

questionable that this coordination between public and private cutting could be achieved. In any event, private timber would not be available to all the mills now dependent upon public forest resources.

POLICY IN ALASKA

Since 1928, the Department has followed a policy of requiring timber cut from the national forests of Alaska to be given primary manufacture in Alaska. This policy recognizes that the manufacture of Alaskan timber in Alaska rather than its shipment in the raw state for manufacture elsewhere is for the best interests of Alaska. This policy has resulted in establishment of two major pulpmills and other wood-using plants. We are fostering plans for further installations. We believe that the policy must be continued to help develop Alaska.

Some people advocate that the policy be modified. If this were done, it would impair the objective of broadening the base of the Alaskan economy by stimulating the development of processing industries in that State. Moreover, Alaska is now contributing substantially to the wood and fiber needs of Japan, but doing so mostly in the form of lumber and pulp. By this means, it is also contributing more to correct the deficit in balance of payments than if the unprocessed logs were exported. This also helps the Alaskan economy.

Senator MORSE. Did you mean to skip the sentence "The Treasury staff paper does not recognize these facts, including the existence of the pulp industry in Alaska"?

Mr. CLIFF. I left that out; yes.

Senator MORSE. I put it in.

Go ahead. I am more interested in first thoughts than in second thoughts.

Mr. CLIFF. The present allowable cut is 824 million board feet for the Tongass National Forest and 67 million board feet for the Chugach National Forest for a total of 891 million. This year we expect to cut about 60 percent of this. Prospects are we can increase this by 100 million board feet next year.

In the first three quarters of calendar year 1967, there was shipped from Alaska to Japan in the form of sawn material, largely cants, about 142 million board feet. This is something like three times as much sawn material as was shipped from the rest of the United States to Japan. Annually about 200,000 tons of pulps valued at about \$30 million are exported from Alaska, mostly to Japan. Virtually all this is derived from national forest lands. This is a significant factor, not only for the economy of Alaska, but in helping the balance of payments.

There is no way we know of by which the Alaskan national forests can support sharp increases in allowable cuts. The timber inventory for southeastern Alaska includes timber in two categories, that which is accessible under present methods of logging technology, and that which is not. Substantial increases in allowable cut in Alaska could be supported only by accounting for all of the economically inaccessible timber as though it were accessible, and also by substantially reducing the rotation age with the same kinds of problems and the same kinds of results as would happen were this to be undertaken in the other Pacific Northwest States.