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# PERSPECTIVES

## Price of logging is more than stumps

**AN EMERALD EDITORIAL**

*The Forest Service's admission that it loses money is overdue and underestimates the true price of cutting trees*

It's December. Congress has gone home for the year. Most of us are too busy keeping warm and worrying about finals to go hiking through the woods. Federal timber policy has been set for the year, and even timber companies have slowed "salvage" operations to wait for snow to melt in the Cascades. In short, trees are one of the last things on most people's minds.

Perhaps that is precisely what the U.S. Forest Service was hoping for. The agency, which operates under the Department of Agriculture, just released preliminary information indicating that it lost \$14.7 million last fiscal year.

The story made the front page of the Nov. 22 Register-Guard, but the implications of it have been largely absent. Worse, the national media haven't touched the issue; CNN's web page contains no trace of the story despite searches under a variety of key words.

In short, trees remain one of the last things on people's minds.

This shouldn't surprise anyone. According to the Associated Press story, environmentalists believe the agency has known for months that costs would exceed revenues from timber sales. Moreover, environmental groups have been arguing that the Forest Service was operating in the red for much longer than last year.

This information rarely received media coverage, even though timber issues have been making headlines for years. The "conflict" between spotted owls and jobs, for example, has not only received extensive attention but is largely a creation of media focus.

Once again, people working within the Forest Service disprove the fallacies the service has benefited from. According to a story by Paul Roberts in the June Harper's, "The Forest Service's own economists would later determine that job losses in the 1990s had more to do with a recession and a sour market for

new homes than with owl litigation."

While the media proved perfectly willing to help industry scapegoat environmentalists as being at the root of the economic crisis surrounding timber, the reality indicated by the Forest Service's new report is that it was the timber-selling apparatus itself that is to blame.

Even when papers like the Guard do report the long-known fact that timber sales lose money for the federal government, however, they continue to blame those costs on environmental groups. The Associate Press story quotes a Forest Service spokesman as say-

ing the increased costs resulted from environmentally sensitive practices, saying, "It costs more money to selectively harvest trees than it does to clear-cut them."

This blatantly ignores the fact that many of the salvage logging programs currently being practiced by the Forest Service are really nothing more than clear-cutting forests that contain a couple dead trees. In addition, it suggests that if the service were able to sell more trees, it would actually raise money.

Numerous other investigations of the Forest Service's budget suggest that it is actually the act of cutting trees that leads to lost revenue for

the agency. According to Roberts, the National Resources Defense Council, hardly a radical environmental group, has claimed since the 1970s that the service loses money on timber sales.

The reasons sales cost money are numerous. The fundamental problem, of course, is that it costs more to prepare land for sales than it does to sell the timber. Obviously, the details are more complex.

One big cost is that of building roads, an ongoing drain on the federal budget that Congress recently voted to continue. Road costs and other expenses are hidden by what Roberts labels "questionable accounting methods."

Another problem, pointed out in the Associated Press story, is that the agency doesn't count timber revenues paid to the counties in which forests are located as costs, despite the fact that the revenue never makes its way back to the service or the U.S. Treasury Department. If these payments are subtracted from the Forest Services income, it actually lost almost \$290 million in fiscal 1996.

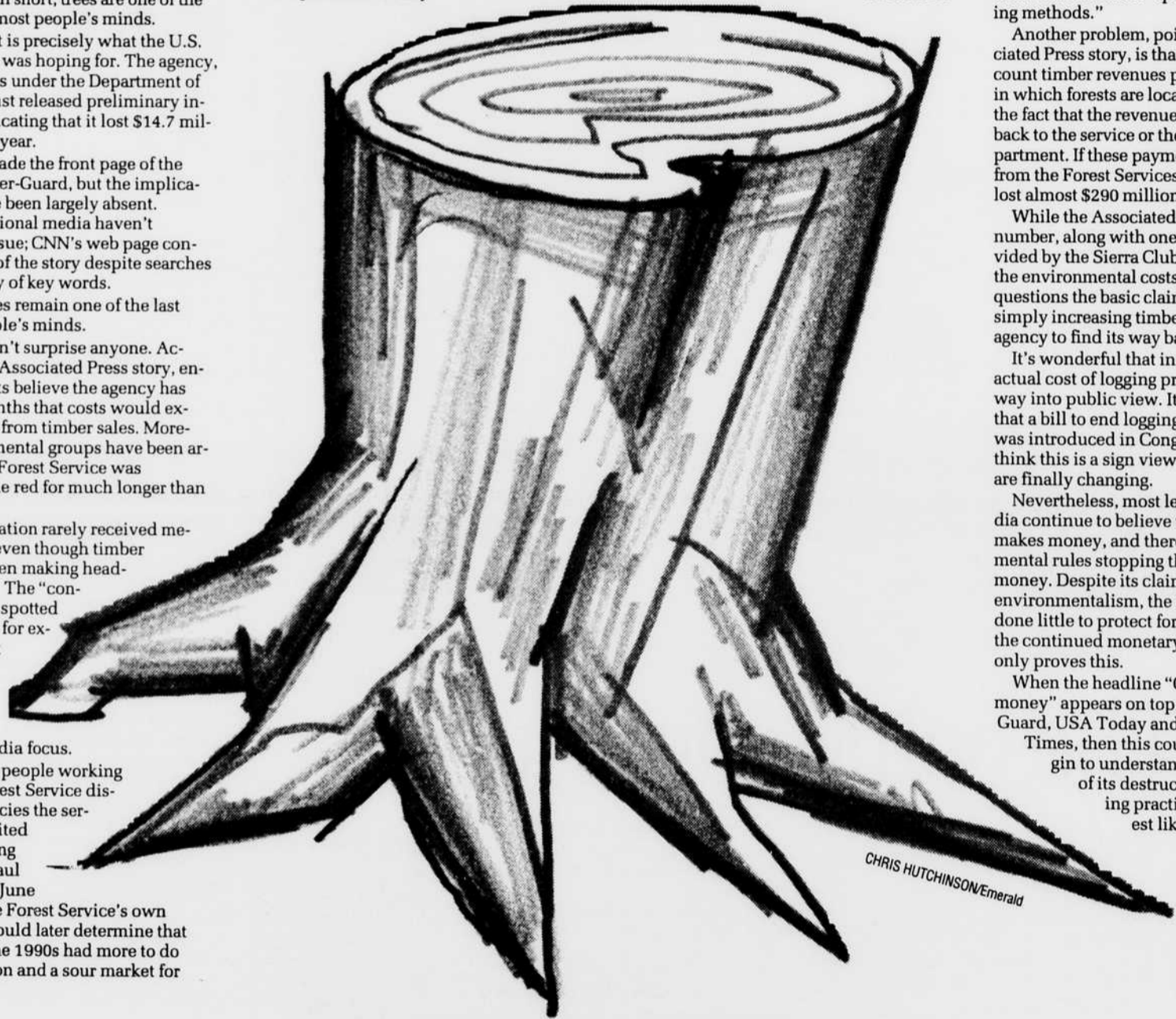
While the Associated Press reports this number, along with one of \$790 million provided by the Sierra Club and accounting for the environmental costs of logging, it never questions the basic claim of the service that simply increasing timber sales will allow the agency to find its way back into the black.

