

it is adequate nor does the State have the machinery to get those I have reason to believe are behind those agitators, and are furnishing them the means, the livelihood, while they carry on this propaganda. We have a State law that would be effective if we had the machinery to put it into effect, to reach these people, but we do not have the machinery to reach anybody other than the soap-box agitator.

Mr. ESLICK. These higher-ups, are they natives of your State, or of different States?

Mr. COLVIN. I do not believe they are natives of the State at all.

Mr. ESLICK. Taking the last two years, has the communistic activity been less or greater?

Mr. COLVIN. Much greater. As a matter of fact it has come to my attention officially largely in the last two years, more particularly within the last year.

Mr. ESLICK. In your opinion, are the communists increasing in membership or not?

Mr. COLVIN. I would say from the reports I have seen they are increasing.

Mr. ESLICK. Now, is that a gradual increase, or are they making rapid strides?

Mr. COLVIN. I think the increase this last summer has been probably due to the condition of depression here in the Northwest; to some extent it has been aggravated by that. But there is a general increase, as I say, coming to my attention primarily in the last two years. For four years it never bothered me at all: I never saw any agitation of it, or saw any movement of it.

Mr. ESLICK. Even before the depression, they were more active?

Mr. COLVIN. Even before the depression they were more active?

Mr. ESLICK. Then when the depression came, the soil was more fertile?

Mr. COLVIN. They became very active at that time, taking advantage of that situation, which, of course, is always an opportunity for them.

The CHAIRMAN. Thank you very much. Mr. Freeman, do you desire to be heard now?

Mr. FREEMAN. Well, I would like to have Mr. Thorpe, editor of the Pacific Pulp and Paper Industry, present the information.

#### TESTIMONY OF LLOYD E. THORPE

(The witness was duly sworn by the chairman.)

The CHAIRMAN. What is your full name?

Mr. THORPE. Lloyd E. Thorpe.

The CHAIRMAN. What organization do you represent?

Mr. THORPE. I am the editor of the Pacific Pulp and Paper Industry, a trade journal published in the city of Seattle.

The CHAIRMAN. How long have you held that position?

Mr. THORPE. Three years, approximately.

The CHAIRMAN. You represent that paper here, and do you represent any group besides that?

Mr. THORPE. No group other than the paper.

The CHAIRMAN. Will you proceed and tell us what you know in regard to the communist activities and propaganda in the lumber industry, and also in connection with any evidence you may have in

regard to the dumping of soviet lumber, or prison-made lumber, in this country?

Mr. THORPE. My information is confined solely to the one question; that is, Russian pulpwood imports. I have here a statement which I will file.

The CHAIRMAN. Russian pulpwood imports?

Mr. THORPE. Russian pulpwood imports, and I would like to summarize just two or three points from this, and then file this with you.

As a publication, we have no quarrel with the present Russian Government, nor do we take any position on the moot question of whether the Russian pulpwood is or is not produced wholly or in part by convict labor; but we do submit that a number of points which vitally affect industry and labor of the United States have been entirely overlooked to the end that American welfare is suffering harm. And in connection with these Russian imports, there are these several points: The admitted shortage of pulpwood in the United States, but this shortage is confined, practically entirely, to the northeastern section, and the Government, in dealing with the pulp imports have entirely overlooked another region of the country and its ability to supply these wants. The document I will file will give statistics on the development of a domestic supply out here.

As evidence of the effect of these Russian imports, I quote here one paragraph from a letter written by Mr. Ossian Anderson, president of the Puget Sound Pulp & Timber Co., operating here on the Pacific coast. Mr. Anderson said:

I might cite that the day the department refused the Russian pulpwood carriers, we received an inquiry for large tonnage of unbleached pulp to go to the International Paper Co. to-day can buy sulphite cheaper than they can produce it sample tonnage to prove the quality of our product. The International Paper Co. have been buyers of large quantities of unbleached sulphite in the past, but with this cheap Russian pulpwood hope to start some old obsolete mills which have been out of pulpwood in the East and consequently eliminate them as consumers of domestic sulphite. I dare say that with the drastic competition we have had in the pulp market in the last few months, brought about by over-supply of foreign pulp being dumped in the United States at any price, the International Paper Co. to-day can buy sulphite cheaper than they can produce it from this Russian wood, even though bought cheaply, however contracted for a year ago when sulphite prices were \$10 a ton above the present-day market.

