained yield management thereof it would inevitably follow that the sawmill industry would be forced out of business as is occurring to the Washington and Oregon mills.

Unless the Alaska sawmill industry continues its vigorous growth, we will not be able to develop the waste wood recovery system so vital to the continued health and growth of our Alaskan pulp industry.

Even without the log cost-price squeeze which would result from round log export, the continued success of our Alaska pulp industry is in part directly related to the fully integrated utilization of our Alaskan forests through maximum development of sawmills, chipping facilities for sawmill wood waste for pulp use, and pulpmaking.

It is very doubtful that our company could operate at a profit in competition with log export prices for the approximately 38 percent of our log supply which must come from national forest timber outside our contract area.

The prohibition against log export brought our company to Alaska, but it is certain that the removal of this restriction would either put Ketchikan Pulp Co. out of business or would greatly shorten the life of our operation.

In summation, we would like to emphasize the following points:

(1) There is no surplus of operable timber on the Tongass National Forest at the present time on the basis of the annual allowable sustained yield capacity.

(2) If any surplus was made available it could be absorbed by expansion of the existing manufacturing facilities more rapidly than by any other means.

(3) The U.S. balance of trade is presently favorably influenced by the export of timber products from Alaska and any increase in manufacturing would go into the export market thus improving this situation and at the same time the economy of the State of Alaska would be improved.