

the economy of Alaska. As far as this Senator is concerned, I would have to have that data answered by the departments before I would go along with any change in the administrative policies governing the Alaska forests.

It seems to me that the thrust of your statement is consistent with the position that this chairman has taken throughout these hearings—that the burden of proof is on the administration now. They should come forward and tell us why they are not imposing the restrictions that the law authorizes them to impose, if they are to carry out their responsibilities in protecting this industry.

This is not an all-or-none approach with this chairman. They can do it by helping us find that balance point that we have talked about consistently, that will give the maximum protection to the ports and to the mills and the workers in each area without continuing to do what I think the record establishes thus far is irreparable injury to the lumber economy of the Pacific Northwest. Your statement supports that thesis, I believe.

Senator Hatfield, any questions?

Senator HATFIELD. Mr. Chairman, I have just two or three brief questions. Are you aware of any interests in Alaska who might be interested in changing the present log policy?

Mr. MACDONALD. Well, I can only assume that there are some people who are interested in round log export. Naturally there would be, because as you know here in Oregon, the trading companies of Japan have offered a higher price for logs than the domestic mills can pay and still operate at a profit, and I think we have the same situation up north.

I think it is only natural that we are apprehensive, with large developments in milling equipment and installation of plants, that if that situation ever develops up north we cannot possibly hope to compete.

Senator HATFIELD. So there may be those who are outside your particular group here today who would favor some change?

Mr. MACDONALD. That is quite possible.

Senator HATFIELD. What about the allowable cut pattern in Alaska? Is all of it purchased?

Mr. MACDONALD. Well, personally I think the allowable cut is just about reached now. For instance, in our case we have inventoried our timber sale of U.S. Forest Service timber and our inventory figures show a much lower volume of timber on the area than the original Forest Service estimate.

Now to date we have cut much less than our own figures indicate, so I would assume that, that would eventually reduce the allowable cut that is now on record with the Forest Service. This, of course, is an assumption on my part.

Senator HATFIELD. Why are you cutting less?

Mr. MACDONALD. Why?

Senator HATFIELD. Yes.

Mr. MACDONALD. Well, that is a difficult question to answer except this. That we try to harvest everything that is on the ground, and the cruise have not cut out completely. I might give you an example. The last man who testified last night was Mr. Soderberg, president of the Clear Creek Logging Co. They logged under a logging contract for our company a show known as the Rodman Bay. I believe our cruise