RESTORING THE NORTHERN FORESTS

A Forum Critique of NFL Council's Disappointing Findings and Options

Each Subcommittee Examined (pages 3-25)  Editors Recommend Large Reserves (page 26)

A Conversation with Roger Milliken, Jr., Chair, Maine Forest Products Council (pages 27-31)
"What is needed for life to flourish is the ability to change."
—David Suzuki

Just as the Civil War was the inevitable resolution to the unfinished business of establishing an independent nation that countenanced slavery, there must be a reckoning to a society whose economic, social and political institutions are based upon ecological abuse.

We in the Northern Forests are now embarked on that journey which can lead only to "overt freedom"—Lincoln's vision of this conflict—whether through peaceful or (politically or ecologically) violent means. There is no turning away, no turning back. The only question is: in an hour of crisis, can we summon the wisdom, the courage, and the character to address and resolve this problem before further irreversible ecological damage occurs?

We are asked to examine the "Findings & Options" (F&O) of the Northern Forest Lands Council. Rather than lamenting the opportunities these disappointing F&Os present us with, let us transcend petty, divisive "interests", claims and counter-claims of "rights" and "property". Let us begin the collaborative process that protects—not for a year, a decade, a generation merely, but protects in perpetuity—the biological diversity and the integrity of the ecological processes of this region we love. Let us develop a dynamic and sustainable social, economic and political system that evolves within, not opposed to, ecological reality.

We must engage in this work mindfully of the failures of the past. Merely to view this past as a failed experiment, however, is unjust; we must correct our errors unflinchingly, but without rancor. The document just released by the Northern Forest Lands Council—its "Findings & Options"—is not a foundation upon which to build. Rather, it stands as a monument to the errors of the past—to a belief that economics take precedence over ecology; that we can mitigate the damage we inflict on natural systems; that a static status quo is the region well and will continue to do so.

Nevertheless, within these F&Os are to be found the beginnings of the healing work we must dedicate ourselves to if we are to long survive. Rather than dwell upon our disappointments that these F&Os fail to provide the foundation upon which to begin restoring sustainable natural and human communities, let us view them as a stepping stone to the great work of our lifetime.

The work of the Council and its predecessor, the Northern Forest Lands Study, have already provided us with the key stone for that work: that the fate of the Northern Forest region is an issue of local, regional and national significance—indeed, of global significance. And, the public discussion these past five years over the work of the Study and Council has begun the necessary dialogue and collaboration among all parties who care enough about the fate of this region to put aside self-interest for the sake of the community.

We must be honest. We must clearly identify our failures and wrongs. Those who deny the harm clearcuts do to forest ecosystems, that organochlorines such as dioxin do to river systems, that air pollution does to all breathing creatures must join the ranks of those who deny smoking causes cancer, who assert that slaves were grateful to their masters.

But we must not distract ourselves with recriminations. We must dedicate ourselves to healing our way and means so that we do not sacrifice our human communities or forests, rivers, and the air to some new folly.

When Lincoln delivered the Gettysburg Address, he challenged the living to dedicate themselves to the "unfinished work" of actualizing the intent of the founding fathers in 1776—that the experiment in self-government by free men (and women) who were created equal should survive and flourish. Today, we are in the midst of another great war. There are no armies, no bloody battles between soldiers, no invading hordes. But it is a war for survival nonetheless. At stake is four billion years of evolving life. The great biologist E. O. Wilson writes that it took tens of millions of years for evolution to recover its original levels of biological diversity after each of the five major "extinction spasms" of the past. He warns: "...humanity has initiated the sixth great extinction spasm, rushing to eternity a large fraction of our fellow species in a single generation... [Every] scrap of biological diversity is priceless, to be learned and cherished, and never to be surrendered without a struggle."

Just as Lincoln's generation was called upon to acknowledge the need for evolving new values and institutions to realize the work of the founding fathers, our generation is called to meet a new evolutionary challenge—a political and ecological challenge. Nothing less than an evolution in values and institutions is required.

The paradox of freedom is that we—the heirs of Washington, Jefferson and Lincoln—possess the political freedom to make these needed changes peacefully, equitably, voluntarily. But we do not have the biological freedom to ignore or to cut a compromise with the ecological crisis—of our own making—that now grips us. Goethe wrote:

"That which thy fathers have bequeathed to thee earn it anew if thou would possess it.

The Declaration of Independence is a generous document—a gift and a challenge to succeeding generations down to our own and beyond. Lincoln's vision was not a statist, mean-spirited defense of the wealth of the privileged few. It was a bold and visionary—dare we say "radical" and "revolutionary"—response to the crisis of the era. The founding fathers met the challenge boldly and uncompromisingly. They did not flinch; they did not compromise; they did not mitigate. Lincoln's vision is the challenge too, but only after the 1820 Missouri Compromise and the Compromise of 1850 with its Fugitive Slave Act had condemned the nation to its bloodiest war.

The challenge facing our generation is to salvage democracy—not merely equal rights for all humans, but a democracy of all living beings. When we discover the grace to cherish and protect every "scrap" of biological diversity that the regional diversity that the Northern Forest Region—will we have earned the right to possess what our forefathers have bequeathed to us."

—Jamie Sayen

Northern Forest Forum

Statement of Purpose

The Purpose of the Northern Forest Forum is to Promote Sustainable Natural and Human Communities in and beyond the Northern Forest Region.

The Forum will focus on:

* The Biological Integrity of the region and strategies we need to adopt to restore and preserve it;
* The need for Economic Reform into an economy that is ecologically sustainable, equitably distributed and locally and regionally controlled;
* Community Empowerment;
* Monitoring the Northern Forest Lands Council;
* The Forum is the only public agency devoted to exploring the Northern Forest as an area of local, state, regional, national and global significance. It will seek to involve all citizens and groups concerned about the future of the Northern Forest;

We believe we can find the common ground that unites the diverse elements of the Northern Forest communities.

We hope to stimulate a healthy debate that will assist our search to find common ground, not more polarization. We hope the Forum will promote a sense of regional and cultural identity and celebrate the integrity, beauty and resiliency of the biotic community and the cultural diversity of the human communities of the region.

The Forum will seek to assure that political, economic, social and cultural strategies for the region's future be ecologically sustainable.

Articles published by the Forum will represent the views of the authors only, and will not necessarily represent the views of all supporting members of the Forum or its editorial staff.
This special issue of The Northern Forest Forum focuses on the "Findings & Options" (F&O) released by the Northern Forest Lands Council (NFLC) on September 16. We urge readers to acquire a copy of the F&Os from the Council (54 Portsmouth St., Concord, NH 03301; tel. 603-224-6990) and submit comments to the Council before midnight, October 18.

We hope this special issue will assist in identifying the most important issues facing the region and that you will submit to the NFLC your thoughts on the most effective strategies to pursue to promote sustainable natural and human communities.

The NFLC will meet in early November, in a session closed to the public to draw up its "Draft Recommendations" which are scheduled for release in mid-December. In January, February, and March 1994 there will be numerous public hearings throughout New England and New York on the draft recommendations. In the spring, the Council will finalize its "Recommendations", which will release in early June.

It is critical that the Council hear from people who place community health and welfare ahead of self-interest and extreme individual rights.

**Kudos for the Council**

*Regional Dialogue: The Council* deserves high praise for addressing the fate of the Northern Forests as a regional issue, as well as a local, state, national, and global issue. The importance of this initiative cannot be overstated. And, while it has numerous shortcomings, the contribution to launching and sustaining a regional dialogue ensures a well-deserved place in Northern Forest history for the Council.

It is precisely because the Council represents such an important initiative that we at the Forum have expended so much time examining, praising and criticizing its work.

*The Council has begun the process (long overdue) of providing an opportunity for the myriad forces and interests of the region to come together to discuss, debate, disagree, agree and discover new ways to collaborate on the problems affecting our region. The Council deserves credit for helping to diffuse the tendency to polarize public discourse (such as has poisoned the atmosphere in the Pacific Northwest).

**Council Shortcomings**

Unfortunately, the Council has come up short too often. Most significant are:

- Its refusal to examine forest practices directly, or to assess the impact of two centuries of forestry on the ecological integrity of the region, or to assess the impact of unsustainable forest practices on the local economies.
- It has shown a preference for expensive "conservation easements" over "full-fee acquisition" as the primary land protection and acquisition strategy. We need to establish a network of large, connected ecological reserves. Full-fee acquisition is the only tool that will assure adequate protection of core reserves. While other strategies (existing use zoning, forest practice regulations, easements) can complement fee acquisition, no other strategy or aggregate of other strategies can adequately protect biological diversity.
- It fails to ask what is an ecologically sustainable regional economy.
- It fails to examine the regional and local forest economy to understand trends, why there is a lack of economic diversity, why so many raw logs are exported and why so few value-added opportunities exist within the region. It also failed to examine the Northern Forest Lands Study finding of poverty, unemployment and other social ills in the region.
- It has shown a propensity for offering tax breaks to land owners and industry as a "fix" for the problems the council has identified, even though it has failed to demonstrate the connection between land sales and tax policy or that such expensive "incentives" (many call them "subsidies") will achieve Council conservation goals.
- It has failed to distinguish between the interests of absentee corporations and wealthy families and individuals who own most of the private land and the needs of the small landowners and citizens of the rural communities.

**Contents of this Issue**

Pages 3-26 of this issue of the Forum critique the Council Mission Statement and the "Findings & Options" of its seven subcommittees. We also offer a critique of the phantom "Forest Practices Subcommittee" that the Council never established. The Editors of the Forum conclude this special F&O section with their suggested "Recommendations" for the Council to make to Congress and the Governors.

Special Note: The articles in this issue only reflect the views of the author. They do not necessarily reflect the views of any other contributors to this issue, nor any of the organizations these individuals work for. The "Recommendations" on page 26 reflect the views only of Jamie Sayen & Andrew Whitmire.
Flawed ‘Mission Statement’ Mars Findings & Options

by Mitch Lansky

The Findings and Options of the subcommittees of the NFLC are a logical consequence of the Council’s Mission. Unfortunately the Mission Statement is highly flawed. To the extent that the subcommittees based their Findings and Options on flawed premises, they reached flawed conclusions. The Council has communicated their displeasure with the Mission Statement verbally, in written comments, and even in a book (see Beyond the Beauty Strip pages 17 and 18), but the flaws remain.

Council Logic

The logical foundation for the work of the Council is the statement by Senators Rudman and Leahy that, “The current land ownership and management patterns have served the people and forests of the region well.” Based on this assumption, the Council states that, “The mission of the Northern Forest Lands Council is to reinforce the traditional patterns of land ownership and uses of large forest areas in the Northern Forest.” The Council asserts that the Northern Forests are threatened by “ever-increasing pressures from development, expansion of land into unmanageable parcels, recreation use, land taxes and other factors.”

The problems, as directly stated here, are therefore threats to the real estate status quo, and in this way, the majority of the Northern Forest Lands are owned by the paper industry rather than threats to the forest itself or to local forest-dependent communities. Indeed, the Council makes the assumption that protecting that status quo is the equivalent of protecting the forest and local communities.

The large landownerships, however, have not always served the region well. The timber industry status quo is not always equivalent to the best interest of the forest or local forest communities. Problems connected with the large landownership include:

- forest degradation;
- simplification and fragmentation of wildlife habitat;
- worker exploitation;
- industrial leverage over timber prices;
- minimal contributions to the tax base;
- domination of local economies deterring economic diversity; and
- rural poverty (documented in the NFLS).

Council Language

To support its logic (where protecting the big landowners is equivalent to protecting the forest) the Council uses certain words, such as “traditional,” “fragmentation,” “conversion,” and “competition,” in ways that furthers this assumed equivalence:

“Traditional forest land uses” is an exceedingly vague term that the Council does not reference in any obvious ways that furthers this assumed equivalence.

“Conversion” is another word that has both biological and real-estate meanings. Biologically, it means a change of forest vegetation or habitat type. But the Council uses the word to mean, “activities which result in a change of traditional uses of the Northern Forest Lands to non-forest uses and diminish forest values.”

Decoded, this means subdivision and development of land, even when the actual loss of forest occurs on a fraction of the land parcel. “Forest management,” according to the Land Conversion Subcommittee (pg. 57), “in and of itself, is not considered to be land conversion.”

“Conversion” is another vague word that the Council uses to, in part, support the status quo. It means, the Council writes (pg. 54), “The enhancement and maintenance of public and private values, including long term stewardship of the forest resource....” The word “stewardship,” however, is not defined. Some Council subcommittees, apparently, equate “stewardship” with “ownership.” Thus, for example, the Land Conversion Subcommittee, Option #3 would give “incentives for retaining long-term timberland owners,” with no reference to what the owners are doing to their land.

Indeed, there are frequent references to “land conservation,” that can be decoded to mean “retention of land by large landowners.” This is especially true when the Council refers to “conservation easements” where the sale of land for development is restricted but landowners can cut as abusively as the law allows.

Holes

Throughout the Findings and Options document, there are almost no references to negative impacts of large landowners on the condition of the forest or of forest-based communities. Indeed, in its introduction, the Council asserts that it “believes that continued management and ownership of large forest areas of the region are necessary in order to strive toward the Mission of the Council.” (pg. 9)

Even when the connection of forest practices of some of the large landowners to biological or social problems is obvious and inescapable, the Council’s statements are made in an insinuative manner. Thus the Biological Resources Subcommittee can make the astounding pronouncement (pg. 17) that “the impacts of forest management activities on biological diversity can either be positive or negative....” But, we are assured in the next Finding that “the forest products industry [...] can continue to be compatible with maintaining the diversity of the region’s biological resources on managed lands...” (my emphasis), as if the current contemporarily is a foregone conclusion.

The Council, in its introduction, admits to deliberately leaving out certain topics that some of the public felt important. Instead, it “has focused on only those issues which it deemed are most significant from a regional, multi-state perspective.” This rules out, the introduction claims, such issues as, “forest practices, business regulation, effects of climate change, acid deposition, forest management and labor costs.” According to the introduction, “the states can and should address these matters individually.” Oddly enough, however, the Council’s negative findings and options concerning property taxes even though the very first finding of the Property Taxes Subcommittee concluded that “property tax policy is a state policy issue.”

The refusal to look directly at any blemishes of the status quo, including timber practices and market domination, has meant that the findings and options of some subcommittees became very limited, and, in some cases, unrealistic. The Local Forest-Based Economy Subcommittee, for example, should have:

*identified trends in forest quality and growth;
*examined trends in prices (adjusted for inflation) for raw forest products;
*identified trends in land ownership, including statutory status of absentee ownership, vertical integration, and regional concentration of ownership;
*identified trends in labor, looking at such factors as mechanization and foreign workers;
*investigated how current policies, including workers’ compensation, discourage increased employment;
*examined why, if everyone agrees that adding value locally is a great idea, it is not being done much more (i.e., what are the barriers)?
*done a thorough study of why so much sawlog timber is being exported;
*looked at the costs existing forest-based industries are creating due to infrastructure needs, pollution and other environmental damage, government regulation, loss of wildlife habitat, and lost economic opportunities; and
*looked at the impact of trends in labor, prices, and markets on local community stability, or, but it didn’t. Indeed, one of the major documents relied on by the subcommittee, the NEFA (Northeastern Forest Alliance) report, smacked heavily of industry boosterism and gave no indication of trends, positive or negative.

Without acknowledging the barriers to change and developing strategies to overcome these barriers, the Council is condemned to hitting these barriers again and again.

Council subcommittees have worked hard and have come up with some excellent suggestions, but due to the problems outlined above, it is obvious that none of these suggestions will be limited, because the focus of the analysis of problems is so limited. As I wrote to the Council over a year ago in reference to the Mission situation, “The relative poverty of the area, the decline in forest jobs, the high accident rates, the high percentage of exported raw logs, the high prices of raw logs, and even the degradation of forest beauty are not, primarily, due to land subdivision and development. They are due to the states quo that the Council is working to protect and to prevent ‘conversion’.”
The Key to Forest Health Was Unexamined by Council

by Mitch Lansky

The health, productivity, quality, and appearance of the forest is central to biodiversity, land conversion, local forest-based economy, conservation strategies, and recreation/tourism. It is also crucial that property tax and state and federal income tax strategies keep these factors in mind as goals. Merely keeping the region's timber harvest at a high level does not ensure that the forest will benefit as well.

The NFLC, unfortunately did not have a forest practices subcommittee, even though forest practices are the most important influence on the health and quality of the forest. However, some of the subcommittees did have findings and options relating to forest practices:

**Findings**

1. "Human influence on the Northern Forest over the past several centuries has resulted in: fewer older forest stands, more roads, different disturbance patterns, and changes in species composition." (BR #6)
2. "The impacts of forest management activities on biological diversity can either be positive or negative depending upon the species and diversity goals, silvicultural practices, and landscape context." (BR #10)
3. "Information on forest management techniques to maintain biological diversity is difficult for landowners and managers to obtain. Furthermore, there is no mechanism for several landowners to integrate and coordinate their management decisions on the landscape scale." (BR #12)
4. "Certification of traditional woods jobs are unappealing to local residents and are being filled by imported labor. (Examples are timber stand improvement and timber harvesting.)" (LF-BE #2c)
5. "The export of raw logs from the region has increased in recent years. The reason for this is that the current system that this will negatively impact the resource base and employment opportunities. To date there is no published data documenting the magnitude of these impacts." (LF-BE #7)
6. "Sustainable forestry is critical to the forest economy, as well as to other forest values, such as biodiversity. Consumers of forest products are showing a willingness to support sustainable forestry through their purchasing behavior." (LF-BE #15)
7. "Current property tax programs have worked to maintain annual tax levels at levels that permit long-term timber management in the Northern Forest. Although they are not able to ensure long-term management and ownership, these programs are a safety net that allow such activity to continue in the region where landowners desire to manage land in productive natural resource use." (PT #7)
8. "For current use property tax programs, "incentives...to encourage landowners to...reduce taxes does not insure that the forest will benefit as well." (BR #16)
9. "The Phantom Forest Practices "Subcommittee" (BR #7a)
10. "The impacts of forest management activities on biological diversity can either be positive or negative depending upon the species and diversity goals, silvicultural practices, and landscape context." (BR #10)
11. "Information on forest management techniques to maintain biological diversity is difficult for landowners and managers to obtain. Furthermore, there is no mechanism for several landowners to integrate and coordinate their management decisions on the landscape scale." (BR #12)
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16. "For current use property tax programs, "incentives...to encourage landowners to...reduce taxes does not insure that the forest will benefit as well." (BR #16)

**Options**

1. "Educate and encourage lending institutions to understand the limits of return which conservation minded forest management can provide. This knowledge might allow for better financial planning and increased biodiversity." (LC #5)
2. "Promoting research on the impact of forest management practices on biological diversity, leading to the identification of silvicultural practices that are economically viable, maintain site productivity, and contribute to the maintenance of regional biological diversity." (BR #16)
3. "Provide "incentives to landowners who keep their lands in open space and are willing to maintain and enhance biodiversity through such practices as longer rotations, enhancing structural diversity in the forest, limiting fragmentation by roads, and other practices." (BR #30)
4. "Use the complete landscape scale approach (Mac. Hunter's "triad")." (BR #5)
5. "Enact or revise "regulations to assure that public land management agencies, both federal and state, plan for biological diversity at the landscape scale." (BR #7a)
6. "Initiate Green Certification to inform consumers about environmentally friendly, healthy, and safe products and manufacturing processes used to bring the product to market." (LF-BE #4)
7. "Create regional forest policies for the four states that "consider...a whole range of issues, including state land uses, policy, federal land use policy, state operated resources, state regulations and their appropriate level, and forest management." (LF-BE #4)
8. "For current use tax programs, "incentives...to encourage landowners to...reduce taxes does not insure that the forest will benefit as well." (BR #16)
9. "Set up Forest Districts (large blocks of important forest land) in which managed land would be eligible for preferential taxation and other benefits..." (PT #2b)
10. "Develop an overall approach under the current design for pure forest land-based lending." (LC #5)

**Comments on Findings**

These findings are useful (1 and 2), general (7), indicative of a lack of information (3 and 5), or misleading (4, 8, 9, and 10). The Council's analysis of the implications of increased tax rates of local and state governments to do good forest management. It thus indicates a failure of the system. It means that the public is paying millions of dollars of new costs and have even improved their cutting practices since the 1986 tax change. The finding suggests a need for tax cuts without demonstrating such a need.

