

By KAY EBELING  
and  
GREGORY SANFORD

# Socialism *in* One County

*Socialism may have proven disastrous for the environments of Eastern Europe and the Soviet Union, but in California's Humboldt County the experiment with centrally-planned, command-from-the-top economics goes on. Strangely, those involved seem to think this is the way to save the environment.*

THE WOMAN behind the counter at Northcoast Environmental Center gave a crooked grin, almost a wink, and said, "Oh, it isn't just the spotted owl that concerns us. The owl is just at the top of the food chain for an entire eco-system."

The visitor tried to start up a dialogue: "Still the timber companies say that for every tree they cut they plant six...."

Her gesture said, "Posh." Her face showed she was privy to some esoteric information. "Those trees never grow back," she said with conviction.

"But what about demand?" the visitor asked. "People need houses. It takes wood to build houses...."

"Greed," she cut in again. "If there's so much demand, then why are they sending logs off to Japan and Mexico for processing?"

Would there be any point, the visitor wondered, in mentioning that international demand for lumber is growing as, for example, the Japanese have started building Western style homes? The woman was becoming uncomfortable. She noticed that the visitor was taking notes and gathering up all the free leaflets and brochures (mounds of paper).

"You really shouldn't be talking to me about this," she said. "I'm just the bookkeeper." Then she turned her attention to the more politically correct questions of a college student, who later dropped several dollars in the donation box.

Humboldt County's ongoing battles over what people should and should not be allowed to do with trees and the wood they contain, trees growing on either public or private land, seem to involve more than their fair share of paranoia. They've assumed more or less the character of a religious war or a blood feud and show little sign of becoming less intractable any time soon. As *Newsweek* put it in its September 30 report on "The West": "Traditionally, environmentalists pursue a policy of polarization — no negotiation with the enemy." The operative assumption often seems to be that we must choose between the economy and the environment, that, in Humboldt County for instance, we can have a timber industry or we can preserve our forests, but we cannot do both.

A less absolutist attitude portrays the issue as balancing the in-

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terests of the timber industry against environmental concerns, conceding that the industry should be allowed to exist, but that it should be carefully controlled by government regulation because, left to themselves, logging concerns would rape the countryside, not resting until the last twig, living or dead, had been removed. In this vein, the *Los Angeles Times* recently argued editorially that California needs new laws that will "reform the state's out-of-control timber practices" so as to "preserve irreplaceable ancient forests," but then generously added that these objectives should be accomplished "without strangling this important industry." While avoiding the all-or-nothing absolutism of some of the more extreme environmentalists, the *Times* still portrays the relationship between the timber industry and the forests as one of hungry predator and defenseless prey, implying that government regulation is all that keeps the loggers from devouring the trees in an "out-of-control" feeding frenzy.

It's as though timber interests suffered from an intrinsic moral depravity. The implication is undisguised among the "no negotiation with the enemy" environmentalists, and more vague in the *Times*' analysis, but unmistakably present and central to the thinking in both cases. The effect is to arrange a two-tiered hierarchy of concerns as the starting point for negotiations: environmental interests with pure motives and noble objectives placed above; the grubbing "economic" interests occupying the lower position.

**B**UT THIS is absurd. Trees are valuable *both* for the profit to be made from turning them into useful products for people all over California and around the world *and* for the beauty and natural habitat that forests provide. The economic problem: how can this scarce resource be most wisely handled to give us the maximum of both these goods?, involves one as much as the other. The injection of radical anti-business ideology into the mix only confuses matters. It poisons the discussion so that a technical economic problem calling for rational, scientific measures becomes a take-no-prisoners religious war. It pits political groups and power centers against one another while considerations of both commerce and the environment fade into the background.

It need not be so. *Newsweek* noticed "a whiff of conciliation in the air" and referred to "Portland-based activist Randal O'Toole" who, according to *Newsweek*, "thinks polarization is as outdated as *perestroika*." "Cumulatively the [environmental] movement is interested in shutting down the timber industry," says O'Toole .... [but] by realistically analyzing budgets on both sides, he says, 'We can have all the environmental amenities, and all the timber we want.'"

