

The CHAIRMAN. What are those—summer schools?

Mrs. DU BOIS. Summer schools, coworkers' schools.

The CHAIRMAN. Are there any other schools?

Mrs. DU BOIS. Not to my knowledge. I am not informed in regard to them, if there are.

Mr. NELSON. Do the Young Communist League have school meetings once a week in your town?

Mrs. DU BOIS. I can not answer that question directly; I do not know.

The CHAIRMAN. Is that the art exhibit to which you refer [exhibiting paper]?

Mrs. DU BOIS. Yes; it is.

The CHAIRMAN. That is the one held here or in Spokane?

Mrs. DU BOIS. That is the one held here. It says "Frederick & Nelson," but it is the same exhibit.

The CHAIRMAN. Who does that say there it was arranged through?

Mrs. DU BOIS. It says, "Arranged through United States representative of the Soviet Union."

The CHAIRMAN. Well, do you know who the United States representative of the Soviet Union is?

Mrs. DU BOIS. I do not. I know the man in charge of the exhibit in Spokane gave his name as Mr. McKenzie.

The CHAIRMAN. You stated it was arranged through Amtorg and this advertisement says it is arranged through the United States representative of the Soviet Union.

Mrs. DU BOIS. My information comes from the sign that was up, saying, "Sent out by Amtorg"; also information obtained from the superintendent of the Frederick & Nelson store. He said it was sent out by the Amtorg Trading Association.

The CHAIRMAN. Are there any further questions?

Mr. ESLICK. Did this speaker make any statement as to the prevailing religion in Russia?

Mrs. DU BOIS. No; he did not in regard to religion.

Mr. ESLICK. He did not make any statement whether they believed in a Supreme Being or not?

Mrs. DU BOIS. He said, "If you go to Russia, you can worship God as you see fit," and he said, "It is true that we have destroyed the churches." That was his statement, as well as I remember.

Mr. ESLICK. Had destroyed the churches?

Mrs. DU BOIS. Yes; had destroyed some churches and built manufacturing plants in their places. As to his denying a Supreme Being, I can not say.

Mr. ESLICK. You say he made no derogatory statements of the American Government?

Mrs. DU BOIS. I did not hear him say anything derogatory of the American Government.

Mr. ESLICK. But in his speech everything was favorable to the Russian Government?

Mrs. DU BOIS. Oh, yes.

Mr. ESLICK. And the Russian form of government?

Mrs. DU BOIS. Oh, yes.

Mr. ESLICK. That is all.

The CHAIRMAN. Thank you very much.

TESTIMONY OF W. B. GREELEY

(The witness was duly sworn by the chairman.)

The CHAIRMAN. Will you state your full name?

Mr. GREELEY. W. B. Greeley, secretary-manager of the West Coast Lumbermen's Association.

The CHAIRMAN. How long have you held that position?

Mr. GREELEY. A little over two years, sir.

The CHAIRMAN. Does your organization take in most of the big lumber mills in this section?

Mr. GREELEY. Our organization represents about 50 per cent of the production in the so-called Douglas-fir timber region of western Oregon and Washington.

Mr. NELSON. And did you want to be heard on the proposition as to how the Russian imports of lumber and lumber products are affecting the American industry?

Mr. GREELEY. Yes, sir.

Mr. NELSON. Well, will you give it to us as concisely as you can?

Mr. GREELEY. Summarized very briefly, this is the situation: Last year approximately 27,000,000 feet of Russian lumber was imported into this United States. This year, to date, the imports have been about half of that amount. The actual volume of these imports up to the present time has not represented a particular burden upon our domestic lumber industry, but the Soviet Government has announced a very large plan of expansion of its lumber industry, indicating, if this plan is able to be carried out, that their production of lumber will be increased from the present figure of about three and one-half billion feet annually to a total of about 12,000,000,000 feet. This plan of the Russian Government plans marketing the greater portion of this immense production of lumber abroad.

