



INLAND EMPIRE PUBLIC LANDS COUNCIL

TRANSITIONS

Working for Sustainable Forests and Diversified Economies in America's Pacific Northwest

Volume 9, Number 4, July/August 1996

"Earth First!

We'll log the

other planets later."

Mt. Rainier.

© Trygve Steen

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TRANSITIONS
Journal of the IEPLC

The Inland Empire Public Lands Council is a non-profit organization dedicated to the transition of the greater Columbia River ecosystem from resource extraction to long term community and biological sustainability.

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Mailing Address: IEPLC, P.O. Box 2174 • Spokane, WA 99210
Office: S. 517 Division • Spokane, WA 99202 • Phone: (509) 838-4912 • Fax: (509) 838-5155
all contributions are tax deductible

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Timber Corporations fleeing Pacific Northwest: *convert forests to capital and head for new timber frontiers*

By John Osborn, M.D.

“Earth First! We’ll log the other planets later”: this bumpersticker can be seen on logging trucks and pick-ups in Pacific Northwest timber towns. It is a proud message of defiance in a time when workers are facing fears of losing jobs and a way of life. The statement also carries a second meaning: an explicit acknowledgment of the unsustainability of current forest practices.

“Hell, Robbie. We’re on sustained yield. When we clean up the timber in the West, we’ll return to New England where the industry began,” stated an International Paper Company executive. Always in our nation’s history there was another great stand of timber on the other side of the hill. So it seemed in New England, the Great Lakes region, and the South. And so it seemed in the Pacific Northwest. The forests of an entire continent once seemed inexhaustible.

After a few decades of frenzied logging and firestorms demolished the pineries of the Great Lakes region, many people sounded the alarm against overcutting the Pacific Northwest. Perhaps the most prophetic was FDR’s Agriculture Secretary Henry Wallace. In 1940, on the eve of World War II, Wallace wrote a front-page editorial for the Seattle Post-Intelligencer stating in part,

The Grays Harbor, Puget Sound, Lower Columbia, Klamath County and Deschutes districts in your region are headed directly toward trouble that hit Pennsylvania, the Lake States, and the Missouri Ozarks.

Just as elsewhere, timber corporations could not be restrained from overcutting forests in the Pacific Northwest. By 1988, about fifty years after Wallace’s warnings, a Champion International planning manager had this to say:

If you look just at industry, you would say industry has overcut their lands, that they have removed their volumes too quickly, that they have created a hellacious hole or gap. I don’t think anyone would disagree with that.

With forests converted to capital — living biological systems turned into cold hard cash — the corporations are once again on the move to new timber frontiers. As

documented by the General Accounting Office in 1991:

... the U.S. timber industry has shifted its center of gravity to an expanding area of plantations in the Southeast. By 1986, the southern states accounted for 47 percent of the nation’s timber harvest, compared with 25 percent from the Pacific coast states. And the latter’s share is expected to decline further.

Weyerhaeuser is a good case study because it has been at the center of two regional transitions: the Lakes States and now the Pacific Northwest. Weyerhaeuser cut down forests in Wisconsin and Minnesota a century ago. The syndicate then shifted to the Pacific Northwest by obtaining title to lands intended for homesteaders under Congress’s Northern Pacific railroad land grant.

Now having overcut the Pacific Northwest, Weyerhaeuser is once again on the move. In 1995 Weyerhaeuser announced it was selling 600,000 cutover acres in southern Oregon, and purchasing hundreds of thousands of acres in the South. In 1995 Weyerhaeuser created the World Timberlands venture for obtaining forests outside of North America. Weyerhaeuser has submitted to New Zealand’s state-owned Forestry Corporation a formal application for 464,000 acres (still claimed by indigenous Maori peoples).

Boise-Cascade (associated with Weyerhaeuser) is also shifting capital from the Pacific Northwest to the South — and south of the border. Under terms of NAFTA, Boise obtained access to cheap labor and old-growth pine and fir in Mexico near Acapulco. Local farmers in the area did not welcome Boise Cascade. In 1995 police opened fire on farmers demonstrating in opposition to the logging, killing seventeen of the farmers and wounding twenty more.

Behemoth timber “lords of yesterday” still largely control the Pacific Northwest even as they shift capital to the South and around the globe. The corporations invest in our elections and largely control our government, raising the question: who will stand tall to defend the public interest and our future? Clearly, the time has come to take our government back from the corporations and restore democracy in the Pacific Northwest.

