

CRIMES AGAINST NATURE

Public Funding of Environmental Destruction

JOHN BADEN

This winter, in an ideological throwback to a bygone era, President Reagan's Commission on Americans Outdoors is expected to issue a report calling for federal environmental agencies to spend \$35.5 billion through the year 2000 in acquiring new lands. This idea should be discredited by the disastrous environmental record of existing federal land ownership and management. Federal bureaucracies already own 770 million acres of American land, or 33 percent of our nation's territory, including 92 percent of Alaska, 40 percent of California, and half of the Mountain States. And these bureaucracies have failed dismally in their responsibilities as custodians of America's environmental treasures.

Federal management of most of the West dates to the Progressive Era of the late 19th and early 20th centuries. The U.S. Forest Service (1891), the Bureau of Reclamation (1902), and the system of national parks, wilderness areas, and wildlife refuges originating with Yellowstone Park (1872) were established in response to abuses of natural resources that took place during the early development of the West. As poor logging practices caused destructive forest fires, as excessive timbering and poor soil management led to severe erosion, as unrestrained hunting led to the near extinction of species such as the buffalo and antelope, and as economic activity threatened environmental treasures such as Yellowstone, the Progressives argued that conservation and wise resource management were incompatible with private property rights and market exchange based on the individual pursuit of self-interest. According to the Progressives, natural resources could be securely protected only if lands were publicly owned and entrusted to the care of "scientific resource managers" with a long-term view of the public interest.

But as a century of experience demonstrates, the fundamental premise of these Progressive Era institutions was false. The bureaucrats who have run the U.S. Forest Service, the National Park Service, the Bureau of Land Management, and the Bureau of Reclamation have been motivated by self-interest no less than private entrepreneurs. Their goal has been to maximize their organizations' work forces and budgets, especially their discretionary spending authority. In collusion with elected politicians and special

interests representing business and labor, the federal land bureaucracies have used taxpayer funds to subsidize economic activity that would never have taken place in the absence of subsidies. Perversely, as a result of public land ownership, American taxpayers have been financing the destruction of environments they increasingly value.

