

THE NEED FOR A NATIONAL LAND USE POLICY





National Forest Products Association

1619 Massachusetts Avenue, N.W., Washington, D. C. 20036

(202) 332-1050

The presentation, "The Need for a National Land Use Policy," was prepared for consideration of a joint meeting of the Natural Resources and Agriculture Committees of the Chamber of Commerce of the United States and was the subject of discussion there.

Mounting requests for copies warranted the paper's publication in booklet form. A copy is provided for your further consideration of an issue which is assuming increasing significance in the United States.

A. P. Newson

**Vice President
Public Relations**

The Need for a National Land Use Policy



*A Presentation Before
The National Resources and Agricultural Committees
of the
Chamber of Commerce of the United States*



By

Mortimer B. Doyle

Executive Vice President

National Forest Products Association

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Mortimer B. Doyle

*I*t has been said that in a democracy the policy must follow the people before the people will follow the policy.

This has been manifest with respect to the lack of substantial policy covering the use of our national land base.

The United States of America has no specifically stated national land use policy.

This is no doubt true because there are such divergent views as to the values which may be derived from the land. Land policy, therefore, or the lack of it, tends to reflect the confusion brought about by conflicting purposes among large elements of our national society.

In the present statutes there is no provision for the assignment of values to the land in relation to the enduring interests of the people.

National Point of View Needed

There are, of course, innumerable acts responsible for limited situations which govern the specific uses of land in the public domain, but despite present efforts of the Public Land Law Review Commission to assemble and codify and eventually amend these statutes, there is no present provision for conscious adoption of a national policy, or if you will, a national point of view, which will afford assurances to all the people that the land mass of the United States will return maximum benefits to all the people, all the time.

There has been, in recent years, an imposition of increasing demands upon the land for single use without regard to the versatility of the land and its ability, under proper supervision, to fulfill the widely diverse needs of extractive industry, agriculture and grazing, fish and wildlife protection and replenishment, watershed development, and outdoor recreation.

Little attention has been paid to the constant shrinking of usable land as the consequence of multiple problems of urban sprawl, superhighway development, reservoirs, airfields, and set-asides for a wide variety of single-use public purposes such as parks, military reservations, wilderness areas, scenic and wild rivers, and greenbelts.

Industry Is Not Alone

While the forest products industry is in the forefront of those deeply concerned about the shrinking land base for growing commercial timber, it is not alone in expressing the general concern for the patchwork practices now applied to fulfillment of land needs for the public good.

Its problem is not unique.

The restrictive use of land, barring petroleum exploration and development, limiting mining and grazing, removing areas required for efficient agricultural practices, and consequently restricting the economic and social return from resource-based activities of all kinds is evident throughout testimony presented to the Public Land Law Review Commission everywhere in the United States.

Eight Areas For Action

The position of those of us concerned with the restricted realization of the potentialities of our present land base can be summarized succinctly in eight points derived from an analysis of that testimony:

1. Federal lands embrace material resources and public and private uses which should be developed more intensively.
2. Resource users need to be assured that their particular resource or use will be available to the public on a continuing basis.
3. Those resource users requiring a substantial capital investment to convert or use these resources need long-term assurances that predictable quantities of the resource will be made available to specific users under formal agreement. These agreements would include long-term timber sale contracts, long-term concession contracts for ski and other recreational developments, long-term leasing or long-term grazing permits, for example.
4. These resources and uses should be made available at rates and under terms which will foster a healthy economy in the local area involved.
5. While there is considerable disagreement on the methods to be used, local government units need to receive, in one form or another, equitable recognition of the federal land base within their jurisdiction and its influence on their revenue base.
6. Federal land managers at all levels should encourage increased public participation in land management decisions.
7. Neither substantial additions to federal ownership or federal lands is warranted. A basic need is that land acquisition, management and disposal policies be responsive to the needs of those persons, industries and communities dependent on those resources.
8. Federal lands are capable of providing several commodities and services which are not mutually exclusive in a long-term management plan. While a nebulous concept at best, "multiple-use" should nevertheless be viable.