**Comments on Options**

Many of the forest practices options initially sound good, but lack essential details that either justify such actions or show their practicality. For instance, options 3, 9, and 10 call for "incentives" and option 4 would probably require incentives for intensive management practices that are not economically viable. We do not know, however, if the current incentives (such as the Tree Growth Tax Law or other existing tax breaks) are already sufficient. We do not know where such incentives will apply (no one has had the guts to even draw a theoretical line). We do not know how much the enterprise will cost or where the money will come from. It sounds nice to reward landowners for good behavior, but it is not clear how to bureaucratically determine when behavior qualifies as good. We are also left wondering if poor forest practices (that are not subsidized) are therefore acceptable and legal.

Option 2 is an excellent idea, but we cannot base current policy on it now because results of research won’t be available for years or decades. We must develop policy now based on what we know, and we should determine the results of research become available.

Option 5 is an excellent idea. Public lands should set the example for what good government policies can do to state landowners to do. To what extent is this happening or not happening?

Option 6 would be nice if we knew how to implement it. What is sustainable or environmentally friendly? Continued on Page 25
Findings

The Findings and Options developed by the Biological Resources Subcommittee is a mixed bag of pleasant surprises and expected disappointments. Overall, I am generally impressed with how well the thinking of the NFLC has come on this subject. It was only a little over a year ago that the Council finally recognized that the issue of the biological diversity of the Northern Forest region was a topic that needed to be addressed. As the finding states, biodiversity has become a critical issue in an era of rampant loss.

Despite this, the Findings do not waste the last year. Several of the Findings, developed from commissioned studies and opinions solicited from regional experts by the Council, go quite far to state in clear terms the connections between the economic values of biodiversity that come from sales of resources (e.g., timber, syrup, views of fall foliage) and that come from services that then do not need to be paid for by society through tax revenues (e.g., water treatment, erosion control, health care due to poor air quality).

This would more strongly underscore the value of biodiversity to society, and not just those employed in a resource-based industry. But this is a refinement of the finding, rather than a critical flaw.

Landscape-Scale Protection: The Subcommittee also makes an important point by identifying the importance of the landscape scale in conservation. We cannot achieve long-term protection of biological diversity if conservation strategies focus exclusively on or expensive "habitat management" plans, rather than letting what ought to be at a site simply exist. A focus on the landscape scale offers superior protection through its ability to protect unidentified or poorly understood species, genetic diversity, and ecosystem connections, as well as offer buffers to changes in environmental conditions (such as climate) and our incomplete understanding of nature.

Human Impacts on Biological Diversity: The Subcommittee also reports an important finding by acknowledging that human occupancy has had an impact on biological diversity in this region. Finding 8 is, perhaps appropriately, offered without value judgment. But the Finding clearly indicates that human occupancy has affected the structure (e.g., forest size and age structure), function (e.g., patterns of disturbance), and composition (e.g., species presence and abundance) of the ecosystems in this region. This simple point has been debated in the past, but I think the truth is well articulated by the Subcommittee.

Disappointing Findings

Managed Lands: However, the Findings are not without some disappointments. These come not from incorrect statements, but rather from omissions that risk misinterpretation of the Findings. For example, Finding 11 states that the forest products industry cannot continue to be compatible with conservation on managed land. This may be true, but only if a system of unmanaged land is included in the overall conservation strategy for the region. The source for Finding 11 is the NFLC Biological Resources Diversity Forum from December 1992. (See Spring Equinox 1993 Forum for an extensive account of the proceedings of that forum.) The message that use of biological resources is not incompatible with conservation did in fact come out in that forum, but only as a companion statement to the larger picture of successful conservation strategies. All four invited speakers at the forum—Mac Hunter of the University of Maine, Sharon Haines of International Paper Company, Rainer Brock of SUNY Syracuse, and myself—clearly stated that a system of ecological reserves would be critical for achieving the goals of conservation and protection, which the Subcommittee, in Finding 1 through 8, states needs to be the goal of everyone.

Unmanaged Lands: Therefore, it is a little disappointing that the role of managed land in conservation is reported out of the context of the factors necessary to allow managed land to play a positive role. Of all the information provided to the Subcommittee, the critical importance of unmanaged land is the one statement of fact that no dissenting opinion was offered from the scientific community. More scientists believe that unmanaged land is critical to the protection of biological diversity than almost any other concept. Yet mention of the potential role of ecological reserves is limited to a brief inclusion of "ecological reserve initiatives" in Finding 14, where the Subcommittee ambiguously lists "some of which are unheard while others are ongoing." This seems a rather weak way to present a fundamentally critical finding on which there was no scientific dissent.

Protection on a Landscape Scale: What is lacking, then, is a simple statement of finding that puts the necessary strategies for the protection of biological diversity on a landscape scale in a clear light. The Subcommittee's research over the past year unambiguously demonstrated that the only strategy for land use management that will successfully protect the biological diversity of this region are strategies that incorporate a system of unmanaged land that allow for movements of animals with large ranges and connections among ecosystems.

I can understand the Subcommittee's reluctance to make such an explicit statement. The subject of ecological reserves has been emotionally charged in this region; the strong sentiment expressed by people over the Hunter-Haines paper on the design of an ecological reserve system in the Northern Forest (coming from people who know little about conservation and did not attend the NFLC-sponsored forums on that issue) is evidence of that. But the purpose of the NFLC is to find the facts and make recommendations that address the needs identified by the facts. Omitting a clear finding from people who have not taken the time the Subcommittee has to research the issue is, I think, ultimately self-defeating.

We know enough to implement successful protection strategies: Similarly, I am disappointed by Finding 13, which states that sufficient information exists to "suggest" conservation strategies, but forest ecosystems may not ever be "fully" understood. The implication is that we can suggest strategies but we don't really understand what we are doing. I believe we can do more than suggest strategies. I believe we can suggest and implement successful strategies. Ospreys, bald eagles, and peregrine falcons have come back from the brink of extinction. Fisher, martens, turkeys, beaver, and white-tailed deer have all been re-introduced into areas where they had been extirpated. These conservation strategies have been successful. National parks and forests have been disappointing in realizing their complete potential for protection and conservation, but they have been more successful than the other land management systems currently practiced in this country.

We need to remember that the National Forest System was implemented specifically because the nation's supply of timber was in jeopardy of being completely destroyed. This system was successfully implemented to deal with an issue of national interest. In short, to say that we can "suggest" strategies is only half of the finding; we can suggest and implement successful strategies.

Similarly, to state that we may...

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never fully understand forest ecosystems is to suggest that somehow we ought to expect this to be possible. We don't fully understand anything. We don't fully understand how the economy works, how to best provide for national security, how the human body works, how people learn, and what the essential elements are of a quality life. These "deficiencies" in our knowledge have not led us, however, to suggest that we not proceed to implement policies that address the economy, national defense, health, education, and personal needs. What is missing from this finding is that a full understanding is not necessarily to act in the best interests of society. We must act on the best available information and continuously work to improve our knowledge, just as we do with all other areas of social concern.

We Need a System of Unmanaged Lands: So, given these findings, what can we say that we know about the biological diversity in the Northern Forest? Quite a lot. Biological diversity can be measured at several levels, including genetic, species, and ecosystem, each of which is important for maintaining the complete range of benefits and functions that diversify humans' needs. Biological diversity is important to maintain for several reasons, not the least of which are that human society depends on it and the human economy itself depends on it. In fact, there is not a single valid argument for why it is in society's best interest to promote traditions and policies that lead to a decline in biodiversity. We know that human actions have had a wide range of effects on the biodiversity of this region, including species extirpation and the destruction of genetic diversity, ecosystem loss, and structural and functional changes in forests. Finally, we know that no conservation strategy will be fully successful unless it also includes a system of unmanaged land.

In short, we know that we have had an effect, and that it is not in our best interest or the best interests of the rest of the planet to allow it to continue. Therefore, the recommendations made by the NPLC must address these issues and develop strategies to prevent the further erosion of biological diversity.

Options

What options are offered by the Biological Resources Subcommittee? 1. Do nothing. Forget it. The findings alone tell us that this is not in anyone's best interest.

2. Promote research. This is an easy one to suggest and support. The essence of progress is education, especially of ourselves about how to do what we do better than we're currently doing it. The specific suggestions made by the Subcommittee for areas of research—inventory, monitoring programs, classification schemes, and management practices—are important, but should be expanded to include basic research on ecosystem structure and function, and conservation strategies.

3. Develop Incentives and education programs to encourage landowner co-operation. Good idea. People generally won't do the intelligent thing unless they learn what the intelligent thing is.

4. Modify regulations. Potentially important, but potentially meaninglessly as well. Encouraging a stable regulatory climate is all well and good, but the only way that can be achieved is to decree that no new laws or regulations can be passed, even in the face of new knowledge gained from the research we are promoting. Those who advocate on behalf of the environment will not refrain from promoting changes in regulations as long as those that exist are considered to be ineffective half-measures. Those who advocate on behalf of business will not refrain from promoting changes in regulations as long as those that exist are thought to be costing someone money. (Witness the current attacks on Vermont's Act 250 and the Endangered Species Act. Talk about creating an unstable regulatory climate.)

Ecological Reserves are Essential: However, none of these options by themselves will really provide meaningful strategies for the protection of biological diversity because none of them address the fundamental need for a system of unmanaged land. Therefore, critical to all of this discussion over options and recommendations are the two remaining options advanced by the Subcommittee concerning the establishment of an ecological reserve system and the adoption of a three-cate­gory ("triad") approach to managed and unmanaged lands.

The option for an ecological reserve system (option #4) is the best of the two, and points out some of the important features that must be incorporated into a successful system—buffering and connectivity of reserves, for example. Yet in other regards it falls short because it never really takes a firm stand on what an appropriate reserve system should look like or be for. Should the reserves be large or small? Encumber a full range of community types or not? Be established or not? Protect only sensitive and fragile communities, or representative communities, or the entire native biota? These are important questions, but the Subcommittee, based on its research, should have been able to provide answers. Let me say it again: biological diversity is important to all, is more than simply a count of species, and is more complex than we currently understand. We need a reserve system that will work, one that involves large reserves that protect the full spectrum of the native biota and its genetic diversity, that are well connected with each other, and that are buffered from disturbances that alter natural processes.

This option also falls short because it implies that action should not be taken until more research on the status of biological diversity is carried out. We can always call for more research, but the findings clearly indicate that human influence in this region has resulted in species loss and altered ecosystem processes and structure. We don't need more research to know that what we are currently doing is insufficient.

This option needs to be re-written to state this need less ambiguously. We should establish a system of biological­ly-based ecological reserves on public, private, or a combination of public and private land. Creation of the reserve system should be compatible with existing public acquisition and management programs and private programs, yet may involve new strategies that create partnerships among local, state, regional, and federal governments. Design of the reserve system should promote the protection of the full range of native biota and its genetic diversity, and be designed following the best scientific principles and information currently available.

Reject the Triad: As an alternative to an ecological reserve system, the Subcommittee also offers the option (#5) of splitting forest land into three categories: reserves, multiple use management, and intensive management. The value of this option is hard to determine because it calls for a mix of these types across the landscape in some unspecified proportions. How are these proportions to be decided? What are the goals of this landscape approach? If it is to promote the protection of the full range of native biota and its genetic diversity while allowing local people to earn a living from the timber produced in the region, then the proportion would heavily favor reserves and may involve little, if any, intensive management. If it is to maintain the same monetary yield from the region's forests for landowners who maximize workforce reductions and export of raw logs, then the proportion would heavily favor intensive management and may provide too few reserves to adequately protect biological diversity. The description of this option indicates that the concept is "being debated." In fact, few people subscribe to it, in part because of its lack of clear criteria.

In sum, the Biological Resources Subcommittee did an admirable job in a short period of time with a complex and contentious subject. The findings are generally correct, erring only in its omissions. The options are also generally good, providing clear directions in the areas of research, education, citizen incentives, and regulatory improvement. The primary failing of the options, however, is their lack of clear criteria and characteristics for the development of a system of unmanaged land. [El Note: This subject is addressed by David Puc from page 6.] These can easily be derived from the information gathered by the Subcommittee over the past year on the importance of biological diversity in its broadest sense and the best available scientific information on what is necessary to protect it. I only hope that the next phase of this process, the development of recommendations, reaches further than indicated by the options.

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Forest ecosystems is the basic necessity for any long-term human uses of the area. It recognizes this in Finding #3, though we feel that the maintenance of biodiversity is not only important, but critical to social well-being.

The subcommittee report is correct in emphasizing that both public and private lands must contribute to the maintenance of regional biodiversity. However, these concepts that are not specifically stated in the Findings must be recognized.

First, the key distinction is not between public and private land, but between unmanaged land (i.e., reserve areas) and managed land (which is subject to some form of disruption of natural processes, however well-intentioned). The vast majority of private land is managed in some fashion, and it is unlikely that private landowners will ever maintain significant portions of their land in an unmanaged condition (nor is it reasonable for society as a whole to expect them to do so). However, much public land is also managed for timber and other commodities, and the mere fact of public ownership must not be confused with the existence of reserve land. The Maine ecological reserve study, for example, has proposed that only 8% of the current public and private non-profit land (excluding Baxter and Acadia) has the potential to be ecological reserves given the existing management regimes on these lands. Thus, managed (or otherwise disturbed) land is much lower than the current level of public ownership. Rainer Brocke emphasized this distinction at the subcommittee's meeting in Lyndonville, VT on August 19, 1993 with his suggestion that a much higher percentage of public land be designated as reserve.

Second, the creation of a system of unmanaged land is not only an option, but a necessary component for the maintenance of biodiversity. As stated by National Park Service ecologist Craig Shaffer in his extensive review of the subject (Sharf 1990, u), "By present knowledge and thinking, nature reserves are the best overall tool for us to have to preserve examples of natural landscape and their biotic communities for future generations." This was recognized by the participants in the December 1992 forum, and is a basic assumption underlying Malcolm Hunter's report. Options in the Hunter/Haines briefing paper, and the Maine ecological reserve study. Although you did not include a finding on this aspect, as was recommended by Steve Trombley in his letter to the subcommittee on August 20, 1993 we presume that the subcommittee recognizes the importance of a reserve system.

Third, extensive areas of managed private land not only can make a contribution to the maintenance of biodiversity, but must make such a contribution. In theory it would be possible to create a reserve system large enough to fully serve this function, allowing the remaining land to be managed solely for commodity production. However, this is not likely to happen in the foreseeable future given current social and economic constraints.

The following comments separately address the issue of managed land. However, all strategies and recommendations must fit into an integrated package. Option #5 (the Complete Landscape Scale Approach) should not be considered by itself, but rather single out guiding theme under which all recommendations are considered. Dr. Hunter's theme is the "landscape" but one example of a framework under which this integration could be structured.

Ecological Reserves

An ecological reserve system within the Northern Forest would serve the following critical functions:

1) Provide types of habitat that are absent or scarce on managed lands. These include extensive areas of unmanaged and unburned forest, older age classes, large amounts of coarse woody debris, and mixed stands with significant proportions of economically undevelopable tree species.

2) Provide baselines against which the effects of different types of management can be compared. These baselines include not only species responses and community composition but also the full range of ecosystem processes such as nutrient cycling and hydrologic cycles.

3) Provide sources of plants and animals for the reclamation of adjacent managed or otherwise disturbed lands. For example, Dan Harrison of the University of Maine has suggested that pine martens are able to exist outside of Baxter State Park in the face of trapping pressure only because of a protected source pool of reproducing animals within the park.

4) Provide areas where ecological and evolutionary properties and processes (such as ecosystem functions, community composition and dynamics, species' ranges and niches, and gene pools) are allowed to naturally adjust in response to short- and long-term environmental trends such as climate change.

5) Provide an insurance policy against our own ignorance. We still have only limited knowledge of the long-term effects of even our most controlled management activities. This is demonstrated by the current paradigm shift in silvicultural techniques; "New Forestry" (Pickard and Thompson 1978) has been applied even that even the most conscientiously applied traditional silvicultural practices were creating adverse ecological impacts. If in the future we are ever to become wise, perhaps the reserves could be opened to more intensive use, but in the face of imperfect knowledge the only prudent course is to err on the side of caution. What we have lost and will continue to lose through well-intentioned ignorance may never be regained.

A viable ecological reserve system must have the following characteristics:

1) It must include examples of all native communities and ecosystem types, not just the rare ones. This goal of full inclusion is recognized by all relevant current efforts, including the Maine ecological reserves study and the US F&W Gap Analysis Project.

2) In order to fulfill the desired goals of the long term, it must include fully functional communities and ecosystems rather than simply examples. Thus it must include the full range of regional forest types (i.e., biomes, topographic, etc.) across the landscape.

