

Mr. DAVIDSON. Congressman, this is my belief. As I point out I have no statistics to back me up, but I believe that if Washington and Oregon manufactured cants and chips, that the Japanese would buy from us, because as I point out in my statement, they have no other place, really, to buy. Based on the statistics which I understand were given the committee some time ago, I think in 1966 that the Japanese bought about 1.1 billion board feet of logs from the United States, about 3.5 billion from the Philippines, a half billion from Indonesia, and about 2 billion from Russia which makes a total of 7 billion.

Representative CLAUSEN. What species are you talking about, would this be hardwood?

Mr. DAVIDSON. From the Philippines it would be hardwood, and about 3 billion from Russia. As Mitsui points out in my statement and the Japanese that I have talked to say they cannot depend on the deliveries from Russia. They will get a contract to deliver logs on such and such a date and it does show up. They would much rather deal with Americans. And I think they will pay the additional price, and would go for buying that same quantity of cants and chips. We in this country would then get the benefit of primary manufacture. We would get the jobs of primary processing. We can still send the product over there and help their economy. Let them then manufacture it down to the small sizes that they use. If you have been through a Japanese sawmill, you can see how many people they keep employed, and how they tailor its production to their needs. But there is no point in our not getting the benefit of the employment of primary manufacture which is more than just cutting down the tree and getting a few stevedores jobs by loading logs on the ships.

Representative CLAUSEN. Is it your opinion that some of these sawmills that are now in difficulty, that they would be brought out of their current difficulties? Is this what you are recommending?

Mr. DAVIDSON. Yes, I certainly do think they would come out of their difficulty, and I think if we had a requirement for primary manufacture for every stick of wood that came out of the national forests and O. & C. lands in Oregon and national forests in Washington, I think we would open up a lot of those closed sawmills, because then they would only be competing with people in the same relative position and would not have to compete with this export market to Japan.

Representative CLAUSEN. What would be the net effect then, assuming that the President's predictions last night during his state of the Union, that we are going to have all sorts of housing in the United States come true, what would be the net effect in the future?

Mr. DAVIDSON. We could supply lumber for our own domestic markets. We would have the trees to do it with, manufactured in our own mills, and it wouldn't have to be going over to Japan, and then we try to do it some other way. We can try to take care of our own requirements now. As I said, 65 percent of British Columbia's manufactured lumber comes into the United States. Why can't we supply some of that, rather than have our mills closing down, and shipping our logs off to Japan? It makes no sense to me.

Representative CLAUSEN. In your judgment, in keeping with your background, is there ample resources in Alaska and here in the States to be able to supply the continuing demands that might be made by working with the Japanese lumber industry, and then a market under good conditions here in the States?

Mr. DAVIDSON. I think there is. I think there would be sufficient demand, and I think in Alaska if we did not have the competition of