

Mr. DAVIDSON. Yes.

Representative ULLMAN. In the way of cant on year, the next year raise the minimum levels, and over a period of years you could thus get to a finished lumber sale which would be beneficial to both Japan and the United States.

Mr. DAVIDSON. Cant and chips. Even if you send the logs through a chipper, you are at least providing jobs here before the wood goes over to Japan. I say do everything we can here, but do not just let the logs go out of Washington and Oregon when you have mills shutting down because of no logs.

Representative ULLMAN. Turning to a different matter on the point of the Jones Act, have you followed the efforts that have been made to charter ships that have, in effect, circumvented the Jones Act?

Mr. DAVIDSON. Not closely. There would be problems of doing that from Alaska, because we have a much longer run to get up there, and it is hard because of the lack of financing to build up a sufficient inventory and just keep it there until you can get a ship in. The Japanese finance our inventory, but we have not found anybody in America that will. Before you came in, I think it was, I made the statement that this country is not doing enough to develop the resources of Alaska, and therefore we of Alaska are very grateful to the Japanese, because they have come in. They have put in the biggest industry up there. They have provided us the market, they have provided the financing. And why this Government does not do it is a mystery to me, and it should.

Representative ULLMAN. Do you think that if we did find some way of shipping in bottoms, that we could retain with Alaska timber as well as Pacific Northwest timber the east coast market?

Mr. DAVIDSON. Yes, I think we could. I think we could retain the east coast market, if we could eliminate the Jones Act. At least we could compete with Canada. Now, I know my former mill up there could certainly have competed with British Columbia and Vancouver British Columbia mills. I could have gone through the Panama Canal back to the east coast. I had a lot of business lined up in New York, New Jersey, and along the Atlantic seaboard. But when we got to figuring the additional cost of shipping it on American bottoms, we could not cut the mustard.

Representative ULLMAN. Thank you. You have been very helpful.

Senator MORSE. Thank you very much; I have one question, Mr. Davidson. You served with distinction as Assistant Secretary of the Interior under Secretary of the Interior Oscar Chapman, and our State is greatly indebted to you and Oscar Chapman for the services that you rendered, on the basis of facts, for our problems in the fields within the jurisdiction of the Interior Department. During those years that you were Assistant Secretary of the Interior, did you have an opportunity to familiarize yourself with the Federal timber policy of the Department of the Interior?

Mr. DAVIDSON. Yes. I supervised the Bureau of Land Management among my other agencies, and I think it was when I was Assistant Secretary under Secretary Krug that we had the hearings on the O. & C. lands on the first sustained yield units we were trying to set up in Oregon. And I remember at our first hearing I was practically run out of Eugene on a rail because I was sent out there to defend the