

Russian and Canadian competition it will be impossible to maintain prices, and it is almost certain prices will be lowered. The situation is critical. Fortunately Congress convenes April 15 next. Tariff revision will then be considered, and we will be able to secure the desired tariff if western labor, business, and industry interests will get busy and work to protect western interests, but we must work if we expect to secure the desired tariff.

You certainly see the need for a lumber tariff. Expense in fighting for a tariff is necessary and inevitable. Our committee is thoroughly entitled to your financial support. You are surely willing to do your share. As previously reported, the mills of committee members are contributing in the same proportion (\$1 per thousand feet of daily capacity for one day), that you are asked to contribute, and we are devoting our time to the cause without a penny of pay. We confidently expect both your financial and moral assistance, and await your reply and remittance.

Yours very truly,

R. W. CONDON, *General Chairman.*

**STATEMENT OF S. B. GRAY, REPRESENTING THE OLD TOWN
CANOE CO., OLD TOWN, ME., AND OTHERS**

[Cedar lumber]

(The witness was duly sworn by the chairman of the subcommittee.)

Senator COUZENS. Will you state whom you represent?

Mr. GRAY. I am representing the Old Town Canoe Co., of Old Town, Me., and two other companies.

Senator COUZENS. You may proceed.

Mr. GRAY. Mr. Chairman, I come representing an industry that employs 250 men at the present time in making boats and canoes.

Our chief cost is labor, and our second cost is cedar lumber. We are objecting to the tariff on cedar lumber.

Senator WALSH. Do you represent your own industry only, or several other industries?

Mr. GRAY. There are two other industries besides my own in the State. There are many industries that use cedar in boats, but they are very small and they have no organization and are not represented here, so far as I know.

We use two kinds of cedar. In the first place, we use the eastern white cedar which grows in the East only, that is, in New England and the Provinces of New Brunswick and Quebec. That represents about half of our consumption. There is no cedar in pure stands in Maine, and with the decline of the spruce lumber industry there are no mills of that kind, and there is no cedar being cut there in any volume. So we are obliged to go to Canada to get it. No other cedar will take the place of that white cedar. So, under this provision, we would have to pay a duty on that raw material.

Senator COUZENS. Is there any tax on it now?

Mr. GARY. No. There never has been.

Senator COUZENS. The House bill put on what rate?

Mr. GRAY. Twenty-five per cent, a tax of 25 per cent on cedar lumber. It never was contemplated in the bill to have cedar lumber in the East included. There never was any request to include cedar lumber.

Senator COUZENS. You would just add that tax onto the price to the consumer?

Mr. GRAY. I doubt if we could do it, because we are in competition with various other kinds of water craft, some of the manufacturers using cypress and some using pine. I do not know what would be the result.

We also use western red cedar to the extent of about 200,000 or 300,000 feet a year, and the kind of red cedar we prefer is grown in British Columbia, because it runs more uniform in grain and also is available in edge or vertical grain, which is preferable. We would still have to use the Washington red cedar and pay a duty, which would result in a tax.

I have a brief which I would like to file, Mr. Chairman.

Senator COUZENS. You may file your brief.

(Mr. Gray submitted the following brief:)

BRIEF OF THE OLD TOWN CANOE CO., OLD TOWN, ME.

We are opposed to any duty on cedar lumber.

In the manufacture of "Old Town canoes and boats" we use approximately 500,000 feet of cedar, of which about one half comes from New Brunswick and Quebec, and the other half comes from Washington and British Columbia. It is eastern white cedar we get from eastern Canada and red cedar which we get from the Pacific coast region. All this cedar comes to us as rough lumber; that is, without any dressing or value added beyond minimum cost of primary sawing.

EASTERN WHITE CEDAR

Eastern white cedar does not grow in pure stands. It is found scattered among other species of trees, particularly spruce, pine, and hemlock. Except for a mill of our own we do not know of any mill in Maine which ever sawed only cedar into lumber. This mill went out of operation five years ago when the cutting of logs on the Penobscot River practically ceased as a result of competition from the Pacific coast fir and because the lumber mills were outbid for spruce timber by the pulp mills. In the average run of cedar logs at our mill no more than one log in every five contained a quality of lumber suitable for canoe and boat building, and this quality came from a butt cut running 5 feet to 12 feet long. The balance of this selected log—that is, the top—and the whole of the other four logs were blocked up into 16-inch lengths for shingles. Each summer's run at our mill was of an average duration of 22 weeks, during which time there were sawed about one and one-half or more million feet of cedar logs to obtain 200,000 feet to 300,000 feet of clear cedar.

