

highly discriminating purchasing public and by companies that manufacture material frequently with highly mechanized and automated equipment. There is a tendency to believe that Peru could duplicate the use of modern equipment and techniques with few problems however, the result of using such philosophy could be disastrous.

In approaching the profitability problem in Peru it must be remembered that the purposes for the existence of any industry are not only the potential worth of the resource versus other investment opportunities, but the provision of work for people, and the provision of materials for construction and industry. Peruvian operations tend to using simple equipment requiring lower capital costs and labour intensive methods which can be profitable.

#### The long-term National Program

As mentioned, the Peruvian government with the financial assistance of the United Nations Food and Agriculture Organization prepared a Long Term Forestry Development Program (1988-2000)

Peru's Long Term Forestry Development Program is based on the following policies:

- a) Foster the rational exploitation of natural forests, intensifying forestry operations, integrating the potential of the area with development of agriculture in forest zones and cattle raising, maintaining a balance between forestry and livestock production.
- b) Exploit forestry assets intensively and rationally in accordance with guidelines which ensure regeneration and improvement of the resource.
- c) Organize loggers and native communities in order to eliminate the deficiencies in traditional logging and marketing systems.
- d) Carry out studies and research on the use and full exploitation of forest wood varieties, with the support of universities, research centres and other responsible authorities so as to solve the technological problems which constitute limiting factors.
- e) Increase the volume of lumber and wood manufactured products benefiting the Peruvian economy with the influx of hard currency. An increase in the volume of exports of lumber and wood manufactured products produce a multiplying effect in the forestry sector since national parks and conservation units will begin to be used as the main sources of seedlings for future reforestation projects.