Mr. NELSON. I notice the Russians estimate the amount that they intend to get out in tons. How many thousand feet are there in a ton, roughly?

Mr. GREELEY. The average weight of a thousand feet of lumber, as shipped from this coast, would be a ton and a quarter.

Now, we have had an excellent demonstration in the case of England what the Soviet Government can do when it sets out to place its lumber in a foreign market. The Soviet Government now exports approximately 1,350,000,000 feet of lumber a year and, by virtue of the low prices, it has practically swept the Swedish and other Scandinavian lumber out of the English market. It is now entering other European markets; it is entering the South American and South African markets, and it is entering them all on a basis of very low-price competition. So that while we do not claim the present imports of Russian lumber into the United States constitutes a serious burden upon our industry, we believe that the menace of a flood of cheap lumber from that source is such that the policy of the Government, in reference to admitting Russian forest products, should be clarified and then firmly applied.

The tariff act of 1930 states, in effect, that the products of convict labor shall not be admitted into the United States. It carries a further provision, to become effective January 1, 1932, which applies the same prohibition to the products of indentured or forced labor.

Now, a great deal of evidence has been collected and submitted to the Secretary of the Treasury, showing that the forest products of Russia are very largely manufactured by either convicts or drafted labor. There may be a legal distinction as to what is convict labor and what is indentured or drafted labor. The report submitted by the American consul at Helsinki, Finland, contained very clear evidence, submitted by escaped prisoners from many of these camps, to the effect that the Russian lumber camps are largely manned with impressed labor—people who have been exiled for political reasons, as well as people against whom some specific sentence of imprisonment has been imposed.

Now, we do not wish to criticize the policy or action of the Department of the Treasury, because we do not claim to know all of the legal distinctions that must be observed; but the fact remains that, in the face of conclusive presumptive evidence, this type of convict labor is being largely employed in the production of Russian lumber and pulpwood, the Treasury Department apparently has held that the objectors to these importations must prove that convict labor was employed in the manufacture of this particular cord, or this particular cargo of pulpwood. And if they are interpreting the law correctly in that respect, we urge that the law be modified and that the policy of the United States be very clearly established that the products of convicts or indentured labor shall not be admitted, and that the burden of proof that the law is being complied with should rest upon the importer. We also urge, to clarify this policy, that the present provision of the tariff act in respect to indentured labor, which does not become effective until 1932, should be made effective at the earliest possible date.

Now, I want to supplement that general statement very briefly with a little picture of our situation here. The lumber industry of western Oregon and Washington represents the basic industry of the region as regards employment. It supports approximately 65 per cent of the pay rolls of these two States. The lumber industry at the present time is seriously depressed from inability to market its products. Our mills are now running at less than one-half of their normal capacity; our logging camps are operating at not over 40 per cent of their normal capacity and, in the two States, probably between 40,000 and 50,000 logging-camp and sawmill workers are now without employment; which, of course, adds greatly to the general depression. The east coast market of the United States, where we come directly in competition with the Russian lumber, normally absorbs about one-fifth of the lumber products of western Oregon and Washington. During the present time that normal consumption has been greatly reduced and, to the extent that lumber from Russia is admitted into that territory, the lumber from other portions of the United States will be reduced.

The issue has been raised, or the question has been raised, that Russian lumber is of a somewhat different quality from that produced in the western United States. That is not true when we consider the entire range of production in this region. The Russian lumber comes between our No. 1 common, which is used for general construction, and our shop grades, which are used for manufacture into sash, doors, and a large variety of millwork products, and the prices at which Russian lumber has thus far been sold in the United

States do constitute severe competition with the grades of lumber produced in the Western States adapted for comparable uses.