In 1921, 1922, and 1923 we conducted logging operations in the best available cedar section that we could find tributary to our mill, namely, Grand Lake, Schoeis, township 8, range 7, and surrounding areas. There operations were handled by a wholly owned subsidiary, Carleton Canoe Co. As showing you how little cedar grows in proportion to other loggable species our stumpage bills for the winter of 1921-22 show the following detailed total cut:

	Feet
Spruce.....	2, 118, 940
Cedar.....	822, 560
Pine.....	156, 260
Fir.....	83, 500
Total.....	3, 181, 260

As it appears, we had to cut about 4 feet of all kinds of logs to get 1 foot of cedar log. Out of each foot of cedar log we averaged to obtain less than 20 per cent of clear cedar, or less than 150,000 feet. Thus an operation for logs conducted solely to obtain clear white cedar involving an investment running up to \$100,000 produced less than 150,000 feet of clear cedar valued at about \$7,500. The spruce, pine, and fir were sawed at a rented mill and marketed at prevailing prices, which brought substantial loss because below cost of production on account of west coast competition, a situation which no tariff can correct, as the competition is between States.

After 1923 we discontinued trying to cut our own cedar logs, increased our purchases of lumber in eastern Canada, and now get our whole supply of white cedar there.

Cedar is a tree which matures more slowly than any other softwood tree. We have never been able to get clear cedar from second-growth trees. There are only second-growth trees in the section of the State roughly south of Mooselook Lake. North of this section the timberlands are dominated by pulp mills which

have crowded out practically every sawmill in the State. It is an impossibility for us to get clear white cedar suitable for our uses in the United States at the present time and there is no prospect of our ever being able to do so. To operate reasonably successfully for cedar lumber one must be able to market spruce lumber profitably and as the number of sawmills on the Penobscot River has declined from over 20 about 20 years ago to only 1, operating chiefly for box shooks at the present time, the signs all point to complete cessation of lumber production. Eastern Canada is therefore our only source of supply.

In eastern Canada, chiefly Quebec and north of the Maine border, cutting of white cedar is accomplished by small operators who use portable or semiportable mills located at or close to the cuttings. These operators strip the land and cedar is converted chiefly into telegraph poles, railroad ties, and cedar laths; the latter is a product never made in the eastern United States. We have arrangements with three or four of these small mills to saw clear cedar strips and boards for us. The yearly production of these varies from 100,000 feet to 300,000 feet, but since 1924 we have been able to get our whole supply from this source. Without these sources we do not know where a supply could come from and our search has been earnest and continuous. For certain parts of canoes and boats which we make, white cedar is essential. Trials of many other kinds of woods, including Pacific coast cedars, have produced no substitute. We are as absolutely dependent on eastern white cedar for our product as the automobile factory is dependent on iron for automobiles.

No eastern cedar mill requires protection on clear white cedar lumber and as far as we know there is no mill which saws cedar lumber at all. It is impossible to reconcile this proposed duty on eastern white cedar with the Republican theory of protection to American industry for the reason that no industry is asking for protection on white cedar lumber. That which is designated as tariff protection would become in reality a burdensome tax on the few like ourselves who use this lumber.

WESTERN RED CEDAR

Red cedar lumber commercially graded as "second clear and better" is used by us to about the same extent as white cedar—i. e., 200,000 feet to 300,000 feet yearly. There are no substitutes for either of these woods nor are they for our purposes wholly interchangeable. Each has its designated place in the construction of canoes and boats. Red cedar is particularly desirable because in clear grade it comes in ample commercial quantities in lengths up to 20 feet, in wide widths and various thicknesses. We buy British Columbia in preference to Washington cedar because it is more readily available in vertical or edge grain. It runs uniform in color as compared with great variability in color in Washington red cedar. Every time we get a carload of red cedar from Washington State we are determined not to buy any more and our only purchases in recent years were made on account of inability to get British Columbia red cedar. A tariff on this cedar would not convert us to Washington cedar. It would, on the other hand, add a burden to our industry by obliging us to pay a tax on a particular kind and quality of lumber which is noncompetitive with any lumber in the United States.

