More important, however, is the need in many timbered areas for appropriated funds for initial road construction. Road construction in advance of timber harvest permits sales to be made in relative small quantities of from 1 to 10 million board feet which can be handled by small operators or which best fit management objectives.

For these reasons we commend to your most serious consideration our proposal for maintaining the authorizations stated in subsection 5(5) at $170 million annually, for both years.

Our industry is deeply concerned over the current fiscal crisis which our Nation faces and is anxious to do its part in finding the best solution. Congress cannot be asked to authorize appropriations of $170 million magnitude, without insisting that priority be given to financing roads that will return their costs to the Treasury many times over.

It is imperative that funds authorized by this bill be used for construction of roads which will produce the maximum returns to the economy and the Treasury.

We are working closely with the Forest Service. We have worked out many of the legal difficulties in joint construction of roads. Together, we are beginning to focus on the problems of road construction standards and maintenance. We are genuinely concerned that the national forests earn a maximum return with each dollar invested in national forest roads. We think that we can offer real contributions to this end from our industry's experience in managing its own lands for maximum economy returns.

Mr. Marshall will comment on these.

Now, Congress has some difficult decisions to make in setting the Nation's course and especially where cuts in expenditures are going to be made. For this reason, we think it is necessary that Congress fully understand the income generating capabilities of the Federal forests. National forest timber sales depend in large part on the degree of new access that is provided annually by forest road construction. In our estimation, it would be self-defeating to cut expenditures for forest access roads. However, if these road expenditures are to make their full contribution to our economy, there must be a high return on the investment they represent. Receipts to the Treasury from timber sales and taxes will only be maximized if we get the most forest access possible for the dollar expended.

Mr. Marshall will comment on some of these ways to improve the return of dollars expended.

Mr. Kluczynski. That is your complete statement?

Mr. Clausen?

Mr. Clausen. Yes, Mr. Chairman. I won't delay this. I did want to take this opportunity to welcome before the committee, Mr. Knox Marshall. Mr. Marshall is from our native State of California. I hope that the committee will pay particular attention—as I know they will—to the comments he makes, because in the forest products industry, Mr. Marshall is certainly one of the most respected men, not only for his knowledge, but his fairness in presenting his case.

Mr. Kluczynski. Thank you.

Mr. Marshall, very glad to have you before this committee. You may proceed as you wish.

Mr. Marshall. Thank you, Mr. Chairman, and members of the committee.