1. Corporations overcut, move

Weyerhaeuser looks abroad for trees

New Zealand trees would be processed for export to Japan

Associated Press

SEATTLE—The shrinking supply of trees available for harvest in North America has prompted Weyerhaeuser Co. to look abroad.

The Federal Way-based timber giant is considering making its first overseas investment in a decade, negotiating with the New Zealand government for cutting rights to nearly half a million acres of cultivated forest land.

Weyerhaeuser submitted its application last week. It will learn later this month if it has been selected by New Zealand's state-owned Forestry Corp. to make an offer.

The 464,500 acres are valued at roughly \$1.2 billion.

Weyerhaeuser would process the trees in New Zealand for export to Japan—its largest foreign customer—and other Pacific Rim nations, said company spokesman Jim Bradbury.

Weyerhaeuser owns 5.3 million acres of private timberland in the United States.

Environmental restrictions have limited the number of trees available for harvest in North America, and the shrinking supply has made wood more expensive, said Greg Schellberg, president of the Evergreen Partnership.

Many small forest-products companies in the Northwest have gone out of business because of the supply crunch, and now even large companies are looking elsewhere for new tree

supplies, Schellberg said.

Weyerhaeuser formed a consortium last year to finance international forestry investments, Bradbury said.

Some of Weyerhaeuser's competitors already have a foothold in New Zealand.

ITT Rayonier holds harvesting rights to 253,000 acres in that country. International Paper last year bought a majority share in Carter Holt Harvey, New Zealand's largest owner of merchantable timber last year.

Winning the bid would make Weyerhaeuser a major player in the New Zealand market, said Bruce Lippke, director of the University of Washington's Center for International Trade in Forest Products.

"They're getting in a little late. But this is an opportunity for a company that knows how to export," Lippke said.

The Forestry Corp. wants a buyer that is willing to invest in New Zealand, rather than simply export its lumber.

New Zealand will require the successful bidder to process the logs locally and reseed the forest after harvesting, said Jim Howell of the New Zealand Consulate in Los Angeles.

Spokesman Review

July 6, 1996

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Weyerhaeuser formulates new sales deal for land, mills

By Steve Mayes

of The Oregonian staff

For the second time in a year, Weyerhaeuser Co. has reached an agreement to sell 600,000 acres of Southern Oregon timberlands and three wood-products mills to an investment partnership with strong Oregon ties.

Tuesday the company announced the prospective \$309 million sale to U.S. Timberlands, a limited partnership whose directors include a mix of timber

industry managers and financiers. U.S. Timberlands now must raise enough money to seal the deal.

Weyerhaeuser signed a similar agreement with an unrelated Oregon company last year, but the transaction fell apart in February.

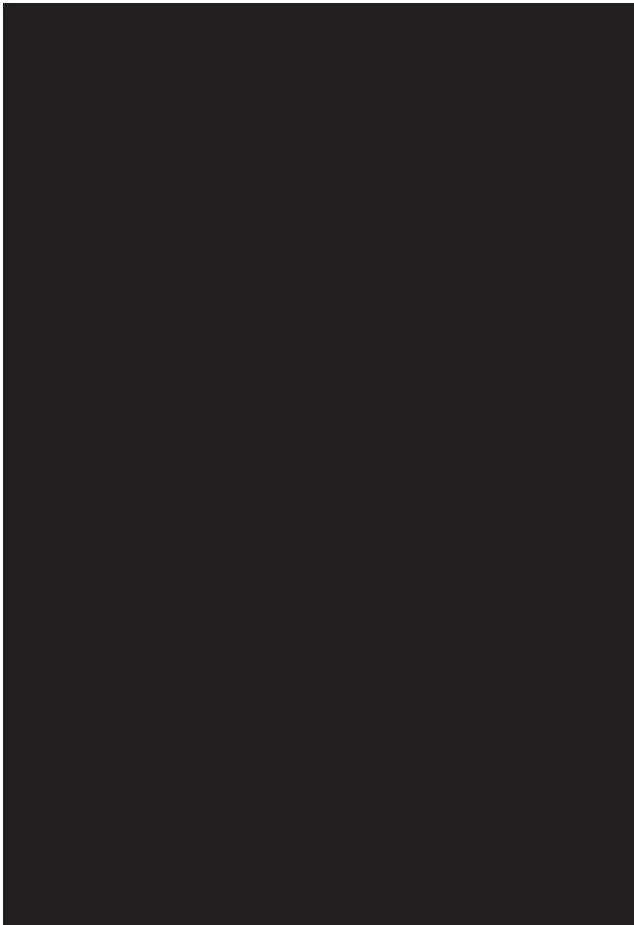
The pending sale involves Weyerhaeuser's hard-board, particleboard and plywood manufacturing plants in Klamath Falls, 600,000 acres of Southern

Continued on page 6



John Rosapepe

Weyerhaeuser Corporate headquarters, near Tacoma, Washington.



