

of the smaller lumber organizations, I guess they are mostly in the West. As you know, they have a very difficult time in guaranteeing the flow of natural resources to keep themselves going.

As I understand, it has contributed substantially to a number of organizations going bankrupt over the last few years and I think this current trend has contributed partially to this, because these people must have the timber.

I am wondering if you can comment on this. If we were able to have the necessary road program so that the land management program that you have, not only underway but contemplated, could be brought up to the maximum benefits—I am talking in terms of all of the multiple uses that are under your very fine program—

Mr. NELSON. Yes.

Mr. CLAUSEN (continuing). Do you not think this would reverse some of these bankrupt tendencies that have occurred?

Mr. NELSON. I do not know if I can comment specifically on any specific bankruptcy, but certainly an adequate road system is necessary and desirable. It is particularly necessary to some of the smaller operators who do not have the capital or cannot get the capital to build the roads themselves, so it has a definite bearing on this.

It also, as you know, Congressman Clausen, from your experience in the woods, means the Federal Government pays for those roads anyway. We get less money from the timber than we would otherwise.

I testified before the Appropriations Committee on the level that we are talking about this year. I told them that in this fiscal year it would not make any difference in the amount of money that we receive from timber sales because this year they will be operating on roads that have already been constructed. But we are getting mighty close to the level where we are going to have to cut back on timber sale programs. And it will not only affect some of the small operators in certain areas, it will affect the income to the Treasury of the United States from timber receipts.

In some areas, it is more pronounced than others, because it is on a more critical line as to whether or not the operators can afford to operate in an area if they have to build the roads.

In other areas, we almost have to build the roads or we would not be able to make the sales even though they are desirable from a standpoint of the economy of a local community and most desirable, of course, from the standpoint of managing a forest property.

Mr. CLAUSEN. Well, I believe that this committee, frankly, led by our champion chairman, has more realistically recognized not only the benefits that come as a result of your being able to properly manage your forest for the timber yield that is available—

Mr. NELSON. Yes.

Mr. CLAUSEN (continuing). But I do want to bring to the attention of the committee members here that we are considering, as you know now, the establishment of a Redwood National Park and there are many people in the Nation that are making the comment to the effect that we should have a larger and larger park in order to accommodate this vast population from the urban area that wants to come in for recreational purposes.

Well, I would submit to you, each and every one of you on this committee, that this is one of the kinds of programs that will yield,