I have just recently visited a mill on the Oregon coast, a small mill, which had over 2,000,000 feet of spruce, shop lumber, in storage, that they could not move for lack of a market—a mill that is now shut down because of inability to move its products. Now that type of lumber competes directly for millwork shop purposes with the best of the Russian lumber and, as between the spruce production of the western pine, as well as Douglas fir and hemlock production, our mills are in a position to supply any grade of lumber for any purposes that might be supplied by the lumber from Russia. And certainly the competitive situation to-day in prices of lumber are such that Russian lumber can only be sold by the severest kind of price competition with the domestic product. Within the last 17 months the average price received by the west coast sawmill has declined approximately \$5.75 per thousand board feet, affecting practically all grades, and that decline in price has forced our mills into a situation where, to-day, there are some 140 institutions on this coast that are completely shut down for inability to market their product. So that we feel the importance of protecting the American market at least from this type of convict-made or draft-labor-made product is such that we are justified in bringing it to your attention. The competition, in the last analysis, comes down to that between convict labor and American labor.

Notwithstanding the depression in the lumber industry, which is very severe, the great majority of the mills have maintained the scale of wages which has been established here by an organization called the Loyal Legion of Loggers and Lumbermen, in which the employees and the employers are both represented. That is the principle of the labor organization, which has dominated the sawmills and logging camps of the West—mutual representation; equal representation of employer and employee, and that organization has a representative here whom I hope you can hear—

The CHAIRMAN. What is his name?

Mr. GREELEY. Mr. Chisholm—as to the fixed scale of wages from time to time, which have generally been observed. And to-day, in the face of this depression, the majority of our sawmills and logging camps are adhering to that scale of wages—a minimum of \$3.40 per day, and from that point on up covering the more highly paid positions.

Now, in the last analysis, gentlemen, this convict-made lumber from Russia represents competition between forced labor and American labor. In our product here on the west coast nearly 50 per cent of the price received by the manufacturer represents the labor cost, and that has gone in the pay roll, and it is with that labor that the most severe effect of such competition will ultimately be felt.

Another phase of it I would like to mention is the competition between confiscated timber and timber which is on the tax rolls, which carries all the burdens and obligations of private ownership, and which is one of the most important sources of public revenue to the West. The timber which is being manufactured by the Russian Government is either timber of the old crown or timber which was confiscated at the time of the revolution. It is timber that represents

zero on the books of the Soviet Government. Our timber here, which is now being manufactured very largely, represents timber which, for 30 years or more, has been in private ownership, is paying taxes to the State and community; it has very largely built the highways and many other public improvements and institutions of this country—timber in whose cost to-day the element of taxation is the largest single factor—taxation carried for a long period of years. Now, in admitting Russian lumber, manufactured from confiscated timber, you are putting the confiscated tree in competition with the taxpaying tree of this country.

I would like to emphasize that point and I think that is enough for me to say, unless you have questions to ask.

Mr. NELSON. Mr. Greeley, I think the fact that the committee is interested in your situation here and sympathetic with it is attested by the fact we are going somewhat out of our jurisdiction to take this evidence here this morning. You understand that?

Mr. GREELEY. Yes, sir.

Mr. NELSON. I know we are all very much interested in it and the information you have given us may be of value when Congress reconvenes.

Mr. GREELEY. Mr. Thorpe has given me these figures which I would like to use in answer to one of your questions, Mr. Chairman. The American Pulp & Paper Association has estimated that the imports of Russian pulpwood in 1930 would amount to 280,000 cords and that the probable point which their imports would reach would be about 500,000 cords a year, which would be more than one-third of the present total imports of pulpwood.

The CHAIRMAN. If your figures are accurate, the importation of pulpwood is far more serious than the importation of timber?

Mr. GREELEY. At the present time.

The CHAIRMAN. Because the amount of the timber being brought in—100,000,000 feet, approximately—is only a small proportion of the total output of the timber?

Mr. GREELEY. Yes; at the present time I think the importation of pulpwood is more serious than that of lumber.

The CHAIRMAN. You are looking to the future?

Mr. GREELEY. We fear the full swing of this soviet program.

Mr. NELSON. Do you export much lumber?

Mr. GREELEY. Yes, sir; about 15 to 18 per cent of our production.