The CHAIRMAN. From just what are you reading?

Mr. THORPE. Just a letter written by Mr. Anderson to Colonel Greeley, secretary-manager of the West Coast Lumbermen's Association.

The CHAIRMAN. When was that written; what was the date?

Mr. THORPE. The date of this letter is August 10.

The CHAIRMAN. Now, you mention there that the International Paper Co. buy cheaper. Do you know whether they do buy cheaper from Russia?

Mr. THORPE. From the prices quoted, it is very difficult to obtain the exact prices, except the general prices quoted have been \$18.50 for Russian wood, delivered at dock. It does not include any additional price for rail haul and handling to the mill. It is generally estimated that such wood costs from \$20 to \$22 delivered at the pulp mill.

The CHAIRMAN. How much would American pulp be? Suppose you shipped wood from here to the same mill you referred to, how much would be the domestic price?

Mr. THORPE. The domestic price for wood in the East is comparable to the Russian price. The price here on the Pacific coast runs about \$7.50 a cord, quoting the Department of Commerce figures.

The CHAIRMAN. It runs \$7.50 a cord, more or less?

Mr. THORPE. Less; that is the total price, as against \$18.50; or, rather, as against \$22 delivered at the pulp mill.

The CHAIRMAN. Only \$7.50 here?

Mr. THORPE. Yes.

The CHAIRMAN. Then why in the world does the International Paper Co. buy pulp from Russia, if it can get it here for less?

Mr. THORPE. I would like to be able to answer that question myself.

The CHAIRMAN. You are supposed to know about this business; you are supposed to give us the information; that is why we have asked you to come here.

Mr. THORPE. I have one other point here I am coming to that will complete our stand, if I may be permitted to give that.

The CHAIRMAN. We are not so much interested in your stand as we are interested in getting the facts to help the committee. You raise this question of the International Paper Co. buying lumber and you showed the amount of lumber dumped here. Lumber can not be dumped in our own country that costs very much more, unless it is of a better quality. That is what we want to get from you; you are here representing a large industry and are supposed to have the facts.

Mr. NELSON. I think, too, there is one other question: it is not always a question of dumping; it is a question of whether it is, in whole or in part, the product of prison labor.

Mr. THORPE. The point is the embargo raised by the Treasury Department was first placed and then lifted and on very inconclusive evidence. There is apparently insufficient evidence on both sides and the question has not been satisfactorily settled.

The CHAIRMAN. What evidence do you want to submit on that?

Mr. THORPE. The statement here printed in Economic Review of the Soviet Union, dated September 1, quoting the action of the Department of the Treasury on the embargo:

In the absence of evidence that the particular shipments so detained were produced or manufactured wholly or in part by convict labor, and as the evidence at hand that lumber is generally so produced or manufactured in Soviet Russia is conflicting and inconclusive, the Treasury Department has instructed the collectors of customs that the detained shipments may be released \* \* \*

Then, further on, the departments say that:

\* \* \* It has been much hampered in its investigation because in the absence of diplomatic relations with Russian official investigators can not be sent into that country. The department is now assured, however, by the Amtorg Trading Corporation and other importers of lumber from Russia of their cooperation and assistance in continuing its investigation.

The CHAIRMAN. That is the reason given by the Treasury Department. Now what have you to say about that?

Mr. THORPE. That the stand was very weak and considered only one part of the country; it considered the welfare of the American labor and industry in the northeastern section of the country and not the welfare of the industry and labor of the Nation as a whole.

The CHAIRMAN. That is an important statement you made there. On what do you base it? If you can ship this wood pulp cheaper

than the Russian Government can ship it how does it harm your industry here?

Mr. THORPE. It shakes the faith in the investments that have been made.