*Dictionary of American Portraits,
Courtesy Weyerhaeuser Corporation*

*Frederick Weyerhaeuser emerged as the nation's preeminent
lumberman cutting down forests in Wisconsin and
Minnesota.*

Timber: Partnership intends to make more acquisitions

Continued from page 4

Oregon pine forest and its nursery and seed orchard operations. The company employs 700 people in Klamath Falls.

The deal, scheduled to close by the end of August, would end Weyerhaeuser's long presence in the Klamath Falls area. It bought its first forest land there in 1905 and built its first Klamath Falls manufacturing facility in the 1920s.

The Tacoma-based company wants to focus on Douglas fir-growing regions in Oregon and Washington, said John W. Creighton, Jr., Weyerhaeuser Co. president and chief executive officer.

Weyerhaeuser stock closed at \$42.75 Tuesday, down 62.5 cents.

The Klamath Falls acquisition is U.S. Timberlands' first investment, and there are more to come, said the venture's president, John J. Stephens.

The limited partnership, which registered Friday in Oregon, is looking at buying more forest land in the Pacific Northwest or the South, he said.

U.S. Timberlands intends to raise money for the Weyerhaeuser acquisition through a private placement handled by Deutsche Morgan Grenfell, an investment banking firm, Stephens said. The transaction is subject to conditions, including regulatory review.

U.S. Timberlands intends to acquire, operate and manage timberland mainly in North America. It isn't interested in operating sawmills or timber processing plants, Stephens said.

"We're just in the business of growing trees and managing land. We can get not only good returns but a much better result in terms of long-term forest management," he said. "We'll own the land and have a management arm that will put up timber sales and direct logging and that sort of thing."

Stephens said his partnership plans to sell the three factories to Collins Products LLC a subsidiary of Collins Holdings a Portland-based forest-products company.

James E. Quinn, Collins Products president, could not be reached for comment Tuesday. "We . . . look forward to keeping the Klamath Falls operations strong and an economic force in Eastern Oregon," Quinn said in a prepared statement.

In February, a \$303 million deal to sell the Weyerhaeuser assets to privately held Roseburg Forest Products Co. unraveled for undisclosed reasons. Roseburg Forest Products immediately joined forces with Hampton Affiliates Inc. of Portland to buy more than 300,000 acres of timber from an International Paper Co. subsidiary.

Stephens is an experienced timber hand who served as Roseburg Forest Products' chief executive from 1982 to 1991. He guided the company through financial hardship created by high prices for federal timber and gained a reputation as an innovator who imported South American veneer for Oregon-made plywood.

Stephens identified U.S. Timberlands' directors as Aubrey Cole, former vice chairman of Champion International Corp., William Morrow, former executive vice president of Riverwood International Corp., a division of Manville Corp.; John Beuter, a Corvallis forestry consultant and former assistant secretary of agriculture during the Bush administration; George Hornig of Deutsche Morgan Grenfell; and Robert Wright, a forest-products industry tax specialist formerly with Arthur Andersen.

The Oregonian
July 24, 1996

Loggers on the move - from NW

Letters foretold decline of NW timber industry

By Ken Olsen

Staff writer

After spending a long summer searching through searing attics and forgotten storage rooms, Nancy Langston unearthed an antique paper trail predicting the current demise of Inland Northwest sawmills.

U.S. Forest Service correspondence predating World War II said mills would begin closing in eastern Oregon by the late 1980s, said Langston, now a University of Wisconsin professor.

Langston dug through the forgotten archives for her doctoral research at the University of Washington in 1992 and later recounted her treasure hunt in the book, "Forest Dreams, Forest Nightmares."

She learned the Forest Service knew, 60 years in advance, that at the rate timber companies and the agency preferred to log, the trees would run out and timber companies would have to move on by the late 1980s.

