

Improving the U. S. Balance of Payments in Lumber -
A Major New Balance of Payments Initiative

SUMMARY

The following package is set forth as illustrative of the possibilities of solving the political and economic problem in the Pacific Northwest and at the same time significantly improving the U.S. balance of payments in wood products:

ON THE DEMAND SIDE

- I Permit Japanese purchases of unprocessed logs, from Alaska and the U. S. Pacific Northwest together, up to 1.7 billion board feet per year, the present limit from Washington and Oregon:

1.0 billion from the Pacific Northwest

0.7 billion from Alaska

- II Permit in addition Japanese purchases of cants (simply processed logs) from Alaska to continue at present limits of

0.4 billion board feet per year

- III Persuade the Japanese to take part of the growth in their wood needs out of Alaska, in the form of sawn lumber. The sawn lumber purchases should be understood as a quid pro quo for the continuation of log exports. Given the lumber potential in Alaska, this could provide an additional 1.0 billion board feet of lumber.

IMPLEMENTATION

- I At a minimum, these steps require:
 - 1. An administrative decision by Agriculture and Interior to permit log exports from Alaska.