

Representative DELLENBACK. Or are they making just stabs at it?

Mr. DAVIDSON. Yes; this gentleman who preceded me is just wrong in his statement about what happens in the manufacture of cants in Alaska. He sounds like one of those people who comes up and becomes a 1-day expert on Alaska. It is a big State. The mill I built has been operating at least several years. We have never cut any cants except for a few clears. Our entire production, and this year under the new owners, Alaska Forest Products, which is operating it, it will produce between 35 and 40 million board feet of primarily 4 by 4's; 4 by 4's are packaged, loaded on the ships, taken to Japan, and go right to the job to build the houses. The 4 by 4 is the chief structural member of a house in Japan, and they are as widely used as 2 by 4's are in this country. We have never cut anything else, and we have had contracts with the Japanese for quite sometime, and I would say that mill accounts for approximately 20 percent of the lumber production of Alaska.

Representative DELLENBACK. So that you feel the primary processing law of Alaska really brings forth work in the mills rather than just being a token requirement that can easily be brushed aside?

Mr. DAVIDSON. Yes. Let us not discuss my mill. Let us discuss Wrangell Lumber Co., which is completely Japanese owned. It produces only cants. They have about 120 working in that mill. Very few of them are Japanese. Practically all are Americans.

Now, this is what we say should occur in Washington and Oregon. Just because you square up the log, at least you are getting it through a sawmill, and are providing employment, whether you are making chips or you are making cants. As a matter of fact, the cants load easier on a ship because you can load them tighter than the logs.

You heard from a stevedoring company of Alaska, how the lumber production has gone up. If this gentleman who preceded me had ever gone out to take a look at my mill, or my former mill, and its loading facilities, he could not have made the statement he did. We have a lumber carrier coming direct from Japan to the mill. The 4 by 4's are packaged and put on the ship and it goes off, and it comes back for a load of about 3 or 4 million every month to 6 weeks.

Representative DELLENBACK. We hope you have the same difficulty breaking your relationship to the State of Oregon that you are having breaking your relationship to that former sawmill of yours.

So you are saying then that because of this primary processing, and because a great deal of your sales end up going to Japan, that is there is not a loss of longshoring work, or stevedoring work, or port work, because of what is happening in Alaska. You are saying that there probably is as much as there would otherwise have been if not more than there would otherwise have been, and in addition thereto, we are finding that there is a great deal of employment in the State of Alaska which would otherwise not be the case if we were shipping the raw log?

Mr. DAVIDSON. Right.

Representative DELLENBACK. Thank you very much.

Representative CLAUSEN. Would the gentleman yield? Could you apply what you have just said to the hypothetical situation of a sawmill owner in Oregon or Washington? Are you telling me that they can anticipate or enjoy a part of the business by getting involved in this primary processing of growth that you are discussing? Apply this to the Oregon situation, or the Washington situation, or the northern California situation, for that matter?