A Common Problem

Forest industry spokesmen have provided the Commission with considerable detail on federal land management problems which affect the companies and communities dependent on federal timber resources.

While there is some difference in emphasis from region to region, our industry's basic comments are largely of a nature that would permit any resource industry to substitute its own key word for "timber" and be in close agreement.

The essentiality of making a conscious effort to sponsor the development of a sound national land use policy for the forest products industry can best be demonstrated by a quick review of the current conditions which are inexorably reducing land available for growing commercial timber.

The Senate has passed and sent to the House a bill which would establish a 66,000-acre National Redwood Park in Northern California.

What Price Parks?

The proposed park would provide for the acquisition of 33,000 acres of privately-owned redwood timber land being operated on a sustained-yield basis. Two companies would be put out of business and two others would be seriously crippled.

The termination of private timber operations makes it obvious that neither tourism nor recreation development can ever substantially replace the annual payrolls of \$80,000,000; \$18,000,000 spent for services and supplies each year, and the more than \$6,000,000 in property taxes now paid every year by the forest industry in Del Norte and Humboldt Counties alone.

The Senate has passed a bill calling for the establishment of North Cascades National Park in the State of Washington.

While relatively little private land will be acquired in this 1.2 million acre park, wilderness and recreation area proposal, federal commercial timber lands now operating under the Forest Service will be transferred to jurisdiction of the National Park Service which will end forever the possibility of realizing either economic or tax yield from the timber and lands involved.

In Northern Minnesota plans are under way to establish Voyageurs National Park which will embrace 108,000 acres and require federal acquisition of 69,000 acres of private lands as well as removing from potential production another 7,000 acres contained in Superior National Forest.

There are, of course, innumerable other legislative proposals at various stages of development involving the establishment of wilderness areas, wild and scenic rivers, scenic trails, National Seashores, and related recreation and aesthetics-oriented set-asides which involve either acquisition of private land holdings or removal of commercial timber lands already under Forest Service management.

The Problems Are Urgent

I cite these few examples only to reveal in sharp detail the present urgent problems directly affecting the interest of not only private enterprise but the ultimate interest of the national economy and the benefits deriving from it to the people.

There are other specific problems which are related to proper land use in the public interest.

One of particular concern to the forest products industry at the moment is the drain of logs from public lands in the Pacific Northwest to fulfill the wood fiber requirements of the Japanese.

Japan is in the middle of a building boom.

It requires large quantities of lumber and plywood.

But it buys that lumber and plywood from Canada.

Canadian law prohibits the export of logs except under very severe restrictions.

This is also the case in Alaska where, by law, timber must be processed through primary manufacture before it can be exported.

But in the United States

But, in the United States continental area there is no restraint on the export of logs and, consequently, the Japanese buy all the logs they can get and benefit from the manufacturing employment and income in Japan.

They do not, and evidently will not, willingly buy lumber from the United States so long as they have ready access to logs.

With the federal government the dominant timber owner in both Oregon and Washington, U. S. mill owners are dependent upon federal timber as a source of raw material.

Because Japanese are able to bid for federal timber in direct competition with American timber buyers and are willing to pay prices double what the American manufactured product market will bear, the Japanese are outbidding U. S. mill operators and obliging them to close down.

Last year 4200 jobs were lost in mills shut down due to a shortage of logs at realistic prices.

This situation dramatizes clearly the paradox of federal policies.

Exporting Jobs To Japan

Just before Christmas, President Johnson warned that if private industry failed to provide employment for all the unemployed, the federal government would do so.

And yet we find in the Northwest that forest industry jobs are being exported to Japan while federal timber policies are hurting small timber dependent communities and their people.

It should be apparent to the government by now that it can't have both high employment levels in timber dependent communities and unrestricted timber sales for foreign manufacturing.

The urgent need for a national land use policy geared to the public interest in this instance is obvious.

The acquisition of land for recreation purposes promises to accelerate rather than diminish — in the absence of a positive national land use policy.

“Pay For Play”? — No!

All of us concerned with natural resources are sensitive to the implications of the Land and Water Conservation Fund which received advance appropriation of \$119 millions in its first year on the speculation that revenues from the Golden Eagle card for admission to public playgrounds would provide the revenues necessary to replace them.

