

"This move could destroy primary timber processing and close down our mills simply for a 'quickie exploitation' of our long-term log resources."

The Governor continued, "A serious question for Alaskans is this: In the event we would export round logs from Alaska, what reason would we have for expanding our timber manufacturing facilities?"

John Daly, president of Ketchikan Spruce Mills and the Alaska Lumbermen's Association, and a member of the Governor's Timber Task Force, told Hickel he believes all saw mills in Alaska would close down within six months if round log export to Japan were permitted, putting several hundred Alaskans out of work.

Others present at the meeting included Commissioner Frank Murkowski of the state Department of Economic Development; Howard Johnson, regional forester for the U.S. Forest Service; Russ Lockhart, Johnson's assistant; Art Brooks, Ketchikan Pulp Co. vice president; Clarence Kramer, administrative assistant, Alaska Lumber and Pulp Co.; Chuck Cloudy, attorney for the Alaska Lumbermen's Association, and Cliff Reeves, president of Alaska Lumber Products of Haines.

After the meeting, the Governor contacted Price Daniels, head of the Office of Emergency Planning, asking Daniels to carry the state's appeal for caution on any change in log export from federally-owned lands in Alaska directly to President Johnson.

Hickel also said the state and the Alaskan timber industry will send representatives to testify in Washington on January 16 when Oregon Senator Wayne Morse, chairman of the Senate Small Business Subcommittee, will hold hearings on the Treasury Department proposal.

Hickel said, "If Washington and Oregon would adopt a policy of primary manufacturing such as Alaska follows, they would have no problem."

"This would help the balance of payments, relieve unemployment by reopening mills in the Northwest, and contribute to increased sales of timber products from all three of our states."

"I cannot believe," Hickel added, "that any proposal to help Washington and Oregon at the expense of Alaska's lumber industry could be acceptable to Congress. It certainly isn't to Alaskans."

URGENT NEWS RELEASE

Juneau—Governor Walter J. Hickel and executives of Alaska's timber industry huddled again late today for further talks over means of coping with a Treasury Department proposal calling for the opening of round log exports from Alaska to Japan.

Hickel has called any such move potentially disastrous to Alaska's timber industry.

Following the session today, Hickel announced that the group will put together a team of top industry and state officials to appear in Washington to testify against the round log export plan.

Oregon Senator Wayne Morse, Chairman of the Senate Subcommittee on Small Business, has scheduled hearings on the proposal beginning January 16, in Washington. At that time, Hickel said, the state and industry will present testimony showing the "severe effects of such a change in the log export policy on Alaska's economy."

Hickel also disclosed that within the next two days he will ask several prominent Alaskans engaged in the export of lumber to Japan to leave immediately for Tokyo to discuss substantial increases in the export lumber market for timber which has gone through primary processing—as opposed to round (unprocessed logs)—and to determine Japanese reaction to the Treasury Department proposal.

Industry leaders told the Governor Monday opening of round log exports from Alaska to Japan would result in the closure of every saw mill in Alaska within six months.

These mills currently are active in the preparation of "cants"—processed timber.

The Governor today said he will endeavor to go to Tokyo personally to present the state's case against "throwing the door open to round log exports from Alaska," if the matter "appears to remain at the crisis level."

JUNEAU.—Two logging operators from the Haines area told Governor Walter J. Hickel today that they favor easing restrictions on the export of round logs from Alaska.