

yield. Other direct benefits are stand quality improvement, wildlife enhancement, and improved esthetics. BLM has 85,000 acres of young growth stands in western Oregon which need precommercial thinning.

BLM is cooperating in studies on the use of fertilizer.

In the field of forest genetics, slow but solid progress is being made.

We recognize opportunities for increasing the intensity of management require additional funds and manpower. Some of the most promising opportunities are commercial thinning, mortality salvage, advanced roading, special regeneration techniques and methods, precommercial thinning, fertilization and genetic tree improvement.

The commercial thinning and mortality salvage program of 140 million board feet has been described previously. Additional increments of volume largely rest now on advanced roading and new inventory data and techniques to identify specific stands to be treated.

The Bureau has made marked progress in its reforestation program. From 1934, when only 120 acres were planted, acreage reforested annually has increased to 33,000 acres reforested in 1967.

As demands for timber increased, reforestation efforts accelerated. Funds have enabled BLM to artificially reforest an average of 28,500 acres annually from 1958 through 1967, consisting of older denuded and currently harvested acreage, and immediate retreatment of some reforestation failures. We are now on a current basis. In western Oregon, BLM has 30,000 problem acres not feasible to treat under present methods of technology.

No matter what the yield or efficiency of a forest investment alternative, funds must be obtained to initiate it and recurrent, consistent financing made available to sustain it. An interruption or dropping of financing in subsequent years can lead to serious overcutting that can only be remedied by lower the allowable cut level in the next periodic recalculation and beyond.

Log exports from this area have risen from about 100 million board feet in 1960 to an estimated 1.6 billion board feet in 1967, and this has been projected to 3 billion board feet in 1970. About 95 percent of these logs go to Japan. Domestic and foreign demand for timber is adding to severe strains upon timber supplies in this region.

This in turn produces the request by the domestic timber industry for protection by limiting the export of timber cut from Federal lands. This action is urged by industry to curb stumpage costs and increase supplies in the hope it will alleviate their problems.

The log supply in the Douglas-fir region given present access facilities is inelastic. The installed mill capacity exceeds available log supplies. Demand, particularly for preferred species, exceeds supply as evidenced by the decade-long gap between appraised and bid prices and the activity of bidders. Further increases in log exports intensify this situation.

No specific study has been made to determine the precise source of logs exported. It is estimated that one-third of log exports from western Oregon and western Washington come from national forest and BLM lands while two-thirds come from industrial, other private, State and other public lands. When logs are sold from BLM forests, they lose their identity of source.

The table shows BLM stumpage price trend since 1960: It shows Douglas-fir in 1960 was \$34.24 and in 1967 was \$40.22.