access roads programs, whether it means cuts in personnel so that there will be a reduction in cruising, whether it means cuts that will have the effect of slowing up the placing of stumpage on the market in sales, or whether it is going to result in a restrictive program in meeting the already short supply of logs alleged to exist by witnesses that have already testified in these hearings. A $21.5 million cut in the Forest Service budget, if that cut has the effect of reducing the supply of raw materials to the mills of this country, would compound the problems that already exist in this industry as described by the witnesses in this hearing.

Furthermore, I hope that the Forest Service witnesses and the Treasury witnesses will be able to relate such a budget cut program to the balance-of-payments problem. The committee would find that very interesting. As one who has taken a great interest in the laws of economics ever since he was a graduate student, I have never been able to follow any argument that reducing productive power in a time of economic crisis which we are in, could possibly be helpful either in the control of inflation or meeting a balance-of-payments problem. It seems to me that, in such times of economic crisis, you should expand your economy, not restrict it; that you should produce more goods to produce more wealth to meet your economic problems, not less goods. An economy of scarcity does not decrease inflation. Every freshman economics student knows that.

Unless this $21.5 million cut, if it is the cut they are making, is going to be made in a manner that will not decrease the productivity of our forests, then this chairman would have to conclude that this is another example of "penny wise and pound foolish" policy.

It could also be pointed out that, if this is going to be the kind of cutting that this administration is going to engage in, then there is quite a disparity between assertions of the administration that we are going to meet our domestic needs and at the same time meet our foreign-policy needs.

You cannot meet the domestic needs by impounding funds needed for expenditures to expand the economy. You cannot meet the domestic needs by making cuts that will have the effect of denying to an already depressed area the sales of Federal timber essential to providing the mills with the logs essential and necessary for their operation.

The administration had better be ready, as far as this chairman is concerned, to show that whatever reduction they are going to make, will not cause further increases in log prices.

I raise this point because these are not singular issue problems. This is a complex mixed economic problem on this matter of forestry. And, as far as I am concerned, the burden of proof is on the Department of Agriculture to show where the $21.5 million out of the Forest Service budget is going to be taken, and what the effect of that cut is going to have in connection with supplying an already depressed lumber industry with the logs that it needs to operate.

If they make a multimillion-dollar reduction without impairing present or future production, they ought to have done it long before this, because if they can make that kind of a cut, they have been wasting a lot of taxpayers' money up until now.

This chairman, may I say, is going to have to have more than semantics from the administration to satisfy him as to the effect of any