Mr. NELSON. Of course, this Russian lumber would interfere with your export business?

Mr. GREELEY. Yes, sir.

Mr. NELSON. Do you make any plywood up here in Washington?

Mr. GREELEY. Yes, sir.

Mr. NELSON. To any considerable extent?

Mr. GREELEY. Yes; it is quite a large industry here.

Mr. NELSON. I understand the Russian Government is centering on the manufacture of plywood now.

Mr. GREELEY. That is one of their products.

Mr. ESLICK. Mr. Greeley, this lumber, whether it is the product of convict labor, or forced labor, or indentured labor—by whatever term you call it, the result is the same, is it not, on the markets of the world?

Mr. GREELEY. Yes, sir. It is a product in which there is practically no labor cost.

Mr. ESLICK. It does not make any difference whether you term it convict, indentured, or forced?

Mr. GREELEY. Yes, sir.

Mr. ESLICK. It is the cheapness of production that affects the market, is it not?

Mr. GREELEY. Yes, sir.

Mr. ESLICK. As I understand you, your general lumber prices have declined something like \$5.75?

Mr. GREELEY. \$5.75.

Mr. ESLICK. Per thousand feet?

Mr. GREELEY. Per thousand feet.

Mr. ESLICK. That represents a very handsome profit on lumber, does it not?

Mr. GREELEY. It would, indeed.

Mr. ESLICK. If the present condition continues to exist, or the Russian Government is permitted to carry out its policy and increase its imports to America of lumber, what is the ultimate effect on the lumber industry in America, and especially of the Northwest?

Mr. GREELEY. If the Russian Government were able to carry out even one-twelfth of its outlined program—of its announced program—the effect upon the lumber industry of the Northwest would be extremely serious. It would mean a competition that we could not meet and the only effect would be to put out of operation existing mills until the process of forced elimination reduced our cut down to what we could market after the Russian lumber had taken its share.

Mr. ESLICK. Even though they are able to maintain the present standard and to hold the prices as they are, it means your smaller mills must go out of business, does it not?

Mr. GREELEY. Yes, sir. The present prices are not living prices. If the present prices continue for another year there will be very little lumber industry in the Northwest.

Mr. ESLICK. It means only the stronger mills can survive, does it not?

Mr. GREELEY. And scarcely any of them at the present market.

Mr. ESLICK. And in a large measure this present condition is chargeable to the Russian lumber situation?

Mr. GREELEY. No. I would not want to say that the present imports of Russian lumber have had a large part in the present situation. It has been one of the factors, but the main thing we fear is a very substantial increase in the imports of Russian lumber would make their competition progressively more serious.

Mr. ESLICK. And that is one part of the 5-year program?

Mr. GREELEY. That is part of their 5-year economic program.

Mr. ESLICK. One of the elements of it?

Mr. GREELEY. Yes, sir.

The CHAIRMAN. In other words, although the importations of 100,000,000 feet is not the main factor in the market depression at the present time, you are fearful that if that is increased it will continue this depression in the lumber industry in the Northwest?

Mr. GREELEY. Yes. Russian lumber is one of the factors, but I do not want to say it is the main one.

The CHAIRMAN. What you believe is that if the importation is increased it will continue this depression here?

Mr. GREELEY. Yes.

The CHAIRMAN. And of unemployment and low wages?

Mr. GREELEY. Yes, sir.

The CHAIRMAN. Do you employ many foreigners in the lumber industry here?

Mr. GREELEY. Very few.

The CHAIRMAN. Mostly American citizens?

Mr. GREELEY. Mostly American citizens.

The CHAIRMAN. Are there many communists in the lumber industry?

Mr. GREELEY. Well, there are a few. I do not think the proportion is very great. I think Mr. Chisholm could answer that question more intelligently than I.

The CHAIRMAN. Thank you very much for your very clear presentation.

TESTIMONY OF ANGUS D. CHISHOLM

(The witness was duly sworn by the chairman.)