**T**HE ROYAL Swedish Academy of Sciences, perhaps surprisingly, comes to our rescue at this point. By awarding this year's Nobel Prize in economics to Ronald Coase, professor emeritus at the University of Chicago, and thus stimulating renewed interest in his pioneering work, the Royal Academy points the way for our escape from the distorting influence of radical anti-business ideology.

"The traditional approach," wrote Coase in his classic 1960 article "The Problem of Social Cost," "has tended to obscure the nature of the choice that has to be made. The question is commonly thought of as one in which A inflicts harm on B and what has to be decided is: how should we restrain A? But this is wrong. We are dealing with a problem of a reciprocal nature. To avoid the harm to B would inflict harm on A. The real question that has to be decided is: should A be allowed to



harm B or should B be allowed to harm A? The problem is to avoid the more serious harm."

IF IT is granted that harvesting California's forest resources harms the environment, it must also be granted that protecting the environment harms not only the tree harvesters but also large numbers of other people who buy and use their products and still other people who sell things to the harvesters and then pass along their earnings through *their* buying. Especially in an economy like Humboldt's, where so much of the peoples' productive activity derives from a single basic resource, a one-sided campaign to restrain harm in one direction only — to the environment — has devastating results. "In devising and choosing between social arrangements," Coase concludes his article, "we should have regard for the total effect. This, above all, is the change in approach which I am advocating." His advice seems self-evidently wise, and most on the anti-business side in Humboldt would protest that they, not the industry, are bringing balance to what has been a one-sided assault on the forests. Is it so? Let us see.

Not everyone, by any means, who considers himself an environmentalist is possessed of a left-wing anti-business ideology. Environmentalists come with a wide variety of backgrounds and viewpoints. Dr. John A. Baden, chairman of the Foundation for Research on Economics and the Environment in Bozeman, Montana, for instance, sharply criticizes the notion that natural resources fare better in government hands than under private control. Environmentalists can be found running and working for logging companies. But some others, particularly in Humboldt County, are professional agitators whose roots and ideas spring from radical politics and whose objectives reflect more their profound antipathy toward business and businessmen than any consistent environmentalism.

MANY HAVE roots in the anti-Vietnam war movement of the '60s. When San Francisco's Haight-Ashbury district and other such places evolved from hippie havens to crime-ridden streets, the "dropouts" dropped farther out. In

the late '70s and early '80s, many came to Humboldt County to "get back to nature and find themselves." They built ramshackle houses out of scrap lumber and stained glass on remote parcels of land. During those years the timber industry was in a recession, so these ex-urbanites assumed that Humboldt's forested hills were always serene and quiet, with no man-made intrusions. Then, in 1985, the timber industry returned to a boom cycle. Suddenly the hippies in their forest

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huts were awakened early in the morning by road cutters, tractors, chainsaws, and helicopters. While logging families welcomed the doubled harvest plans that put food on their tables, the displaced hippies were outraged. They saw the boom as a rape of nature, and called on their old mobilization skills to get themselves organized.

CECELIA LANMAN, who had worked with Cesar Chavez's United Farm Workers Union earlier in her career, helped set up the Environmental Protection Information Center (EPIC), a group in southern Humboldt County dedicated to filing lawsuits to stop timber harvests. EPIC then appeals decisions non-stop to the highest courts. Robert Sutherland, whose only management experience was with the 1967 Summer of Love in San Francisco, went to work at EPIC as director of legal attacks against the timber industry. David Simpson, an actor with the radical San Francisco Mime Troupe, became a prime mover in EPIC's projects. Peter Childs, a traveling folk singer in the '60s, organized a group whose goal was to keep the industry from cutting one more redwood tree.





EPIC has filed seven lawsuits in five years against Pacific Lumber Company alone, keeping thousands of privately owned acres of timber land dormant. "Up to 1986, we used to file around 50 timber harvest plans (THPs) a year," says Mary Bullwinkel, spokeswoman for Pacific Lumber. "This year we're not filing half that many. It used to cost \$400 to file a THP and it was about 10 pages long. Now because of the spotted owl and other wildlife studies, THPs cost about \$4,000, and they're hundreds of pages long."