The record has shown that public response to “pay for play” on public lands has been less than enthusiastic.

Consequently, a bill is now pending in the Senate which would provide for the earmarking of revenues from sale of public resources, such as timber, minerals, and offshore oil, for swelling the coffers of the Land and Water Conservation Fund.

It is anticipated that 85 per cent of the revenues derived will be spent in the East and South — where the people are — to acquire further additions to the National Park System.

It is estimated that revenues assigned to the Land and Water Conservation Fund from the yield on federally-held resources could amount to \$500 million a year for the next ten years.

This means that the National Park Service and its Bureau of Outdoor Recreation will be in a position to spend more than one-half billion dollars in the next decade to acquire private lands.

Some Things to Consider

There is an additional overtone to the recreation mania which is sweeping the nation and the demand for acquisition of lands to guarantee the exercise of the public will to recreate.

Lands provide the opportunity for investment of private funds for the production of useful goods.

When such investment is made, with prospect of an adequate return, jobs are created.

When jobs are created, communities are created and enjoy relative stability of payrolls, taxes, and social organization.

Removal of the basic ingredient, access to raw material resources, has a domino effect throughout such communities and ultimately upon the entire economy.

When the resource is not assured, the investment is not forthcoming; when the investment is withdrawn or withheld, jobs are reduced or are not realized; when jobs disappear, people are obliged to disappear from communities; whole communities dry up and go away.

What Happens to People

Where do the people go to?

They tend to go to the metropolitan centers where, presumably, job opportunities abound.

If the opportunities do not in fact exist in the cities, these people are obliged to concentrate in low-cost tenement areas, apply for public welfare benefits, and add to the heavy social burdens of the major cities.

Thus, the lack of a national land use policy, dedicated to the sustaining of a vital rural economy, is in fact contributing materially to the problems of the cities and the decline of our rural population and its self-sufficiency.

The harsh realities of this economic formula is best revealed when one considers that the forest products industry, over the next decade, will be expected to provide its appropriate share of employment opportunities for new workers entering the national work force.

Without land, without resource stability and investment security, those jobs will never be created.

In this context, one might inquire, even as an exercise in citizenship unrelated to special interest as a natural resource user, "What assurance does an industry have that its investment for processing raw material will be reasonably safe in terms of supply or continuous economic operations?"

The answer, under present circumstances, is "None," or at the best, "Little."

Unquestionably the most significant area involves those discouragements to investment caused by raw material uncertainty.

Secure Raw Materials Essential

The problems here arise from a lack of appreciation on the part of individuals, but especially on the part of government, that a secure raw material position is essential before a firm can be expected to make investments.

In the forest products industry, depending on company policy, many firms own or lease a substantial portion of their raw material supply.

They do this to protect their plants against brief shutdowns due to wood shortages caused by weather, labor, or other temporary conditions; from extended shutdowns due to a

basic supply deficiency; and from runaway prices for market logs and pulpwood.

The percentage of raw material supply controlled is highly dependent on how open the market is for wood.

If the supply side is characterized by numerous small sellers, the manufacturing company is frequently willing to forgo land ownership and to compete with other firms for its raw materials.

But if the timber market becomes less open because other landowners, including federal and state governments, begin to lock up significant areas, the log buying firm must begin protecting itself or go out of business.

An Important Point

This leads to an important point.

If forest industry expansion is to be fostered, it is not sufficient to merely have an excess of timber growth over drain.

It is equally necessary to have any excess available to industry buyers on a consistent basis.

Excess timber, assuming it is of usable species and quality, must either be available to ownership or lease over a long period — perhaps 30 to 50 or more years, or else it must be available on a relatively open market.

The question of raw material availability is one of the most important problems facing natural resource-dependent industry expansion today.

Ironically, it arises from the policies, or the lack of policies, of the organization which expresses a great interest in rural unemployment, conservation and the supply of products to consumers of the future: the federal government.

The foregoing has largely been a catalog of the unfortunate experiences of the forest products industry and, in a larger sense, the entire resource-dependent enterprises of the nation,

as a result of no clear national policy with respect to proper use of our land base.

