

timberland in the Pacific Northwest is owned by the States of Washington and Oregon, and by private forest operators. The private holdings range in size from small unmanaged timber lots to very large commercial holdings, owned by the large lumber companies, and operated on a sustained-yield basis. The best-managed large commercial holdings are operated successfully at intensities of forest management higher than that now practiced on the Federal forests.

The quality of resource management on these non-Federal timberlands also varies widely. There may be considerable room, through the use of matching Federal funds, to induce improvements in the quality of forestry operations on the state and private lands. No information now is available on the costs or expected yields of such a program. The possibilities however merit inquiry in view of the potentially large increases thereby obtainable in our net international trade position on timber and wood products.

The major immediate question for timber-stand improvement programs, access road investment, etc., is timing. An additional cut is currently needed. However, there now exists a very large inventory (relative to needs) of over-mature wood. With the assurance that the above programs will be placed into effect, the inventories could permit some immediate adjustments of the allowable-cut rates.

Much larger, immediately available, increases in supplies of top-quality commercial timber can be obtained, however, if present concepts of forest management are revised.

The major issue is the computation of the allowable cut, which is intended to obtain a steady yield of timber over time. Under present policy, much good timber may be permanently lost, and the growth capacity of the forest lands never realized. Timber will rot on the forest floors in Washington, Oregon, and Alaska, under present policy. In part, it is not adequately recognized that new stands of trees grow fairly rapidly--i.e., have a positive real rate of interest, and the old, overripe prime forest actually has a negative rate of interest--mortality losses over time exceed new growth, and therefore the usable volume of harvestable timber is reduced.