The CHAIRMAN. Not if you can ship cheaper than they can; you are not afraid of any competition if you can undersell them.

Mr. THORPE. Provided we have a fair chance to do it.

The CHAIRMAN. You have to assume that all business and industry in this country are in business to get the best rates they can, and what we want to know is how does it affect you people out here if it costs more to buy from Russia?

Mr. THORPE. Well, they set up a temporary supply, aiming at a weak spot in the industry, which just creates and prolongs a position of unsettlement that has existed in the entire industry and, according to the American Paper & Pulp Association's own statement, the Russian supply is very uncertain and not entirely dependable; but, by using it temporarily, they have injected an element of unsettlement in the industry as a whole, and these people are not in a position to plan for the future as if they could count on the Russian imports being entirely excluded.

The CHAIRMAN. How much would it cost to sell a cord of wood pulp delivered to the same mill of the International Paper Co.? You say it would cost about \$22 a cord to have it delivered from Russia; how much would it cost to have a cord of wood pulp from this section of the country delivered to the same mills of the International Paper Co. in Maine, we will say?

Mr. THORPE. There is a confliction of terms there, you see. The imports are wood and the products sold here is wood pulp, which is a semimanufactured product.

The CHAIRMAN. Of course, but I was talking about wood pulp.

Mr. THORPE. Well, the wood cost of the pulp, based on the Pacific coast prices, would be from \$15 up, depending on the quality of the pulp.

The CHAIRMAN. Delivered?

Mr. THORPE. No; that is the price at the mill here.

The CHAIRMAN. Of wood pulp?

Mr. THORPE. Yes.

The CHAIRMAN. How much would it cost to deliver that same wood pulp over where these mills are of the International Paper Co., on the eastern coast?

Mr. THORPE. Current prices have been falling off so rapidly that I can not really quote to you on that.

The CHAIRMAN. That is a question of freight rates?

Mr. THORPE. It costs \$12 to deliver.

The CHAIRMAN. Then it will cost more, or at least I do not understand. Either I am wrong, or you are wrong. Now you tell me the wood pulp, delivered, would cost more in the Eastern States from here than wood pulp bought in Russia.

Mr. THORPE. I think we are straying from the point, sir.

The CHAIRMAN. Oh, no; we are trying to get facts. I was under the impression, from your testimony anyhow, that the International bought in Russia at a higher price than it would cost them to buy here, and that is inconceivable.

Mr. THORPE. Well, do you consider the investment in their mills, that are becoming obsolete?

The CHAIRMAN. All right; then do not they want to buy at the cheapest place they can buy? I understood you to say they could get it cheaper here than they could ship it from Russia, but now you say it costs \$7 and then you say it costs \$15. Have you any facts about it. We are trying to get facts; we know nothing about it.

Mr. THORPE. I have summed it up in here and it will be presented in better form for you—

The CHAIRMAN. You are not answering the question.

Mr. NELSON. As I understand it, the principal firm concerned is the International Paper Co.?

Mr. THORPE. They are one of the chief importers of Russian wood.

Mr. NELSON. Where is their mill located?

Mr. THORPE. They have mills all over the United States and Canada.

Mr. NELSON. How many; do you know?

Mr. THORPE. I could not say offhand. They represent something like \$500,000,000 in total assets.

Mr. NELSON. How many plants have they in the United States? Those are the ones we are concerned with.

Mr. THORPE. The imports are chiefly for their New York mills. I can not state offhand how many they have in New York State.

Mr. NELSON. Where is that located?

Mr. THORPE. They have several in New York.

Mr. NELSON. Are they on tidewater?

Mr. THORPE. No; they are inland mills.

Mr. NELSON. And you say this Russian pulpwood is delivered at the dock for \$18.50?

Mr. THORPE. That is not the cost price. I have nothing other than—

Mr. NELSON. And in order to get their net cost, they have to add to that the freight for its transfer to their mills?

Mr. THORPE. Yes.

Mr. NELSON. And you figured that would make the pulp cost them from \$20 to \$22?

Mr. THORPE. That is the cost of the wood.

