

a reasonably good job of forest management, and have tried to put up the timber and keep the industry going.

However, outside pressures sometimes make it difficult for them to do the best job that they could. They are constantly under pressure from the General Accounting Office, because its stampage is going for \$60 in Oregon, they wonder why it is not going for \$60 in Alaska, and they are constantly under pressure to encourage competitive bidding, to run stumpage up where people can no longer operate and things like that. But as far as the people in our own area and our own region, I would say they are doing a very creditable job, and they are putting up these sales in the areas where we have helped put together industries, and I think they are doing a reasonable job.

Representative POLLOCK. This is part of the question I wanted to ask. Does the industry nominate an area and then the Forest Service make that available, or do they make the total selection on where the timber will be cut?

Mr. KRAMER. It works both ways. They have sale programs up to 10-year programs on areas. That is the way they determine their allowable cut. But usually if an industry shows interest in an area like the Seward area or the Prince William Sound area, there is an installation proposed to go into Seward, a town without a payroll that is just recovering from the destruction of the earthquake. There will be a mill in there. It will be about a \$5 million installation. It will mean the lifeblood of that town, and the State and Forest Service are cooperating very well in trying to put up the timber in as short a time as possible.

Senator MORSE. Thank you very much. Congressman Dellenback.

Representative DELLENBACK. Thank you, Mr. Chairman. May I ask just a few questions. I do not know really whether they ought to be directed to this witness or to any of the others. If I may first just ask a couple of questions of this witness. You indicate, using your analogy of pregnancy, that you cannot just have a little bit of this. Are you saying that it is unsound to export some logs from either Oregon and Washington?

Mr. KRAMER. No, sir. I hope I did not give you that understanding. What I am saying is that there should be no logs exported if there is local market. Some timber, cedar, is exported from Alaska and any specie for which there is no market can presently be exported.

Representative DELLENBACK. Does the Forest Service then work on a flat prohibition basis, or do they work on a surplus basis, so far as export is concerned?

Mr. KRAMER. Well, I do not know if you could define it that way. If you could prove that there was no market for timber, in other words, if there were no mills in Alaska, I think they would be in a very difficult position to hold the primary manufacture of logs, but I do not know of the time when there has ever been surplus logs in Alaska of a major species.

Representative DELLENBACK. Let me be sure that I understand the Alaska procedure, because I thought that the Forest Service had placed a prohibition on the export of logs, of all round logs from Alaska. Now, is this in error? Do they have some sort of a formula for determining surplus, and if there be surplus, then are they available for export?