Past Laws Doing Harm to America's Future

By Bill Hobby

Recently President Clinton took two steps that affect our trade with Japan. He announced a 100 percent tariff on 13 models of Japanese luxury cars, effectively banning imports of those popular vehicles.

And he vetoed the budget-cutting bill which contained a rider that would undo efforts to restrict some logging in national forests. A major beneficiary of that rider might well have been Japan.

The car tariff, which would go into effect June 28, is an attempt to force the Japanese to open up their market to U.S. vehicles. It is more likely to touch off a trade war, since Japan has already complained to the World Trade Organization and could resort to countersanctions against other U.S. products.

Whether the tax on Japanese luxury cars would increase sales for U.S. autos and create jobs is another question. It is more likely to increase the sale of German luxury cars, Mercedes and BMW's.
The Japanese have shown little interest in buying U.S. autos, but they have a keen, long-standing interest in U.S. timber. They prefer whole logs so that the jobs from milling and making fiberboard will go to their own citizens. We have been very willing to accommodate them.

Until a few years ago, the Japanese had an exclusive 55-year contract on timber from the Tongass National Forest in Alaska. The Japanese-owned Alaska Pulp Corporation was guaranteed the right to remove up to 100 million board feet a year from our last intact temperate rain forest without competitive bid until the year 2011.

Before the contract was canceled, the Japanese took 2.16 billion board feet of lumber, causing concern about overcutting. Environmental organizations estimated that the forest was being cut at twice the sustainable rate.

At least for a time, the Japanese employed about 400 Alaskans in their pulp mill, but they shut that down in favor of exporting high-grade whole logs.

This sweetheart deal, which originated as an effort to help rebuild Japan after World War II, is not the only tidy subsidy American taxpayers are giving to timber companies, both foreign and American owned.

The Wilderness Society estimated that logging on public land cost us $614 million last year.
The rider attached to the budget bill would have required the Forest Service to cut a certain volume above the current limit. No restrictions would apply to that timber, meaning that the Forest Service efforts to restrict logging in particularly scenic or ecologically sensitive areas like high peaks, would be null and void.

Federal law prohibits exporting whole logs taken from public land. But any increase in the timber harvest from the national forests would offset the domestic demand, allowing timber companies to export more trees cut on private land.

The economics of deforestation are hard to grasp.

In Brazil, New Guinea, Indonesia and most countries with tropical rain forest, it is popular to give the resource away for a tiny fraction of its worth.

The U.S. Forest Service supports logging by selling timber at prices that do not cover the cost of growing it, harvesting it, selling it or building roads to it.

Like many other policies that now contribute to environmental degradation, U.S. forest policy was intended to develop the West. There have been others. In 1972 when the West was a sparsely settled frontier, Congress passed a law under which miners can buy U.S. land for as little as $2.50 an acre and extract valuable minerals without paying royalties. The 1872 Mining Act is still in effect.

Now it means that a Nevada gold deposit estimated to be worth $10 billion can be sold by the federal government to a Canada-based mining company for less than $10,000.

It does not consider the environmental damage that usually accompanies modern mining operations with pits 1,200 feet deep and nearly a mile across. It does not consider the return that justifiably is due the taxpayers who own the resource.

The General Accounting Office estimates that about $1.7 million in hardrock minerals is being taken from federal lands each year. A bill is expected which would create a 2 percent royalty -- a modest sum considering that oil produced on federal lands carries about a 12 percent royalty.

Last year, the Clinton administration triggered an uprising in the western states by proposing a modest reform in the grazing lease policy. The present system costs taxpayers about $60 million a year because of the very low prices charged to lease the land.

Much of the acreage has been damaged so much that it has eroded. Grass has been replaced by weeds. The reform would double the cost of the grazing leases over three years, but the good stewards -- those who do not overgraze -- would get a 30 percent discount.

This is where the staunchly independent men of the West become whining welfare cowboys. If they lose their subsidy from taxpayers, they argue, ranching will die in America. Amazing, isn't it, that Texas ranchers, who don't have the benefit of cheap federal land, have been able to stay in business all these years.

The new policy is to go into effect in August, but a bill now being considered in Congress would halt that modest change. It would make grazing the number one purpose of public rangeland, eliminating the non-ranching public from any interest in this so-called public resource.

Originally published June 19, 1995, in the Austin American Statesman.