Mr. NELSON. Now, is your pulpwood about the same quality as that sent from Russia?

Mr. THORPE. That is a debatable question, according to the experts.

Mr. NELSON. Well, what is the controversy? What do they claim?

Mr. THORPE. Well, there is an expert difference as to the quality of the wood. The eastern mills claim the Russian wood is superior. In fact, the expert chemists and others, who are actually in the production end of the business, testified the western wood would produce an equal quality.

Mr. NELSON. What is the western wood—spruce?

Mr. THORPE. The chief wood used is western hemlock.

Mr. NELSON. What is the Russian wood?

Mr. THORPE. It is a form of spruce.

Mr. NELSON. So that there is a difference in the wood: one is spruce and the other is hemlock. Now, you deliver your pulp on the dock for \$7.50?

Mr. THORPE. That is the mill price.

Mr. NELSON. What do you mean by "mill price"?

Mr. THORPE. Delivered in the yard ready to be used.

Mr. NELSON. What would be your price delivered in the mill yard in New York?

Mr. THORPE. Well, you have all these conversion factors.

Mr. NELSON. Yes; but what would the price be?

Mr. THORPE. You are speaking in terms there of a raw commodity and the finished material. There is no comparison. That depends on the individual mills as to what their production costs might be.

Mr. NELSON. Are not we speaking of pulpwood?

Mr. THORPE. Yes; but no pulpwood is delivered in that form to the eastern territory.

Mr. NELSON. In what form is this Russian wood delivered at the New York mill?

Mr. THORPE. In the form of ordinary cordwood.

Mr. NELSON. Then was \$7.50 in the long log?

Mr. THORPE. It is not a big difference how it is measured, but that is the unit in which it is computed.

Mr. NELSON. Seven and a half a cord.

Mr. THORPE. Yes.

Mr. NELSON. Is that seven and a half a cord in cordwood length, or log length?

Mr. THORPE. That is the average price per cord I gave and does not refer to any form of the wood. It is quoting the Department of Commerce statistics.

Mr. NELSON. Well, what can they deliver it for laid down in the mill yards in New York, per cord?

Mr. THORPE. I have no idea, because no shipments have been made. It would be out of the question for them to ship wood by rail.

Mr. NELSON. If you were going to ship wood to a New York mill how would you ship it?

Mr. THORPE. Well, there have been no shipments of wood made.

Mr. NELSON. What would be the feasible or proper way to ship it?

Mr. THORPE. There are only two ways, either by rail or by water through the Panama Canal.

Mr. NELSON. You could not ship by rail economically, could you, and deliver it?

Mr. THORPE. I assume not.

Mr. NELSON. Could you do it by water?

Mr. THORPE. It is possible. There have been a few who have considered the feasibility of it.

Mr. NELSON. There have been a few what?

Mr. THORPE. There have been a few men who have considered the feasibility of it.

Mr. NELSON. But it never has been done?

Mr. THORPE. It never has been done to my knowledge.

Mr. NELSON. And you would not know at what price it could be laid down in New York?

Mr. THORPE. Well, I could only estimate on the basis of lumber rates which are current, at about \$9 per thousand feet. A cord of wood—

Mr. NELSON. How many feet are there in a cord of wood?

Mr. THORPE. A cord of wood is about three-quarters of a thousand.

Mr. NELSON. Well, you do not understand that the United States Government decided this question of whether or not they would

admit that wood on the basis of any need of any industry in the United States, do you?

Mr. THORPE. No. I think they entirely confined their decision to the effect on the northeastern mills.

Mr. NELSON. But you do not think they interpreted the law in the light of its effect on any part of the country, do you?

Mr. THORPE. I do not say that they did that specifically, except that this portion of the country was probably overlooked.

Mr. NELSON. Well, is not that the fault of the law, rather than of the officials who are enforcing it?

Mr. THORPE. That is rather difficult to say.

Mr. NELSON. If they had no method of ascertaining whether or not that was the product, in whole or in part of convict labor, they could not shut it out, could they?

