

the basic understanding upon which Alaska Lumber & Pulp Co., was organized.

Speaking of balance of payments, or protection of the U.S. dollar, now on issue, the exports of pulp and lumber from both Alaska Lumber & Pulp Co., and Wrangell Lumber Co., although as far as pulp business is concerned is not yet financially successful due to high cost of manufacture in Alaska, were \$250 million in total for more than the past 10 years. In 1968 alone, the sales production of both companies is estimated to be about \$50 million.

Wrangell Lumber Co., was honored by the U.S. Secretary of Commerce with an "E" flag in 1962 for its contribution to U.S. export, of which we are most proud as an outstanding event in the history of the two companies.

Should the export of round logs be permitted in Alaska, we are most positive that we would be confronted with the similar experience which Oregon and Washington are now undergoing and that we would be forced to shut down our mills within less than 6 months. The impact of this to the United States will be loss of U.S. dollars.

I am also positive, as one of the operators in Alaska, that the loss of the primary manufacture policy which has been maintained for almost 40 years in Alaska will be a great detriment to the United States.

Senator MORSE. Thank you very much.

Congressman Pollock.

Representative POLLOCK. Mr. Chairman, I would like to certainly congratulate Mr. Momma. I think this is a most unusual kind of testimony. Here is a man from Japan who has indicated that he and his colleagues have invested money in Alaska because they were obliged to give up the idea of importing round logs from Alaska, and in order to comply with the primary manufacturer policy they proceeded to build an industry. They put a sawmill in Wrangell and a pulpmill in Sitka, and it has worked out very well for them, has assisted our balance of payments and I think particularly, Mr. Momma, the statement that you have made on page 4, the second to the last paragraph I think is extremely important.

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I think it is rather to be expected that people of the United States would come and make testimony as we have heard here today. I feel it is a privilege for the committee and certainly for me as one of the Members of Congress to hear you come and join with the other people of the State of Alaska in making the kind of testimony you have.

I congratulate you. Thank you, Mr. Chairman.

Senator MORSE. Thank you, Congressman.

Senator Hatfield.

Senator HATFIELD. No questions.

Senator MORSE. I just want to take a minute longer because I want to hear as many of the witnesses as possible before we recess.

I agree with Congressman Pollock. I think this is very weighty testimony. It needs to be considered very carefully by the State Department and Treasury Department in respect to the balance-of-payments