There is a broader viewpoint to this proposal that should be taken. To encourage cutting of our forests under the stimulation of a tariff bonus constitutes a nullification of our forest conservation program. Beginning with the first years of President Roosevelt's régime the Federal Government has been nationally supported in its program of forest conservation and preservation. Such a program has benefited by free lumber, a policy which encourages importation and thus lessens cuttings in our own forests. This duty would bring about a change of front, a shutting off of outside supply, and a premium on rapid cutting of our fast-disappearing resources—the discard of conservation and the adoption of destruction. Millions of dollars are spent by the Federal and State Governments to protect our forests from fire. The whole purpose of this stupendous expenditure is weakened when a move like this proposed cedar tariff hampers importation. It might stimulate domestic production to the point of depletion.

This proposal is class legislation—the protection of cedar producers and not all lumber producers. If protection is needed for cedar it is needed for other woods as well, and this direction of reasoning brings immediately to one's view the open door which is maintained for spruce lumber and spruce pulp wood. Each of these forest products is imported in infinitely greater volume than cedar.

This proposal is sectional legislation—an intended boon to a few large mill and land owners in one or two States of the Union at the expense of home builders, farmers, and small industries in all other States of the Union. Cedar goes into house trim, roof and wall coverings, farm buildings, and minor manufacturing.

Finally, there is no unanimity for a tariff even in the locality from which the demand comes. In letter of May 15, 1929, to us Mr. J. W. Bloedel, of Bloedel-Donovan Lumber Mills, Seattle, one of the large cedar operating companies in Washington State, says: "There is no united sentiment on the coast or elsewhere for a duty on shingles, and especially on cedar lumber which is even less justifiable. A 25 per cent ad valorem duty on cedar lumber in clear grades such as is purchased by you will run from \$10 to \$20 per thousand. No protection is needed for such high-priced lumber."

If there were no other compelling objections to this tariff the indisputable inability of the proponents to muster all the cedar producers into a solid front affords sound reason for denying the appeal.

STATEMENT OF LESTER S. CRANE, BANGOR, ME., REPRESENTING MAINE LATH MANUFACTURERS

[Cedar laths, par. 401 (b)]

(The witness was duly sworn by the chairman of the subcommittee.)

Senator COUZENS. State whom you represent.

Mr. CRANE. I represent the lath industries of Maine. Mr. Chairman, I come before you representing the lath manufacturers of the State of Maine, a business that a few years ago amounted to 300,000,000 of laths. Due to the use of substitutes, wall boards, etc., that has now been cut down in the year 1927 to about 185,000,000. Our consumption in 1923 of laths was about 4,000,000,000 in the United States. Of that per centage Canada had about 31 per cent. Last year it was cut down to about 3,000,000,000 laths in the United States. Canada had 46 per cent, leaving us with 54, and in the beginning it was over 60 per cent. So that while we have been suffering from this shortage or competition from substitutes, our Canadian competitors have gained in their percentage of furnishing the supplies while the United States has borne practically the entire shortage.

Senator COUZENS. What is it you want?

Mr. CRANE. We want a tariff. I would like to have this committee recommend a tariff of 25 per cent ad valorem duty on laths of wood.

Senator COUZENS. You have not now that tariff?

Mr. CRANE. No. Cedar laths except Spanish cedar is recommended a 25 per cent duty. We manufacture some cedar laths. Before last year my own concern manufactured about 20,000,000. We manufacture 3,000,000 Spanish cedar laths. I am told by the Forest Service that our cedar is considered Spanish cedar or white cedar. Those laths go to Detroit, Mich., and various markets in Ohio, some in northern New York, and Wisconsin. Our spruce market for my particular concern is in New York. We send our laths down there by sailing vessels. New York is supplied by large quantities of laths from New Brunswick and Nova Scotia, by laths brought down in Norwegian steamers, and in a great many cases when we have them in that New York market they will send steamers with as many as 10,000,000 laths in one steamer, with a tow rate on laths from basal ore of practically 90 cents. A few manufacturers in Maine can ship by water on sailing schooners, paying \$1 to \$1.10. The Canadian mills are buying their stock of lath wood for practically 75 per cent what the Maine stocks of wood are being paid for. Their