Mr. THORPE. I have only this statement to make, that the Government, not being satisfied on the question that it was or was not convict produced, simply said that a further barring would not be made until they had satisfied themselves on that question. It seems to me equally reasonable to assume that the reverse interpretation could be taken, and that is that no further imports could be made until the question was settled.

Mr. NELSON. Well, that may be so; but they did not have in view any section of the country, or how it was going to affect any section of the country, in the interpretation of the law, do you think?

Mr. THORPE. I am not making that point, except that this involves American labor and industry here in this section.

Mr. NELSON. Yes; and we are interested in them all.

Mr. ESLICK. Mr. Thorpe, have you, or the wood pulp industry, or the lumber people, made any investigation as to whether Russia is putting out lumber and pulpwood by convict labor?

Mr. THORPE. No.

Mr. ESLICK. There has been no investigation?

Mr. THORPE. Not so far as I am concerned. I do not know what activities might have been carried on otherwise.

Mr. ESLICK. You are not able to give the committee the name of any witnesses who have personal knowledge of this, or have conducted any investigation?

Mr. THORPE. I know only of one man who has recently returned from a tour of Scandinavian countries, who, during his visit there, saw some documentary evidence from escaped prisoners.

Mr. ESLICK. But no one has made a visit to the mills and forests where convicts were at their work, where you have the legal evidence of the fact, so far as you know?

Mr. THORPE. No.

(The following papers were filed in connection with the testimony of Mr. Thorpe.)

We have no quarrel with the present Russian Government nor do we take any position on the moot question of whether the Russian pulpwood is or is not produced wholly or in part by convict labor, but we do submit that a number of points which vitally effect industry and labor of the United States have been entirely overlooked to the end that American welfare is suffering harm.

*Pulpwood shortage in the United States.*—Statistics amply bear out that the United States at present experiences a shortage of paper-making material and that imports of 1,300,000 cords of wood, 1,700,000 tons of pulp, and 2,400,000 tons of paper are required annually to meet national demands. Statistics are quoted from the United States Department of Commerce.

*Developing sources of domestic supply.*—Within recent years a new pulp industry has been developing in the forestry regions of the Pacific Northwest States indicating an ability to supply at least a great portion of this deficiency if reasonably encouraged. The State of Washington alone has increased its pulpwood consumption from 191,000 cords in 1923 to 800,000 cords in 1929.

*Pulpwood shortage in Eastern States.*—Intensive development of pulp manufacturing in Northeastern and mid-West States has developed a present deficiency in pulpwood supplies. It is significant that practically 100 per cent of the imports of paper-making materials, namely, wood and pulp, are consumed by paper mills in the Middle West and North Atlantic States.

Quoting from a "special Russian edition" of Pulpwood, a publication of the pulpwood department of the American Paper & Pulp Association, New York City, dated June, 1930, "Through Amtorg Trading Co., the commercial representative of the Soviet Government in the United States, contracts have been let for approximately 280,000 cords of Russian wood to be delivered in the United States during 1930."

Further quoting from the same bulletin, "If left unhindered, the importation of Russian pulpwood into the United States could be expected to grow to perhaps as much as 500,000 cords a year within the near future."

That these importations are designed specifically to retard the domestic development of the wood-pulp industry in regions other than the Northeastern and Middle West States is indicated in this further quotation from the same bulletin: "With the establishment of Pacific coast sulphite in eastern markets and with the overdevelopment of the sulphate industry in the South, an overproduction that is leading to widespread substitution of sulphate for sulphite pulp, the production of sulphite pulp in the Northeast is handicapped because of relatively high domestic and Canadian wood prices. Anything weakening the price of wood in the northeast would tend to retard the movement of the sulphite production to the Pacific coast \* \* \*"

As specific evidence of the declining manufacturing industry in the Eastern States, statistics for pulpwood consumption of the State of New York, quoted from the United States Department of Commerce, indicate that total pulpwood consumption in New York is steadily declining, while foreign pulpwood importations are rising. In 1926 New York mills consumed slightly less than 1,000,000 cords, of which 550,000 cords were imported; in 1927 consumption was 875,000 cords and importations were 510,000 cords; in 1928 consumption further declined from slightly in excess of 800,000 cords, of which 575,000 cords were imported.

