

Mr. DAVIDSON. Right, although the State of Washington could do this on their State lands. I think they should. I think the State of Oregon has a sound policy of prohibiting exports, in effect, from the State's lands.

Representative DELLENBACK. And in Washington it would have a more substantial effect, as I understand it?

Mr. DAVIDSON. Yes.

Representative DELLENBACK. Because the State lands in Washington are considerably more extensive than the State lands in Oregon.

Mr. DAVIDSON. Yes.

Representative DELLENBACK. Since you have touched on these two points, may I ask, while we are looking at this total picture, as the chairman has pointed out a number of times we are striving to do, are you recommending that there be an amendment of the Jones Act?

Mr. DAVIDSON. Yes, I certainly think there should be an amendment of the Jones Act.

Representative DELLENBACK. Would you see it as a repeal of the Jones Act, or would you see it as a specific amendment to permit Alaska to do something expressly?

Mr. DAVIDSON. No; I think the change ought to apply for Oregon and Washington as well. We are precluded from these States getting rough, green lumber to the east coast and the change ought to apply everywhere. I understand this Treasury recommendation is just a very minute change applicable to Alaska. Anything is better than nothing, let me say, and if you can get the Treasury Department to go along with anything, I am in favor of it.

Representative DELLENBACK. But some modification would have to—

Mr. DAVIDSON. Some modification is essential since the Jones Act particularly hurts Alaska, because as I pointed out there is a monopsony in Alaska. We only have one purchaser in all of it, and this is because of the failure of the United States to provide any capital. The Japanese will finance new sawmills up there, but not our Government. I think this is a wrong policy. I think the U.S. Government ought to devote more attention to what it is doing in Alaska, because this is the only remaining tree bank, and a big one.

Representative DELLENBACK. I think that in passing we commend you not only for the erudition showed by that seldom used but very eloquent word, "monopsony." You are making the effective point that Alaska is trapped into the situation of not being able to look elsewhere to sell the product, except either within Alaska, or in effect, to Japan under these circumstances.

May I ask just a question about primary manufacture in Alaska? How far does it go, Mr. Davidson? Is it as extensive as it should be? Is it major or is it not? I do not know, not having been in the State, and had the privilege of seeing this.

Mr. DAVIDSON. Primary manufacture? I would say that in this past year around 200 million board feet of lumber has been exported from Alaska. There are six sawmills in Alaska, two at Haines, two at Wrangell, one at Ketchikan, and one at Petersburg.

Representative DELLENBECK. Are these mills taking it through to finished lumber?

Mr. DAVIDSON. Yes.