3) It must be dynamic rather than static and incorporate the natural disturbance regime. In order to provide for the oldest age classes of forests, it is necessary to protect not just the oldest existing stands but the full extent of landscape needed to continuously re-create these stands in the face of on-going disturbance.

This "patch dynamic" approach is an important component of reserve design (Pickard and Thompson 1978).

4) It must include viable populations of all native species. Though the definition of "viable population" is still under debate, the goal of allowing the long-term survival of all species is central to the purpose of establishing reserves. We recognize that the creation of a reserve system large enough to provide all habitat needs for some wide-ranging species is not likely to occur in the foreseeable future. In these cases the system should focus on providing habitat that is critical to the most sensitive life histories of these species (probably breeding); adjacent managed land may provide habitat for less sensitive species (non-breeding).

In light of these stated functions and characteristics of a reserve system, we make the following comments regarding the subcommittee's Option #4:

Scope: The system must be fully inclusive of communities as articulated above.

Size and Number: "The desirability of large reserves, all else being equal, is one of the few almost universally accepted principles of conservation biology."

The actual size and number of reserves must be governed by landscape considerations, given the desired characteristics listed above. Both the nature of the dynamic landscape mosaic (what Pickard and Thompson 1978 call the "minimum dynamic area") and the home ranges of critical animal species will help determine the size of individual reserves. The variability of communities and ecosystems across the region will help determine how many reserves are needed to encompass all community types.

Connectivity and Buffers: Migration of organisms between large reserves must be possible. This is especially true in the case of large wide-ranging mammals; since no individual reserve will maintain viable populations in isolation, the reserves must function as an integrated unit. To the extent that forest management and other human activity between the reserves does not greatly hinder this movement, the need for specifically designated corridors (essentially long thin core areas) will be reduced. The same holds true for buffers; intelligent planning of development and ecologically sound forest management in the areas surrounding reserves will reduce the need for specifically designated buffers.

Management: Reserves must be considered off limits for commodity extraction, except where such actions serve clearly defined goals linked to the restoration of previously degraded lands. Non-consumptive human uses, such as dispersed recreation, should be allowed except where specific impacts on sensitive species or areas are a consideration. The recreational use of large reserves can in fact serve as an impor-
tust component in the diversification of the Northern Forest economy. Three types of public or private non-profit ownership is likely to be the only feasible mechanism for the creation of a reserve system. These lands must—by definition—be managed with different goals rather than economic considerations as the highest priority, and this condition will probably make ownership of reserves unattractive to most private landowners.

Establishment: The establishment of an adequate reserve system will require a long-term commitment to plan for the future. However, to plan for the future, we need to honestly assess logically sustainable. We should stop talking about feasible mechanism for the creation of a reserve system.

Regarding the three alternatives for the Northern Forest economy.

Council Promotes Wrong “Triad” System

We need to consider a network of buffered ecological reserves and sustainably managed private forest lands. Unfortunately, the “triad” proposed by University of Maine Professor Malcolm Hunter and Robert Seymour (“New forest in Eastern Spruce-Fir Forests: Principles and Applications to Maine”) fails for several reasons. First, they would probably assign only about 10% of the region to reserves. And second, they would permit “intensive management” (IM) on 30-40% of the region. IM is the polite term for present industrial practices that are ecologically unsustainable: large clearcuts followed by plantations of monocultures, “nurtured” by aerial spraying of herbicides to kill off competing hardwoods.

In the Winter Solstice 1992 issue of the Forum (Vol. 1 No. 2) Mitch Lansky offered an extensive critique of the Seymour-Hunter paper. Lansky emphasized that Hunter and Hunter have performed an important public service with their explicit and implicit critiques of industrial forestry. Unfortunately, Seymour and Hunter propose a solution that concedes industrialism the “right” to continue within the worst aspects of industrial forestry in nearly half the region. The following comments are based on Lansky’s critique.

Plantations

* Are plantations sustainable? If they are not ecologically sustainable, we should stop talking about them, even if it is politically desirable from industry’s point of view. Even industry must eventually bow to physical and ecological reality. Before we launch an expensive, long-term, intensive program, it behooves us to honestly assess its sustainability.

* Seymour and Hunter have not compared long-term yields from plantations with long-term yields from other management regimes (such as selection) establishing an ecological reserve system.

* Alternative 4a does not meet even the minimal standards of inclusiveness proposed by the relatively conservative Maine ecological reserves study and is not acceptable.

* Alternative 4b is the level of protection proposed by the Maine study. We feel that this alternative is also unacceptable. While it satisfies characteristic #1 (inclusiveness), it does not satisfy characteristic #2 (functional).

* Alternative #4c (viable populations) requires reserves immediately. We feel that any proposal that does not aim to meet the three characteristics outlined above is insufficient.

* Can it be shown that plantation forestry is cost-effective now or in the future without subsidies? If it requires subsidies, we must devise other more ecologically and socially acceptable programs and subsidize them instead.

* Disturbance

* How do large clearcuts and irregular shelterwood cuts mimic the natural disturbance regimes of the Acadian forest? In the Mid-Summer 1993 issue of the Forum (Vol. 1 No. 6) Seymour describes the Acadian forest disturbance regime (“The Rod Spruce-Balsam Fir Forest of Maine”). It is much less catastrophic than the huge industrial clearcuts of northern Maine, or that would be part of the plantation strategy. Inflicting hundred-year or millennial catastrophes on the forest on an annual basis (as has too often been the case in the past century of industrial forestry) is not mimicking normal disturbance regimes. The pretreatment forest was “uneven-aged” not “two-aged” as would be the case with irregular shelterwood.

* Transition

* From the perspective of those who wish we must create ecological reserves now, how do we remove land now from the fiber base and still maintain current industry virgin fiber demand levels? Do we have to wait 40 years before incorporating lands in reserves, and will those lands be cleared 20 years hence?

* IM requires significant up-front investment, and there is a long delay before payback. Is this economically viable? Is the paper industry committed to Maine for the next 40-80 years? Certainly its recent investment strategies (primarily in the southeast, rather than in Maine) do not inspire confidence.

References


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Conservation Strategies Subcommittee

Full Fee Acquisition is the Most Effective Land Conservation Strategy

by Bob Perschel
The Wilderness Society

The findings and options report of the Conservation Strategies Subcommittee offers a wide range of strategies, but for only part of the problem. This committee, like the entire Northern Forest Lands Council, has failed to adequately define the problem and therefore has confined itself to offering isolated parts of the comprehensive and integrated strategy that is needed.

The Council’s insistence on ignoring forest health and forest practices in its study relegates this committee to dealing only with findings and options relating to land conversion. Although this committee purports to deal with critical public values including timber, wildlife and wildlife habitats the Council’s narrow scope of mission forces it to exclude these values only as they are affected by land conversion. “Conservation” was limited in meaning to the act of keeping land in forest cover.

Consequently, although some of the findings and options offer exciting strategies for land conversion protection, we are left with little understanding of the viability of current stewardship or any possible strategies for improving it. Strategies limited to stemming the flow of land conversion will not protect all the values of the Northern Forest. In time it would be clear that such a limited strategy would not be a step toward revision.

We are dealing with a complicated ecosystem, of which people are a part, and we must deal with all the parts if we hope to have a workable solution.

For example, finding #21 reports on ways to merge or leverage property tax relief programs with land conversion strategies. It refers to a tax abatement program in Massachusetts, Chapter 121A that gives local government a right of first refusal in return for lower taxes. Overlooked in Massachusetts Chapter 61, a program that gives tax relief to forest landowners in return for better stewardship conducted under a written forest management plan. These are the types of programs that are missing in the strategy mix for the Northern Forest.

Findings

Although some of the findings and options are to the point, most lack the substance to lead to solid recommendations.

(Finding #1) We hear that elsewhere in the country there is a call for new institutions, partners and risk-taking but never are told if this is necessary in our region.

(10.11) Apparently there are “numerous” conservation programs available and some are anticipated. However, only the expansion of the Stewardship Incentive Program is named in the options section. Are we to assume we need no new programs or additional investment?

Finding #12 merely states that conservation easements and fee acquisition are existing tools; there is nothing pertaining to their usefulness, propriety or scope in the Northern Forest. #14 identifies the need for federal funding and correctly notes the need for state and local government involvement. However, in the quest to gain acceptance for federal involvement the subcommittee is neglecting the necessity of gaining the acceptance of federal legislators. It is difficult enough to gain federal funding for federal public land purchases in the northeastern states. The likelihood that substantial federal dollars will flow to Northern Forest states for state purchases is not promising.

At the very least the funding would have to be seen as part of a national or regional priority under a regional plan with federal oversight and perhaps improved stewardship commitments.

#15 appropriately features Forest Legacy as a potential “key” land conservation tool. However, full fee acquisition is an even more important tool and the subcommittee fails to highlight its importance. If the full range of values of the Northern Forest are to be protected it is essential that large core areas be purchased and protected not only from development, but from abusive forest practices as well. Furthermore, if we are to protect the full range of biodiversity we must create a system of wilderness reserves and this can be accomplished only through full fee acquisition.

Finding #7 is an excellent option and should be supported, but isn’t it interesting that it calls for an expansion of the existing Stewardship Incentive Program while the Council neither studied nor recognized the need to improve the manner in which these lands are cared for.

Options #4, which suggests creating a dedicated development transfer tax to fund land conservation efforts, is an excellent proposal. Such a tax could put the burden of conservation on the developers and speculators, the ones who are causing and profiting from much of the problem. Support this option!

Chatting with the Jersey cow is Barbara Turzo, who works on the Maidstone, VT farm of Izola John & Roger Irwin. Says John Irwin: "There’s not much land left in Essex County—its all been cleared for the chip wood market. Who wants cut over land? The Government may buy it. I never wanted that before, but now that’s the only solution." Interview & Photo by Steve Gorman

Land Banking

A Tool for Fast Reaction to Land Sales

by Bob Perschel
The Wilderness Society

Landbanking is a popular conservation tool in Europe, but infrequently used in the United States. Like a traditional bank this method allows the stock-piling of resources of value while it provides a source of needed funds. The land bank is a public entity essentially in the real estate business. It aims to acquire a substantial portion of land in the region to control development and influence forest management. The land acquired is not committed to a designated use at the time of purchase. It can be held in reserve, leased, or resold.

It may be directed to local, state or public ownership or return to the private sector with environmental restrictions on it that comply with a regional ecosystem plan.

The land bank uses the market, rather than regulations, to shape ownership and land use patterns. It can provide an ongoing forum for stakeholders to participate in the disposition of lands. It can react quickly to threats and, by acquiring rights of first refusal, it can provide large landowners with a “poison pill” to use in hostile takeover situations. By buying and selling land on the market the land bank can continually fund itself and capture some of the profit that drives the speculative land development market. As equity in the region’s land base increases the land bank will capture and retain part of the growth in the region.

Land banking provides the flexibility that is needed in this region. It offers the opportunity to shape ownership and use patterns over time while it provides a means for fast reactions to serious threats to the land base. Land use decisions can remain fluid; we can change our minds. With assurances of better forest management and increased public access more land can be designated for the private sector. If conservation biology determines it necessary for greater levels of protection, or wilderness recreation demand increases, the land bank would emphasize public land disposition.

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The Northern Forest Forum

Autumn Equinox 1993

BUY LAND
THEY DON'T MAKE IT ANYMORE

"Millions of acres are for sale in the Northern Forest region," said Bob Perschel, "leading to a number of questions: is it simply a case of the "non-strategic," by large landowners who are selling large blocks of land to lowest bidder? [End. Note: if ever].

They are expensive and do not ensure the long term protection that is required. They may play a minor role in the mix of strategies. There should definitely be an increase in federal fee and less than fee public acquisition dollars will flow to Northern Forest.

We are to protect the full range of biodiversity we must create a system of wilderness reserves and this can be accomplished only through full fee acquisition.

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The Trouble With Easements

Easements are an expensive, ineffective tool to protect biological diversity and evolutionary processes. Only full fee acquisition of large core reserve areas can provide protection in perpetuity.

Easements do protect against undesirable development, but so does Existing Use Zoning. And EUZ is cheaper and easier to implement.

*Each easement must be negotiated separately with each landowner. EUZ, on the other hand, can be implemented by a regulatory agency such as LURC in Maine or over a vast region in one action.

*The cost of easements in areas threatened by development is often in the range of 75-95% of the full fee value of the land. When the easement is expensive, it makes sense to purchase the tract outright. The 1990 Northern Forest Lands Study stated (p. 47): "Development rights for land near an active land market comprise most of the land's value, whereas development rights further from a strong real estate market are a smaller fraction of the land value."

*Easements do not stop unsustainable forest practices. In the absence of meaningful forest practices regulations, easements permit (as Mitch Lansky writes in this issue), landowners to cut "as abnormally as the law allows." Easements do not protect biological diversity. They cannot protect wilderness areas, ecological processes, or many shy, sensitive, rare, threatened, or endangered species and ecosystems. Only full fee acquisition of lands that will remain unmanaged can do this.

The Northern Forest Lands Study and Council have expressed a bias in favor of easements and against full fee acquisition. A much more ecologically responsible approach is: large-scale full fee acquisition complimented by Existing Use Zoning of private lands and ecologically responsible forest practices regulations.

Easements should be a minor strategy to flesh out a reserve plan. The concept of existing-use zoning is meant for rural areas where the objective is to avoid continued development. Inforest, the specific use of easements, enhanced forest stewardship at all levels of ownership and revitalized, diverse local economies are all necessary.

Development The Strategy: New institutions and partnerships must be created to attempt innovative and sometimes risky conservation strategies. There are still many questions to be answered, but we must begin the work of protecting the forest within a framework that allows the dialogue between stakeholders to continue. Following is an example of two new institutions that could work in concert with existing mechanisms such as zoning, forest practices regulation and ongoing land conservation programs:

*Establish a Northern Forest Institute to continue to study the region and gain input from all stakeholders;

*Establish a Land Bank to respond to major threats and opportunities for full fee, easement or options on future land acquisition opportunities. Fund the Land Bank through a variety of sources including increased LWCF state side funding, various taxes on recreation items, transfer taxes on land sales and other resource-based tax revenues.

Existing Use Zoning: The Cheapest Way to Control Development

Existing Use Zoning, not expensive "conservation easements", is the solution to most of the development problem in the industrial Northern Forest, especially northern Maine (see "North Woods Conservation Area" Proposal of Natural Resources Council of Maine in Mid-Summer 1993 Forum, pages 12-14). EUZ is cheap, quick and constitutional. It does not require messy negotiations with each and every landowner, and it does not discriminate against responsible, caring stewards. If it works hardship on greedy speculators, so much the better.

EUZ must be accompanied by meaningful forest practice regulations to assure ecologically sustainable forestry is practiced. The 1990 Northern Forest Lands Study had this to say about Existing Use Zoning (p. 42)

"Existing-use zoning is a simple form of zoning. As the name implies, it specifies that the legal uses of land are those that the parcel is already used for. The technique is meant for rural areas where the objective is to avoid continuous change in land use. It works best in areas where people want uses of the land to remain what they have traditionally been, where existing land uses provide public benefits, and where the tendency is for that land to remain in its current use anyway.

"Unlike traditional zoning, existing-use zoning requires owners who want to modify use of their land to shoulder the burden of justification when petitioning for rezoning or variances. It protects the public interest in retaining the character and quality of rural land and allows communities to "...keep what they have—both the prevailing uses of private land and the character or surrounding." Those who stand to profit by imposing changes in land use must petition for the opportunity."

"This form of zoning is based on the premise that current uses of the land are appropriate and that landowners are able to put the land to some economically-useful use. Given this, existing-use zoning is not considered a taking and is within the limits of the United States Constitution. Although this form of zoning limits the right to develop the property, the Supreme Court has made it clear that this right is not one of the "fundamental attributes of ownership," for which landowners must receive compensation. The Supreme Court has also stated that land use regulations denying an owner economically-usable use of the land, do constitute a taking. As long as some economically-useful use of the land remains, even if it is not the most profitable use, the regulation is not a taking."

—Jamie Sayen
This Subcommittee was charged with the most difficult group of issues among the NFLC working groups, however, they unduly complicated their work by failing to narrow their focus and systematically ask the questions when answers are truly needed. The Subcommittee broadly defined its mission as seeking "... to stimulate the local forest-based economy within the region and to improve its competitiveness in the global economy." They generated an assortment of 22 Findings and 41 Options which, taken together as a package, are insufficient in either clarifying this mission or providing a solid basis for future recommendations.

Although the Findings and Options list many relevant issues, there is little information about their magnitude of certain issues, (such as the relative importance of restricting raw log exports to local economies compared, for example, to suggestions that the regulatory system should be "... easier to understand and use") or to what degree existing rural development efforts already underway by a variety of public agencies and private development corporations satisfy the stated goals. Most disturbingly, the proposed Options wander across a vast territory of opinion and frequently ambiguous proposals.

**Questions and Information Overlooked or Undervalued**

Discussed below are key questions and issues that were either partially addressed or bypassed altogether and which call for further explanation and definition. These questions indicate important gaps in the analyses that underpin the list of proposed Options. It is important to note, however, that several proposed Options deserve conceptual support (and are listed at the end) but these are largely drowned out by other fundamental concerns noted below.

1. **What is a "local forest-based economy" in the context of the Northern Forest?**

   The term has been used freely in describing this Subcommittee's goal, however, there seems to be little understanding about what distinguishes a "stabilized local economy" versus "improved local competitiveness." At best it is a leap of faith to assume both aspects of this goal can be maximized simultaneously; at worst it is dangerous and overstates what a truly local forest-based economy necessarily complements the unbridled drive towards global competitiveness. Local economies are not just smaller versions of global economies. Local economies have qualitative and communal aspects that matter to the people who live and work there. Still, the question of certain forest and recreational businesses as distinct from the overall health of rural communities is a cruxed view of local economic development. Global economies, however, are described primarily by commodity prices, sector and multi-sector indexes and productivity measures that are indifferent to local communities.

   There will always be (at least in our lifetime) other corners of the world that can "out produce" Northern New England using conventional measures of production costs or less restrictive tax and regulatory policies. Thus the NFLC needs to commit to rural community development that prioritizes several values above those which drive a more laissez-faire outlook towards the global economy. These include but are not limited to: an emphasis on local purchasing and investment, local inventorying of human and natural resources, and collaborative economic planning among a variety of community interests. This is not, as some would argue, a false dichotomy but rather a choice of values and of emphasis. The search for appropriate strategies for local forest based economic development in the Northern Forest begins with questions such as: What types of forest based industries tend to strengthen local economies? Do existing forest products industries in the Northern region exhibit these characteristics? Or, what kinds of export or import markets strengthen both local economies and long term competitiveness goals?

