

Am I correct in this regard?

Mr. BROOKS. You are correct.

Representative DELLENBACK. Is there any member of the panel who would disagree with that analysis of the situation?

By your silence I assume that you all agree with what I have just said.

Thank you, Mr. Chairman.

Senator MORSE. Thank you, Congressman Dellenback, for very helpful information.

Mr. KRAMER, as president of the Alaska Chamber of Commerce, are you seeking to expand both the establishment of new industries and new population in the State of Alaska?

Mr. KRAMER. Yes, we are.

Senator MORSE. Is it true that what Alaska needs in order to become more viable economically is new industry which will result in new jobs, and consequently in new population?

Mr. KRAMER. That is true, sir. We have a wealth of resources, and development of these resources will bring in industry and people, and certainly that is what we need.

Senator MORSE. Do you look upon your vast timber resources as one of the greatest potential supplies for new industry?

Mr. KRAMER. Yes, sir. I think it is at least the most evident. Of course, we have had tremendous growth in the petroleum industry, but the forest is there and you can see it. It is a matter of transportation to get to it and develop it.

Senator MORSE. At the present time it would appear that your mills devote much of their processing to primary processing of lumber. Is it your hope that in due course of time, not too far in the future, that they may be processing beyond primary processing, leading to what we call finished lumber, and products ready to move to construction sites?

Mr. KRAMER. That is true. I think we are very close to the time when we will go into more advanced processing, probably at least green sheet and plywood and some of the things that—actually up in the interior we have stands of furniture quality birch. There might not be too much of it in the total volume, but it is there, and certainly some day will be used to the full extent of its value.

Senator MORSE. If the timber policies of Alaska should be modified so as to remove all restrictions on the exportation of round logs, would that in your opinion discourage new potential industries from coming into Alaska to establish lumber manufacturing plants?

Mr. KRAMER. Well, sir, there is one thing we haven't touched on in that respect. I have heard your name in connection with Oregon and the forestry for many years, and I am sure you are familiar with this problem.

If you were to go into an export situation, naturally you would go into the best areas, and many places in Alaska, if you were to remove part of the stand, in other words, the better part of the stand, the rest of it would be so marginal that it would probably be years before you can ever afford to go back in there. It would take the total stand to make the thing work out for a manufacturing feasibility, and if you pull out part of it, like, say, let us export 10 percent to get started,