

I know, too, that you are conscious of the 10-year program for the national forest, which was proposed by the Kennedy administration in 1962 and reviewed by the Congress. And as a part of that program for the national forest, there was laid out a road program which was generally accepted at that time. It provides a good standard as to how well we progressed.

And for California, if I may use it as an example, there was indicated at that time that about 19,000 miles of roads should be constructed in the 10-year period ending in fiscal year 1973. Of that total, something like 13,500 miles were to be constructed by the Forest Service and the remainder by timber purchasers.

To give you an idea of our problems, I mean Government and industry, the present status of that program is that after the first 5 years, in the first 5 years the Forest Service was able to complete only 3 percent of the road construction that was planned. That was only 415 miles out of the 13,500 miles. In the same period, the industry constructed 3,700 miles, or 60 percent of the programmed amount.

The Forest Service has spent only 16 percent of the estimated cost for their program for the 10-year period in the first half of the 10-year period; 16 percent for half of the period.

Now, this, of course, has important consequences to everyone. It has meant that road protection, fire protection costs, fire losses, recreational opportunities, resource use are all affected adversely by this inadequate transportation system.

It also has meant that we have not recognized certain opportunities that we have and there are a number of benefits that could be captured by the Federal Government if it had the road system originally planned.

To give you an idea of the economics involved, just from the timber side of it, in the past 2 fiscal years timber purchasers have paid the Government \$55 million in California and, at the same time, they have built \$30 million worth of roads, which are a part of the permanent system. So it is a really big item.

The disadvantages appear to be in some respects frightening to people who are concerned about the economic welfare of these forested communities where we know that there has been some economic stagnation and there are other Government programs attempting to bring industry to these areas.

The allowable cut for the California National Forest has finally been achieved on an annual basis, but the Forest Service indicates to us that they will not be able to sell the timber without more funds to build roads; and without the timber, we are without jobs.

The purchasers have built a great amount of roads and this has been done by reducing the price of the timber.

Actually last year, last calendar year, the price of the timber, advertised price, was reduced approximately 40 percent, and so the Government is paying for these roads usually one way or another. However, this is not done until the man buys the timber and then in a piecemeal way builds a portion of the road.

The disadvantage to the purchasers is that there are many instances where the value of the timber is not sufficient to permit a full reduction in the price of the timber and he is then faced with taking a timber offering with less than a normal profit opportunity. And this was