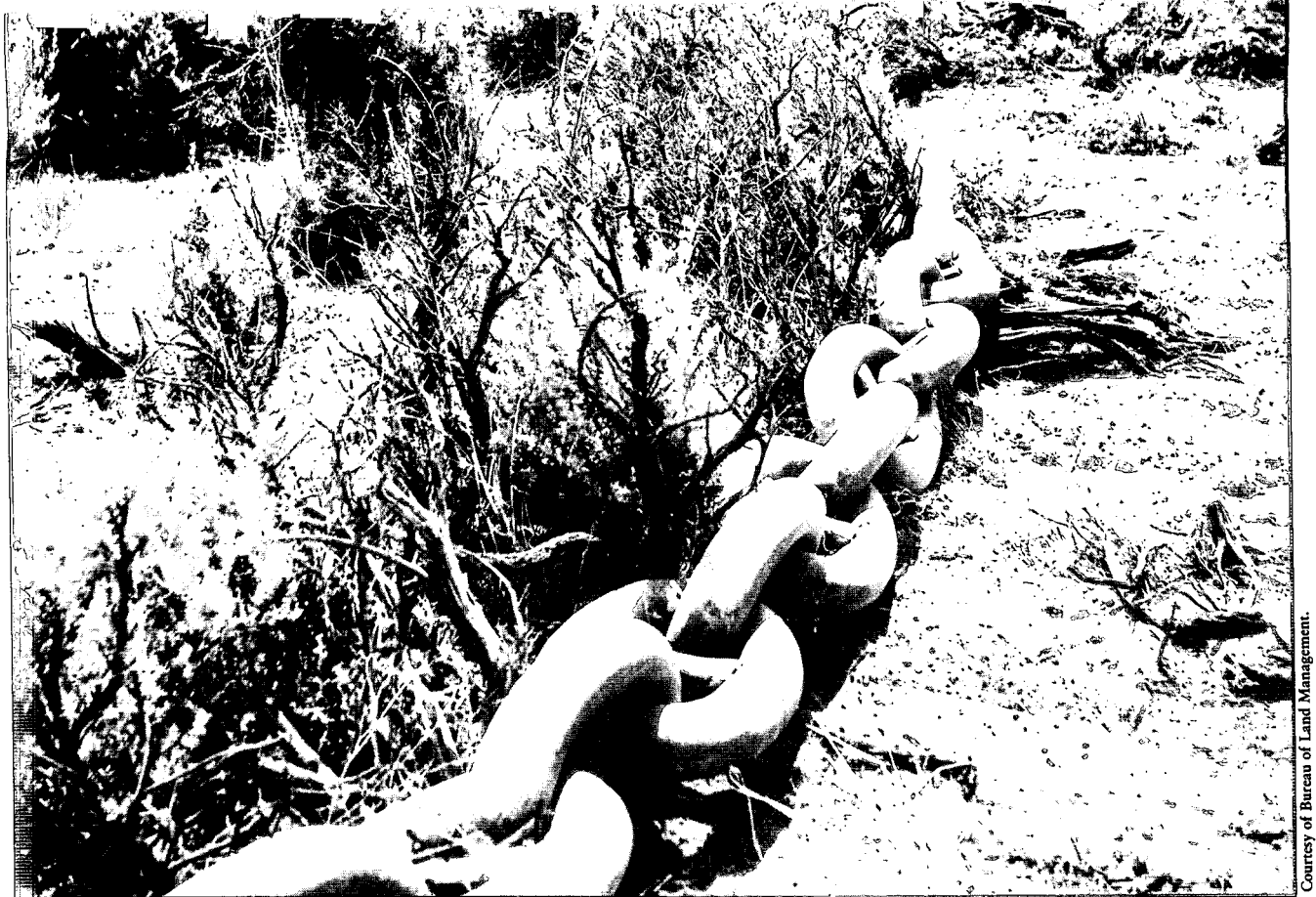
This abuse of natural resources is not primarily the fault of the individuals running the federal land bureaucracies. The problem is with the set of incentives these officials have faced. As has been demonstrated by Professor James Buchanan, winner of the 1986 Nobel Prize for Economics, and by his colleague Gordon Tullock, as well as other political economists of the "public choice" school, the structure of democratic decision-making contains a flaw at least as serious as the "market failures" that are frequently used to justify government programs.

The "iron triangle" of politicians, bureaucrats, and special interests have an incentive to cooperate with each other in concentrating benefits on small, easily identified constituencies while dispersing costs among the general taxpayers, most of whom are unaware of the programs they are financing. Public funding of environmental destruction is therefore the predictable consequence of institutional arrangements that provide opportunities to exploit the federal treasury.

The Log Rollers

Trees like to grow where it is warm, wet, and low. That is why America's best timberland is in the Southeast and the coastal regions of California, Oregon, and Washington State. And it is why there is very little commercially viable timber in most of Alaska or in Rocky Mountain states such as Utah, Colorado, and Wyoming, where it is high, dry, and cold. Yields per acre of lodgepole pine in the Rockies are a small fraction (from one-fifth to one-fiftieth) of that harvested in the Pacific Northwest.

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Courtesy of Bureau of Land Management.

These taxpayer-funded chains rip out juniper and piñon trees.

But thanks to the perverse incentives of government bureaucracies, woodlands of the fragile backcountry of the northern Rockies and Alaska are being chopped down at taxpayer expense. Last year, the U.S. Forest Service sold half a billion board feet of timber from Colorado, Wyoming, eastern Montana, and southern Idaho. The federal treasury will collect from these sales less than five percent of the expenses associated with roads, logging, and timber management. In Alaska's Tongass National Forest, the Forest Service is selling for \$2 per thousand board feet timber that cost \$92 per thousand board feet to manage.