The letters Langston discovered were one of the early hints that timber would not rule the region's economy forever but would rise, fall and, much of it, depart. That departure is well under way.

"I just looked at 5.5 million acres in eastern Oregon and Washington," Langston said. "But I expect it was the same in North Idaho and Western Montana."

Similar archives weren't available for national forests in northeastern Washington, North Idaho and Western Montana. Sill, historians and economists say they aren't surprised Northwest timber companies are moving to the southeastern United States or to South America or are converting timberland to lakefront ranchettes instead of clearcuts.

"It's always been a migratory industry," said Washington State University historian Paul Hirt. "We're never going to see the timber industry leave the Northwest, but this decline was inevitable, was predicted. We can't go back to the golden age, and if everyone recognizes that, we can go forward instead of backward."

For timber-dependent communities in Washington, Idaho and Montana, this means recognizing the economic shift to retirement and service industries, which have overtaken the region's economy in recent years.

Going south

The future of the timber industry is thousands of miles away. Last winter timber giant Weyerhaeuser put 600,000 acres and its sawmills in southern Oregon up for sale. A few months later, it bought 661,200 acres and four sawmills in Louisiana and Mississippi.

This spring, Plum Creek Timber Co., second only to Weyerhaeuser in its private land holdings, advertised the sale of between 80,000 and 100,000 acres of Montana land it deemed more valuable for selling as recreational property than timber. The company almost simultaneously announced it wanted to buy more productive land—in the southeastern United States and on the West Coast.

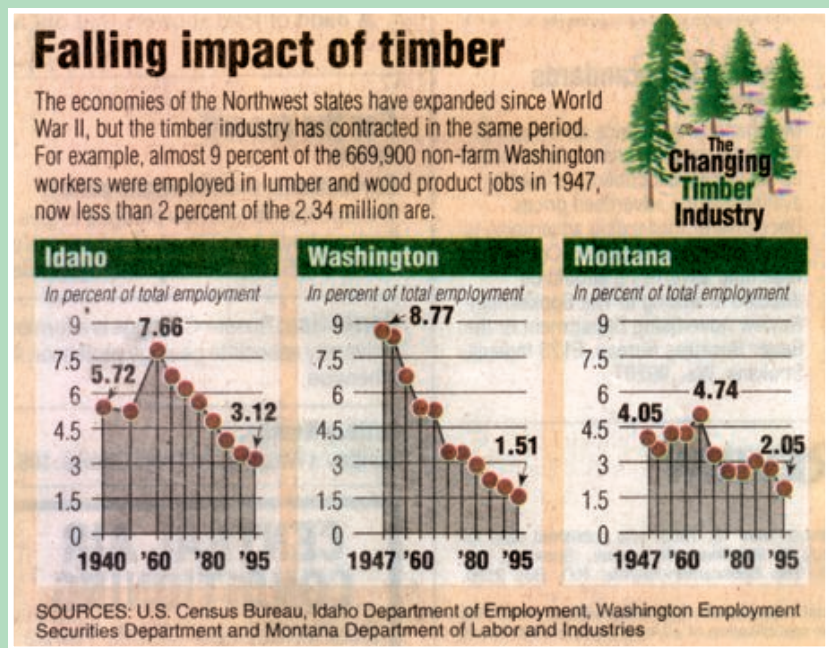
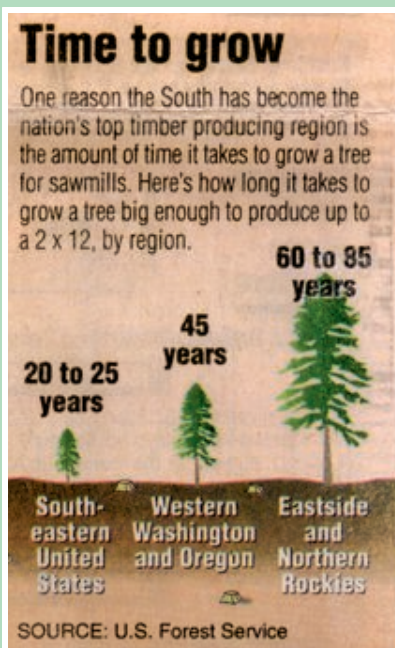
The Plum Creek acreage in Western Montana likely will be converted to lakefront ranchettes and other subdivisions if conservation groups are unable to buy it for wildlife habitat. If stockbrokers are right, more vacation homes will sprout on timber land. One stockbroker bought a newspaper advertisement saying as much as 200,000 acres of Plum Creek's land is "located in recreational areas or near expanding population centers."

