

(4) The Ketchikan Pulp Co. is unequivocally opposed to round log export from the State of Alaska.

I thank you, Mr. Chairman, and I would like also to present to the committee some pictures of our mill and the logging camp that may interest you, for the record.

Senator MORSE. The Chair will be very pleased to receive the pictures, properly identified by the witness, and they will be made a part of the unpublished appendixes to the record. We are very glad to have them.

Congressman Pollock.

Representative POLLOCK. I have no questions, Mr. Chairman.

Senator MORSE. This is a very fine statement, Mr. Brooks. I am glad that you bore down on this matter of whether or not there is a differential in cost in getting the log to the millsite between Oregon and Washington on the one hand, and Alaska on the other. You set forth some of the higher costs that confront you in Alaska. Mr. Davidson this afternoon testified on the same lines that you did on this point. He also mentioned more specifically than you do that there are greater costs in getting the logs out of the woods to the mills in Alaska than out of the woods to the mills in Oregon and Washington.

Are you familiar with those differences sufficiently to verify or comment upon Mr. Davidson's testimony on this point?

Mr. BROOKS. Mr. Chairman, I spent 25 years logging in the State of Washington and about three and a half years in the State of Oregon, and I have now spent 15 years in the State of Alaska, all in the logging business, and I can assure you that our costs are exceedingly high in comparison.

In the first place, I gave you the figures on labor, which is a large part of the logging operation. Our cost of developing our roads in the Tongass National Forest in Alaska is astronomical compared to the cost incurred in Oregon, for instance, and we have so many other costs. For the people who are operating in the logging industry and in the sawmilling and pulp manufacturing industry in the lower 48 States, it is hard to conceive of the actual difference. I am sorry that the Congressman left, because we do have a very modest stumpage, and for the record I would say that our stumpage is at the present time on pulp timber sale averaging \$2 a thousand. It is made up of \$1.50 for hemlock and \$3 for spruce stumpage. But by the time we get the logs to the mill, we have a problem of making a reasonable profit on our end product, because the price of our end product is determined on the world markets. We can do nothing about that, and we just have to be within it, and it is not an easy thing to make a go of it in Alaska, I can assure you of that. My people tell me every time I see them how high our costs are and that we ought to do better.

Senator MORSE. It is obvious to you because you live with it but it may not be obvious to some of my colleagues in the Senate who may come to read the transcript of these hearings in preparation for a discussion of this problem so far as legislative policy is concerned.

Mr. DALY testified that he wasn't qualified to particularly comment upon the itemization of the costs of getting the logs out of the woods to the mill. His interest was confined to the cost of the log to him at the millsite, and he suggested that we defer our questions on that matter until you were on the stand.