

Forest Service Budget
Justification, Fiscal 1960

Northwest lumber industry
dependent on national
forest timber.

Forest Service timber
essential to payrolls,
community stability and
supply of wood for
national consumptive needs.

National Forest timber
flowing through domestic
economy to ultimate con-
struction use, aids Treasury
and strengthens national
economy.

" * * * The Forest Service is by far the largest single supplier of raw material for the Nation's forest products industry. Many mills, both large and small, are primarily or wholly dependent on continuing or increasing purchases of national forest timber. Alternate sources for purchase of timber for major segments of the lumber and plywood industry in the Pacific Northwest have now been exhausted. This almost complete dependence on purchase of national forest timber for continued operation makes the conduct of the national forest timber sales program more significant than ever. Sale of timber at the maximum feasible rate within sustained yield cutting limitations is an indispensable link in maintaining employment, payrolls, community stability, and an adequate supply of lumber and plywood for national consumptive needs.

"Many mills must purchase timber to keep operating. The national forests are the one place where they can buy it. The job of selling it must be done by the Forest Service. This will keep mills going, provide jobs, and stimulate the general economy. To provide this additional timber requires an increase in appropriation. Such increase in appropriation, however, will be more than offset by net returns to the Treasury from the sale of timber. This is a case of spending money to make money. It will help to reduce the deficit between income and outgo.

"It is estimated that the proposed increase of \$2,800,000 will provide gross returns to the Treasury of \$10 million (\$6,500,000 net). This is only the direct returns from the on-the-ground timber sale operation. Timber on the stump valued at \$10 million when processed through trade channels (mills, manufacturing plants, transportation, retail outlets, and use in final construction) will provide a much greater value through increased business activity. Thus the investment of an additional \$2,800,000 will not only benefit the management of national forest timber stands but provide increased receipts to the Treasury and strengthen the national economy." (emphasis supplied)

Hearings, Senate Subcommittee on Appropriations, 86th Congress, First Session, on H.R. 5915, a Bill to Provide Appropriations for the Department of the Interior and Related Agencies for Fiscal Year 1960; page 102.