Other timber companies are moving to Canada, Russia, Argentina and even Tierra Del Fuego — at the southern tip of South America.

The migration also is part of a long-term trend of timber companies going south, where trees grow faster, labor costs are lower, and most timber is on private land—unfettered by many environmental regulations.

Not only is this shift expected to continue, it has been occurring longer than most people realize, in

Continued on next page



part because tax laws and federal agricultural programs encouraged Southerners to switch from cotton crops to trees.

Southern dominance nothing new

By some measures, the Inland Northwest hasn't been a significant timber player, compared to the rest of the nation, for decades. The Southeast produces nearly five times as much pine and other softwood when compared to the Inland Northeast.

In the last decade, lumber production in the Western United States has fallen nearly 3 billion board feet, from 1986 production of 10.2 billion board feet. The Southeast has more than taken up that slack, now pumping out nearly 15 billion board feet a year.

Tennessee alone lists 50,000 wood products workers, in part because of its furniture trade. Washington state has only 35,000 in lumber and wood products and has little of Tennessee's furniture manufacturing.

The Canadian question

As the South climbed to timber dominance, Canada invaded from the north, capturing a third of the U.S. lumber market. The threat is significant enough to prompt congressional hearings, threats of trade wars, and plenty of rhetoric. A new trade deal signed this spring will levy tariffs on the lumber Canada sends

southward, once those exports exceed 14.7 billion board feet.

Tariffs or not, Canada will want to send lumber south as long as a strong dollar beckons. Canada shipped 16.1 billion board feet of lumber to the U.S. last year, enough to build more than 1 million homes.

The Western Wood Products Association expects Canada to send 17 billion board feet this year, three times the Inland Northwest's production.

Keeping what remains

Some argue that keeping what's left of the timber industry depends upon opening much more of the national forests.

"The key is timber availability," said Charles Keegan, director of forest industry research at the University of Montana. Since industry land and private land are running out of logs, "where the industry goes depends upon what the national forest does."

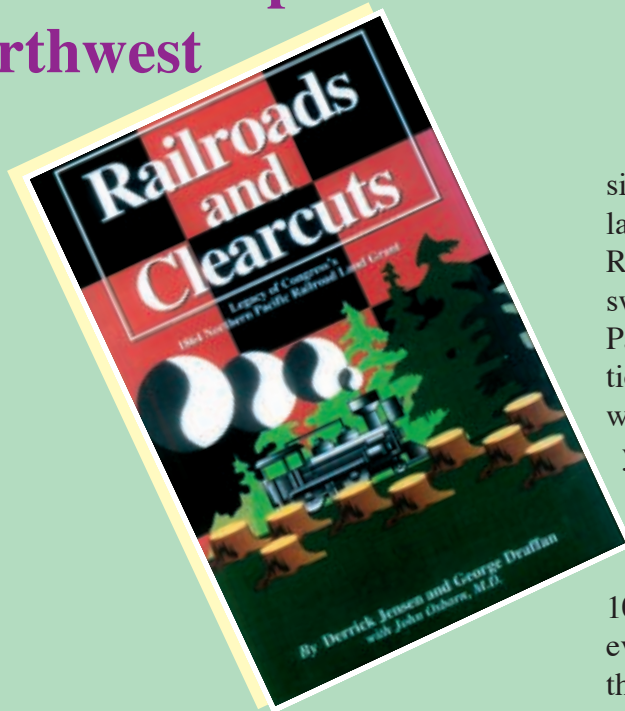
Stan Smith, a small logger who helps run his family's timber land near Plummer, Idaho, also believes more national forest logging is vital to keeping any timber industry here. But he wants to see a lighter touch on the land.

"They are going to have to open the federal forests

Continued on page 10

A Legacy of Abuse

New book exposes real cause of forest crisis in Northwest



What the Reviewers Say...

“This is the story of the biggest land grant in American history, larger than 10 Connecticut, to railroad companies and how the timber companies got hold of huge forests to clearcut. . . A revealing report of government giveaways and corporate perfidy and greed that motivates corrective action.”

—**Ralph Nader**, Washington, D.C.