What to Do?

The next obvious question is, "What can be done about it? What can we do individually and collectively to correct the imbalance of power which has been dominating land-use decisions among our people and in the executive and legislative branches?"

The approach of the forest products industry has consisted of three principal steps: identification of the overall problem; exposure of the problem at every possible opportunity; and conscious effort to enlist allies towards its solution.

We have concentrated a good deal of manpower and effort on developing a sound and mutually productive relationship with the Public Land Law Review Commission.

We believe that the Commission and its work will make a major contribution to a clarification of the problem and will develop material applicable to the resolution of not only the codification and simplification of existing law but to the larger question of national public land use policy.

We have seized every opportunity in public forums, in testimony on related matters, and in publications and the press and Congressional relations to expose our concern and analysis of the problem related to lack of a realistic national land use policy in the public interest.

A Public Dialogue is Needed

We are concerned with generating a public dialogue on this compelling public issue.

We have undertaken and financed exploratory studies by highly competent authorities to provide us with direction towards the means which might persuade and instruct public officials and the public in the problem and enlist their direct

support in resolving the issue of a national public land policy.

The Board of Directors of the National Forest Products Association retained Management & Economics Research Incorporated to complete a preliminary analysis of the impact of public land-use policies on local economies in forest areas.

The NFPA also underwrote and cooperated in the completion of a Master's thesis study "Obstacles To The Recreational Use of Private Forest Lands" by Kenneth S. Fowler of the University of Michigan.

It might be useful, in view of the heavy public interest in recreational use of public lands, to comment, for just a moment on the results of this second study.

Just as it is now difficult to justify government ownership for timber production purposes, it is generally difficult to justify it for recreation purposes.

Private Lands and Recreation

A 1960 report revealed that of 58 million acres surveyed and owned by forest industry companies, at least 86 per cent was open to the public for camping, picnicking, hiking, hunting and fishing.

If more recreational opportunities are desired, why not promote wider use of other private lands?

Mr. Fowler concluded that important obstacles to the opening up of private lands were the owners' fear of damage from vandalism and fire, and fear of liability.

He also discovered that private landowners frequently face cost-increasing building and health restrictions which the federal government does not.

I think you will all agree that it is desirable to provide landowners with an income opportunity commensurate with their risk, thus keeping private land in the tax base.

The forest industry also has an interest in keeping as much land as possible in multiple use.

I suggest to you that removing these obstacles to public recreational use of private land would yield long-term benefits in the attraction of forest industry investment.

Telling Congress About It

Our concentration of effort to win understanding of the significance of the land use issue in influential places has been marked by specific reference in successive opportunities to testify before Congressional committees in a number of areas of interest.

We have adopted the point of view that a national land use policy lies at the root of many of the problems occurring in our industry, and we have rarely missed an opportunity to relate a contemporary issue of specific nature to the underlying cause for the existence of that problem.

But espousal of a cause, or identification of a problem, is never enough.

There must be positive follow-through to achieve maximum results.

Positive Steps By Industry

Just last month the Economic Council of the Forest Products Industry, which includes the chief executive officers of large, medium and small manufacturers throughout the industry from coast-to-coast, adopted a resolution enabling further positive steps.

It offered "strong endorsement for an immediate and continuing national economic land use study to be funded by all associations interested in raw material problems."

Reading behind the language, this means that not only are the associations of our industry unleashed to develop funding for such a study, but we are, similarly, authorized to invite participation by other natural resource industry groups to

further this cause which is of such paramount importance to all of us.

Having elaborated a little on what our own industry is doing to raise the issue and drive it home, it would be appropriate to inquire whether there has been any Federal reaction.

The answer is "yes."

What Government is Doing

There are allies in a variety of areas within the government and within the Congress who would willingly lend their support to furtherance of such a national purpose.

The Public Land Law Review Commission study, as I pointed out, is a giant step towards identifying the range and variation of the publics concerned.

The work of this Commission has been exemplary and deserves the full support of every industry, group, or individual having an interest in the land of America.

