

diseased, ignorant, illiterate, and underfed. Those conditions will always produce war, because they have nothing to lose through revolution, violence, and warlike activities. This seems to be the history of mankind.

But, as we help raise their standard of living, their demands for economic goods will increase. So what we are talking about here is a future problem of working out trade relationships that will help these countries meet their needs.

What you are saying to me, if I understand your theory as to what Alaska's position should be in regard to the development of her own natural resources in the form of her present raw materials is that we will work out those trade programs, but we do not propose to make our State a raw material colony to be exploited by other countries in short supply of round logs.

A sound basis for our trade relationships might be that we will process these logs into finished products and enter into trade exchanges with these nations on a reciprocal basis, but we will not deplete our forests by exporting our forests, and thereby exporting jobs to Japan or South Korea. Let me take you into some neighboring countries. You would be surprised on the extent of the need for lumber, if they had the purchasing power to buy it, in many areas of Latin America. Softwood timber is one of the great needs in the impoverished areas in Latin America and in Central America. And then just think of the other areas of the world, in which you are dealing with deforested countries that will need lumber products in order to raise the standard of living of the people, to provide decent housing and all the other lumber products.

But the existence of that problem, if I understand the theory of your case, does not justify our depleting our raw material nor denying to the American people the protection that all our forest laws on the books quite clearly give them.

Do you disagree with the chairman?

Mr. KRAMER. No, I don't, sir, and along that line I would like to say this. This is another philosophy, but it ties very closely into this.

I agree 100 percent with the chairman that the forests of the United States, the intent of the Forest Service policy, was to make available for the people of our United States and forest industry a supply of timber. Well, that gets back to another thing.

Part of that I think is it puts upon them the burden of seeing that the industry can buy this timber at a price it can pay, and stay in business.

In other words, I don't think the Forest Service is charged with trying to wring the highest nickel out of the stumpage possible at the sacrifice of its own industry. I think that the timber would return more to the public of the United States, if sold at a reasonable stumpage that would provide a healthy timber and manufacturing economy, and put the people to work, and added to the general welfare of our country first. Then the products of this industry would go out and help the underprivileged people through our aid programs and in many other manners.

Senator MORSE. Thank you very much, Mr. Kramer.

Our next witness will be Mr. Frank H. Murkowski, commissioner of economic development of the State of Alaska.