

The two, Wallace Westfall and Ed Hosford, met with the Governor to ask administration support for a proposal that round log exports be permitted from forests in the Yakutat area, where the two have a logging operation.

Hickel and executives of the southeastern Alaska timber industry who are members of the Governor's Timber Task Force have been meeting in Juneau the past week to discuss steps which could be utilized to head off any such round log export.

The Treasury Department has proposed that round log exports to Japan from Alaska be permitted as a move to ease the U.S. balance of payments, and apparently to ease market demand for logs from Oregon and Washington.

However, Hickel and the Timber Task Force have taken a strong stand opposing such a move, contending instead that the best way to ease balance of payments demands, improve the Alaskan logging economy, and meet Japanese market requirements, is to increase facilities and supply of cants—logs which have undergone primary processing.

Westfall and Hosford told the Governor they believe round log exports from Yakutat area would not harm cant processing, because there are presently no sawmills in that area of the state.

But Hickel contended that "opening the door to round log export from Yakutat would certainly be a factor in discouraging any future development of sawmills in that part of Alaska—sawmills which can provide long-term employment for Alaskans, and provide economic advantages outweighing any immediate profit from round log exportation."

The Timber Task Force has also told Hickel round log export could easily result in every sawmill in Alaska closing down within six months.

Oregon Senator Wayne Morse, chairman of the Senate Subcommittee on Small Business, has scheduled hearings on the Treasury Department proposal beginning January 16 in Washington.

The Timber industry and the state both will send representatives to the hearing to testify against the proposal.

I quote from Governor Hickel's Portland address of last Monday:

The further development of Alaska's timber industry will be wasted effort if the Treasury Department's recent recommendation to improve the balance of payments between our country and Japan at Alaska's expense is implemented.

Any plan to restrict log exports from Oregon and Washington and open up log exports from federal lands in Alaska will ruin our timber industry. Years of hard work have gone into the development of this vital segment of our economy.

And we cannot stand idly by while our timber resources are sacrificed; rather we would ask that you join us in what we believe would be a successful solution to the problem you face here.

We promoted a timber market in Japan—and induced huge plant investments by American and Japanese capital in Alaska. We manufacture to Japanese specifications and export substantial quantities of cants—made in Alaskan mills by Alaskan workers.

In the past seven years our lumber exports to Japan have increased tenfold.

We have found it good business to require primary manufacture in Alaska—I am sure your timber people would, too.

In fact, we suggest that your timber industry follow our program and further develop the export of lumber to Japan.

This will assist our government's effort to maintain a more favorable balance of payments policy.

At the same time you will revitalize your sawmill production and stimulate employment in your state.

We made commitments to American and Japanese firms to provide them with a sustained-yield supply of timber in return for building plants in Alaska.

We will not turn our backs on these commitments! The plants are good for Alaska—good for Japan—and good for the United States—

The Portland Chamber of Commerce knows the value of international trade, especially with Japan. You helped to build that trade, as well as the strong ties that we now have between Oregon and Alaska.

We call on you now to assist us in fighting any federal plan to permit the export of unprocessed logs from Alaska.

We also urge you to work for the prohibition of round log exports from your state. I guarantee you will find it economically rewarding.