The CHAIRMAN. What is your full name?

Mr. CHISHOLM. Angus D. Chisholm.

The CHAIRMAN. What organization do you represent?

Mr. CHISHOLM. The Loyal Legion of Loggers and Lumbermen, called the Four L.

The CHAIRMAN. What position do you hold with that organization?

Mr. CHISHOLM. District manager of the Puget Sound territory.

The CHAIRMAN. How long have you held that position?

Mr. CHISHOLM. Five years.

The CHAIRMAN. What does that include?

Mr. CHISHOLM. That includes field supervision in carrying out the work the organization is designed for, which is establishing standards and regulating conditions so far as the membership applies to the lumber industry in the Northwest.

The CHAIRMAN. Will you tell the committee, briefly, what knowledge you have of this situation, along the lines of the testimony you have already heard?

Mr. CHISHOLM. Well, my own personal belief is that the folks interested in the communistic movement is underestimated, as it affects the lumber industry of the Northwest. It has been stated that the past two years has seen more development in that movement than any other time, and I think that is true. The development that has been witnessed almost follows along a regular ratio with the decline in working conditions—that is, standards of wages and increase in unemployment as affecting the lumber industry. At present, when unemployment is very marked and affecting at least half or better than half of the normal employees in the lumber industry, the tendency to sympathize and, to a certain extent, to foster the work of the communist organization is increasing. Normally the men in the mills and the camps, outside of those who in the past have been active in the I. W. W. organization, when employment and wages have been satisfactory, but for the most part they

have been fairly well satisfied with conditions as they have been—naturally desiring better wages and better working conditions all the time, which is one of the functions of the organization I represent. But as unemployment has increased there has been a tendency in some districts to decrease the wage; then, of course, as men are thrown out of employment and have not established any savings account—which they could not with the wages that were paid—they are potential members, at least, for any organization that can indicate to them that by changing their tactics or changing their lines of thought they can improve the conditions under which they have to work and get more livelihood.

The CHAIRMAN. What is the connection between the I. W. W. and the Communist Party?

Mr. CHISHOLM. I do not think there is any. I do not say there is not any, but I do not know if there is any. The I. W. W., which was fostered by dyed-in-the-wool radicals—that is, everything they advocated were radical activities and sabotage—I do not believe there is much of that connected with the communist organization work, and I think the communist movement is headed and the work is carried on by a group that is vastly more intellectual and have better judgment and know better how to organize and to go ahead with the work and develop sympathy than anybody connected with the I. W. W. movement. That is the case in the lumber industry.

The CHAIRMAN. Do many of the former members of the I. W. W. join the communist movement here?

Mr. CHISHOLM. I presume there were quite a few; yes, sir.

The CHAIRMAN. Have you any other information to present in regard to the communist movement in the lumber industry?

Mr. CHISHOLM. Well, of course, when there is wage reduction, or the lengthening of hours, or temporary shut-down—particularly wage reduction, which in some cases has brought about a condition of strike on the plant in the locality where that has happened—it has given the folks in the communist movement a better opportunity to spread their gospel and thought in that particular district, and that is being done regularly in the lumber section of the northwest, particularly Grays Harbor.

The CHAIRMAN. Is that where they have had a strike?

Mr. CHISHOLM. Yes; they have two strikes in Grays Harbor.

The CHAIRMAN. Did the communists try to take over that strike?

Mr. CHISHOLM. I would not say the communists tried to take over that strike, no; but I believe, from reports and from talking with the men who have been out on strike, that a good deal of their fight, in carrying the strike out to the extent they have, has been on account of the sympathy which has been developed with the communist movement.

The CHAIRMAN. Is there anything else you want to tell the committee?

Mr. CHISHOLM. I do not know whether it is proper to inject this, but the thing that the employees in the lumber industry are concerned with chiefly is not only getting a good wage, but having a reasonable security in their position. And as I have said, the average worker—and I come in contact with thousands of them in the lumber industry—when they are em-