

which will require the installation of a sawmill. Another one is being prepared for a 10-year sale at Portage near Petersburg for a quarter of a billion board feet. So the length of the contract depends on the amount of the investment and the reasonable time required to amortize the investment that would be required to harvest and manufacture that timber.

Senator HATFIELD. What would be the effect of small sales upon the stumpage prices, in your estimation?

Mr. CLIFF. We have a number of small sales to meet the needs of local loggers, the loggers who produce the logs for the mill owners, for the pulpmills and the sawmill. There has been some rather spirited bidding for some of these small sales.

Senator HATFIELD. What do you call small?

Mr. CLIFF. Well, perhaps I could call on one of my colleagues to describe some of these sales. I have seated behind me Mr. Mason Bruce who was in charge of the Alaska timber program for a number of years, and Art Greeley was regional forester up there for several years before that. Let me call on them to describe the situation in Alaska and perhaps the stumpage prices obtained under the shorter term sales.

Senator HATFIELD. Fine. Mr. Bruce, will you come forward, please.

Mr. BRUCE. We have sales of various sizes in Alaska. Several of the high-priced sales during the past 2 years have been in the size class of about 120 million to about a quarter of a billion. They have brought very good prices. There has been extreme competition. Prices have run on spruce up as high, the bid price as high as \$30 a thousand, on hemlock around \$7 to \$8.

In addition, we make, I am just picking this out of the thin air, possibly 30 small sales annually on the tongass in Alaska.

Senator HATFIELD. Thirty?

Mr. BRUCE. Perhaps 30.

Senator HATFIELD. What percentage of the allowable cut would this be, do you know?

Mr. BRUCE. It would be a relatively low percent, because we are dealing in big industries with the two pulp companies in Alaska. They require large quantities of timber and as a result we made sales to them in large quantities. A small sale in Alaska might run from say 5 million feet to 50 million feet, and these are operated or handled by what we call independent loggers who log them and sell to whoever will give them the best price.

Senator HATFIELD. Would there be a different set of economic circumstances or economic reactions in response from small sales as contrasted to the large long-term sale?

Mr. BRUCE. Yes.

Senator HATFIELD. As it relates to stumpage prices?

Mr. BRUCE. Yes. The large sales are made on a different basis. They are long-term sales. They are reappraised or rates of payment are redetermined periodically. The concerns who purchase them are required to do much of the layout work and other activities which normally we do in the Forest Service with respect to small sales, for instance, the setting of boundaries, the location of roads and things of that sort. As a result, the large companies pay for that portion