   For example, should the forest products industry organize itself primarily as fiber market for global consumption or a processed durable goods market that relies on manufactured products—giving their differing effects on local economies? Can pulp and paper industries, as they are currently structured in the Northern Forest, expect to compete in the global market over the long term? If not, what changes are occurring or likely to occur and how will these changes impact local economies? These kinds of questions and their answers are central to devising economic policy and programs that are responsive to actual needs of rural communities and businesses in the Northern Forest.

2. **What existing organizations, agencies, and development corporations in the region work on, or currently provide the best examples of fostering forest based economies?**

   If stimulating local economies is truly a goal, then the Options ought to recognize, and evaluate the serious (and expensive) work being done already by a variety of community based development corporations in the region. Several of these programs and entities purposefully integrate market, labor, environmental, and broader community goals. Despite the substantial testimony received by the Subcommittee at one public forum, there is no attempt to evaluate program effectiveness of the myriad activities already aimed at rural development. Examples which may already contribute to a sustainable, local forest-based economy include:

   *The timber bridge and timber bin wall projects of the North Country RC&D in New Hampshire;* *The recently established community development corporation in the northern Maine towns and targeting low and moderate income communities.* *The joint VT-NH forest products marketing program, or the "shared production kitchen" project which promotes locally agricultural products—both overseen by the Economic Development Council of Northern Vermont.*

   The Berlin, NH, program which expects to bring in at least three Canadian secondary wood products firms by next year, employing approximately 20 people each and using local wood.

   *The Forest Resource and Development Council in New York and their effort to establish a "cooperative research and development center" for forest products.*

   *The recently established community revitalization program that is giving housing, public facility, and development assistance to 26 rural Maine towns and targeting low and moderate income communities.*

3. **What specific forest-based industries and local forest products businesses are growing; what market niches are being created (or are likely) in wood products development that favor the Northern Forest?**

   Despite industry trends in the Northern Forest regarding the loss of market share and jobs in "traditional" forest products sectors and presentations from wood jobs experts about emerging wood-using markets, the F&Os fail to identify and support local industry and forest-based development. Global economies, (despite the fact that Congress has already taken steps this year to curtail certain income tax loopholes related to..."
log exports) while also suggesting in their Options that more value-added production, log export restrictions, and subsidies to offset foreign competition are desirable.

5. Given that the final set of recommendations are subject to Congressional action, what are existing or potential federal government actions that can be taken to improve local economies in the Northern Forest?

There are a variety of federal economic assistance and financing programs through USDA, HUD, and the Department of Commerce that are designed to promote rural economic development. Some are recently created such as the USDA rural assistance program or the Forest Products Conservation and Recycling Program of the U.S. Forest Service. Are Northern Forest communities taking advantage of these programs to the degree they could be? Have resources for these programs been adequately directed towards the Northern Forest region? Which programs are likely to build long-term economic independence and community strength as opposed to one-shot infusions of spending?

6. What are the existing informational gaps that will assist local and state economic policy makers in improving local forest-based economies?

F&Os based on perception, such as those relating to the influence of the Canadian timber industry, are not an adequate basis for proposing public policy options such as increased trade barriers. Identifying areas that are not fully understood regarding the interaction of local and global economies—and why—is as critical at this juncture as any recommendations that flow from the facts.

While the information in the C.T Donovan (CTD) and NEFA reports (the two reports commissioned by the Subcommittee) provide useful background information, both reports clearly point to key areas where critical information is missing or where weak spots in the methodologies are apparent. These include:

- Lack of consistent revenue and employment data from state to state and little information on the specific manufacturing and recreational characteristics of the Northern Forests. (All of the NEFA data is based on statewide figures, not just the Northern Forest portion of a given state.)

- The difficulty in estimating the recreational economy due to a variety of non-market values and site-specific variables. In other words, the numbers are soft and probably under-value the amenities of protected forest land. Recognition of this issue is important since, according to the NEFA reports which the LFBE relies on, recreation accounts for 62% of jobs in the forest-based economy among the four states.

- The need for further information about wood products import and exporting trends specific to the Northern Forest.

7. What Options for stimulating local forest-based economies are most likely to complement other key aspects of the NFLC's mission statement, such as those regarding land conservation, biodiversity, or community strength?

A stronger connection needs to be established between Options for strengthening the local forest-based economy and other important values that have been identified by the Council. For example, the growing use and interest in green marketing and certification programs, or changing consumer demands for recreation provide opportunities to integrate other aspects of the forest-based economy. Recognizing the need to provide a final list of Options that are cohesive and fulfill conservation, community, and economic goals of the NFLC, every effort should be made to screen Options for local forest-based economies against other important values for the forest.

Proposed Options Worth Further Exploration

Despite the mixings and gaps noted in the discussion above, there are several proposed Options that conservationists, local officials, hunting and fishing enthusiasts, and forest products workers can respond to. Among the 41 Options, the ones listed for conceptual support are listed below. Conceptual is emphasized because most of the options are conceptually worded. In order for the recommended Options to be truly useful, they require additional information specifying who should develop and administer the option, how much it costs and who should pay for it, how it should be administered and staffed, or whether any existing programs already satisfy the goal or are best positioned to implement it.

1. Create an easy-to-use information network which compiles and disseminates research and marketing opportunities to wood products businesses, or, information on types, values, and destination of log imports and exports (#2, #15).

2. Promote a consistent system and standards for green certification and labeling of wood products from the Northern Forest region (#4).

3. Establish landowner cooperatives to more effectively combine timber, recreation, and tourism interests, or, create mechanisms for landowners to sell "futures" in harvesting rights. (#8, #10).

4. Modify truck weight regulations among the four states to make them consistent and develop a consistent system of road classifications (#19).

5. Identify economic activities and products that are supplied by non-local sources and nurture local entrepreneurs to provide these services and products through the local economy (#38).

6. Develop local apprentice programs to teach youth about practical skills using the forest resource. (#36)

Conclusion

It is apparent that the options presented here suffer from a range of informational gaps and ambiguous assumptions. It is necessary that the NFLC significantly edit and consolidate the number of options initially presented to offer more precision on issues and needs specific to local economies in the Northern Forest. In particular, the NFLC needs to determine: a) Whether local forest-based economies are different than merely the cumulative effect of global trends on certain forest industries; b) whether the current structure and market climate in wood products and recreation is conducive to long-range community health—and whether they have enough information to understand this; c) whether existing programs in rural development are effective; and d) whether suggestions for this section complement other conservation initiatives of the NFLC.
Imagine the promises of prosperity from the countless ribbon cutting ceremonies for new interstate highways, dams, and extensions of power and electric lines into rural areas. The largesse of several decades of public works projects, including trail and park maintenance by Roosevelt’s old CCC is relied on today by the.Russian, from real estate developers to recreational services. These public investments—typically undertaken in the name of rural development and public safety—have provided to serve market stability, high land values, and create jobs. However, the “windfalls” from these projects may be unexpected or unintended: land values soar, strip development and suburban sprawl accelerate, and key habitat and conservation values are lost or ignored.

Unlike the images of brick and concrete monuments that come to mind when we mention infrastructure, it is apparent that among the enduring public works projects nationwide are investments in wilderness, park land, and recreational areas—realistically accessible to major urban areas. Yet the notion of parks or wild land as essential “infrastructure” is foreign in the minds of most development agencies even there such areas satisfy many of the criteria necessary for public investment. These include the provision of long-term (if not permanent) revenue streams from gate or user fees; new rural economic opportunities in recreational services; and access to public lands for a variety of adjacent businesses. Ask any restaurateurs or sports outfitter near any of the major national parks out west how they would do if the government pulled out, sold off lots, and privatized (as Sagebrush Rebels have suggested).

Needless to say, I’m not defending the National Park System, Forest Service or any other federal agency. We’ve made our share of mistakes in resource management and as business managers (e.g. should we really have sold Yosemite concessionaire rights to the Japanese?). In the northeastern states, the mere whisper of additional public land ownership sets off furies around property rights and government intervention. Suspicions about disinterested and irresponsible federal bureaucrats administering local resources are entirely legitimate. However, lost in the shuffle of debates about zoning and taking are the very obvious economic opportunities—windfalls if you want—from public investment in land conservation and wild lands. But it has got to be done right. Here’s one suggestion that I hope will go in the thinking caps of every state agency to protect the biological sanctity of the place, motorized vehicle access, and the proximity of the Northern Forest to millions of urbanites looking for potential places to live.

One of the most interesting findings of the land conversion subcommittee was that “current environmental and timber harvesting regulations were not singled out as a factor in land sales; however concerns about an unpredictable regulatory environment and the potential costs of regulations may have been an increasing influence on forest land owners.”

The fact is: none of the sellers of large holdings interviewed by Market Decisions (as part of the Sewall Study) listed environmental regulations as a cause for selling land. However, as soon as the interviewer mentioned “regulations” most sellers went ballistic complaining about regulations.

While it should come as no surprise that people, dislike regulations that limit their freedom, this finding pinpoints the nature that regulations are the cause of land sales or downturns in the economy. State governments should institute predictable blacklists of industry and “property rights” demagogues who oppose efforts to protect ecosystem or public health. The paper industry threatened to leave Maine in the early 1970s if clean water legislation passed. Not only did it remain, it expanded mill capacity after the passage of the Clean Water Act.

Do we have an unstable regulatory climate, and if so, why? In some respects, the regulatory climate is very stable. New Hampshire and Vermont have no regulations limiting clearcutting and other unsustainable forestry practices. Maine’s clearcutting legislation was designed not to inconvenience the large landholders (the paperwork does burden small, non-industrial owners) without protecting ecological integrity.

In another sense, there is an “unstable regulatory climate” due to the pressure from the public to stop the abuses of industrial foresters—large clearcuts, herbicides, chlorine-bleaching of paper. Eventually the public demand and receive regulations that address these issues. Industry will fight the public at every turn, threaten blackmail, force ecologically inappropriate “compromises” and complain about the unstable climate and how that discourages investors. (Since the industry interpretation of the Council’s mission is that the NFLC should protect existing owners, rather than recruit new owners, more weight should be given to the reasons owners and owner decisions.)

So, how can we achieve a “stable” regulatory environment? Simple. End industry blackmail and compel companies to provide solutions by environmental groups that are supposed to be “politically realistic” but fail to be ecologically realistic. In short, if we want greater stability, we must develop a comprehensive package of incentives and regulations that assure ecologically sustainable and economically sustainable practices and punish responsible practices, we’ll have an “unstable regulatory climate.”

—Jamie Sayen

Wilderness as Infrastructure: Canoeing on Holeb Pond, Moose River, Maine. Photo by Stephen Gorman

Windfalls From Wild Lands: Conservation as Infrastructure

by Eric Palola
Resource Economist
National Wildlife Federation

1. Determine boundaries for a serious biological reserves only for the need for ecological reasons but to be attractive to the 70 million or so urbanites looking for potential places to play.

2. Create an image of this place—find an attractive name—because it needs to be marketed. In exchange for restrictions on certain activities in certain areas to protect the biological sanctity of the place, motorized sports for example, a market for a unique experience is created.

3. “Pay to play” is essential. The alternative is to buy paper company leaseholds or jostle with the crowds in the White Mountains.

4. Costs fees go to local communities. No cream skimming by the government. In this way, all the well-heeled environmental elitists who come to camp and fish will contribute directly to local Northern Forest communities.

5. Management and maintenance of the park or wild land is overseen by a consortium of locals, such as a regional community development corporation. Better yet, we ought to offer first dibs to Native American groups in the region. (The White Mountain Apache tribe in New Mexico for example has demonstrated how to manage a large land and wildlife resource—although they permit more consumptive, and lucrative, uses.) Funding is provided to this corporation by state/federal government through a cost-sharing mechanism which has similarly been used in other public trust projects.

Of course lots of details have to be worked out such as: whether local residents should pay the same fees, the granting of concession services, appropriate representation, reasonable land use controls at the edges of the park so that we don’t create a West Yellowstone type of strip, and whether to buy out anyone or phase out holdings over time.

The essential idea is that tangible long-term economic opportunities are available from prudent ecological investment. I am proposing a quid pro quo. There are downsides to encouraging or promising community development adjacent to protected areas. We need serious wild land protection in exchange. The management of both protected areas and adjacent areas by a local board should create accountability, ownership, and sensitivity—but it may not.

The opportunity for this kind of arrangement in the Northern Forest is heightened by the overuse and crowding of the few public spaces available, by several studies which demonstrate the taxbenefit of clean space to local communities, by the rising demand for quality outdoor recreational experiences, and the proximity of the Northern Forest to millions of people. This is an opportunity screaming for the attention of state tourism boards and development agencies in the northeastern states. But we need to get the monkeys of public land acquisition off our collective backs and be creative about management and marketing of this concept.

“Have we belatedly begun to prize the value of our wild lands and park lands...” wrote Stewart Udall (Ed. Note: Secretary of the Interior under Presidents Kennedy and Johnson) thirty years ago. Although Udall emphasized the need for a system of “natural sanctuaries” for spiritual and ecological reasons, he would probably acknowledge that part of the “prize” today in the millions of dollars generated by activities connected to parks and wild lands.
Economic Status Quo Failing Northern Forest Region

by Spencer R. Phillips


It has become the conventional wisdom that the vast private lands of the great Northern Forest comprise a "working forest." Industrial use of these lands has traditionally produced fiber for the forest products industry, healthy local communities and important public benefits, including recreational opportunities, watershed and wildlife habitat protection and scenic beauty. Confronted with change, the conventional wisdom seeks to ensure the continued provision of private and public benefits by maintaining the status quo. Such efforts are embodied in the mission of the Northern Forest Land Council "to reinforce the traditional patterns of land ownership and uses of large forest areas in the Northern Forest..."

But conventional wisdom and conventional policy responses may not be appropriate for a region and a resource undergoing radical change. Global competition, concentration of land ownership among large national and multi-national corporations and a shift toward treating the forest less as a source of raw material for supplying a sustainable production operation and more as a fungible asset for boosting short-term earnings mean that the connection between the Northern Forest and its owners and industrial users is eroding. At the same time, more and more people are seeking to re-establish a connection to the land by locating, vacationing, or retiring in or near the Northern Forest. Together, declining short-term financial value of large forest areas and the Northern Forest vulnerability to the development decisions of a small number of large private owners and industrial users threatens the potential for economic and ecological well-being of the Northern Forest.

The challenge arises because as land is converted from industrial fiber production to residential or commercial use, public values may be lost. Smaller, possibly built-up holdings mean greater fragmentation of the forest, which can cause degraded wildlife habitat, loss of biodiversity and less accessibility for recreation.

Log Exports Cost Local Jobs

by William Butler

Let me suggest that in promoting new jobs in value-added product manufacturing, the subcommittees overlook an existing job and economic loss that arguably exceeds anything that might be created through NPL action. This job drain is occasioned by the export of raw logs to Canadian sawmills by our large forest owners, particularly of spruce and fir which are made into dimension lumber sold in the U.S. market. Some of this also happens in New Hampshire. In Maine, as much as 500 million board feet of logs go to Quebec mills from the forest industry and log private owner lands. A 1981 Maine DOC study states that for the period 1969-1979, Seven Islands Land Co. was the major exporter of logs in Maine. The report states further that almost all the export of logs were cut from their land or from that of a handful of major paper companies. The 1981 study on Export of Maine Logs to Quebec concludes that 40 Quebec mills employ direct- ly 2147 mill workers, with a total of direct and indirect employment generated by the processing of Maine logs of about 30,000.

It is not stated whether the 30,000 total includes the Quebec woodsmen who commute to Maine to cut this wood, bringing their own machinery in many instances. This payroll is lost to the local economy. It has been estimated elsewhere that about half the wood cut in Maine in the '70s and '80s was cut by Canadians, even in Washington and Hancock counties (which have the lowest per capita incomes in the NFL study area). We don't have numbers for today, but we do have currently a large number of these advertisements by contractors on industrial lands who intend to import alien workers.

A recommendation to the effect that tax shelters and subsidies be denied landowners who engage in export of round logs or employment of commuting aliens, or both, is in order. These practices might also be roundly condemned as economically destructive.
Steve Whyte—Bethel, ME (owner of Sunday River Inn and Ski Touring Center): "The only way a land owner around here can end up in Aruba is to liquidate his land. The writing is on the wall—tourism is replacing wood. Jobs are scarce in wood. I guess we are experiencing another Massachusetts invasion here in the Sunday River Valley. The people from Massachusetts don't try to find out about the area, how people live here."

Homer St. Francis—Missisquoi (Abenaki Chief): "They are vacuuming the forest. You can write how there used to be a forest. Now we are looking for the rest of it. They don't leave a God damned thing."

Dee Bright Star—Missisquoi (Abenaki leader): The paper companies have raped the land. Maybe next time we'll tighten up our immigration laws. You can't just keep picking apart the earth or there won't be any earth left."

Marcia McKeague—Millinocket, ME (Bowater-Great Northern Paper Head of Forestry): "I wish the environmental groups would stop hyping this area. They are creating a need for increased public ownership... I don't want to see forestry become a business of lawyers. I don't want people unfamiliar with forestry making decisions... Our practices will change—they already have because of public pressure."

Jym St. Pierre—Readfield, ME: "There are still people alive today who knew the Maine woods when it was the "Wildlands." They know the devastation, and it breaks their hearts. I've lived here my whole life, and have seen the idea of the "Maine Wildlands" taken over by the notion of the "Working Forest"—domestic, drained of wildness, fragmented, bereft of native species. It has been a terrible loss."

Jamie Sayen—Stratford Hollow, NH: "There is a difference between ecological and political compromise. Tax rates, etc. can be haggled over. But ecological reality cannot be compromised. Take gravity. Is it an option? It's not an option. And how can you make a moral compromise? You can't. We can't compromise the impact of industry on the ecosystem."

Mitch Lansky (author of Beyond the Beauty Strip): "The Beauty Strip is a compromise—an illusion—that hasn't worked. It hasn't worked for recreation, for wildlife, or for society. Going beyond the beauty strip is a symbol of failed policy. Whole townships are being stripped bare. Who's doing anything about it?"

Dick Beamish—Lake Clear, NY (National Audubon Society field representative): "We are down to the remnants. We must preserve what's left. When this recession ends, the development pressures on the backcountry will be greater than ever before. If we blow it in the 90s, we will have nothing to pass on to successive generations."

