

American people, judged from the standpoint of the income that they have been able to get out of their forests, that we wouldn't have gotten had there not been these investments that have brought into our Treasury many times the cost of these investments?

Mr. CLIFF. Generally speaking, Senator, this is true. We do make investments that do not bring direct returns to the Treasury, but the investments that we have made in timber access roads and in reforestation and timber stand improvements have resulted in direct returns to the Treasury that have been substantial and significant, and the indirect effect on the economy has been tremendous.

Senator MORSE. That is why I think it is so important that even in our time of economic stringency we should ask ourselves the question of whether this kind of policy is this wise economy or is this really a waste of the taxpayers' dollars. If we spent the money for the type of investment that you are talking about on page 12, we would return to the Treasury in the long run many times the savings. That is what worries me about these cuts.

I am not critical of what you have to do, but I am critical of the policy of this kind of a cut, when what we need to do is expand our economy, not restrict it, in order to meet our balance-of-payments problem.

The wealth that we create here at home will do more to meet our balance-of-payments problems than stopping travel abroad or other superficial programs that in my judgment cannot compare with the real wealth that is created by the type of program that you are talking about on page 12.

Now you have referred several times in your testimony today about the fact that restrictions we have been talking about are on public timber. My recollection is you said at one point about two-thirds of the logs that have been exported have come off of private lands. Is that true?

Mr. CLIFF. That is true. Our estimate is about a third comes from Federal lands and the balance from non-Federal. There is no exact way to measure what comes off the Federal land. Once the logs get outside the forest and into the water, they are traded around and there is no exact record kept of them which would enable us with exactitude to state how many national forest logs went into the Japanese trade.

We have made an independent estimate the best we could as to how much of the national forest timber is going into the Japanese log trade, and the industry made an estimate of their own, and we were a few percentage points apart, but we were in the same vicinity. It is around a third. The industry feels that it may be a little more, and in 1967 the indications are that it may be as high as 40 percent of the logs going to Japan come from the Federal lands.

Senator MORSE. What you say about this variance between public and private logs for exportation, do you think that the long-term program that we ought to try to work out as our national policy in respect to log exports ought to include some restrictions on the exportation of logs from private lands, even though it might be necessary to have legislation to accomplish that?

Mr. CLIFF. Senator, I am not sure that I have an opinion on that. I think basically if it is good to manufacture a log from public land into manufactured products and get the labor, the benefit of the labor