

Mr. MACDONALD. I doubt if we would be, but as I say, I am quite familiar that chips that come from waste would be exportable. I do not know that they would permit us as a primary manufacturing requisite to take the round log and convert it strictly into chips for shipment, but I believe it is possible, because a year ago or 2 years ago there was a Japanese concern very seriously considering building a chipmill near Homer.

Senator HATFIELD. Do you think it would be conceivable to broaden your primary manufacture concept along such a hypothetical situation as this. That if round logs were desired, that a ratio between the purchase of square-cut logs and round logs could be established, that if someone wanted to buy a certain number of round logs, they would have to first of all purchase x amount of square-cut logs, and that you would tie that to a rising trend of what you project will be under your present policy, a rising trend of square-cut log sales, so that it is not free square-cut log sales at present levels but give it room to grow, but still with the interior possibilities there, a need for access roads, that you could tie together some kind of a formula that might mean the interior development, and at the same time provide to a world market round logs that are not now available from Alaska? Is this hypothetical consideration conceivable? Is there any validity to that possibility?

Mr. MACDONALD. I think it would be possible, but I would not consider myself qualified to make judgment on it. I think anything of that sort would require much study before offering an opinion.

Senator HATFIELD. Let me assure you, as the chairman has assured you, our chairman today, that I certainly am not anxious to do anything that would inhibit or restrict the development of the great State of Alaska. I think you know that I can say this, I think, without being critical of next-door neighbors. That you received from the State of Oregon longtime stronger support for statehood than other States of the Northwest, and so there is a long tie of relationship and friendship between the State of Alaska. I recall that we had the wonderful agreements whereby we provide special education for the people of Alaska in the field of blind and deaf, special education, and our State public institutions of higher learning also welcome many students from Alaska. So, I do not want to leave any impression that I am anxious to foist upon you the problems that we have in Oregon. But at the same time I do feel compelled to probe and to interrogate along the lines of policies that might possibly be beneficial to both Alaska and to Oregon.

I do not see ourselves unrelated or isolated one from the other and as you pointed out very eloquently and others before you, you can foresee problems that we now have if your policy were changed or different. I am sure that shows that we do have interrelationships, but I am anxious to see if there is any possibility which might be developed whereby Alaska could see this interior developed, opened up, access roads to help not only protect the resource but to utilize the resource, that this could be done and relieve the situation that we have at the same time, and I think it would be mutually beneficial; I would see nothing wrong with that. I am not an expert, but I am just asking the questions in order to find out if these things are possible. I appreciate what you have told us this morning.