“With its historic background, company profiles, analysis of the effects of overcutting and of the practice of exporting wood, as well as suggestions for citizen action, this book is a worthy contribution to the continuing debate over use of public lands.”

—**Publisher’s Weekly** (June 5, 1995)

“[*Railroads and Clearcuts*] is a quick read, with copious footnotes, charts, graphs and compelling photographs—it explains complex issues clearly. The simplicity makes this more useful to the general public than many forest policy books.”

—**The Inlander**, Spokane

“This book shows clearly how Congress has always had the authority to oversee the Northern Pacific land grants but has rarely exercised it. Federal oversight to protect the public interest is even more essential today than 100 years ago.”

—**E. Kimbark MacColl**, historian, Portland, Oregon

In 1864 Congress passed, and President Lincoln signed, legislation granting 40 million acres of forest land in the Pacific Northwest to the Northern Pacific Railroad. The intent of the huge land grant—in a swath up to 120 miles wide from Lake Superior to the Pacific Ocean—was to encourage railroad construction and settlement. Those public lands were granted with strict limitations and conditions, but over the years millions of acres of forests that were supposed to be opened to settlers instead fell into the hands of big timber corporations.

Railroads and Clearcuts, the culmination of 10 years of research, is the most extensive analysis ever undertaken of these giant land grants, and how they led to the Northwest forest crisis of today. It details how well-meaning legislation has left as its legacy a Pacific Northwest where industrial logging on the grant lands has devastated ecosystems and brought great pressures to bear on our National Forests. Meticulously researched and footnoted, with more than 32 pages of photos, maps and graphics, *Railroads and Clearcuts* is an important book for anyone with an interest in Northwest forest issues, American history, railroad history or environmental law.

Railroads and Clearcuts: Legacy of Congress’s 1864 Northern Pacific Railroad Land Grant, Non-fiction • 248 pages \$15 Softbound Illustrated
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For more information:

Public Lands Council 509/838-4912

IEPLC@IEPLC.desktop.org

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South is softwood leader

and manage them on a true, sustained-yield basis," Smith said. Companies "can't go on with the same version of clearcutting."

Plentiful trees are only one part of the question, said Haynes, the Forest Service economist.

"The lumber industry wants to tell you the problem is supply," he said. "The other part of the problem is prices never recovered from the recession of 1990-91. It's competitive pressure compounded by low (lumber) prices."

Restrictive regulation not the culprit

Repealing all of the environmental regulations and making every acre of the national forests available for logging won't keep the industry from migrating. It might temporarily delay the inevitable, historians argue.

The bottom line is there's no way to return to the high harvest heydays that stretched from the 1960s to the 1980s. Most of the remaining prime timber is more difficult to reach and more expensive to buy, said Hirt, the WSU historian.

Public attitude will restrict how much of the last old-growth timber from public land in Idaho, Montana and Eastern Washington is turned into plywood and dimension lumber.

"You have to go farther and farther to get more trees, and you have to clear-cut larger and larger blocks to get the same volume," Hirt said. "You have to go to steeper and more unstable country and that's making more and more people angry."

There also is increasing opposition to publicly subsidized timber sales which comprises the bulk of what comes from the region's national forests, he said.

Personal costs, long-term solutions

Number crunchers, historians and industry experts share one common worry: what happens to the every-day people who still look to the timber industry for their income?

"For people in some rural communities, this is a depression, as bad as the depression of the 1930s," historian Hirt said. Rather than discard timber workers as expendable, "we owe them some consideration, compassion, retraining.

"But we don't owe them something we can't deliver—harvest levels of the 1960s through the 1980s," Hirt said.

Simply put, it time to deal with the change, economists and historians argue.

If the Inland Northwest refuses to understand the problems that led to the demise of the timber industry in Western Washington and Oregon, the same lesson will be forced upon it, Haynes said.

"The Forest Service and the industry haven't studied the spotted owl wars, so they are doomed to repeat them," he said. "There's a shift in public values, where timber supply isn't the primary focus of the national forests.

"People are going to refuse to recognize the change in social values," Haynes predicted. Sadly, "the only way the Forest Service and the communities are going to get the message is to cut it off."