Secretary of Agriculture Orville Freeman has repeatedly demonstrated his concern with the plight of those of us dependent upon the land. While his immediate interest has been directed towards redressing the increasing imbalance between rural and urban population flow, he has enunciated a clear understanding that economics lie at the root of the imbalance and that economic corrections will lead to sociological corrections.

Senator Karl Mundt of South Dakota has introduced a Senate Joint Resolution 64, and the Senate has passed it, calling for the establishment of a Commission on Balanced Economic Development which would do much to further public and official understanding of the basic issues regarding rural-urban imbalance.

We have committed ourselves to work for passage of this measure by the House, and while it is not my intention to

lobby here for specific action, I enlist your assistance in working actively to further establishment of the Commission.

It will provide one more tool for assembly of the facts necessary to make the case all of us so desperately need to have made.

Back to the Beginning

This leads us back to the beginning: we now have no stated National Land Use Policy.

I hope I have persuaded you that there is an urgent need, not only in our own respective issues, but in the total public interest, for such a policy.

There is a precedent for such a policy in the Employment Act of 1946, which established public principles to be sought in the interest of the nation.

This is precisely what is needed in consideration of land matters at all levels of government.

The primary benefit to private industry of such a national policy would be that investors would know what to expect of government relative to uses of land.

Some Corollary Benefits

But there would be other corollary benefits to every industry which cannot be ignored.

They can be summarized quickly:

1. Investors would be able to project plans further into the future.
2. Research and product development would be accelerated as a consequence of raw material stability.
3. Modernization of plant facilities could be justified.
4. Development of rural industries would be enhanced.
5. Rural-urban investment and opportunity balance would be improved.

6. Community stability and work force reliability and opportunity would be improved.

It is apparent to us that realization of a national land use policy will require a good deal more concentrated effort and investment than we have yet undertaken.

New Ideas Are Needed

Moreover it will require innovative and even radical departures from traditional thinking among all elements of our society concerned with land matters.

There are some who see the Public Land Law Review Commission as the logical vehicle for the implementation of a policy based upon its comprehensive findings.

Others speculate as to the feasibility of requiring total coordination among government land acquisition agencies so that all acquisitions proposed are submitted jointly and concurrently enabling the Congress to view the recommendations from the agencies as a whole and apply value judgments as to relative merits.

Proponents of this approach consider that only under such a system can the present piecemeal authorizations be made part of a cohesive land use plan.

Perhaps what they are trying to suggest is that every federal administration should indicate, early in its 4-year term, all of its anticipated land acquisitions so that the Congress and the people can consider them as a whole, examine their relative merits, make their views clearly known, and then act on the basis of priority fulfillment of the actual needs of the people.

Others urge that land management agencies be obliged to apply cost-benefit ratio techniques to every acquisition proposal and thus enable the Congress to apply measuring sticks to size, cost, and use and then establish priorities related to actual benefits for all the people.

They contend that cost benefit ratios apply elsewhere in government budgeting and procurement and they insist they can be applied in land procurement and management as well.

Answers Must Be Found

There are no easy answers, most responsible men and women will agree.

That answers can be found, however, and must be found — few will disagree.

The opportunity to address this group today was not, believe it or not, solicited by me or by my association.

It was, I think, the consequence of growing industry concern with the problem which we have helped to identify this morning.

I welcome the opportunity to talk with you because I am persuaded that the lack of a national land use policy lies at the bottom of many of the problems we share in common and independently.

All of you represent those who stand to lose the most from continued lack of such a policy; you represent as well those who stand to gain the most from establishment of such a policy.

This, gentlemen, is one of the rare instances in life where you cannot lose by investing your time, energy, money and talent in a speculative undertaking.

I solicit you and the Chamber as a whole to review the necessity for a national land use policy study and to become willing advocates of this essential cause.

If this undertaking is properly motivated and conducted, I believe, in all earnestness, that most of us in this room will live to see a sound national land use policy adopted by the Congress for the national interest.

Thank you.

NATIONAL FOREST PRODUCTS ASSOCIATION
1619 Massachusetts Avenue, N.W.
Washington, D. C. 20036