Robert Frank—Bradley, ME (USFS Penobscot Experimental Forest Director): "A 10,000 acre clearcut can be good forestry from a purely agricultural perspective. People don't mind seeing wheat fields growing to the horizon. But there is something that is very upsetting to the public about clearcuts that likely won't change."
Recreation and Tourism Subcommittee

Public Land—The Key to New Options in Recreation & Tourism

by Andrew Whittaker

Based on the findings of the NFLC’s subcommittee on Recreation and Tourism that indicate #1 the reliance of tourism in the Northern Forest region on the forest landscape and #2) the pressures on these lands that promise to reduce their ability to offer amenity values (parcelization, conversion and population as well as equally significant forestry practices not addressed), the Council should recognize that by purchasing public lands the Northern Forest Region can secure the infrastructure of a healthy tourist industry (option 19d).

Public land is at the core of supporting the many initiatives appropriate to private enterprise listed as options by the subcommittee (i.e., 24, 29a,b,c etc.). Without an adequate base of public land sufficient to ensure that the Northern Forest can function as a landscape ecologically complete, many of the options listed for promoting and promoting this area would amount to false advertising. The quality which inheres in the Northern Forest is to be found in its integrity as a landscape, and it is this which public land acquisition offers to the region as a whole and cannot be otherwise secured.

In developing any recommendation for the purchase of public lands, the Council must also recommend that such lands be established not as recreational wonderlands to relieve pressure on existing and over-used public lands—but that forms of tourism be developed primarily on forest values.

Turns that knit a regional identity and foster a tourism based on these are critical. The subcommittee has identified several options that are central to this task, would cost little, require little extra effort from government, and that would be made possible by acquiring public forest land.

Trails

(Options 29d, 32). As the subcommittee found, demand for trail-based recreational opportunities is increasing and will be sustained by demographics; hiking, biking, canoeing and cross-country skiing are low impact ways to participate in the natural environment and require services of private enterprise that could create jobs in rural communities.

What has made the region traditionally attractive is the back-country experience it offers; this, rather than intensive day use, is the best recreational strategy to pursue.

Option 18 refers to ISTEIA monies which are being pursued separately by numerous entities across the region to create local bike and foot trails. A coordinated effort could create the infrastructure that would make the Northern Forest a major draw for the bicycling tourist. Current highway design is totally inadequate for the cyclist; a sustainable network of safe and scenic bike routes established along existing rights of way and abandoned railroad beds would be unique in the nation and help support an activity that would draw on the maximum value of the surrounding landscape without detracting from it.

Hubs

(Option 26). “Concentrated growth areas” where development resources and initiatives could be directed. The Council should recommend that the region identify towns that could become trail, biking and river hubs where in addition to services provided through private enterprise, such cultural initiatives as museums and historical interpretation (all of option 29, 33) could occur. These towns should be at the intersections of several modes of recreation and near large blocks of public land. In addition, ways of compensating private landowners in such areas whose land management practices support forest values and are receptive to low impact use of their land should be part of the hub effort (option 7).

The thrust of several options is that the region develop more as a destination than scenic pass-through. Key to this is an enhancement and development of localities in a way that will attract and bold tourists for a week rather than a day as well as promotion of slow paced alternatives to motor touring.

Option 23 suggests bringing urban youth to the region to do trail and facility improvements. While this specific idea should be promoted (and should include local youth), to generalize from it, any public land and cultural promotion effort should seek ways to demonstrate that a healthy forest environment offers society a potent tool for avoiding social costs both in the region and elsewhere (where the lack of skills training that has resulted in both urban and rural deindustrialization and underemployment being but one example).

Option 30 refers to re-establishing historical rail systems. Certainly the Council should recognize the re-birth of rail passenger networks in the country and region, although not to the exclusion of other public transport—bus and ferry.

The extension of rail service to Portland could conceivably extend north, and the Montreal trains already run through New York and Vermont.

Public transportation/trail interfaces should be planned for and promoted.

Option 38, to take no action to retain and enhance opportunities for forest-based recreation and tourism would be appropriate in the absence of any strategy to protect the forest which underlies the long term viability of tourism in the Northern Forest region.

Recreation & Tourism Subcommittee

More Public Lands Needed to Meet Tourism & Recreation Demands

by Jamie Sayen

The message from the Recreation and Tourism “Findings & Options” is clear: we need to add millions of acres of land to public ownership. Existing public lands, especially in northern New England, are inadequate to meet the current and projected recreation demands. Over-use leads to degradation which both compromises the quality of the recreational or tourist experience, and—more importantly—further degrades the ecological integrity of the region.

Private lands cannot adequately relieve the pressures because: (1) more and more private land is being withdrawn from public access for a variety of reasons (exclusive leases, subdivision, posting, landowner liability (finding #1)), and (2) liquidation clearcuts on huge amounts of the larger tracts have made those lands unattractive to recreationalists, tourists and many foresters. Apparently 1.5 million acres were clearcut in Maine in the past decade or so. This land is not going to support significant recreation opportunities in the near future.

To illustrate the dilemma: the 200,000 acre Baxter State Park is so overcrowded that a proposal to ban motor vehicles is gaining increasing attention. Meanwhile, 5 million acre private North Woods Reserve, host to hundreds of thousands, perhaps millions of acres of recent clearcuts, is far from over-utilized precisely because of the degraded condition of the industrial back-country.

Option 19d: “purchase additional lands for public use from willing sellers” is far and away the most important option offered.

Other options (esp. 22c, 29b,a,e,f, & 31) identify some important options for cultural restoration that would improve the quality of life for the human communities of the region as well as attract the more thoughtful sort of tourist and recreationist.

The options dealing with landowner liability and other landowner concerns point up the problems with too many roads (most of the vandals and illegal dumpers gained access to the vandalized property with mecha­ nized equipment), and the lack of public lands.

Although there are undoubtedly steps that could be taken to provide landowners incentives to keep their land open to the public, the reality is that the loss of access to private lands will continue. Accordingly, public land acquisition from willing sellers is the only realistic hope.

Remember: there are currently as much as 3-5 million acres for sale or considered non-strategic to long-term owner plans in the Northern Forest region.
Land Conversion Subcommittee
More Land 'Converted' by Destructive Forestry Than by Development

by Mitch Lansky

The Northern Forest Lands Study was initiated because of major land transactions in the region during the 1980s. Now that the data has been able to gather data concerning what actually happened. The data from this subcommittee is important in explaining the motivations of large landowners for sales during that period and are thus important to the work of many of the other subcommittees.

Mission
The Council believes its key mission is to prevent "land conversion." The Council defines "conversion" as the change in a change of traditional uses of the Northern Forest Lands to non-forest uses and diminish forest values. (pg. 57).

Among the concerns of this subcommittee are:
- sustainability of forest products;
- abundant, diverse wildlife habitat;
- public access;
- air and water. (pg. 57)

Based on these concerns, one might think that forest practices would be the primary focus of this subcommittee. In the state of Maine, landowners have converted thousands of acres of forested land into roads, yards, and powerline corridors. These concerns have resulted in the conversion of, perhaps, millions of acres of mature forest to developing and hundreds of thousands of acres of spruce fir to other types in the last decade. The volume of spruce fir has also declined drastically. Such changes are clearly taking land out of forest, reducing important wildlife habitat, and diminishing the sustainable flow of certain wood products.

The subcommittee, however, chose to specifically exempt forest management from their scrutiny. "Forest manage­ment," they write on page 57, "is not itself, is not to be land conversion as defined by the subcommittee."

This subcommittee instead was more concerned with subdivision and development of forest land and real estate. Ironically, even much of the land that the subcommittee considers to be "converted" actually is still in forest use. When developers create 40 acre lots, often only a small fraction, located near roads, is cleared for housing—the rest may even still be left under the Tree Growth Tax. To stay under this tax, landowners must submit management plans. Subdivision, and even the creation of households, in and of themselves, are not necessarily a threat to the forest, biodiversity, or the local forest-based economy—it all depends on where it occurs and how the land is treated. Likewise, consolidation of landholdings by an exploitive, destructive landowner could definitely harm important values and to identify such properties and either:
- *purchase them;
- *put restrictive easements on them;
- or, zone them.

Increasing profitability of forest management through reduction of taxes or "stabilizing" regulations alone will not work to prevent conversion of real estate, nor will it alone prevent converti­on of forest land from abusive forest practices.

Options
1. The subcommittee rightly recognizes the need for better information. Beyond the listed recommendations, data collection should include: the percentage of land that retains tree cover and/or remains under current use, the consolidation of timberlands by large ownerships; and the increase (or decrease) in forestland as farmland and pasture revert back to trees.

2. It is an excellent idea to review the effectiveness of existing land use regulations, and to determine if they are inconsistent with current conservation goals. Limiting change of existing regu­lations is not so exceptional an idea—especially if existing regulations are ineffective and inconsistent with conserva­tion goals. If the public demands fre­quent changes in the law, it probably indicates that the laws are not working and that a better solution should be found.

3. Incentives for landowners should be for how the land is treated, not so much for the type of ownership. If it pays to treat the land well, people will tend to hold the land longer. Goodness will be its own reward.

While a "quotient mechanism" for land purchase could avoid the problems encountered in New Hampshire's Nash Stream watershed, there is also the possibility that a "Quotient" of the existence of such a fund could lead to abuses. Landowners could ask for inflated prices from the government and keep the extra to sell to developers if the price is not given. Landowners, before selling to the govern­ment, could flatten their timber and escape paying taxes on nonproductive land. Such problems are exacerbated if there is a conflict-of-interest of the govern­ment officials who deal with the land. A better solution should include safeguards within it.

4. While a "quick response mechanism" for land purchase could avoid the problems encountered in New Hampshire's Nash Stream watershed, there is also the possibility that a "Quotient" of the existence of such a fund could lead to abuses. Landowners could ask for inflated prices from the government and keep the extra to sell to developers if the price is not given. Landowners, before selling to the govern­ment, could flatten their timber and escape paying taxes on nonproductive land. Such problems are exacerbated if there is a conflict-of-interest of the govern­ment officials who deal with the land. A better solution should include safeguards within it.

5. Ironically, the subcommittee sus­pects that federal land law changes in 1989 may reduce the potential of the type of management that the subcommittee is addressing conversion. Among the sites.

6. The positive effect of improving debt financing for "green" companies depends on how one defines "green." It also depends on forest practices that lead to productivity and quality and to good paying markets for high quality timber. If the Council does not address forest practices and barriers to market diversity, one cannot expect much sub­stantial on this issue.

7. Taxes to penalize short-term land transactions should help to reduce short­term land conversions.

Other Options
Based on this discussion, the sub­committee should also have looked at options to reduce unwanted biological conversion of forestland to other uses. Such a fund could be done, however, the subcommittee would have to analyze how this would be occurring, to what extent, and why. Because of the complexity of the analyses, this subcommittee is addressing conver­sion of the beauty strip (where the impact of development is greatest), but missing the conversion of the forest.
A Northern Forest Boundary Makes Economic Sense

by David Miller
National Audubon Society

As the Northern Forest Lands Council is considering tax incentives for the forest products industry, there is a need to make them Northern Forest specific. Tax incentives need to give advantages to companies that are undertaking sustainable forestry within the Northern Forest region. The current Northern Forest study boundary outlines a 26 million acre area which should be designated for these forestry programs.

Thus, taking the 26 million acre study boundary and having Congress pass legislation which makes companies within the boundary eligible for tax incentive programs for activities within the boundary makes economic sense. Congress could designate the current study boundary for other economic programs such as community development grants and local planning dollars. A permanent Congressional boundary for the Northern Forest study area could also be a vital way to attract federal dollars for conservation programs such as the Forest Legacy and the Land and Water Conservation Fund.

The Northern Forest Region needs to be permanently defined by Congress for economic, community and ecological reasons. The Northern Forest Lands Study boundary is our current mechanism to address these issues and the region should not let it disappear with the Northern Forest Lands Council next fall. If Congress does not re-designate the current study boundary for the purposes of implementing programs agreed upon by the Northern Forest Lands Council, there will be no mechanism that sets this region apart from the needs of the rest of the country.

The people of the Northern Forest should not be afraid to highlight their region as a special place that deserves federal dollars for its communities, industries and natural communities.


Some additional detail would have provided more guidance to the Subcommittee's work.

Findings

1. The Subcommittee states that "The Land Conversion Subcommittee found that the most important factor driving forest land sales in the region is the lack of a suitable return on the investment in forest land [emphasis added]." This is false. The Mid-Summer 1993 Land Conversion Subcommittee's findings state that lack of return on investment and the need to raise cash for non-forest purposes were the primary reasons for landowners selling land. That finding is closer to the results of the James W. Sewall Company's Land Conversion Study, on which the Land Conversion Subcommittee's findings is based. Sewall reports that the three most frequently cited reasons for land sales during the 1980-1991 period were: the need to raise cash for non-forest uses (more than 53% of survey respondents); estate considerations and/or the owner's age (more than 25%); and lack of suitable return on investment (more than 20%) (Sewall 1993, p. 41). Thus, a lack of suitable return was, in fact, the third most important reason for forest land sales in the region.

Given that the justification for several of the options is a presumed connection between federal taxes and the lack of suitable return on investment coupled with an incorrect observation that a lack of suitable return on investment is the primary reason for land sales and conversions, the options...
aimed at boosting returns cannot be accepted without reservation. The Subcommittee claims that its review of federal tax law has been "comprehensive." In my opinion, the review has been cursory, at best. It is true that the Duboff and Hagenstein study does cover all of the likely tax code changes, and it does provide a sense of how various provisions might affect behavior of a hypothetical landowner. However, their study provides no evidence that the changes proposed would be effective for conserving Northern Forest land, or that the changes would not be prohibitively costly or politically infeasible.

Theodore Howard's paper (1992), at least, does mention the possible limitations of using the tax code to affect forest landowners' returns in hopes of supporting "conservation." For example, he notes that "there is no empirical work on the joint production of timber and public goods in the Northern Forest Lands Region." In the end Howard concludes, in part, that reduced preferential capital gains treatment for timber land will stabilize forest land and provide conservation benefits to the region (p. 19).

In the week since I received a copy of Findings and Options, I have conducted my own necessarily brief examination of the issue of taxes, timberland owner behavior, timber supply and forest land use. This experience shows that with an effort that were truly comprehensive, the Subcommittee could have made much more informed policy recommendations. Some useful information includes the following:

1. The passage of the Reform Act of 1986, federal tax expenditures (that is, what the U.S. Treasury does not collect due to the presence of various tax breaks) for capital gains treatment of timber income would have been between $800 million and $900 million each year from 1986 through 1990 (Joint Committee on Taxation 1985). Just that portion of these expenditures accruing to individuals ($200 million) is more than what the Federal Government spent on its entire state and private forest estate in 1991 (USFS 1993).

For reinstatement of capital gains and any other proposed tax expenditure, the Subcommittee must provide some estimate of the fiscal impact, and suggestions for how resulting increases in the federal deficit would be offset by tax increases or spending cuts.

2. The disposition of forest land may have little to do with timber income. As noted above, only about one-in-five landowners cited lack of suitable return on investment as a reason for using land in a way other than the open market. The heir's decision to manage, own and conserve their lands in perpetuity may have been exaggerated. Several "partial equilibrium" analyses of TRA '86 found ownership changes that large resulting declines in timber production (e.g., Green and Kluender 1988). By focusing on just the forest sector, however, these analyses ignored several factors that tend to dampen the effect of tax changes. Boyd and Newman (1991) took a "general equilibrium" approach which suggests that the impact of TRA '86 on the forest sector, while larger than its impact on other sectors, would really be much smaller than the impact predicted by partial equilibrium techniques. Moreover, the computed impact (1.4% less output and 1.8% higher taxes) is small relative to the overall size of the sector. The estimated increase in tax burden of $367 million per year (in 1984 dollars) is less than the federal tax expenditures for capital gains treatment of timber.

3. Given the Subcommittee's recognition that actions resulting from tax policy changes "are often not trackable, quantifiable or provable (NFC 1993, p. 48)," it is astonishing that, less than one page later, its first finding is that "Changes in federal tax laws...impact the ability of many forest landowners in the Northern Forest to manage, own and conserve their lands for the long term (NFC 1993, p. 49)."

No evidence that is "trackable, quantifiable or provable" is offered for the Subcommittee's newfound confidence that such a clear connection between tax policy and the individual actions it affects. Indeed, the available evidence suggests the opposite—that federal tax policy has not played a large role in forest land ownership.

As the Sewall study notes, only 3 percent of surveyed landowners included "federal income taxation policies" as a reason for selling Northern Forest land (1993, p. 42). All findings and options based on the assertion that TRA '86 was a major factor in recent sales and conversion of forest land in the Northern Forest are therefore suspect. In today's budgetary climate, and with the weight of existing evidence suggesting only a negligible effect, the Subcommittee will need to reason from the evidence that adverse effect on forest land conservation exists. Only then can any related tax code changes be seriously considered.

4. The Subcommittee's second finding is a prime example of the obfuscation of conservation with timber management. Current federal tax policy, especially with the new Alternative Minimum Tax provisions cited under Finding 4 and Option 3, does encourage the donation of land and/or easements to conservation or other qualified organizations. The same is true in the area of estate taxation in that bequests bequeathed with a conservation easement are assigned a value that is lower than their highest and best use value. Nevertheless, the Subcommittee declares that current policies discourage the ownership and investment in forest land in the Northern Forest States for "conservation purposes."

5. I fail to understand the basis on which the Subcommittee concludes that the use of a highest and best use approach to valuing property results in "excessive valuation (NFC 1993, p. 49)." From an economic standpoint, land bequeathed to an heir is worth exactly the price the land could fetch on the open market. The heir's decision to withhold land from that market or to employ the land in a use that the market does not value as high does not affect the value that has been inherited. Whether or not one agrees that such estate taxation serves a legitimate public interest in redistributing wealth and encouraging the highest and best use of resources, it is no reason to assume that highest and best use calculations will systematically produce "excessive" valuations.

Options

1. Having just defended highest and best use valuation, I should perhaps start this section with the observation that the Subcommittee is probably the most clear about what is and what is not a conservation easement on some or all of the inherited land seems to be the most direct means of protecting against the adverse effects of breaking up large tracts.

I should pause here to emphasize THE BIG CAVEAT: we need to be very clear about what is and what is not a conservation easement. If the study by Duboff and Hagenstein is any indication, continued, unmodified timber management with a promise not to develop land until the end of the rotation might be considered a conservation easement. If the public is to forgo revenues from estate taxes (and the benefits such revenue would provide) then in return, it must get an easement that truly conserves what the public values in the Northern Forest lands. Easements must be long-term and conform with sustainable forestry practices.