*Effect of pulpwood imports.*—Russian pulpwood imports are seriously disturbing the growing pulp industry in the only part of the United States having raw materials in sufficiency to largely meet domestic demands for chemical sulphite wood pulp. Evidence submitted and decisions taken with respect to Russian pulpwood imports apparently bear only on the welfare of one section of the country, namely, the Eastern States, wherein the pulp wood stands have been denuded to the point of being unable to compete with economic advantage. No consideration has been given to the effect of these imports on the developing pulp and paper in the Pacific Northwest States, where some \$80,000,000 in new capital has been invested within the past half dozen years in new highly modern pulp and paper mill construction.

*Attitude of the Government.*—We submit that the vacillating policy of the Federal Government has considered only one section of the country and that the stand taken has been evasive. The Government has taken the stand, after lifting an embargo once placed, that no further barring of Soviet products would occur until the entire question had been studied. In justice to the domestic pulp industry in the Pacific Northwest States it is but reasonable to reverse this policy, to the end that no further cargoes be admitted until the question is studied and conditions of law satisfied.

*Exhibits.*—As evidence of the substantial character of the pulp and paper mill development in the Pacific Northwest, there is attached a complete illustrated description of the new 175-ton bleached-sulphite pulp mill of the Olympic Forest Products Co. at Port Angeles, Wash., completed in June, 1930. This institution represents an investment in buildings and equipment of approximately \$4,500,000 and gives to this region one of the finest industrial pay rolls by reason of its permanence and continuity of operation. The article referred to was published in the August, 1930, issue of Pacific Pulp and Paper Industry.

(The articles mentioned in Mr. Thorpe's statement were made a part of the committee's files.)

[From Pacific Pulp and Paper Industry, September, 1930]

### NO HELP WANTED

The two sound kernels of wheat sifted from the bushel of propaganda chaff written, spoken and otherwise broadcast about the Russian pulpwood imports are:

1. The prostitution of the American Paper and Pulp Association by the dominating eastern interests for a mess of Russian pulpwood pottage to the specific end that development of the pulp industry on the Pacific coast may be put under the thumb.

2. The Mexican jumping bean tactics of the United States Treasury Department in placing and lifting embargoes on Russian pulpwood when subject to the hot-plate influence of these same eastern interests.

The determined effort of eastern industry to squash the development of industry in the western part of the continent is nothing new. They would prefer that regions outside their home grounds continue to function as outlying colonies, supplying raw materials when needed, but when competing, no. The bluebloods of New England operated ships to import cheap black labor into the South that New England textile mills might have cotton. When the textile mills started moving South into those fields of cheap labor, that was different. Many other pages can be lifted from the book of commerce to cite examples of snuffing embryo industries in the western States by eastern paws.

The present stand of the American Paper and Pulp Association is not the first uninvited attempt to shoulder the responsibility of guiding western industrial trends. Being artificial and uneconomic the effort is doomed eventually to the same outstanding success as achieved by the dauntless gentleman in armor who in medieval times jousted with the windmill. Are further examples of unsound economics needed with the present-day examples of pegging the markets in copper, wheat, stocks, and what not?

If the American Paper and Pulp Association purports a surface sympathy for the growing pulp and paper industry of the Pacific coast let it explain the "special Russian edition" of "Pulpwood," dated June 30, 1930, the association publication of its pulpwood department, an edition sponsored by a special note of introduction from the association's general manager, Jesse H. Neal.

In this edition the association repeats that it has urged the utilization of Russian pulpwood, because—

"With the establishment of Pacific coast sulphite in eastern markets . . . the production of sulphite pulp in the northeast is handicapped because of relatively high domestic Canadian and domestic wood prices. Anything weakening the price of wood in the Northeast would tend to retard the movement of sulphite pulp production to the Pacific coast . . ."

The question is one of economics. The Atlantic areas have eaten their cake, and now, with forests denuded, the dog would lie in the manger.

