

could not compete. That is what I was talking about, the Jones Act philosophy keeps us out of the domestic market.

And then in the other part of the statement, that we are outpriced on foreign markets because the Japanese can come in and pay \$80 or \$90, \$100 a thousand for logs, and take them to Japan, where they do not have our minimum wage, and where they have cheap labor. They can process these logs in their mills and then send them back to us finished, and that is what permits them to outprice us. And we have what I consider a do-nothing policy, when the State Department or Treasury or someone else objects if the Department of Agriculture, the Forest Service, and the Department of the Interior attempt to put on regulations in effect which would require primary manufacture of those trees which come from the national forests or from the O. & C. lands. That is what I call a do-nothing policy on the part of our Government.

We should act. We should put some regulations in effect that would require primary manufacture, and I think that should be done in Oregon and Washington as that policy exists in Alaska, not vice versa.

Do not make us in Alaska, where we have a sound policy, get into the same trouble that Washington and Oregon are now in. You are letting the round logs go out from below. Fortunately we are a young State. You know the problems, Senator, and I know you do, Congressmen. We tried to get a new constitution in Oregon. We could not. We have too much history back of it. In Alaska we have the finest one in the country. It is a new State. Similarly, we were in a position in Alaska for the Forest Service to put in the kind of regulations which require primary manufacture. We had no history built up, where the stevedores who testified a little while ago, or the various port authorities and everybody else with a vested interest, were trying to keep the status quo, because they are making a few bucks off of it. Now, please do not come asking us to change a sound policy to get into the unsound one. You ought to join Alaska in its type of regulation.

Senator MORSE. Congressman Dellenback.

Representative DELLENBACK. Thank you, Mr. Chairman. This is a good statement, Mr. Davidson, and we appreciate it.

Mr. DAVIDSON. Thank you.

Representative DELLENBACK. When you talk on page 3 of your statement about Oregon and Washington creating additional manufacturing plants and payrolls by curtailing their log exports, you are not suggesting that the States have the power, or should take this action by themselves? You are not talking, in effect, about actions that should be taken by the Federal Government to assist those States, because as you point out in your statement we are aware of the fact that Oregon has its State law for timber from State-owned lands right at the present time.

Mr. DAVIDSON. You are correct. Thank you for the correction.

Representative DELLENBACK. I thought you were saying that in effect.

Mr. DAVIDSON. Yes.

Representative DELLENBACK. But you are curtailing log exports in the States of Oregon and Washington, rather than looking to the States to correct this themselves.