Option 2a, allowing heirs to decide, post mortem, to donate conservation easements on some or all of the inherited land seems to be the most direct means of protecting against the adverse effects of breaking up large tracts.

Finally, Option 2a, increasing the time allowed for making estate tax payments, is not a likely to be a useful adjunct to 2a.

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Land Disposition
Continued from Page 21

ments would strengthen Options 2a and 2d. Heirs would have more time to make decisions on post mortem dona­
tions of timberland holdings or to refine management plans that may affect the current use value of inherited lands.

2. Not all the provisions related to estate taxes have the same sound. Option 2c, which suggests excluding lands under conservation easements from estate tax assessment is not viable because land under easement is not devoid of all value. The heirs could still use such lands for both commercial and personal benefit. Thus it is appropriate that the estate tax be assessed on the reduced value of the land.

Option 2b does not seem to bear directly on the issues of land conservation in the wake of a landowner’s death. Rather, this option seems only to be an attempt to perpetuate the uneven distribution of wealth that estate taxes address. There is no direct link in this option to conservation objectives, except that, for some small group of heirs, having an extra quarter of a million dollars may make decisions on post mortem donations of timberland holdings more possible. There is no direct link in this option to conservation.

There is no direct link in this option to conservation objectives, except that, for some small group of heirs, having an extra quarter of a million dollars may make decisions on post mortem donations of timberland holdings more possible. There is no direct link in this option to conservation.

3. Regarding capital gains, I have no problem with the concept of capital gains treatment. If the scale didn’t start sliding until, say 30 years, then maybe the Subcommittee might be onto something. The arrangement would ensure that federal taxpayers would not simply be subsidizing the continuation of short­rotation timber management in the Northern Forest.

4. Any proposal to reinstate capital gains treatment (or any other form of subsidy) must be coupled with a proposal, such as in Option 9, that lands would qualify for the preferential tax treatment if and only if they are being managed in accordance with legitimate, scientifically­based conservation criteria. In its draft recommendations, the Subcommittee must be specific about what would qualify as good manage­ment and what would not. The Northern Forest States, the Congress, and the American people need to know what they are buying with their tax expenditures.

5. It is heartening to see at least some treatment of incentives for develop­ment in the Subcommittee’s options. It is crucial, however, that the Subcommittee recommends only “fur­ther study” of the effect of the deductibility of second home mortgages on conservation. Such a proposal would be too quick to recommend large new tax breaks for timber harvest that may or may not have any impact on forest conservation. The Subcommittee should at least as boldly in discouraging the large con­version of forest land through second home development as it is in encouraging speculative (at best) forest conserva­tion through subsidies (tax expenditures) for timber management.

Deductibility of interest on owner­occupied housing (both first and subse­quent homes) cost the U.S. taxpayer some $42.3 billion in 1990. Based on Boyd and Newman’s estimates, that is roughly 100 times greater than the importance of the IRA “26b” in encouraging saving in the same year. It seems likely that removing the deduction of second home mortgage interest could more than offset the potential impact of any rein­forcement of post­1987 tax provisions that are working the timber industry.

Conclusions

There are three main problems with the Findings and Options of the Subcommittee on State and Federal taxes: First, the findings and options have no unified theme regarding the biodiversity of wealth that estate taxes address.

Second, the Subcommittee has not considered the cost of any of the proposed tax code changes (however defined) in the Northern Forest. It has not considered how or from whom increased tax expenditures for conservation (however defined) will be raised. Will other tax expenditures be reduced? Should we consider other programs cut? If so, which ones?

Each of these points suggests a need for the Subcommittee to answer some fundamental, but difficult questions concerning federal taxes. If those questions cannot be answered before the NFLC sessions, then the best course would probably be to pass on tax code changes for now. The possible excep­tions are Options 2a, 2d, and 2e, relating to estate taxes.

Tax Breaks Don’t Assure Conservation of Public Values

by Mitch Lansky

No one likes to pay taxes and everyone can usually come up with good reasons why his or her tax burden should be reduced. However, if we are to have government, we have to fund it somehow. Since both state and federal governments are going through financial crises, reducing taxes for everyone is not a reliable data that proposed tax changes will achieve the goals they are supposed to achieve.

The Northern Forest Council
The Northern Forest Forum
Autumn Equinox 1993
The Destiny of the Northern Forest: Large-Scale Landscape Conservation
by Jym St. Pierre

In the short-term it is disheartening to see the many forces degrading the Maine Woods and the rest of the Northern Forest. However, I have been thinking about a great deal lately about our history. The lessons of the past can show us not only what has been lost, but what may be revived. They can inspire us not only to a vision, but to a passion that demands that we learn to live better here with nature. I powerfully sense an historic inevitability moving us toward large-scale landscape conservation in this region.

The early story of how we treated the land is, in retrospect, a great embarrassment. Settlement began only six years after Columbus reached what he thought was India when John Cabot cruised through the Gulf of Maine, rediscovering continental North America in the process. A century later, in 1525, Esteban Gomez penetrated the Maine Woods to head of tide on the Penobscot River, kidnapping five dozen natives from Maine and Nova Scotia on his way back to Spain. By the early 17th century European explorers and exploiters were regularly poking into the forbidding, yet inviting, wilderness along the shore and rivers of the Main. Soon a few settlements were planted on the coast and islands. As early as the 1620-30s outpost settlements were being established along navigable waterways inland in Maine.

The original Americans were, of course, obviously not treated by the European conquerors and settlers. And as elsewhere in the Americas, disease was devastating. Three years before the Pilgrims set sail for Plymouth Plantation the native population in New England was decimated by a smallpox epidemic. With the aboriginal inhabitants virtually eliminated in many areas the appropriation of the lands was relatively swift.

From the colonial period into the 19th century the majority of Maine's wildlands was considered by the new owners to be settlement and development. To encourage this it was public policy to expeditiously privatize the forest ecosystem that makes up northern forest. As the big trees were hunted and the forests, a great deal of timber was sold to Europe. By the early 19th century the majority of Maine's remaining wildlands were under unprecedented attack by the lumber barons and their mountain men. The pressure to establish other national forests in Maine were fended off repeatedly by the forest industry.

On the Maine coast, in the early twentieth century, Acadia was established as the first national park created entirely by private donations. Up north, by 1931 Percival Baxter had personally bought and donated to the people of Maine the first 5,960 acres of what was to become 202,000-acre Baxter State Park. Soon Baxter greatly expanded his vision for Maine's grandest wilderness park. During the New Deal the federal government acquired numerous areas for parks, refuges and conservation. In the mid-1950s the best of these areas were deeded to the state to become the heart of Maine's state park system.

By mid-century, Maine's remaining wildlands were under unprecedented attack by the lumber barons and their industrial offspring. The special areas that were permanently protected were still scant. 'Thereafter we did create the Allagash Wilderness Waterway, the Appalachian National Scenic Trail, and the Bigelow Preserve in the 1960-70s. We did recover and consolidate close to half a million acres of public reserved lands, and establish a wildlands zoning agency in the 1970-80s. We did legislatively put some rivers off limits to hydropower development and acquire 50,000 acres of spectacular lands through the Land for Maine's Future program in the 1980-90s.

Yet, the dream of achieving large-scale landscape conservation in the Maine Woods remains unfulfilled. Today only five percent of the state of Maine is in state and federal conservation ownership. Of the nearly 200 million acres in the state a mere one percent is protected as state and federal Wilderness.

Many say it is naive to think we could redress the imbalance of protected lands compared to managed lands in Maine. Yet, almost inadventently, there are hopeful signs. In 1989, for instance, The Wilderness Society boldly urged the creation of a 2.5-million-acre Maine Woods Reserve wrapped around Baxter State Park as a wildland core.

Over the past five centuries the world has changed much. We have been through the age of exploration and exploitation. The time has come for the age of restoration and sustainability.

Even over the past few years much has changed. The dream of creating not a single reserve, but a system of buffered, interconnected, protected wildland areas throughout the Northern Forest is taking root in the imaginations of more and more people.

The list of environmental problems that could be solved simply with additional money or laws has diminished. We are down to tough choices that often challenge values. The pressure to reach consensus on conservation issues will swell, and perhaps no issue better symbolizes the struggle for a new consensus than the Northern Forest.

As we ensure that struggle I hope we recall the lessons of history, natural and human. Living with nature means giving some space to the wild. Living with ourselves can mean remembering that most of the greatest conservation successes, here in Maine and elsewhere, took years to achieve. However, with perseverance the momentum of history can help carry the cause to restore and preserve the ecological integrity and beauty of other special places as it did for Baxter Park.

That is the destiny of the wildlands of Maine that we can make manifest. That, I believe, is the destiny of the Northern Forest toward which the momentum of history is surging.

Autumn Equinox 1993
Property Taxes Subcommittee

Tax Breaks for Industry Don’t Benefit Forests or Local Communities

by Mitch Lansky

Goals

The challenge of this Subcommittee should be to come up with recommendations for taxation systems that:

- raise adequate revenue for local governments;
- are not assessed at confiscatory levels;
- are reasonably “fair”—i.e., they tax based on ability to pay, and do not give preference to one group by putting an undo burden on another;
- are not subject to abuse, public concerns for open land, public access, timber productivity, and wildlife habitat;
- represent the least-cost solution to achieve specific public goals.

The major concern of the Subcommittee, however, seemed to be to find ways to reduce the property-tax burden for large forest landholdings, or to justify low rates of taxation already in existence. The findings on existing current-use programs were particularly weak. If we can not help but have problems in existing programs, it is doubtful we will be able to avoid similar pitfalls in proposed programs.

Findings

While most of the findings of this Subcommittee were factual and informative, some were not. Indeed, I, and others, pointed out the flaws in some of the following findings when they were in draft form.

9. Finding, that this industry is “unprofitable” if taxes are higher than $1 or $2 an acre, is contradicted by a model used by RSG (pg. 4.39). The RSG calculations (using a USEPS model) suggested that a managed hardwood stand would have a 90 year Net Present Value (NPV) of $345 at a 5% discount rate. The PVA model’s taxes of $3 for 90 years at a 5% discount rate is $59, which seems to allow a considerable profit if “profit” means income above expenses (rather than a rate of return on investment).

10. It was suggested that a forest owner with 300 acres in Maine (he also has holdings in Vermont and New York). He informed me that his average stand holds over 20 cords and yields over 0.5 cords per acre per year of harvestable wood (a 2.5% net growth rate) and his average stumpage rate to be around $20. Although he tries to find best markets for his products, he is mostly “low grading” the stand to improve future quality. He suggests improving timber management and finding higher paying markets do not produce more forest acreage per dollar than reducing property taxes by one or two dollars—and it would help ensure adequate revenue.

15. The Subcommittee claims that current-use programs are not subsidies, but rather a conservation policy. They base this claim on theory, rather than fact. Ninety percent of the forest lands at current use in the region are in Maine. Around 20 landowners own 10.5 million acres, or 34% of the entire Northern Forest Lands in the state. There are 10.5 million acres of forest land assessed at current use in Maine.

16. The Subcommittee did not have a finding on what percentage of the land taxes on current-use use is owned by large landowners, but it would not be surprising if over 90% of this land is owned by less than 1% of the landowners. Thus the biggest beneficiaries of this tax reduction are a very wealthy minority—including multinational corporations.

17. The Subcommittee argues that current use allows long-term stewardship, but does not ensure that it will happen. This is an admission that in many cases the tax reduction is an unwarranted subsidy. The public pays increased costs but may not get a benefit.

18. This finding claimed that with current-use programs, over 12% of enrolled parcels would be at risk of subdivision and conversion in the near future. Such a finding (over a million acres at risk) is hardly credible. Only 39,000 acres in the region were “developed” over a ten year period of rippling land boom. The figure given for the percentage of timberland represents 9.8% (rather than 12%) of current use lands and 4.4% of the Northern Forest Lands area. Some of this may be at risk of subdivision probably a very small percent of acres that would actually be cleared for development.

19. The finding does not mention the location of most of this “at risk” land. It is quite unduly not scattered uniformly through the region, but is instead concentrated in m arginal areas, where development already has intruded. In finding 15, the Subcommittee admits that most of the land in the low-population areas of the unorganized territories are not at risk.

20. Rather than give tax breaks to all areas, whether or not there is a chance of subdivision. Such programs should be aimed at areas where the potential for development is highest and important public amenities are at greatest risk.

27. This finding listed a number of problems with current use tax systems in the region, leading to instability. Unfortunately it missed some major problems:

a) The Tree Growth Tax Law (TGLT) (which values timberland based on weighted stumpage rates, USDA growth figures, and a discount rate) undervalues Maine timberland, leading to artificially low taxes. Stumpage figures and growth rates are particularly unrealistic.

b) The stumpage values are low for a number of reasons: The NEPA report for Maine admitted that these stumps get reliable information on stumpage because (pg. 3) "In Maine, large quantities of wood are sold on a contract basis directly to mills, rather than as stumpage." Furthermore, vertically-integrated companies cannot use stumpage values to sell forest from one division to the next that fits their tax needs.

c) The growth rates are low because they were computed during a spruce budworm outbreak.

28. This finding lamented that officials assessed property owners don’t appreciate current-use programs enough. But if the previous criticism of the lack of appreciation is warranted.

29. The Subcommittee confused theory with reality when it assumed that higher-quality timber, and conservation of soil, water, and wildlife resources were given benefits (some of which could be priced) of current-use programs.

While some small woodland owners may very well benefit from a uniform requirement for a management plan, by far the majority of current-use lands in Maine are owned by large landowners. (In their May 15 report to the Council, pg. 7.5 wrote, "most people acknowledging landowners would not change industry practices.

One can readily determine from some photos and ground truthing that in some towns, large enough practices have resulted in the removal of nearly all mature forests. This does not lead to higher-quality forests (in our situation), nor does it improve conservation of soil, water, or wildlife dependent on mature forests.

30. The Subcommittee used RSG’s calculation of the present net benefit over 90 years of tax reductions (with a benefit of a management plan to demonstrate the priced benefit of current use. But it gave no evidence that because there was adoption of a management plan that management actually did improve to the extent assumed by the model. The plan requirements in Maine are not all that strict. Nor are the forest practices laws.

The reader gets to compare the $46 million dollar tax advantage of a management plan with a $12.5 million dollar cost of tax shifts. But the (theoretical) 27. A majority of problems (rather than the tax program) are responsible. The implication here, is that if over 90% of this land is taxed for Tree Growth. Despite 20 years of taxation, the quality of the forest has declined, especially for spruce and fir. Most of the stumpage figures of large landowners who are taxed under Tree Growth.

Options

Some of the options presented by this Subcommittee are quite interesting.

Howard Moser, Intrasg, VT. Author of Disappearances, Where the Rivers Flow North. All These lands were going to farms in 1964. Then costs went up, but the price of milk did not... It’s a good thing I came here when I did. Those people I write about aren’t here anymore. They’re gone... Vermont has good laws of soil, water, and wildlife dependent on mature forests. This does not lead to higher-quality forests (in our situation), nor does it improve conservation of soil, water, or wildlife dependent on mature forests.

The reader gets to compare the $46 million dollar tax advantage of a management plan with a $12.5 million dollar cost of tax shifts. But the (theoretical) 27. A majority of problems (rather than the tax program) are responsible. The implication here, is that if over 90% of this land is taxed for Tree Growth. Despite 20 years of taxation, the quality of the forest has declined, especially for spruce and fir. Most of the stumpage figures of large landowners who are taxed under Tree Growth.

Options

Some of the options presented by this Subcommittee are quite interesting.
and should be pursued further. Unfortunately some other good suggestions mentioned in studies commissioned by the subcommittee got left out. The following are a handful of options that, I feel, should be further pursued by the states:

*Funding for Education: Option #2a recommends shifting funding for education away from local property tax. Residents would pay more through income and sales, but non-residents (such as paper companies) would still pay largely through property taxes. Maine used to have a uniform property tax that helped to even out the disparities of community wealth. This type of system should be re-examined.

*Prevent Development: Finding #36 (see above) made it clear that the best way to assure that special areas are not developed is to tie current-use zoning with current-use taxation. This, for some reason, was not made into an option. Zoning should certainly be an available tool, especially where communities need to, and are willing to “draw the line.”

*Promote Productivity: Current-use programs can’t just demand any management plans—the plans have to be designed to improve stand quality and to promote greater standing volume and growth (similar to #1d), without harming other goals, such as protecting biodiversity. The program could have a requirement of maintaining a minimum growth of volume per acre per year. If this is not maintained (due to excessive cutting), the land would no longer be assessed as commercial forestland and would be assessed by other means.

*Public Access: The most successful system mentioned by the subcommittee’s contractor, Ad Hoc (7.6-7.7), was Wisconsin’s, where those taxed at current use must assure public access, with an 80 acre exclusion allowed around residential areas. This option was not listed by the subcommittee.

*Raise Revenues: To the extent that landowners can misrepresent their stumpage and volume levels, a tax system, such as Tree Growth or a Yield Tax, will be ineffective at assessing accurately for current use. The Council should acknowledge that there is a problem and devise means to get more accurate data. This can be a problem, especially if those doing the research include representatives of those causing the problem.

If it could be fairly administered, a Yield Tax (plus a bare land tax—#2c) might be preferable, because the landowner pays when the money is most available (when the timber is cut). These revenues would have to be pooled regionally or statewide and given back to towns by formula.

An even more effective means of generating revenue is a value added tax (VAT). This option has been mentioned by citizens at Maine Citizen Advisory Committee meetings, but was not mentioned in the Council’s latest document. Even a small VAT (1%) could bring substantial revenues to the states, recapturing some of the wealth generated locally.

Forest Practices
Continued from Page 5

There is no organization in Maine of which I am aware that has determined this, and I would feel uncomfortable leaving such a judgment to the Maine Forest Service based on its past performance.

Option 7 reminds us that Maine has lacked a cohesive forest policy, except, perhaps, by default. This extremely important idea should have had substantial research to back it up. Just as the Council hired contractors to review state and international property tax policy, the Council should have reviewed forest policy—including regulations and incentives—to see what has been effective at encouraging practices that are ecologically sound, socially responsible, and economically viable.

