

I feel it a great privilege and honor to join the delegation from Alaska representing the said two companies.

Briefly, I would like to state how Japanese capital came to participate in the development of Alaskan timber.

As you all know, Japan was under occupation in about 1950, and was hard pressed with the lack of timber which was needed for the rebuilding of the nation. Under such circumstances, a request was made to the Supreme Command for the Allied Powers for the importation of logs from Alaska.

There are two letters on the diplomatic level between Japanese Government and Supreme Command for the Allied Powers which tell the story:

1. Letter dated January 25, 1952, from Minister of Agriculture and Forestry of Japanese Government to SCAP.

Subject: Plea to the U.S. Government to export softwood timber of the Alaska Tongass National Forest.

In the said letter, Japanese Government openly requested "to be permitted to have the softwood logs of your Alaska Tongass National Forest imported to Japan on a large scale."

2. In the reply to the above letter, the Japanese Government received a letter from the U.S. Embassy, dated June 9, 1952, which reads:

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to transmit the following information relative to the joint petition for the import of softwood timber of Alaskan Tongass National Forest * * * 25 January 1952, addressed to General Headquarters Supreme Commander for the Allied Powers.

The Department of State informs the Embassy that it is feasible for Japan to procure forest products from Alaskan National Forests and considers that the most practical method for Japan to participate in Alaskan timber development would be by the incorporation in the United States of a United States or Japanese company to produce lumber, pulp or other processed items.

To promote such an action, the United States Forestry Service has several pulp timber units for sale to an organization planning to establish a newsprint or pulpwood mill in Alaska. A timber unit is immediately available in the vicinity of Juneau where there are dock facilities and arrangements can be made for an adequate supply of power.

In view of the indicated favorable consideration of the Japanese Government's petition to secure softwood timber from the Alaskan national forests, it is suggested that an application for a timber concession, together with a specific development plan be submitted to the Department of State through the Embassy of Japan in Washington.

Through this letter and through several meetings with American officials, we Japanese have learned that the primary manufacture policy has been maintained over 30 years and greatly contributed to the introduction of industry and labor in the less populated and remote locations such as Alaska.

As a consequence, Japanese were obliged to give up the idea of importing round logs from Alaska, and in order to comply with the primary manufacture policy proceeded to build a sawmill at Wrangell and a pulpmill in Sitka.

Needless to say, Alaska Lumber & Pulp Co., Inc., is a U.S. corporation, financed with Japanese non-Government capital, and she has acquired a pulp unit in the Tongass National Forest through public bid conducted by the U.S. Forest Service.

What I would like to say most here is that the primary manufacture policy has been most successfully carried out in Alaska and has been