CANDACE BOAK and a corps of timber industry wives formed Mothers' Watch in 1988 to keep an eye on the radical environmentalists' activities. They spent their first year monitoring a program called HOPE (Humboldt Outreach Program for the Environment), a series of classes being taught at Humboldt State University in Arcata. "We attended these classes for about a year," Boak says. "We were taught how to be an 'eco warrior,' how to use the book 'Eco Defense,' how to do tree sits and other acts of civil disobedience, how to manipulate the media, and how to file needless lawsuits." She says the classes, taught by members of Earth First!, had innocuous titles such as "Investigative Journalism," "Grassroots Political Action," "Conducting Field Surveys," "How to Start a Lawsuit," and "Deep Ecology." Later, when HOPE took its program to the Humboldt County School Board with a plan to put its curriculum into grades K-12, the women of Mothers' Watch protested, wrote letters, and lobbied by telephone. "Our group by then had grown to about 30," Boak said. "We pleaded with them [the Office of Education] to keep these people away from our children. The program never got into the schools."

In 1990, the radicals proclaimed Redwood Summer. Earth First! members arrived by the busload or in old, beat up cars with out-of-state license plates. (It is amazing how many "environmentalists" chug around in vintage automobiles producing thick clouds of exhaust fumes.) Redwood Summer was supposed to bring Humboldt County's timber industry to a halt. Its organizers, presumably, are among those environmentalists Randal O'Toole had in mind when he said the movement's cumulative interest is "in shutting down the timber industry." Their 1990 demonstrations failed to do so, of course. They bragged beforehand that their national media campaign would draw thousands of protesters to the county, but the kick-off rally was attended by less than 300 protesters (and curious observers) and it turned out to be the largest group they could



muster all summer. The Sheriff's Department did have to arrest 44 individuals who managed to stop one logging truck by throwing themselves and their children in front of it, and by climbing onto its payload of logs and into the cabin, dangling a banner and scaring the daylights out of one truck driver.

Now, these people don't hold office or pass laws in Sacramento or Washington dealing with Humboldt's economy, but their pervasive anti-business radicalism serves to distort our perception of the issues and to polarize the disputants involved. Redwood Summer succeeded in mobilizing timber workers. Candace Boak and the Mothers' Watch women put together one of the most effective demonstrations of the year with more than 200 persons carrying signs reading, "We all have the right to work," "Would you trust your children's future to Earth First!?" and "Let's be rational, not red."

SO POLITICALLY charged an atmosphere provides a poor climate for following Coase's advice that "in devising and choosing between social arrangements, we should have regard for the total effect." Unfortunately, moving from the radical activism of the Earth First! types to the less flamboyant doings of state and national lawmakers we find that, even though the tone usually (but not always) becomes less shrill, disregard for "the total effect" of policy arrangements often remains the rule. A case in point is the recent history of California Assembly Bill 860, legislation devised after voters rejected "Big Green" and other forest issue initiatives on the statewide ballot in 1990. AB 860 passed the California Legislature earlier this year and was vetoed by Gov. Wilson on October 11. Without attempting to

## Commissar Richard Wilson

As if in an effort to recreate scenes from *The Three Faces of Eve*, Gov. Pete Wilson first vetoed Assembly Bill 860 citing such "flaws" as its "fixed prescriptions of limited scientific basis in the areas of sustained yield, buffer-zone requirements, and even-aged [clearcutting] management," then instructed Director of Forestry Richard A. Wilson to promulgate new forestry regulations under current law that contain *exactly* the unscientific prescriptions of AB 860: clearcuts are reduced from 80- to 20-acre maximums, "buffer" zones (where no logging may be done) are arbitrarily imposed over vast stretches of private land, and clearcutting is banned in ancient forests. Also, Forestry Director Wilson is given open-ended authority to "require all feasible mitigation necessary to reduce impacts below the level of significance" — bureaucratese for: anytime Wilson doesn't like something loggers want to do on their own land, he can forbid it *and* impose more or less whatever requirements he likes as conditions for allowing them to proceed. Perhaps a more accurate title would be Commissar Wilson.

dissect every aspect of this complex legislation, a look at some of its key elements will illustrate how little balance and how much prejudice against the timber industry continue to figure in the policies advocated by the "mainstream" environmental movement.