Particularly lacking in the Council’s sidewise approach to forest practices is any admission that large landowners are doing any undesirable cutting—except when they “intensively cut” land for “short-term profit” before subdividing it (Land Conversion Finding #19). There are also no admissions that there are any barriers towards improving forest practices that may emanate from the very status quo that the Council is trying to pro­fect. Yet many people whom I have interviewed, from workers to woodlot owners, have identified industrial domination of the landscape and industrial domination of timber markets as major factors inhibiting progress towards better forest practices and a healthier forest economy.
The FORUM RECOMMENDS

Preamble: The sustainability of both natural and human communities in the Northern Forest requires, first and foremost, a healthy ecosystem. In order for this to occur, a significant portion of forested land in the region—perhaps 50% of the land base—must be acquired by the public. The primary objective of a Northern Forest Wildlands network is to ensure the survival and restoration of the native ecosystem—for the first time to place biological considerations ahead of short-term economic gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain. Beyond this, and in recognition that sustainable human economies can only build from what is sustainable ecologically, public lands must offer, and private lands be encouraged to offer, models of a forestry contributing to biodiversity while generating optimal economic activity. Logging practices should add and not detract from gain.

Purpose Boundary

We therefore recommend: The establishment of a Northern Forest Purpose Boundary comprising the area now under study to reflect the regional interests at stake and provide an avenue for federal funds to purchase from willing sellers large blocks of land deemed non-strategic by the timber industry; and provide incentives and assistance for regional economic and cultural reforms. Defining the Northern Forest region with a purpose boundary is a prerequisite for implementing a long-term strategy to acquire land for ecological reserves and to re-direct the regional economy to truly meet the needs of the local communities in an ecologically sustainable manner.

Establish Ecological Reserves

Within this line, a series of buffered and connected core ecological reserves, created from willing seller purchases, will form a regional system of unmanaged land adequate to protect biodiversity and otherwise conform to the needs of the ecosystem. The lands which comprise this Wildlands network would be overseen by a regional body composed of biologists and representatives from all four states, local communities, the private sector, and the Federal government. Any management undertaken on designated public land would be in the tradition of town or school forests and geared to local, non-commodity markets in conjunction with vocational programs or other small-scale operators seeking to develop new models of sustainable forestry practices. These would thus function as "economic reserves" or incubators for diversity of local production. Public lands would make payments-in-lieu of taxes to towns in which land purchases were made and behave like any other taxpayer (except they would offer no development threat).

Conservation Districts

In addition to Reserves, and in conjunction with the Wildlands network, states would be enabled to nominate, within the Northern Forest Purpose Boundary, Conservation Districts in which the role of private managed forest land in protecting biodiversity and promoting economic well-being would be recognized through innovations in investment, taxation and rewarding of superior forestry practices. Conservation Districts should have at their disposal regional conservation tools, but would be administered by local development and conservation advisors in conjunction with local governments. This model of administration should serve as an experimental prototype for future watershed councils proposed by various sources for genuine community control of forest lands. Such local councils could ultimately form a federation for future guidance of the Wildlands network.

Conservation Districts should also serve as prototypes for the re-building of local economies. A key goal would be to promote local economic activity based on forest resources and insure the continuance of a land-based economy by buffering the impacts of development and maintaining the affordability of land for those who wish to farm or homestead. But in recognizing the dangers inherent in selling to commodity markets—and that this faulty tradition has impoverished the region—Conservation Districts would additionally, through such tools as Revolving Loan Funds and marketing research, seek to invest in local businesses that add value, promote economic diversity, and manufacture finished products from local resources, both forest and agricultural. While outside, top dollar markets should be sought, internal needs, such as improving energy efficiency and creating affordable housing, should also be met by encouraging local solutions to local problems with local resources. "An industry for every cottage" should be the economic development credo of Conservation Districts. Conservation Districts should also serve as targets for both private and public monies aimed at deepening historic and cultural ties to the sustaining landscape. Many of these would offer tourist amenities, such as small museums, educational tours and interactive programs in restoration and natural history, while these and others would address current gaps in public and higher education.

Existing Use Zoning

Across the region as a whole, the adoption and encouragement of Existing Use Zoning by the individual states or entities, such as the APA in New York or LURC in Maine, within their respective states, should be recommended to further the goal of insulating the privately managed lands from development pressures so as to preserve the viability of such lands in maintaining both forest economy and ecology. Current Use tax relief could and should be linked to town-level adoption of Existing Use Zoning in those states that lack regional planning bodies: the ultimate objective of current use is an investment in forests and other open land; states are within their rights to secure the investment by linking current use payments to Existing Use zoning. Private lands must contribute to the maintenance of biodiversity. Existing Use will advance this goal. In recognition that the traditional land-based economy was threatened by speculation and over-development in addition to other macro-economic factors during the last land boom, existing use zoning must be designed with the object of preserving an economic as well as ecological land base.

A Network of Ecological Reserves will form the backbone of a sustainable regional economy and improved quality of life for Northern Forest residents.

Recommendations to Congress

"Establish a Purpose Boundary around the Northern Forest Region" "Establish a network of connected, buffered, large Ecological Reserves" "Appropriate Adequate Funds to purchase lands from "willing sellers" for these reserves" "Appropriate Adequate Funds to assist state and local governments develop sustainable economies in Conservation Districts"

Recommendations to States

"Support the recommendations to Congress" "Institute Existing Use Zoning & Ecologically Sustainable Forest Practices as part of the Current Use Tax Program" "Shift funding for education away from local property tax. The burden should be borne by income and sales tax"

Bad Ideas

"Tax breaks to industry (i.e. capital gains, estate tax, reduced property tax) that are not tied to strict incentives (a quid pro quo) that thwart development, assure ecologically sustainable forest practices, promote healthy human communities and promote biodiversity" "Continued avoidance of the issue of forest practices" "Continued assumption that the status quo has served the region well"
A Conversation with Baskahegan’s Roger Milliken, Jr.

Roger Milliken, Jr. is President of the Baskahegan Company, a family company that owns and manages 10,000 acres in Lincoln County, Maine. He is currently Chair of the Maine Forest Products Council and sits on the Board of the Natural Resources Council of Maine (NRCD). In 1983 he published a book The Forest for the Trees a history of the lands owned by the Baskahegan Company. The book was based on diaries that Roger’s father kept on the last day of September on a beautiful autumn foliage afternoon. The reader will note numerous instances in which what was written in the diary cannot be heard is friendly tone in our voices. For this interviewer, it was gratifying to be able to discuss so many contentious and sensitive issues in such a forthright manner. The reward of such discussions is discovering surprising areas of agreement.

After writing the history, I agitated within the family to get involved in Baskahegan. Part of it was: the clear lesson of the history was the pitfalls of absentee management and absentee ownership. At least in those early days it was very clear to me that what representatives of the family needed to be there saying “Yes, we’re really serious about this, and if it means the bottom line isn’t as fat this year as it could be, but is a result things will look better in 10 or 20 years out, that’s always the temptation to look at the bottom line as the ultimate scorecard. It’s a short-term scorecard.

JS: I’m intrigued by the issue of getting off of the unsustainable management regime and getting on to a more long-term sustainable flow of fiber and also hopefully value. We have a 15 million acre area in northern Maine, a large portion of which suffers from the same kind of syndromes that you encountered had you become involved. Part of it is absentee ownership and part of it is this bottom line approach and part of it is just feeling that there aren’t any alternatives. How do we break that cycle?

RM: If we had a luxury at Baskahegan it was the firm commitment of the family to look at the long-term view. Because of the history of forestry in Maine, Baskahegan’s history is no different from the rest of the state where people have gone in and cut what’s of value and diminished—over time. But in essence the family said that our interest owning this land is in a steady flow of value and dollars. How do we grow the most value we can? So, unlike a paper mill ownership, where the incentive is in having fiber to feed the mill, non-industrial owners are all oriented around trying to produce as much value as we can. As Hank [Swan] was saying in his interview, we’re really looking at what natural diversity and grow trees into their remunerative form. If there’s something special about Baskahegan, it has been their willingness to look at building value toward the future. Turning away from higher grading or subtle high grading. So when we do a partial cut operation, we’re taking away the smaller trees, the ones that are being out competed for sunlight and nutrients and leaving the larger trees as a residual stand to cast shade and provide seed, figuring that’s what will be left to look to long-term, it’s not an either-or, it’s the obvious thing to do.

JS: On the industrial lands, how do we come to grips with the need for fiber on the one hand and the need for ecological protection on the other because the right now are in conflict and there seems to be no resolution except allowing the large clearcuts, some plantations and herbicides, or establishing the set-asides? Is there some way that industrial papermaking can co-exist with a society that is committed to landscape-scale protection of ecological integrity?

RM: My sense is that in Maine the answer is yes because of the way the forests grow. The regeneration in Maine’s forests is so extraordinary. The steady rainfall and the thickets to which the forest grow. If you look at an ideal final crop of trees being something like 200 trees per acre, and you see that in a well-hydrated acre you can have any where between 30-40,000 stems growing up initially, it gives you a sense of the bounty of Maine...

The budworm salvage period was a very scary period for Maine landowners. Forest owners, particularly in the northern parts of the state where there is a very high fir component, which is the preferred food of the budworm, were looking at extraordinarily losses. So there was a move toward salvage. And then in my perspective a seduction happened in that the large clearcuts were such an efficient form of logging that this momentum kept going. But I think there are other ways to do it. Part of it involves—what Hank said in his interview with you—encouraging companies to look at the land not in their books as a different kind of resource and not look for the 15% return because that’s an unsustainable return. Part of that goes accorded to accounting standards. I think in terms of how we rank investments—when you look at investments in land, you’ve got to look at it differently from an investment in a paper machine and not put that pressure on the land to produce something it can’t in a sustainable way.

JS: It sounds as if you are essentially saying we’ve got to acknowledge the limits of physical and biological reality and design economic, market, social and political regimes within those limits rather than disregard them in the name of the bottom line or the quarterly report or unfair competitive advantage or global markets. That’s a pretty overwhelming task.

RM: I think that is true. I view the interdiction that would come for the forest in terms of eras. The first era was the era of exploitation—when Thoreau was in the Maine woods, or the early history of Baskahegan land where they went after the white pine and when it was gone, industry adjusted and they went after the spruce until it was gone and so on down to a lower and lower common denominator. My sense is that were we moved from that era of exploitation to what I would call an era of commitments where the family was taking a long-term view with you, most people look at that and conclude the value is not in growing pulpwood, it’s in growing trees that can be used for bigger timber. Sawlogs are going to make you more money than just studded wood does. Furniture parts are going to make more money than hardwood chips and so on. With non-industrial ownership, there is a bias toward growing trees on longer rotations, growing bigger trees. There is a reluctance, if not an impossibility, of doing what’s been called intensive forestry with investments in herbicides and plantation forestry because the cash-flow really doesn’t support that. So non-industrial forestry tends to work with nature provides, and in our case, and in most people’s cases, there is a desire to work with that natural diversity and grow trees into their remunerative form. If there’s something special about Baskahegan, it has been their willingness to look at building value toward the future.

JS: We need that kind of presence within the family to get involved in the forest operations where wood was being harvested and money was being made and the family knew nothing about it during the 40s and 50s.

The terms of the original cutting contract were that the Lincoln Pulp and Paper Company who had the contract couldn’t leave more than two cords per acre for the forest owner to be present interested in. They were basically commercial clearcutting to the standard of the day. They ran out of wood. So it has always been wood that was being cut and money was being made and the family knew nothing about it during the 40s and 50s.

I first visited Baskahegan in the late 70s, and I was immediately intrigued because as a liberal arts graduate I’d always assumed that business and the environment were going to be a core interest in. They were basically commercial clearcutting to the standard of the day. They ran out of wood. So it has always been wood that was being cut and money was being made and the family knew nothing about it during the 40s and 50s.

Roger Milliken, Jr. It was land that my grandfather bought in 1920. The brief history was that he put the money up to buy it with the intention of cutting it hard to make the money back—the classic story that’s been repeated through Maine everywhere. People either cutting the land and then selling it or buying it and cutting it hard. There wasn’t as much wood on the land as was advertised when he bought it and that, combined with the onset of the Depression in the 30s, really shut the operation down for a long period where, as far as the family knew, the land was being left to regrow.

RM: If we had a luxury at Baskahegan it was the firm commitment of the family to look at the long-term view. Because of the history of forestry in Maine, Baskahegan’s history is no different from the rest of the state where people have gone in and cut what’s of value and diminished—over time. But in essence the family said that our interest owning this land is in a steady flow of value and dollars. How do we grow the most value we can? So, unlike a paper mill ownership, where the incentive is in having fiber to feed the mill, non-industrial owners are all oriented around trying to produce as much value as we can. As Hank [Swan] was saying in his interview, we’re really looking at what natural diversity and grow trees into their remunerative form. If there’s something special about Baskahegan, it has been their willingness to look at building value toward the future. Turning away from higher grading or subtle high grading. So when we do a partial cut operation, we’re taking away the smaller trees, the ones that are being out competed for sunlight and nutrients and leaving the larger trees as a residual stand to cast shade and provide seed, figuring that’s what will be left to look to long-term, it’s not an either-or, it’s the obvious thing to do.

JS: On the industrial lands, how do we come to grips with the need for fiber on the one hand and the need for ecological protection on the other because the two right now are in conflict and there seems to be no resolution except allowing the large clearcuts, some plantations and herbicides, or establishing the set-asides? Is there some way that industrial papermaking can co-exist with a society that is committed to landscape-scale protection of ecological integrity?

RM: My sense is that in Maine the answer is yes because of the way the forests grow. The regeneration in Maine’s forests is so extraordinary. The steady rainfall and the thickets to which the forest grow. If you look at an ideal final crop of trees being something like 200 trees per acre, and you see that in a well-grown acre you can have anywhere between 30-40,000 stems growing up initially, it gives you a sense of the bounty of Maine...
don't just look at the cutting and the pulp and the paper making, but also look at where it ends up—40% of our landfills are paper products—packag ing, junk mail, bleached white toilet paper. Are we any cleaner, any cleaner, any cleaner, any cleaner, any cleaner, any cleaner?

 RM: That's a great question.

 JS: This is the problem I encounter in policy debates. For example, I think the Northern Forest Lands Council (NFLC) is trapped into this short-term thinking—the kind of things you and Hank are talking about—because of the political pressures, so they're trapped into tinkering and perpetuating a system that has reached the point of unworkability. I can live without bleached toilet paper, cereal boxes and junk mail. We don't need to manufacture as many paper products, and much of the fiber we do manufacture could be reused. That is one way of freeing up a tremendous amount of space in Maine, in particular, for reserves or for making the shift to organic farming. I'm a advocate of paper-making from made to growing for the longer term. How do we get into this policy arena if our Senate Majority Leader represents the paper industry by thwarting the conversion to chlorine-free paper?

 RM: Right. I don't have any easy answers to that but my sense is we just need to keep pushing on those fronts. It involves a lot of rethinking. I like to see the free market system as a great system if your focus is earning a wilderness. It's the perfect system for it. It doesn't know how to look long-term or present shortages or make those tradeoffs unless you can put a dollar value on it which leads to some of those absurd exercises of putting a dollar value on the recreational values of a day's worth of hiking in the White Mountain National Forest. It's nuts. As part of this shift there needs to be major rethinking of basic premises and a shift to something different. It makes an interesting time to be alive.

 JS: Can you make a go of it at Baskahegan with this philosophy? Are you showing a profit, and are you a viable business?

 RM: Yes we are.

 JS: So the claims we hear about the need for tax reform to keep you in business. Is that as you try to make this business, do you necessarily apply to you?

 RM: It gets into this rational economic mumbo-jumbo. If our family did not own this land by historical accident, we would not be investing in Baskahegan because the return is very low. It's a steady return. There's very little fluctuation. It keeps pace with inflation nicely. But it's barely a respectable money-maker. The larger question is: we're constantly hearing that the kind of returns people look at as the norm or the desirable return is in the 10% range, and Baskahegan can't do that. There's two percentages: one is the interest of the wilderness. I say it's working for us, but I can also say that it wouldn't attract us if we weren't already involved.

 JS: What this tells me is that our economic value system says: A healthy environment is not a worthwhile investment.

 RM: Our system doesn't monetize the value of a healthy environment.

 JS: What makes it economically attractive for you to clearcut and high-grade and what are the incentives that we can develop as a society to encourage you into another activity, and can we couple that with regulations so that if you go far in the other direction you get hit over the head and it hurts? We need the regulations. What's been lacking in the past has been some kind of understanding of the root causes.

 RM: There are a lot of people who say "clearcutting is just anathema to me and it's the wrong thing to do. We clearcut in certain conditions at Baskahegan, and the result of clearcutting is to limit and restore some of the diversity that was on that site before decades of high-grading had reduced it. For example, in hardwood stands if we continue to partial cut and partial cut we build up a forest of shade-tolerant species—lots of beech, and the white birch and yellow birch fall out and won't be coming back. In go in as we've done over substantial parts of the acreage in the late

 illustration from Springer's Forest Life and Forest Trees (1851) showing two oxen loading a full length pine trunk onto a sled. All six oxen will haul it to the stream. From The Forest For the Trees

 70s and clearcut, we get a rush of regeneration that includes white and yellow birch and has the ash right up there with the beech and sugar maple. So the response is a much fuller range of the natural diversity of the forest. So a regulation that says "Thou shalt not clearcut" is short-sighted.

 JS: From an ecological point of view, if you did nothing, in time the land would express itself as it had before we began cutting down the forest. I find the argument that clearcutting in order to hasten a regeneration process ignores the problem that some other damages aren't being accounted for: the need for older forests, unfragmented forests, habitat for interior-dwelling species that don't do well when invaded by weedy species, and the need for relatively undisturbed human activity in places that are fairly large so that wide-ranging critters can inhabit them and so that natural processes which operate at a landscape level can work their way out without being truncated. A clearcut is not the same thing as a big blowdown. I'm one of those people who will be hard to convince that a clearcut is justified from an ecological point of view.

 RM: Part of my aim in having this conversation is not necessarily to convince you (laughs), but assuming there are other people enjoying this conversation, part of what I hear you saying has to do with fundamental assumptions or paradigms about our relationship to nature. We humans have seen ourselves as separate from nature for a long time, and that's been one of the root causes of a lot of the problems that's led to this domination approach to the natural world. I see the same paradigm with the flip side coming up in the premise that we need to leave vast acreages untouched by human activity. It's coming from the same place that we're separate. We're either separate and therefore should dominate, or we're separate and therefore we put a value on the land that shouldn't be involved. Part of what's involved is this attitude that nature is a fragile old lady who needs to be protected. My experience at Baskahegan is that's far from the case. She's like this dynamic, boisterous dynamo dancing across the landscape with endless strategies for survival and perpetuating herself. I believe strongly there's a need for nature to have places for herself where natural processes can go on unimpeded. But I also think there's room for us to dance respectfully with nature over most of the landscape. My task at a landowner and as a steward of the land is to try to define what that respectful dancing is, what that interaction looks like.

