

Mr. MURKOWSKI. That is correct. I have Mr. Larry Dinneen, who is the director of our industrial development division. We are very, very pleased to have him.

Senator HATFIELD. I just wanted to get in the record the furtherance of the relationship that we have between Oregon and Washington is that one of the key members of your staff comes from Oregon to Alaska.

Mr. MURKOWSKI. That is true. We are very pleased to have him.

Senator MORSE. May I assure you, Senator Hatfield, that I am not in favor of exporting that raw material out of Oregon.

Representative POLLOCK. Mr. Chairman, he was probably well processed before he left.

Senator HATFIELD. I want you to know that we didn't lose him under my administration, Senator. May I refer to the January 8 news release that you read into the record of Governor Hickel on the last page, page 6-C. Governor Hickel said:

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

Reading that, and then a news clipping that I have dated January 16 from the Portland Oregonian which reports the speech of the distinguished Governor from Alaska, the lead paragraph says:

Governor Walter J. Hickel of Alaska said Monday Oregon and Washington could reopen many boarded up lumber mills and expand others by exporting to Japan square-cut logs instead of round logs taken off Federal lands.

The question I have is do I infer from this that there is some authority within the States of Washington and Oregon to establish a primary manufacturing policy as it relates to logs taken off Federal lands?

Mr. MURKOWSKI. As far as an actual authority, I am not aware of any. I would say this, that there has been considerable interest generated as a result of the development of the cant mills in Alaska, and I know of one concern, information I received, a machinery outfit in, I believe, the Washington area, Seattle, Wash., interested in looking at our plants to make the determination just what equipment we have and the high volume basis on which we are able to turn those cants out.

Senator HATFIELD. That is the technological aspect.

Mr. MURKOWSKI. That is correct. This is a generation of interest.

Senator HATFIELD. How long has this primary manufacturing policy been in effect in the State of Alaska?

Mr. MURKOWSKI. It is historical. It goes back to the territorial days. It has always been. I know of no exception.

Senator HATFIELD. And it was established by what means, what political means?

Mr. MURKOWSKI. It is a policy that we have followed. It is not a law. I don't believe it is a Forest Service law.

Senator HATFIELD. Who set the policy?

Mr. MURKOWSKI. I think it has just been generally agreed upon policy. I know of no one who has actually established it. It has just been that rather than take the resources out of Alaska and rape the country, if we can provide primary manufacture, we will be able to establish an economic base from which to build. I know of no actual