

that the United States is acquiring an unhealthy dependence on foreign sources of minerals.

Equally alarming is the article in the April issue of the Engineering and Mining Journal that Japan is turning to Siberia for mineral sources. If our industry is to compete on the world market and American capital is to bring gold and dollar flow into the United States we must produce on a competitive world market.

While we agree that some regulation may be necessary in some portions of the United States at some future time, in Alaska perhaps, the additional costs both to industry and Government which would be occasioned by this bill will most likely be of sufficient magnitude to adversely effect the mineral development of Alaska.

There has developed a strange dicotomy in the Department of the Interior's attitude toward mineral resource development. We urge you to consider our Nation's well-being foremost. If the U.S.S.R. succeeds in developing Siberia while we fail to develop Alaska, Japan will swing into the Communist orbit and our tremendous investment in the redevelopment of the Japanese nation will become a community prize.

Mr. Chairman, Alaska is vastly different from the other 49 States. It is the only State in the Union that is within the Arctic Circle and the subarctic regions. We have an area the size of Texas that is permanently frozen through our underlay of permafrost. All our major drainages are glacier fed and are already contaminated according to the Department of the Interior with sediments.

We have had a little experience with the Water Pollution Act as far as the Department of the Interior is concerned. We have a water pollution law in our State. We think it is a good one. We think it fits Alaska. We think we know more about Alaska than the Department of the Interior, strange as it may seem, but yet the Department of the Interior has chosen to deny us this right to regulate our own water based on the excuse that they contend that stirring the gravel in a stream is pollution.

Now, in an area the size of Alaska, as I said before, one-fifth the size of the United States, our main river drainages are all glacier fed. They carry many thousand times more sediments every day than we could possibly put in those rivers by any mining operations.

We are afraid that if such a bill as this becomes law it will be an added detriment to the development of our State. Our mining commerce it appears as though will be derived from the other countries in the Pacific Basin.

To add \$1 a ton to any of our ore is liable to kill our goose that laid the golden egg, and I appreciate the opportunity of being able to testify before you today.

Thank you very much.

Senator METCALF. Mr. Waugaman, thank you very much for your testimony. Senator Fannin?

Senator FANNIN. Thank you, Mr. Chairman. Senator Waugaman, I had the privilege of being in your State a short time ago and listening to some of the people testify on another matter. They brought out the great amount of exploration that is going forward in Alaska. From your testimony I gather you feel that the legislation now before us would deter that new development.