 One thing I'll admit to right away is that any kind of forestry is manipulating the forest towards human ends. Most of Baskahegan's operations may look a lot prettier than a clearcut township somewhere else in the state, but we are relentlessly manipulating the forest in favor of species that we want to have there. We'll tasker with the amount of shade and light so that we get spruce trees back instead of raspberries, or fir trees instead of pin cherry. The notion that's called for on how much manipulation is respectful and when do you cross the line into wholesale dismissal or ignoring of the natural systems as we understand them. Clearly what we're doing at Baskahegan is special, but if we're going to speed up the regeneration. Clearly it's not in the industry's interest to create old growth. There are all these models of when a tree is economically mature, and so those kinds of set-asides where natural processes can go on as unimpeded as they possibly can by human interaction is really unrealistic. Since the we destroyed most of the old growth, having areas that are going to go into old growth, of which there are a significant number of reserves, the Big Reed presumably continuing, when you look at Baxter State Park, Acadia, Cranberry-Speckled, Nahmakanta—these are all regions that have been set aside, free from harvesting, that over time, will become old growth reserves, and I think that's really important. But what I'm most interested in is the matrix in which those reserves are currently being set and trying to define what that respectful interaction is with nature.

 JS: I'm not saying either humans have the right to dominate nature or they have to get out. What I'm saying is that in part what's wrong is the paradigm that manipulates nature, and it seems the only way we can protect functioning stands of future old growth, communities, places that are home for the ranging critters like the wolf that was shot in western Maine in August is by having areas where that sort of manipulation doesn't occur. I would like to think we can get away from the idea of humans either in or out of nature, but I think that during this "transition period" there is going to be a bias towards off-wilderness. The size of the wilderness will be determined by a couple of factors: (1) certain ecological needs, the size and scale of the needs of the natural processes and the species and communities and evolution itself, and (2) the degree to which we learn in the managed and inhabited areas to behave with rather than against nature. The more we drag our feet, the larger the reserves must be. You mention Baxter, Big Reed, Acadia, and these are real gems. They are also being loved to death. There are not enough of them, they are far too small, and they aren't connected. There's a need for increased recreation and tourism (whether we like it or not), it's clear from a recreational perspective we need more set-asides if we want to protect Baxter, because if we are now at the point of debating whether or not to exclude autos, clearly we have a crisis on those 200,000 acres. We seem to be agreeing that we've got to find a way to do a better job of managing humans.

 RM: To me it's really paying attention to our relationship with the natural world. It's defining what's respectful. One of the problems with this discussion, at least in terms of the way policy discussions usually go on, is that it quickly gets into the area of values. It's a value discussion. It's a religious discussion. It's really about whether that values aren't part of the discussion, and so it makes it difficult.

 JS: I do think there is an overriding reality—certain basic planetary limitations. There's only so much we can do in terms of air or water pollution before we start killing off cities and countries.
To get humans to behave in a way that will be more respectful and more ecologically and economically sustainable is essentially a value issue. But I think there are some objective realities that we can't wish away—like gravity.

RM: When I think about environmental values in the North Woods, particularly since erosion of whole mountainsides isn't an issue in Maine the way it is in the Northwest, I really question how close we are to the edge. Obviously, there are some objective realities that on when you look at townships being concerned about our real ignorance of soils and that's probably my single greatest concern in terms of restoration. I'm concerned about our regional ignorance of soils where in the forest? As some of these other stands come back into more of an old growth condition, are those lichens going to appear there, or have we lost them?

JS: One of the concerns that's been in the news recently is those piles of logs on the wharf in Portland. Some of us have been concerned for a long time about the logs that have been going across the Maine-Quebec border and the shipments out of Eastport. We feel this gets to one of the root problems we have with our regional economy, which is a lack of diversification and a lack of real value-added opportunities here. So the landowners are put in a position of saying "I can get a lot of money for this, and the community is left in the position of something like a Third World kind of relationship to the global market. I'd like to see the incentive for these exports removed. What thoughts do you have at someone who is looking to get top dollar on your wood?"

RM: Some of our best markets for spruce and ash logs are in New Brunswick. I would regret that those jobs aren't happenin on the Maine side of the border. But the existence of those mills and our ability to get top dollar for the wood we grow is what allows us to stay in the business and achieve the marginal returns on investment we receive. This gets quickly into much larger national policies—restraint of trade. As I understand it, Maine can't act unilaterally to stop the export of logs. One of my greatest disappointments with the NFLC Findings and Options is the Local Forest Based Economy Subcommittee part; it was such a lightweight effort. There's a lot of platitudes there, but nobody really looked at what are the incentives. Nobody looked at communities that appear to be healthy and thriving like I think Bethel is, or at communities that are struggling and timber-based industry is leaving. Why is that, and what can be done?

There's this religious belief in American culture that we shouldn't be helping business. It's certainly current in a lot of political discourse—that business is the enemy somehow. Unlike Canada which looks at the economics and says "It's going to be cheaper for us to subsidize this sawmill in this community on the Quebec border than it is to pay unemployment and welfare to the people here. Let's put the money into the mill. Because of our religious belief in the free market system, we don't do that in the United States. According to sawmill operators in Maine, it's very hard for them to compete with the Canadian health care system, with different regulations, with subsidies that are available on the Canadian side. They watch truckloads of logs go past their door. As a landowner, I want to be able to send my logs to Canada because that's where the value is, but I would love to have sawmills on the American side be able to compete with the Canadians. JS: We are subsidizing business, but we're subsidizing them in all the wrong ways, and perhaps if we subsidize them in some of the right ways, we could address this. An example of the wrong ways are that we are allowing them to pollute the rivers. If they had to pay the true costs, not just the economic costs, but the cultural costs, health costs, and the rest, they wouldn't be dumping that stuff in the river because it wouldn't pay for them to do it. That is a far greater subsidy than some kind of favorable tax break on siting a mill here rather than there. I probably wouldn't object to that kind of constructive incentive if it weren't in the context of letting them get away with this kind of pollution or other kind of externality they don't have to pay for.

RM: I'd be less willing than you to resist the subsidy in a positive direction because of the existence of a subsidy in a negative direction. I'd be willing to try to build the positive even though the negative still exists. Most of the mills I'm talking about are not going to be discharging chemicals into the river. It's the smaller sawmills and the secondary processors. I'd like to see Maine, the region, the nation, really look at how do we build that source of employment and pride and sustainability in local communities.

JS: For those who feel the clearcutting regulations are not effective, that the dioxins and organochlorines in the rivers are not adequately regulated, we see a lack of effective regulations. How does industry stay in business without compromising the integrity of the ecosystem? In the past it seems industry has gotten its way.

RM: I share the concern about dioxin. But I think it's important to try to inhabit the mind of people who are making industrial decisions about "are we going to invest here or in the south?" I grew up in South Carolina. Environmental regulations in the south, with the exception of what's been federally-mandated, are at least ten years behind what happens in Maine. If you're truly interested in industry making continuing investments in Maine, they're going to look at where their costs are greatest. A lot of industry people say they don't have concerns about the standards and regulations. It's much more the tone of the contact with the regulatory agency, and the amount of time it takes.
JS: I understand that sort of grievance. My problem is that we don't feel protected by the State. If the argument is, because South Carolinians or some other competing region or county has lax environmental standards, we have to have lax standards in order to remain competitive, then I see a fundamental breakdown of our society. What it's saying is that in order to have a modern economy we have to sacrifice human and non-human health. How do we find some way of protecting ecological integrity, human health, quality of life, and have an economy that meets the needs of the people living in the region?

RM: I have no argument with that desire. I don't say we need lax environmental standards. But, how do you look at moving forward the discussion on environmental standards in a way that also addresses not getting things really out of sync? I don't think our society is really out of sync? I don't think our society is well equipped to look at issues beyond the pure economics of "where's the cheapest place to do business?" A failing I see that happens a lot is that just as industry doesn't voluntarily look at what the impacts are on a larger environment, I see environmentalists focusing in on one particular issue and not looking at the larger impacts on the overall economics.

JS: I'm specifically referring to hearings last November over the dioxin standards. To boil down the industry argument: (1) the dioxin levels are "safe"—which certainly didn't convince those of us who have been listening to many of the scientists working for the EPA, and (2) this competitive issue. They put us in a difficult position of saying: "OK, compromise an ecosystem for your profits." What other option do we have? It looks like environmental blackmail to me.

RM: I think industry is describing the situation that they're in. That's a situation that all parties to the discussion have to cope with and deal with. I don't see it as blackmail; I see it as saying this is the environment in which we operate. This is what the effects will be.

JS: They were arguing against stronger protection because of this. I and others did suggest that industry should take this as an opportunity to begin the conversion to chlorine-free paper to get a head start on a niche market that's going to be an almost guaranteed growth niche in the coming decades. That would help to reverse some of the uncompetitiveness with the southern mills that can do it. We've heard four hours what it takes six or seven for our Maine mills. Instead, when Clinton proposed the chlorine-free paper initiative, Senator Mitchell went to bat for the paper industry. Even though he might have done their bidding in the short-term, in the long-term he performed a disservice to them. If he'd said, "No. The time has come to swallow some bitter medicine; it's going to hurt now, but in the long run, the Maine mills are going to be much more competitive if they do this jump."

RM: I would agree with you on that. And to me, the potential that was there in what Clinton was considering in terms of creating a market—pulling with economic incentives a change through this system is the way I think things ought to go. I agree with your response to that.

JS: It seems like the economy is really designed for the benefit of these larger, non-community-based operations like paper companies at the expense of the smaller community based operations.

RM: I put it a different way. I think the whole bias in the political discourse and the economy in the United States is toward the consumer. How can we get whatever the produce is—whether it's toilet paper or whatever—to the consumer at the cheapest cost? Therefore, we should have the Free Trade Agreement with Mexico. People aren't looking at the fact that in order to consume, the consumer needs to have a job, and they need to be able to earn some money. So, we just focus is on producing commodities as cheaply as possible. That's the flaw. The loop is not being closed to see that where the consumer gets the money is through some sort of gainful employment.

JS: And also that we've substituted this illusion of material well-being for a quality of life that's based more on community health and well-being. If you live in a healthy community, your material needs are probably far less than in an unhealthy community. If we put the emphasis into real community again, I think we'd break the consumerism cycle you're talking about.

RM: That's another one of those big value stunts. (Laughter)

JS: With a few exceptions, I have seen a tendency for industry to close ranks when criticized. I would find it reassuring if there were some evidence of genuine industry self-policing, rather than cosmetic self-policing.

RM: I share your perception of people closing ranks. I see it as a human problem. I see the same thing happening on the environmental side. I serve on the board of NRMC as well as the Forest Products Council. I've been in conversations on the industrial side where if someone starts taking a hard-line in the room, the game quickly becomes "who's got the hardest ass in the room?"

JS: It's very hard for me or anybody else to speak up and say, "No, I think we ought to take a more cooperative tack here. Sure these people are criticizing us harshly, but let's look at the substance." It's a very hard thing to do. I've noticed on the environmental side that in discussions about the direction NRMC could take in relation to a particular issue, when someone comes in and wants to take a really hard line, and they say, "We've been putting up with this for a long time, and it's time to see the bastards," it's really hard for someone to speak up and say, "No, I think we should go back in good faith one more time." Whatever it is, there's a kind of machismo, a fear of appearing soft. I see that bunker mentality happen on both sides, and it's disturbing because it really gets in the way.

JS: I see what you are saying, but on the other hand, when we all agree to be general, I found when I first got involved in these issues that the real hard issues simply weren't being addressed, because one of the ways to avoid this sort of confrontation was not to deal with some of these intractable issues that were pretty deep and no easy compromise solution. I think you do have to stand up and be quite clear in what you're saying. I try to avoid putting your defense up by conveying a willingness to listen to what you're saying, but not a willingness to back down to avoid a confrontation. I've been as frustrated by the "let's get along" by the "let's just polarize it" attitudes.

RM: It's just like any interpersonal issue—how do you confront the people and the issues in a loving way? It's not always easy to get people talking and networking. I've been as frustrated by the "let's get along" as by the "let's just polarize it" attitudes.

JS: I think that step was taken by industry with the NFLC and their decision to support the NFL. Act and choose to be involved in ongoing discussions with a diversity of interests. People may take that for granted now, but the kind of debate that was swirling within the industry before the forest practices act about "should we even talk to these guys?" was intense. From my perspective, there's been a significant stepping out of the bunker on the landowners' side.

RM: What's your general sense of the Council's "Findings and Options"? Are they useful? Do they help us moving in the direction to resolve some of the things we've been talking about?

RM: I think they're useful. Having been close to the process since the beginning, it's hard to have any fresh perspective on it. The two tax subcommittees, the Biological Resources subcommittee and the Land Conversion subcommittee, were where the most substantive work has occurred, particularly in terms of the findings. Another thing that's easy to forget is how strong the concern was in 1988 about conversion
in the North Woods, and the work that was done to really focus on what actually happened and what the threat was in the land conversion study. I think the Biological Resources subcommittee did a remarkable job considering how late a start they got, and how little time they had. I thought the forum in New Hampshire (December 1992, see Forum, vol. 1 #3) was an excellent beginning. I feel the options that have been laid out are a good beginning. I think the strongest work was in the task committees in laying out how the tax system really works. There was really solid work done. As a basis for discussion, I think something significant has been accomplished here.

In terms of softer benefits, there's the fact that the process has been going on in the way that it has, with the communication that's happened among interest groups, either on the Citizens Advisory Committees or the Council itself. I expect—and certainly hope—that that's going to pay dividends over the years to come in terms of looking at a broader community of concerns.

RM: What's the embarrassing problem?

JS: One of my frustrations with the Study and the Council was the unwillingness to examine forest practices. Now that the Findings and Options are out, they're paying a price because aspects of forest practices have found their way in through the back door. But, because we didn't look at it in a forthright and timely manner, we've got a bit of an embarrassing problem.

RM: The flip side for me to what you say is the real concern that got this rolling was the Diamond sale and the fear about conversion. Patten Corporation was out doing what they were doing. The 40-acre loophole wasn't closed in Maine. There were rolling developments happening—buying land up, clearing it, and carving it up, at least in Maine. So that was the focus of the Study, and the Study folded into the NFLC with that focus on the new immortal words of Leahy and Rudman about preserving the pattern of ownership and use. You may have been concerned about biodiversity back when all this started, but most people weren't. Given the limited focus which was there from the beginning—as you may recall, the first response of the then-Commissioner of Conservation [Robert Labonte] was: "We're not going to participate. But if you want to try—Yes we ought to participate." Then the parameters for the discussion were limited and industry is just as paranoid as the environmental side is about being snookered. Once the train had left the station, in my view, in terms of building trust and allowing the dialogue to continue, the Council had to stick to the terms and topics for discussion that had been the focus. And the fact that Biological Resources became one of the seven subcommittees and the work that was done speaks to the flexibility and something I feel very positive about as a shift away from what was a much more restrictive focus to begin with.

RM: I'm not satisfied. Two months before the Leahy-Rudman letter, the Congressional Record-House charged the study with, among other things, looking at biodiversity. So it was in the initial charge. Many of us did raise that issue right from the beginning of the public hearings, and they simply refused to address it. Now, I understand the political reality of Maine, but this is when the distrust comes in from our side. If the former Commissioner can exercise veto-power over something in which he has a conflict of interest, having worked for Scott and having engaged in some of the practices we don't like, and those became the terms for Maine's participation, then there's just a certain kind of unfairness that sticks in our craw. And if there is going to be that sort of cooperation between the environmental community and the timber industry, that sort of thing has to stop. I understand the political reality where they have the power to get away with it, but there is another power—physical reality—that won't go away.

RM: I take exception to the conflict of interest characterization. I like to believe that as somebody moves to another position, they look at things from their new position. I look at the issues you were raising years ago, and I see you being ahead of the time in terms of raising those issues. The public discussion is now catching up. But the fact that what happened will ins't help us to support what you see and are convinced of as a legitimate concern, to my mind does not take those who bow to the political reality wrong or somehow evil or compromised. The issue wasn't ripe when the hearings began. It's getting to be very ripe now, and the work of the Biological Resources Subcommittee is part of that ripeness. I expect it will continue to open and conversations will certainly go on about biodiversity into the future. We know so little about biodiversity. From the reading I've done, I see how little we understand about how to apply that concept to Maine. Clearly reserves are part of an answer to biodiversity. But the questions of how does management benefit or compromise biodiversity are issues that the lifetime of the work involved in understanding the complexity of natural systems. So I'm a little more patient about it, seeing it as a huge awakening that's happening with lots for all of us to learn, all the nuances, what makes an ecological system healthy, and how do we know, and how much can we push?

JS: I suppose I should feel optimistic that the discussion is moving more in the direction I was agitating for years ago, but in fact, I'm feeling as impatient as ever. I am glad the discussion is moving, but I feel like we are running out of time, and also I am concerned that we will substitute the call for more discussion for the real call to action now. We will never know all there is to know about how a forest works any more than we'll ever know all there is to know about how the human body works. But that shouldn't stop us from trying to stop the bleeding.

RM: On the other hand we should try to distinguish if this is bleeding or a rush on the skin. It gets into the questions of costs and benefits and how much are we willing to risk to a treatment that may not affect the disease. As a landowner, the costs are largely going to be borne by landowners, and it falls to us to ask the question: "If we or others who own land other than the timber owners, will it cost us? How will it affect the other aspects of us being able to do what we do?" I invite you, as part of your commitment to the issue to do your best to understand what it looks like on the landowners' side so we aren't forced into the predictable pattern of just looking at costs. If we have a sense that somebody else is really looking at costs in the larger social-economic system, it makes it easier for us to look at the vision as well, but if we're the only ones being left to deal with that, it tends to make us inflexible and obsessed with cost and science.

JS: I think that's a really important point that regardless of whose fault it is that we got into this mess, society has a problem, and rather than denying it all on you or me or the salmon and wolves, let's find a way of getting out of this mess and breaking the bad patterns.

RM: I really believe that, and I hope we are moving into this era of partnership. Part of it is partnership change, how human and the natural world. For us to successfully do that, it involves partnership between you and me and people who pay attention to different parts of the whole, talking with each other in the context of the whole, because otherwise this infernal adversarial stuff just goes back and forth and back and forth.

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Illustration from Harper's (March 1865) showing new technology: saving logs into shorter lengths for easier handling. From The Forest for the Trees

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