Private companies that behave this way are called bankrupt. They are driven out of the free market economy. But the U.S. Forest Service, with custody over 190 million acres of federal forest and grassland, an area the size of Texas, has access to the pockets of taxpayers. Aside from regeneration, replanting, and bulk disposal fees, the proceeds from timber sales go into the federal treasury rather than its own budget. Thus, the Forest Service has no incentive to charge realistic and efficient prices for its lumber. Instead, in order to maximize its political support and its discretionary budget, it is committing environmental atrocities that never would occur under private ownership.

Initially set up to manage timberlands and protect watersheds, the Forest Service is best understood as the world's largest socialized road building company. Over 340,000 miles of roads have been constructed under its auspices, more than eight times the mileage of the entire U.S. Interstate Highway System. Another 60,000 miles are projected to be built over the next 15 years.

This road-building wins support for the Forest Service from construction interests and their allies in Congress. The timber subsidies win support from the logging compa-

nies and employees that benefit. And Forest Service management of timber sales provides well-paying government jobs to mountainous areas with few economic opportunities. It is hardly surprising that western legislators, business and labor interests, and Forest Service bureaucrats collude in appropriating tax dollars for continuation of the programs.

The environmental consequences, however, are severe. To build roads in mountainous terrain, it is necessary to strip rights-of-way of their vegetation, and then move vast quantities of earth in constructing cuts, fills, and switchbacks and installing pipes and culverts. This leads to massive soil erosion, which is worsening over time: as the timber at lower elevations and in easily accessible valleys is harvested, the Forest Service builds its roads on ever higher and steeper slopes, where there is a greater danger of land slides, slumps, sloughs, and earth flows. Some of the northern Rockies' finest trout and salmon rivers, among them the Gallatin and the Salmon, have been severely damaged by siltation (as much as 10 feet in the case of the Salmon) resulting from Forest Service roading and logging.

Reproduction of new trees is often unsuccessful after "clearcutting," a Forest Service practice that removes all trees from an area. By stripping woodlands of cover for animals and plants, clearcutting also lessens their ability to absorb water, thus increasing the spring runoff of melting snow. During the late 1960s, the Forest Service cut wide terraces for replanting after clearcutting in the Sula Ranger District of the Bitterroot National Forest in Montana. Today, only 35 percent of the logged area has been sufficiently replanted, and valuable cover for elk and bear has been lost. Yet the Forest Service has no plans to reduce future timber cuts.

The greater road access to the backcountry also displaces wildlife, as well as trails for hikers. Forty years ago, the national forest system had 144,000 miles of trails; today it has only 105,000, and the roads that have replaced them have been taken over by motorcycles, snowmobiles, and all-terrain vehicles. Areas of solitude originally intended for hikers, photographers, and hunters have been converted into mechanized recreational areas.

Thanks to the perverse incentives of government, woodlands of the fragile backcountry of the Rockies and Alaska are being cut down at taxpayer expense.

Perhaps the greatest destruction has been in the Tongass National Forest, a 16.4 million acre paradise in southwest Alaska, which holds the earth's last significant stands of Northern Hemisphere virgin rain forest. Giant Sitka spruce up to 800 years old, with diameters up to 10 feet, tower 250 feet in the air. The forest is home to the greatest concentration of bald eagles and grizzly bears left in America. Its waters provide important spawning grounds for salmon. Its moss and lichens on old growth timber are critical to the survival of Sitka black-tailed deer.

Today, thanks to an annual Forest Service subsidy of \$50 million, the Tongass National Forest is being cut down at the horrifying rate of 450 million board feet per year. The Forest Service plans to crisscross nearly all of the "suitable timberland" with roads, and to cut down all but 161,000 acres of the ancient groves of Sitka spruce. Siltation caused by the road-building is jeopardizing the region's most important industry, fishing. And the devastation of old-growth timber is destroying habitat for the grizzly. According to the Alaska Department of Fish and Game, it will cause a more than 50 percent decline in the Sitka black-tailed deer population.

