

desire to please Japan for a little lipservice in support of war, out of which Japan, on the record of this case, is making good profits, they are willing to break this trust with the American people in respect to protecting this generation and future generations' interests in maintaining these forests on a sustained yield program in a manner that will supply the people of this country with their wood products.

Now all I want to know from you is whether at this point, you agree with the chairman, and if you don't please don't hesitate to disagree.

Mr. RASMUSSEN. I agree with the chairman on the major premise.

Senator MORSE. We have got a duty as a government to see to it that we police that Federal timber policy, whether it involves your customers, whether it involves Japan, and no matter who it involves, if they seek to break down that national timber policy. Do you agree with me that we have to police it?

Mr. RASMUSSEN. Yes, sir.

Senator MORSE. I want to thank you very much, Mr. Rasmussen, for your testimony. It has been very helpful to me.

On Thursday or Friday, when the Alaskan witnesses were before the committee, I promised Congressman Pollock that we would insert a statement that he planned to prepare after hearing the testimony of the Government witnesses. We, of course, do not have the Congressman's statement as yet; but when it comes in, let the record show that it will be inserted at this point.

(The statement subsequently received from Representative Pollock follows:)

SUPPLEMENTAL STATEMENT OF HOWARD W. POLLOCK, CONGRESSMAN FOR ALASKA,
BEFORE THE SUBCOMMITTEE ON RETAILING DISTRIBUTION AND MARKETING PRACTICES,
SENATE SELECT COMMITTEE ON SMALL BUSINESS, JANUARY 31, 1968

Mr. Chairman and members of the Committee, I wish to thank you for your courtesy in allowing me to participate in the hearings as a member of the panel. When these hearings were called it did not appear that the State of Alaska was directly affected. The subject was the critical problem of large and increasing exports of unprocessed logs from the Pacific Northwest. Early in January, however, a new dimension was added in the form of a staff report by the U.S. Treasury Department. Many questions have been raised concerning the release of this report and whether or not it represents the official position of the Treasury. Nevertheless, the report's proposal for round log exports from Alaska as a partial solution to the problems of Oregon and Washington touched a tender nerve in the 49th State. As a result the problems and prospects of the Alaska timber industry became an integral part of these hearings.

Mr. Chairman, I believe it is quite clear after a tremendous amount of testimony that Alaskans are adamantly opposed to any change in the forty-year-old federal government policy prohibiting the export of unprocessed logs from Alaska. It is due to this policy and this policy alone that Alaska today has a major timber processing industry. In 1966 the value of timber products produced in Alaska was \$73 million, an increase of 150% from 1958, the last year of the Territory, and up more than 1000% since 1953, the year before the establishment of Alaska's first pulp mill at Ketchikan. Two thousand five hundred (2,500) men are employed in the industry with a total yearly payroll of \$24 million. 1958 figures are 1,100 men with an \$8 million payroll while in 1953, 700 were employed on a payroll of \$4 million. Timber ranks second in importance to fisheries in Alaska's private economy. To eliminate it would deal a severe blow to the entire State and be the death knell for several communities now thriving in Southeast Alaska. A change in the log export policy would accomplish this tragedy as the testimony by Alaskan witnesses has shown. Beyond this Alaska depends on the existence of this policy for any new timber industry. Without it our state cannot grow.

There are numerous errors in the Treasury report, but perhaps the most basic error is that a change in policy will help our exports. Alaska's forest products