

problem. So that I maybe completely within the realm of accuracy so far as my own deductions are concerned, although you won't say it just this way, I want to know if I could accurately draw this conclusion from your testimony: that if, instead of exporting from Alaska to Japan the pulp that your company now exports and the lumber that goes through at least the so-called primary processing, Alaska exported round logs, the result would be that the United States would be the loser in respect to the balance-of-payments issue. Am I correct in concluding that the United States receives more dollars from the export of pulp and the primary processed lumber than she would receive if she exported round logs to Japan? Is that true?

Mr. MOMMA. Because of my language barrier, I would like to make sure of your question.

Mr. MACDONALD. I am Charles P. MacDonald. I am vice president of the Alaska Lumber & Pulp Co., of Sitka, Alaska. If I may, I don't think he fully understood your question. May I repeat it as I understood it?

Senator MORSE. Yes.

Mr. MACDONALD. I believe your question was, Would the United States lose dollars by shutting down the pulpmill at Sitka, Alaska, and converting to a straight round log export position, is that right?

Senator MORSE. The United States doesn't at the present time permit the export of round logs out of Alaska, but as Mr. Momma testified, it was the United States, in the exchange of these letters that he refers to in his testimony that said to Japan, "If you want softwood from Alaska, come on over and build a lumber mill and build a pulpmill."

I am condensing it but that is what we said. And you did that.

Now, if we hadn't followed that course, but had answered the other way when the Japanese asked for softwood from Alaska, and if we had instead shipped them round logs, I want to know—from the balance-of-payments standpoint—whether we are obtaining more money from shipping the pulp and the primary processed lumber than we would if we conformed to the request in the first place and authorized the shipment of round logs.

Mr. MACDONALD. I believe we are receiving more dollars this way, and I think that was what you intended to testify to, but please correct me if I have misspoken.

Mr. MOMMA. I believe that if we comply with these policies, that we can get more money from Japan.

Senator MORSE. I want to make one other comment about your testimony.

Congressman Pollock referred to this. Without referring by way of identification to a great Japanese industrialist who also has financial interests in Alaska and the United States, I had the privilege of talking with him some days ago, and he said exactly what you say: that he would be opposed to the shipment of round logs out of Alaska, and he would favor the position taken by the overwhelming majority of witnesses appearing before this committee to date in these hearings. He believed that certainly an understanding should be reached with Japan for striking this balance that the chairman and other members of my committee have talked about so many times, a balance between the exportation of finished lumber and the exportation of logs from Oregon and Washington.