If these road building and logging activities served some national economic interest, they would be understandable, if not defensible. It is not unusual to face the difficult choice of balancing environmental and economic goals. Yet in each of the cases described above, the economic costs of securing the timber far exceed any commercial value the timber had. Roads funded at taxpayer expense allowed access to timber that was too sparse, too marginal, or too slow-growing to justify the high price of development.

The Chain Gang

Chaining is a spectacularly ugly way to rid the landscape of trees and brush. Two hundred-thousand-pound D-8 crawler tractors are connected by a 600-foot chain anchor weighing 100 pounds to the link. As the tractors move

forward, the chain uproots all trees and shrubs in its path, leaving gaping holes and unsightly tracks. The uprooted trees may then be burned, or simply left to the side of the clearing.

Fortunately, chaining is such an expensive procedure that it is very rarely practiced on privately owned land. Unfortunately, the U.S. Bureau of Land Management (B.L.M.), which maximizes its budget by providing subsidized grazing rights to Western ranchers, faces a different set of incentives than entrepreneurs in the marketplace. The B.L.M. has no incentive to keep costs down, or even to maximize revenues from grazing fees, which go into the overall U.S. Treasury rather than its own coffers. Instead the B.L.M. builds its budget by winning political support from ranchers who then lobby for B.L.M. expenditures.

It builds this support in part by charging less than market rate for grazing rights on public lands. The 20,000 ranchers with access to B.L.M. lands pay from one-tenth to one-fifth the price paid for grazing rights on adjacent or nearby private land.

The B.L.M. also builds support by using tax money to increase the amount of grass on public lands. More grassland means more grazing. More grazing means more political favors to be dispensed by the B.L.M. In the Southwest, trees and shrubs compete with grass for scarce water and nutrients. So, to produce more grass for ranchers, the B.L.M. has used chaining to clear three million acres of pinion and juniper trees. It has then seeded the chained areas with a monoculture of crested wheatgrass, an exotic grass native to eastern Russia.

In their natural state, pinion/juniper woodlands contain more than 20 common shrub species, 14 grasses, and 17 forbs. They provide cover to mule deer, which hesitate to expose themselves in the middle of large clearings.

Chaining destroys this ecological diversity. It also hurts many Native Americans. The traditional Shoshone and Paiute Indians of Nevada remain substantially dependent on the pine nut as a winter food. The gathering, preparation, and trade of this nutritious food are important in the folkways of these Indians. Yet the B.L.M. in Nevada chained some of the best and most accessible pinion stands, an act that seemed a calculated affront to the Indians who live there. Their food supply is being destroyed to accommodate the white men's livestock and the bureaucratic goals of the B.L.M..

Damming Evidence

The Bureau of Reclamation was established in 1902 with the mission of making "the desert bloom as the rose." It has succeeded in this mission, at enormous cost both to taxpayers and to the environment.

The political entrepreneurs in the Bureau of Reclamation, along with the Congressmen from the West, found these projects excellent mechanisms to create millionaires among their constituents and thus generate political support. By providing water to irrigators at extremely low prices, the Bureau was able to convert cheap desert land into some of the world's most productive farmland.

This alchemy made no economic sense. The costs of bringing Western desert into agricultural production were five to 14 times greater than the cost of bringing lands in

the Southeast into production. The tens of billions of dollars spent by the federal government on irrigation subsidies over the last 80 years have simply aggravated the central problem in American agriculture for most of this century: how to dispose of surpluses.

The Bureau of Reclamation has also sacrificed highly valued environmental resources in order to produce unnecessary agricultural crops. It has interrupted the flow of wild, free-flowing rivers such as the Glen Canyon in Arizona and the Stanislaus and Trinity in California, and damaged the natural habitat of fish and wildlife.

