

cutting back in his particular category of expenditures of the Federal Government, and I certainly agree with him.

I think it is very unwise budget policy to cut back on the kind of expenditures that are going to yield a substantial amount as a result of his kind of investment that we all agree on, at least those of us that are in the area, and both parties agree on, and those that are in the industry are aware of the fact that certainly we have seen a great enhancement to our economic base whenever there has been an expenditure of dollars for access roads.

Now, to make it perfectly clear, did you, when you used the figures of some \$60 million, and then the subsequent yield of 120-some-odd million, were you referring only to stumpage? I didn't know that I got that directly from you. Were you talking in terms of a return based on stumpage values?

Mr. McCracken. Just stumpage values.

Representative Clausen. Just stumpage. This doesn't come close to the ultimate yield from the standpoint of jobs. You could almost multiply that by five or six times, couldn't you?

Mr. McCracken. Yes.

Representative Clausen. And would this more clearly reflect your response to that question, that the original \$60 million would probably be multiplied by six times?

Mr. McCracken. At least.

Representative Clausen. I want to make it perfectly clear, because the stumpage is certainly only minimum now.

One other question, so that I understand you correctly. Are you of the opinion that we should cut off the supply to Japan in its entirety, because you recognize of course that there is a genuine trend in this country to get into the more trade, less aid, concepts as far as international policies are concerned, because we have had many problems with the previous so-called foreign aid programs.

But, do you feel that we should cut it off in its entirety, or do you feel that some percentage of our inventory should be available to Japan for its own manufacture and processing?

Mr. McCracken. I feel, Mr. Clausen, that we should process our resources here and get the maximum job and value added by manufacture here, and sell Japan the finished product.

I just feel that as strongly as I can. Any other program such as the industry has recommended, which is to give them the 350 million of Federal, which equates to the billion-foot level of 1966, is purely a political recognition of their position and ours, as a friend and ally.

Representative Clausen. What is the advantage to Japan in receiving the round logs as opposed to receiving the resource, for instance if it had been processed primarily as some say, into a cant, or into a large timber, in effect squared rather than a round log, and ship it?

Mr. McCracken. The advantage to Japan of getting the log rather than a further refined product is that they generate employment and value added in manufacture in Japan.

Representative Clausen. It would be the same reason that you would want to hold it here.

Mr. McCracken. Certainly.

Representative Clausen. Are you in a position to be able to tell the committee the potential advantages if you were to shik the raw resource in a squared-off fashion rather than as a round log?