It's wonderful that information about the actual cost of logging practices is finding its way into public view. It is telling, perhaps, that a bill to end logging on federal forests was introduced in Congress this year; we think this is a sign views on timber issues are finally changing.

Nevertheless, most legislators and the media continue to believe that selling trees makes money, and therefore that environmental rules stopping the sale of trees costs money. Despite its claims about the cost of environmentalism, the Forest Service has done little to protect forest ecosystems and the continued monetary drain on its budget only proves this.

When the headline "Cutting trees costs money" appears on top of the Register-Guard, USA Today and the New York Times, then this country will finally begin to understand the ramifications of its destructive and long-standing practice of treating the forest like a giant tree farm.

*This editorial represents the opinion of the Emerald editorial board. Responses may be sent to ode@oregon.uoregon.edu.*



**LETTERS TO THE EDITOR**

**Donation protest**

Regarding the Emerald article, "Student group protests Phil Knight's \$25 million contribution," (ODE, Nov. 7) I believe some points need to be addressed.

Jon Jaqua, executive director of the UO Foundation, stated that Knight and "other trustees are not trying to influence the University with their gifts to the campaign." Further in the article, fellow foundation officer Dave Pertone said the bulk of donations come from alumni, "individuals, families and married couples."

- Phil Knight's contribution includes \$15 million for endowed chairs and professorships — as well as a yearly raise for University President Dave Frohnmayer.

- Phil Knight's "gift" to the

University includes the stipulation that the endowments be distributed at the discretion of Frohnmayer, thus "it is the president who will ultimately decide on the final form of the policy on the Knight Chairs and Professorships" (Nov. 13, 1996, Faculty Senate Minutes).

- Charles H. Lundquist's gift has proven his influence on the University very clearly, with the ubiquitous Charles H. Lundquist College of Business (the school was known up until 1994 as the College of Business Administration) and the Charles H. Lundquist Center for Entrepreneurship.

- Somehow both Knight and Lundquist's donations are considered "individual" donations — even though the corporate-

University connections seem very clear. In the end, this connection is merely a wonderful public relations service from money made on the backs of the exploited.

I also found Jaqua's comment, "The campaign was created in 1994 to combat the decreasing state support for higher education caused by Measure 5," to be quite interesting, since he was the author and aggressive promoter of the 1994 House Bill 3686.

- In 1994 Jaqua lobbied for and promoted HB 3686. This bill allowed counties to offer tax breaks to corporations who planned to move their operations to Oregon (Register-Guard, April 2, 1996). Those tax breaks also include abatement taxes — such as road construction, sewer and electric

lines, etc. — that primarily serve business interests.

- The bill also allows counties to cap the assessed value of a company's land and equipment at \$100 million — forgiving the taxes on any additional value for 15 years (Register-Guard, April 2, 1996).

- The bill caused taxes collected for such things as higher education to drop precipitously, thus pushing the burden to maintain services onto small businesses and homeowners. Naturally, and understandably, they revolted through Measures 5 and 47.

- Jaqua left his post as deputy director and chief operating officer of the Oregon Economic Development Department to become the Executive Director of the University Foundation.

Now, as executive director of the foundation, Jaqua says, "The lack of public support initiated work to replace and enhance funding through other sources... The campaign is critical for the University." Perhaps the Oregon State System of Higher Education and the University in particular wouldn't be in the crisis situation it is in if it were not for the doings of Jaqua himself.

One final important note:

- Jaqua's father has been a member of the Nike board of directors since 1966 (Dunn and Bradstreet Reference Book of Corporate Managers, 1997).

Does anyone else see the connections?

**Ann Strahm**  
 Student Action for Labor and Equality  
 and two co-signers