The most dramatic tragedies probably result from the irrigation of the Lahontan Valley in Nevada and the San Joaquin Valley in California. Water for alfalfa and other crops in the Lahontan Valley led to the drying up in 1938 of Winnemucca Lake, once a 25-mile-long paradise for waterfowl on the Pacific Flyway; and to a system of dams and canals on the Carson and Truckee rivers that are depleting Pyramid Lake and the Stillwater National Wildlife Refuge, destroying the spawning grounds of two species of endangered fish, the cui-ui and the Lahontan cutthroat trout. The Stillwater Refuge used to harbor 200,000 ducks, 6,000 geese, and 8,000 tundra swans; but between 1929 and 1980, it lost 68 percent of its marsh habitat.

Similarly, uneconomic irrigation of the San Joaquin Valley led to horrifying birth defects among waterfowl at the Kesterton Reservoir in the spring of 1983. Birds were born with severe deformities, among them grotesquely shaped beaks, missing wings, twisted legs, and unformed skulls. Many died soon after hatching. Apparently selenium, a trace mineral leached from the soil by irrigation water, had entered the food chain in the reservoir. The disaster was a byproduct of the Bureau of Reclamation's effort to provide water to irrigators at only a fraction of the actual cost. It most likely would not have occurred if the corporate farms of the valley had to pay the market cost for their water.

Bound to Fail

Currently the federal government owns about one-third of the land in the United States, and state and local governments own another nine percent. The rest is privately owned. On privately owned land, however, people are not free to do whatever they feel like doing. We cannot dump hazardous waste in our neighbor's backyard. We cannot burn large quantities of sulphur-producing coal in our own backyard. These and other restrictions on the use of private property are there, in part, because of a national desire to have clean air, clean water, and other environmental amenities. In imposing these restrictions, government is serving as a rule-making body, while the resources remain in private hands.

The rules that government imposes in order to promote environmental amenities are never perfect. Once government begins to legislate, there will always be scores of special interests pulling and tugging in various directions in the hopes that the new legislation will confer on them an advantage. Because of these special interests, the rules we have governing automobile emissions controls and sulphur emissions are much more costly than they need be. The current rules are in place, not because they are the best

rules, but because special interest pressures always distort the legislative process.

When government begins to own, manage, and produce, a new set of distortions is introduced, in addition to the external special interest pressures. Managers and employers of public enterprises invariably discover that what is in the public interest is not necessarily in their own private interest, and it is their private interest that they tend to

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pursue. The desire to expand the size of their budget, the need to develop political allies and constituencies, the desire to conceal their mistakes from public view—all of these are motivations that spring from the private interests of bureaucracies, even though they are often at odds with the general public interest.

These considerations, which apply to the economy in general, also apply to the public lands. There is no more reason to suppose that the federal government can manage the national parks any better than it manages the Postal Service. Indeed, it is almost certain that the government will do a better job of delivering the mail than managing the parks.

This is because the general public is in a much better position to monitor the Postal Service than the Park Service. Most of us know how much postage stamps cost and whether our mail is being delivered on time. But few of us know what portion of our taxes goes to the Park Service and fewer still are in a position to evaluate the Park Service management.

In his laboriously researched book, *Playing God in Yellowstone: The Destruction of America's First National Park*, Alston Chase shows how the National Park Service has impoverished the Yellowstone ecosystem by managing in accord with a political calculus rather than ecological and environmental standards. As a result of National Park Service policies, the white-tailed deer, the mountain lion, bobcat, wolverine, and lynx all have vanished from Yellowstone, and the Rocky Mountain gray wolf is now extinct.

It should not be surprising, therefore, that agencies ostensibly created to protect and to preserve our natural resources engage in environmentally destructive behavior that no private landowner would ever engage in.

Successful ranchers on private ranges rarely engage in chaining, overgrazing, and other environmentally destructive behavior that we have observed on public ranges for generations.

Farmers using their own money do not dam rivers and build irrigation systems when the cost of the project far exceeds the economic benefit.

