

there, and it would jeopardize our opportunities to get additional sawmills and manufacturing facilities there.

For example, I mentioned this morning the timber sale we have in progress, that is, we have in preparation now for a half a billion feet on the Chugach National Forest on Afognak Island. Chugach has been an undeveloped area. It has been a rather unattractive area compared with the rest of southeastern Alaska. If we should let those logs be shipped out without primary manufacturing, we could kiss the possibility of getting a mill installed on the Chugach at Afognak, goodbye. They just wouldn't install the mill. But we have some assurance that the Japanese will buy all of the cants that can be produced from that sale.

We think it is better to get the labor, the additional labor that is involved in putting the logs through primary manufacturing than to let them go out as round logs.

Representative WYATT. I would certainly think that the owners of many of the mills in Oregon and Washington who have had to close their mills and have them go to the auctioneers would agree with what you have been saying relative to the desirability of keeping the mills in Alaska and perhaps promote new mills.

I would like to ask this question, Mr. Cliff, and that is the basic law under which you administer the national forests in the State of Alaska the same law under which you administer the national forests in Oregon and Washington?

Mr. CLIFF. Yes, sir; the basic laws are the same. There are some special acts that apply to Alaska, but it doesn't have any effect on what we are discussing.

Representative WYATT. It has no effect upon the placing of primary manufacturing requirements on the sales.

Mr. CLIFF. That is correct.

Representative WYATT. Then don't we have a situation where we have the same basic law under which the Forest Service is administering its national forests, and it is being employed one way in Alaska and in a different way in Oregon and Washington?

Mr. CLIFF. That is correct.

Representative WYATT. Do we have a national policy on this very subject, and if so, is that policy the way the law is being administered in Alaska or the way it is being administered in Oregon and Washington?

Mr. CLIFF. Yes, we have national policies. We have regulations, and we have chosen to use this authority some years ago for the purpose of encouraging development in Alaska. We didn't have a parallel situation elsewhere except possibly in the Rocky Mountains, and that was no foreign export involved there.

In Alaska, you know, our export policy prohibits the shipment of logs to other States in the United States until they go through primary manufacture.

Representative WYATT. You testified this morning that the legal difficulties, the limitations on your authority and the necessity of satisfying local requirements. There was discussion between you and Senator Hatfield relative to whether this meant feeding local mills or just taking care of the local lumber requirements, local communi-