

Senator MORSE. We have this conflict in the testimony as to whether or not we are dealing, in Alaska, with an export practice that is, as I said in my inquiry of Mr. Van Brunt, a matter of form rather than substance. That would be coming as near to shipping round logs as you can and still come under the regulation of primary processing. That is what I want to get cleared up in the record. We want to know what the form of these cants really is.

Mr. MACDONALD. Mr. Chairman, may I have your permission, we have a sawmill man, here, sitting at the table, may I defer this question to him?

Senator MORSE. Delighted. Glad to have you do it. Mr. Daly.

Mr. DALY. Mr. Chairman, this argument, if you will, is mostly a matter of words, I think, really. It depends on the quality of the log, the size of the log, and the location of the log. The area I live in, and where my mill operates we have a lot of high-grade spruce logs, large logs, and the great majority of our cants, if you will, are four-sided. You get farther north where you get into a smaller low-grade log, for example, an 8-inch diameter log, if you are taking a 6-inch cant out, you cannot take much off of that log and still get 6 inches. Mr. Davidson's testimony was entirely correct. It all depends upon where you are and what particular type of log you are using, whether it is hemlock or spruce, and what particular market you are going into.

Senator MORSE. The two chief species are hemlock and spruce?

Mr. DALY. Hemlock and spruce, yes. I think the point, really, that I would say Mr. Van Brunt is probably missing is regardless of the amount of processing done, there is a sawmill there, and there are people working in that mill, and there is an investment in the mill as well as the longshoring. To say that Mr. Davidson's mill is representative of all of Alaska is not true, but it is fairly representative of the industry.

Senator MORSE. The question the chairman wants to get answered is how much labor is expended on the logs. Is it simply a question of the log going through for a one edge or a two-side edge or a four-side edge?

Mr. DALY. That is entirely true.

Senator MORSE. And Mr. Van Brunt says on page 554 of the transcript of yesterday:

As you know, Mr. Chairman, I visit, periodically, the port of Vancouver, British Columbia for the purpose of determining exactly what is being loaded on the vessels to Japan, and I am not saying that there are not small amounts of finished product. I am saying there is no measurable amount of finished product as we know it shipped to Japan from Canada.

Later on page 555 the chairman said:

And your testimony is that in Alaska the lumber that is shipped to Japan is even less finished, than the lumber that is shipped from Canada?

Mr. VAN BRUNT. It is cut to the absolute minimum required in order to meet the term primary process. That is not the answer. Let me say that what I am saying, and I am sure that the public port authorities, the stevedoring companies, the steamship people and all people involved in our so-called side of the industry will be most happy to ship lumber products, but we do not feel that you can or should curtail any part of log exports. Rather what should be done is to develop the market in Japan and that should begin to ship the finished product.

On page 552 he continues:

... Canada or not as you and I or the general public would consider finished material although this is far closer to finished material than anything shipped