TO PUT the matter in context: half of the land in California is now owned by government. Of Humboldt County's 2,286,720 acres, 571,657 acres — 25 percent — belong to the government. Government owns 79 percent of neighboring Del Norte County's 641,920 acres. The phrase "owned by government," of course, means owned by taxpayers who have supplied, in vast sums, the money necessary to purchase and maintain these lands. Redwood National Park, for instance, which stretches north along the California coast above Eureka into Del Norte County and nearly to the Oregon border, is America's costliest national park at \$2.2 billion. (Its original projected cost was approximately \$222 million.) In 1984, Californians voted to spend \$455 million for park programs and purchase of wetlands. We added \$100 million more in 1986 and, with Proposition 70 in 1988, another \$776 million. Again, to put the matter in context, since 1926, Californians have approved \$1.6 billion for these purposes, but all but \$269 million (17 percent) of it was approved dur-

ing the last eight years. This huge public investment in land and natural resources should be, but rarely is, kept in mind when judging the degree of "balance" represented in such proposals as AB 860.

BAY AREA Assemblyman Byron Sher, AB 860's sponsor, describes his bill as "comprehensive timber reform legislation" that "would have restricted clearcutting and protected California's ancient forests." When Assemblyman Sher talks about "California's forests," be assured, he means private as well as government-owned land. His willingness to ignore the legal distinction of ownership — often encountered among "mainstream" environmentalists — provides one of the grossest examples of failure to consider "the total effect" of policy proposals. It ignores both the legal implications and the economic costs borne by private citizens of yet another violation by government — this time on a massive scale — of property rights. In a sense, it is the problem Coase identifies: (presumably) good intentions turned to destructive purposes because only part of their effect is taken into account.

Consider "ancient forests" and "clearcutting." Clearcutting, as the name implies, is the practice of removing all the trees on a parcel when harvesting rather than taking some and leaving some. Definitions of "ancient forest" areas vary from one speaker to another, usually depending upon the point they're trying to make, but the key element is that the lands have never been harvested and, therefore, contain a significant proportion of very large, old, "virgin" redwoods. According to a 1989 U.S. Forest Service estimate, California has 1.74 million acres of coast redwood. About 13.5 percent of this — some 230,000 acres — were classified as "virgin and residual old-growth" redwood stands in 1990 by the Save-the-Redwoods League. Only about 20 percent of this old growth land — about 46,000 acres — is in private hands; the rest is about evenly divided, half in parks and preserves and the other half on unreserved *public* land. Current law allows clearcutting on private timber land in parcels of 80 acres or less (and, in certain narrowly defined and rare circumstances, 120 acres — as a practical matter, 80-acre clearcuts are the maximum); AB 860 would have reduced that to 20 acres and banned *all* clearcutting on old growth land in California. What, we asked Ryan Hamilton of Arcata-based Simpson Timber Company, is wrong with that?

"We engaged in a lot of negotiations with environmental groups" he said. "We found that, on the main

issues, they weren't interested in biology. They were interested in aesthetics. They wanted things that professional foresters would consider bad forestry just because it looked better. The key issue is clearcutting in redwoods. Clearcutting looks bad. And yet, it's the only way to get satisfactory regeneration in redwoods because you can't grow a redwood tree in the shade. You need sunlight to grow a redwood tree."

None of the pro-860 literature we've seen from Sher's office, from California state Senate Majority Leader Barry Keene, from the Sierra Club, or from the Sierra Accord Coalition ("A Timber, Environmental, Labor Alliance for Forestry Reform") mentions this highly relevant biological fact in discussing clearcuts. This is a political campaign. When you're trying to pass restrictions like these, it doesn't help to dispel, with the truth, the widely-held image of clearcutting as mowing down redwoods and the gradual elimination of redwood forests for no good reason beyond profit.