In the same edition of Pulpwood it is stressed that the Russian pulpwood supply is to be considered as only temporary; that the pulpwood timber readily available for export in competition with other sources of supply is limited to a fringe principally in the Archangel district, which can be logged and loaded with comparative ease.

The inconsistency of the association's stand is plain in this further statement taken from the same edition of Pulpwood.

"The Russian wood imports are not sufficiently dependable or permanent to encourage new construction in the East, but they can have the effect of keeping the industry within its stride in its expansion in the new regions."

Is it the business of the American Paper and Pulp Association to say when and where the industry shall build?

In short, it would appear that the American Pulp and Paper Association is not an American Paper and Pulp Association but an institution run for the particular benefit of an eastern group that surrounds the executive offices and has no hesitancy in prostituting the association to its desires. There is evidence of mountainous gall in asking western industry to pay dues which are used to buy powder and shot for its own execution.

As for the second point, the vacillating policy of the Assistant Secretary of the Treasury in reversing the pulpwood embargo once placed, the action is perhaps best explained in the visitation of eastern industrialists to said Treasury office and the lifting of the embargo immediately thereafter. Thumb-screws did not pass entirely with the inquisition.

The idea of shifting the burden of proof that Russian pulpwood is not the product of free labor from the importer to the industry as a whole is a subterfuge without paint. Pacific pulp and paper industry takes no stand on the right or wrong of the Russian pulpwood imports. It is more disgusted than interested in the political fodder which the situation has developed in this period of elections. But it does decry the puerile arguments of eastern paper interests which pull the association wires.

If the United States or any one of the nations with which it enjoys full trade and diplomatic relations is accused of unfair practices, an investigational system permits deep digging for facts. As for Russian pulpwood, the American Paper and Pulp Association nonchalantly tucks a halo above the Soviet representatives and dismisses the subject with—

"No further interference with the movement of Russian pulpwood is anticipated, for Russia now understands the requirements and may be depended upon to remove any taint of suspicion from future shipments."

Indeed! If the Soviet were exporting newsprint, bond and ledger, book, writing, and a few more grades of finished papers, would the halo fit as snugly?

The order has gone out—crush the growing pulp and paper industry of the West. Give no quarter!

### TESTIMONY OF RALPH SHAFFER

(The witness was duly sworn by the chairman.)

The CHAIRMAN. State your full name.

Mr. SHAFFER. Ralph Shaffer.

The CHAIRMAN. What organization do you represent, Mr. Shaffer?

Mr. SHAFFER. The Shaffer Box Co., at Tacoma.

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

Mr. SHAFFER. President.

The CHAIRMAN. How long have you been president?

Mr. SHAFFER. Twelve years.

The CHAIRMAN. You have just heard the testimony of Mr. Thorpe. Could you tell the committee what you know about the pulpwood industry and how it is affected by the importation of Russian pulpwood, and any other information along that line that would help the committee in its investigation?

Mr. SHAFFER. The manufacture of pulp in this particular section of the country has grown considerably in the last four years. During that time a little pulpwood has been exported from this country to the eastern part of the United States. Practically no attempt has been made to sell pulpwood, on account of the difficulty of transportation of same, the loading of the vessels and the discharging of the same at the other end. It now costs for clean pulpwood, that is, wood in cord form with the outer and inner bark cleaned off, about \$8 a cord to get it to the water, and the loading of that pulpwood on a vessel would cost about a dollar and a half to \$2 a cord. The freight rate per cord would be approximately \$9 or \$10, although it would be very difficult to get it on regular vessels. It would have to be sent on what we call tramp steamers, inasmuch as the cargo would not pay the regular conference that vessels carry. That would land that pulpwood, if it were possible to send it in shipload lots, at approximately \$17 to \$18 a cord, ex-dock, on the various estuaries of the Atlantic coast.

The information I have on the price of Russian pulpwood is, of course, hearsay and may not be admissible, because I have not seen the invoices. I just returned from New York where I secured information, but not authoritative, that the price of the Russian pulp-