

The policy does not achieve its goal. The cabotage laws make Alaskan lumber non-competitive with Canadian lumber in the rest of the U.S.A. As a result Alaska has been able to market only a limited amount of crudely processed logs, nearly all of which go to Japan. Under present policies, then, even the present very conservative allowable cut cannot be marketed or harvested, and a good portion of Alaskan timber resources is permanently lost every year through fire, insects, and mortality related to the fact that Alaskan forests are over-mature. Thus, from its southern rain forests, Alaska sells (almost entirely to Japan) about 400 to 500 million board feet of simply processed logs, only half the present allowable cut.

Alaska has a lumber potential in excess of 2.3 billion board feet per year (log scale), on the basis of present lumber inventories exceeding 180 billion board feet.^{1/} Such a cut rate would, in expert opinion, be well within Alaskan capacity for sustained timber harvests, over the next few decades.

To realize the full commercial and balance of payments potential in this presently wasting national asset, a package of Federal administrative and legislative changes are necessary:

- I Exports of logs from Federal forests in Alaska should be permitted. Existing authority would permit this. Japanese purchases of logs from Alaska and the Pacific Northwest together should be held to 1967 levels--about 1.7 billion board feet per year (excluding cants).

The projected increases in Japanese needs should be in the form of sawn timber. The Japanese have indicated that taking the growth in their needs in the form of sawn products is acceptable.

^{1/} One board foot log scale equals about 1.4 board feet lumber scale.