

STATEMENT OF HON. FRANK H. MURKOWSKI, COMMISSIONER, DEPARTMENT OF ECONOMIC DEVELOPMENT, STATE OF ALASKA, JUNEAU, ALASKA

Mr. MURKOWSKI. Mr. Chairman and members of the committee, my name is Frank H. Murkowski. I am the commissioner of economic development for the State of Alaska. I am pleased to advise the committee that I was raised in Alaska and went to school there.

This statement presented before the committee is submitted as an official policy statement by the State of Alaska with the authority of the Honorable Walter J. Hickel, Governor of Alaska.

The State of Alaska appreciates the opportunity to be heard at this very important subcommittee hearing on the impact of increasing log exports on the economy of the Pacific Northwest.

Quite naturally Alaska includes herself as one of the Pacific Northwest States. The economic development of Alaska has historically been closely tied with the development of the other Pacific Northwest States.

Alaska shares with the Pacific Northwest States a dynamic timber industry.

In value of product Alaskan timber industry is second only to Alaska's fishing industry. In 1954, 110 million board feet were cut. In 1961, 354 million, in 1965, 425 million, and in 1967 the annual cut went to approximately 560 million board feet. The dollar values for these years were 15 million in 1954, 48 million in 1961, 63 million in 1965, and in 1967, 80 million respectively.

The timber industry has invested over \$200 million to date in Alaska. This capital is both from domestic and Japanese sources. Employment and payrolls have increased from 2,400 men with a payroll of \$19.8 million in 1962 to 3,146 employees with payrolls exceeding \$38 million in 1967.

I think you will agree, gentlemen, that the figures I have just given you and those presented by our industry people are indicative of the rapid development of Alaska's timber industry in a relatively short period of time.

I would like to take this opportunity to brief you on Japan's role in Alaska's economy. In less than 10 years, Japan has invested nearly \$150 million in our State. This includes to date some \$92 million in a pulpmill at Sitka and a sawmill at Wrangell. In addition the Japanese have invested in Collier Carbon & Chemical Co.'s new \$50 million urea and ammonia plant now under construction near Kenai, Alaska. This firm is a subsidiary of Union Oil Co. of California. The plant will be one of the world's largest and will utilize Alaska's vast natural gas resource.

At the present time nearly every major oil company in the world both domestic and foreign is active in searching for and developing Alaska's oil and gas. Alaska today ranks 15th among our States in daily production of oil. By the end of this year we will probably be in 11th place and indications are that by 1970 we will be ranked fifth. The oil industry has invested over \$600 million to date in Alaska. The Japanese alone are planning to spend some \$40 million on an exploration program.