

be no dispute, no difference of opinion between the Forest Service and the company.

Representative POLLOCK. Do you think there is any difference of opinion now?

Mr. MACDONALD. That I could not say, but I think there was to begin with.

Representative POLLOCK. Do you think that the Forest Service is aware that there was not as much timber available in the allotted areas?

Mr. MACDONALD. This is an assumption on my part, but I think they are.

Representative POLLOCK. I am asking for an opinion, yes.

Mr. MACDONALD. But so far as I know, they have made no public statement to that effect.

Representative POLLOCK. I want to congratulate you as I have the other witnesses who have testified before for a very fine statement. I think it was very factual and very useful. Thank you very much.

Senator MORSE. Thank you, Congressman.

Mr. MacDonald, did you hear Mr. Van Brunt's testimony yesterday representing the Longshoremen's Union?

Mr. MACDONALD. Yes, I did.

Senator MORSE. In his colloquy with the chairman he expressed the view that primary processed lumber shipped out of Alaska to Japan in many instances results in such little modification of the log that it could be said that form rather than substance was involved as far as primary processing is concerned. Did you hear him testify to that effect? I paraphrase him, but I think accurately. He stated that from his own observations, on the various docks in Alaska, he had seen lumber ships to Japan in which only cuts on two sides of the log had been made, that in some instances only a slab had been taken off, but no substantial primary processing had taken place. His conclusion, from his own observation was that in order to get the log qualified to be exported, as little modification of it as could be made and still fall under the ruling that primary processing had taken place seemed to be the practice.

Then were you in the room when Mr. Davidson testified?

Mr. MACDONALD. Yes, I was.

Senator MORSE. You heard him say that he had owned and operated a mill in Wrangell prior to his sale of it.

Mr. MACDONALD. Yes, I did.

Senator MORSE. You heard his description of the type of primary processed lumber that at least went out of his mill, particularly calling attention to the 4 by 4's that were processed in his mill and went directly from the dock in Japan to the building sites and on into the houses?

Mr. MACDONALD. Yes.

Senator MORSE. I think the record will show that Mr. Davidson also testified that these processing practices were not limited to his mill, but were characteristic of the primary processing of the other lumber mills. Therefore he found himself in substantial disagreement with Mr. Van Brunt's testimony. Do you recall that testimony?

Mr. MACDONALD. Yes.