And timber companies logging their own private forestlands do not build uneconomical roads into ecologically fragile areas to cut down uneconomic trees.

James Buchanan won the Nobel Prize in 1986 for the seminal work that he and Gordon Tullock have done on the imperfections of public decision-making. The President's Commission on Americans Outdoors should apply the elemental lessons of public choice theory to the question of public ownership, management, and control of lands, and begin thinking about transferring public lands to private ownership rather than the other way around. There is no policy arena in which the ideas of public choice theory are more applicable.



Courtesy of Bureau of Land Management.

Sitka spruce trees at Tongass forest.

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INDABA WE TRUST

South Africa's Last Best Hope for Racial Peace

WILLIAM PASCOE

Early next year, the South African government will make the most important decision it has faced since the institutionalization of apartheid in 1948. It must decide whether to allow one of its four provinces to abolish apartheid and to reunite with a black homeland under a universally elected, multi-racial government in which individual liberties will be protected by a bill of rights.

Under the present apartheid system, the region of Natal—home to five million blacks (mostly from the Zulu nation), 600,000 whites, 800,000 Indians, and 90,000 (mixed race) coloreds—is divided administratively into the Province of Natal, where most of the whites and Indians live, and the black “homeland” of KwaZulu, a patchwork consisting of 44 separate “black” areas as defined under the Group Areas Act.

The province is governed by the Natal Provincial Council, dominated by the New Republic Party, a mostly English-speaking party not affiliated with the National Party that rules the central government in Pretoria. The homeland is ruled by the KwaZulu Legislative Assembly under Chief Minister Mangosuthu Buthelezi, leader of the Zulu nation and head of Inkatha, the largest black political organization in South African history.

Now representatives of the Natal and KwaZulu governments, together with more than 30 other political institutions from the region, are proposing to abolish this artificial separation of races, and unite the province and homeland under one government. Their proposals result from a remarkable set of constitutional negotiations called “Indaba” (Zulu for discussions or agreement), which began last April in Durban, the capital of Natal.

These discussions led to a more threatening challenge to the system of apartheid than all the pronouncements of Archbishop Desmond Tutu and the African National Congress (A.N.C.) and all the violence in black South African townships. Perhaps because the Indaba is nonviolent, it has been virtually ignored by the international media, which prefers the drama of bloody riots and equally bloody crackdowns by South African security forces. But the KwaZulu/Natal proposals offer South Africa its best opportunity for a peaceful transition to a more broadly democratic society.

Though the Indaba's sessions formally opened in April 1986, its origin lies in the reports of the South African Sugar Association-sponsored Lombard Commission and the KwaZulu Legislative Assembly-chartered Buthelezi Commission, both of which date back to the early 1980s. Although by no means identical, the two reports—one commissioned by an essentially white concern and the other by an essentially black concern—concluded that the two legal areas known as Natal and KwaZulu were in fact one geographic region, and that any attempt to divide them into two separate territories or countries was therefore futile.

Apartheid's Inefficiencies

Quite apart from the ethical shortcomings of apartheid, one of the primary impulses for integrating province and homeland is costly bureaucratic redundancy and duplication of services that results from dual administration. There are, for example, six education departments in the Natal region, and the province could save a million dollars a year simply by combining its health services. This economic inefficiency makes apartheid an unsuitable politico-economic system for South Africa during a time of population explosion and economic depression.

In November 1984, the KwaZulu Cabinet and the Natal Executive Committee formed two high-level joint committees, the KwaZulu/Natal Work Group and the KwaZulu/Natal Strategic Policy Group, to cooperate on matters of joint concern in the administration of the region, such as health services, education, and roads. It soon became clear, however, that such loose cooperation was not enough.

The two administrations therefore agreed to begin negotiations aimed at the establishment of a Statutory Joint Executive Authority, made up of an equal number of representatives from the KwaZulu Cabinet and the Natal Executive Committee. Those negotiations were successfully concluded in March, and were approved by Pretoria shortly thereafter.

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