

Senator MORSE. The next witness is the Honorable C. Girard Davidson, former Assistant Secretary of Interior, known to the members of this committee. I am going to call him to the witness stand now. I want to thank him for coming, and I want also to thank him for the record of contribution that he has made in public service to this country, not only in respect to Department of Interior affairs but a good many other affairs of our Government.

You may proceed in your own way.

STATEMENT OF C. GIRARD DAVIDSON, ATTORNEY, DAVIDSON, SHARKEY & CUMMINGS, WASHINGTON, D.C., AND PORTLAND, OREG.

Mr. DAVIDSON. Thank you very much.

Mr. Chairman, Senator Gruening, and members of the committee, I address myself to the subject of log exports today in the dual role of an Alaskan and an Oregonian; as a recent sawmill operator; and as a former official of the Interior Department, where years of my life were involved with the development and conservation of resources.

I speak today with no vested interest, and for myself only, and shall make, therefore, a somewhat philosophical statement, knowing that others present in industry have reams of valuable information for your consideration.

In the last 10 years in Wrangell, Alaska, I built a sawmill from scratch, in which there is now invested over \$6 million to manufacture lumber in keeping with Forest Service requirements. I—and all others in the lumber business in Alaska—utilized the tree from its natural state in the primeval forest, through primary manufacture to the export of the product to Japan.

I state "Japan" flatly, because it is a sad fact of life that the Jones Act virtually precludes Alaska from the U.S. market; and I should say "sadly," because it is uncomfortable to sit beside Prince Rupert, British Columbia, knowing that Canada supplies 15 percent of the U.S. domestic needs and British Columbia sends 65 percent of its lumber production to the United States and knowing, also, that Japan is, in truth, Alaska's only market.

As an Alaskan and Oregonian, but most of all, as an American, I am concerned about the Pacific Northwest and Alaska becoming a "tree farm" for Japan.

There isn't anything wrong with being a tree farm if we can afford to stay in the business of cutting down trees.

It is perfectly true: We have the "woodpile" and Japan wants our wood. The question is how we can deliver to them a reasonable supply of our vast resources without being stagemanaged out of business.

The Japanese in their anxiety to get logs at this time have:

1. Outbid the domestic market, leaving it inadequately supplied;
2. Run up the price of logs so that hundreds of independent operators in the Northwest can no longer afford to operate;
3. Moved in on Alaska where there is now a monopsony;
4. Threatened our Government into a panic about trade relations; and
5. Succeeded in getting Oregon and Washington into a cat-and-dog fight with Alaska on how to resolve the problem.