Noting that it takes 50 years to grow redwoods to harvestable size (about 24 inches in diameter at breast height and 110 feet tall), Hamilton pointed out that Simpson has "380,000 acres and we're cutting a lot less than one-fiftieth of that. We might cut 2,500 acres in a year. The only part of our property that looks bad for a couple of years is the part we just harvested which is a minor portion of the whole property." Is any government land involved? we asked. "We're just talking about private property. What's frustrating is that [proposals like AB 860] are driven by perceptions of people from 'way out of the area."

HAMILTON LATER gave us figures showing that an acre of redwood forest land produces about 1,000 board feet of new growth per year. Thus, Simpson's annual harvest of 100 million board feet is outstripped nearly four-to-one by the approximately 380 million new board feet their land produces annually.

AB 860's provision reducing clearcut parcel sizes from 80 acres to 20 acres or less also carries costs that private land owners would have to cover. Simpson's long-term (50 year) harvesting plan is "all geared

to 80-acre, maximum, clearcuts," Hamilton said. Had AB 860 become law, he said, "all the engineering work, roadwork, unit layout, all the planning is thrown away — literally thousands of hours of work — to redesign this whole plan because you put the roads in different places." The legislation contained no provision for paying the private owners for the value of any of their lost effort or productivity.

AB 860 ALSO provides a good example of government's fickleness. Simpson owns a company called

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Arcata Redwood which lost a sizeable portion of its holdings when Redwood National Park was formed. The government traded other parcels to Arcata Redwood in exchange for part of the land it had taken. The trouble is, these new parcels contain old growth redwoods which, under Byron Sher's plan to "protect

California's ancient forests," could be cut only under regulations that make it uneconomical to do so. What the state giveth, the state taketh away.

Additional restrictions and regulations under AB 860 would have increased required buffer zones between clearcuts, banned clearcuts within 300 feet of state or county roads, limited clearcuts in single watersheds to 15 percent of each ownership per 10 year period, banned clearcuts near streams, required harvesting plans to retain 15 percent of "older forest habitat" and to protect "habitat connectivity" for wildlife protection, lengthen bureaucratic review periods for timber harvesting plans, require approvals from more bureaucratic bodies before timber companies could go to work, and im-



(Please turn to page 30)



# A Howard Jarvis Revival

Orange County — 1991

*School Boards, combining naiveté, arrogance, and bad timing manage what many had only dreamed of: a bellowing return of the Spirit of Jarvis!*

by

State Senator John R. Lewis

THIS SUMMER several California school districts joined the big boys in Sacramento and Washington in the taxation game. Ironically, this trend really took off in conservative, anti-tax Orange County, the political launching pad of Ronald Reagan. Its genesis can be traced to June 30 of this year, when the Orange Unified School District voted 4-3 to impose a \$30 per parcel fee on all district residents for the purpose of raising \$1.5 million during the 1991-92 school year. We can't, they said, do our job without more money.

It is unclear precisely how this school tax wave was generated, but by most accounts it started when financial consultants to some Northern California school districts stumbled onto a provision of the Streets and Highway Code that could be exploited as a way to raise money.

THE PROVISION, added to the code by the 1972 Landscaping and Lighting Act (authored by then-Assemblyman, now Sen. Robert G. Beverly), allows public agencies to form "assessment districts" and to collect revenues from these districts' property owners. It's generally accepted, legitimate purpose is to

allow public agencies to pay for such specific local projects as road maintenance and median strip beautification. That's why it's part of the Streets and Highway Code. It was originally enacted to provide funding for old-fashioned street lights in Manhattan Beach. Sen. Beverly himself adamantly maintains that his bill was never intended for use by school districts. Nonetheless, once this new way to tax was discovered, it

quickly buzzed down the school administrator grapevine. An opportunity to increase revenues without risking defeat in a Proposition 13-required democratic vote! Many administrators seized upon it like drowning rats clutching at passing driftwood.

SOME SCHOOL board members candidly admitted it was unlikely these new school taxes could muster the two-thirds voter approval necessary under Proposition 13's provision for special taxes. But the Landscaping and Lighting Act provision required *no* two-thirds vote, only a non-binding public hearing held within a certain time frame. Otherwise, a school board can simply impose the tax by a simple majority. It also provided that if *half* of the affected property owners signed a written protest, the public agency must then approve the assessment by



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