Staff writer Eric Torbenson contributed to his report

Spokesman Review

July 8, 1996

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Redrawing the global trade map

Spokesman Review, March 13, 1994

Slipping away

Timber town watches helplessly as a way of life slowly disappears *Missoulian*, May 24, 1992

Funeral bells toll for mill town Everett

Weyerhaeuser's last site closes after 90 years *Seattle Times*, March 29, 1992

For sale: a large chunk of Oregon

A London conglomerate is selling holdings in the state that include nearly 500,000 acres of prime timberland *Oregonian*, December 21, 1995

Pope & Talbot plans to shut down 142-year-old Washington sawmill

Dwindling timber supplies, high log prices blamed for closure *Spokesman Review*, August 23, 1995

Paul Bunyan-scale logging passing into history

Harvest on Gifford Pinchot will be drastically cut under Clinton's Northwest forest plan *Lewiston Tribune*, July 11, 1994

Mill closure shocks residents of Joseph

Residents are stunned after an announcement Tuesday that Boise Cascade will close the mill, which employs 52 workers *Oregonian*, March 18, 1994

Klickitat's Champion sawmill closing after 94 years of operation

The company blames high log prices and says the facility 90 miles east of Portland will not reopen unless a buyer is found *Oregonian*, September 28, 1994

Louisiana-Pacific to close Post Falls mill, idle 113 workers

Company blames dwindling log supply, weak lumber market for shutdown *Spokesman Review*, September 20, 1995

Land Deal Leaves Montana Logged and Hurt

New York Times, October 19, 1993

Ashland's last lumber mill cites lack of wood in decision to close

Oregonian, September 27, 1995

Going, going, gone ... Industry leaves Bovill

Sale finishes timber operations in area *Idaho Statesman*, June 1, 1992

2. Clearcutting America: "from sea to shining sea"



*A lake filled with logs, Great Lakes region, 19th century.
[from "Lumbering in the Northwest in 1893: Minnesota,
Wisconsin, Michigan." *Cosmopolitan*, May 1893]*

1800s Michigan timber binge is a lesson for Northwest

By J.P. Myers

Special to The Washington Post

IN THE heat of debate over the future of logging, jobs, endangered species and ecosystems in the Pacific Northwest, it would be wise to take a lesson from the past, from Michigan, where a timber binge led to an economic bust, and burdened local communities with a half-century of economic woes. This same future beckons in the Pacific Northwest if we continue to tolerate what historian Bruce Catton once described as the operating credo of the timber industry: "Take what there is, take all of it, and take it as fast as you can, and let tomorrow's people handle tomorrow's problem."

Catton wrote of the deforestation of central Michigan in the late 1800s. My great-grandfather, Frank Shipp, lived through that cataclysm. When he was born, Michigan was cloaked in immense, continuous stands of magnificent white pine, forests that seemed endless - inexhaustible. By the time he died, those

forests were utterly gone, logged out of existence and then burned over.

Not only were the forests gone but their destruction plunged the regional economy into more than a half-century of depression. My grandmother and mother recounted the deprivations that communities suffered: People were thrown out of work. They were forced to emigrate. And Michigan's fish, flora and wildlife were harmed irrevocably. Central Michigan then learned through long and bitter experience that a sustainable economy needs a healthy environment.

What is happening now in the Pacific Northwest is a modern version of Michigan's trauma. Big lumber capital has already left, reinvesting its profits elsewhere. Small local companies hang on, unable to move and unwilling to stop as long as any old growth trees beckon. Clear-cutting spreads. Replanting falters despite valiant efforts. Salmon face extinction in

Continued on next page

Dr. Franklin Hough: Cultivation of Timber and the Preservation of Forests Report No. 259, 43 Cong. 1, March 17, 1874

Dr. Hough: It will be seen ... that Michigan takes the lead in lumbering interests, being followed by Pennsylvania, New York, and Wisconsin as second, third, and fourth in the order of relative importance.

[The following article from the *Lumbermen's Gazette*, 1873, iii, 37, was appended to the memorial from the American Association for the Advancement of Science and submitted by Dr. Hough:]

The great forests of the Western States are fast disappearing; the most of those of the Middle and Eastern States went long ago. In the whole United States but one vast tract of timber is left untouched. That covers about one-half of Washington Territory and one third of Oregon. Here the yellow pine thrives in the greatest perfection, some of the trees reaching 300 feet in height.

The demand for lumber increased in the United States at the rate of 25 per cent per annum. The decrease of

forests is at the rate of 7,000,000 acres annually. Few people have any idea of the immense value of the wood which is used for purposes generally considered unimportant. The fences of the United States are now valued at \$1,800,000,000, and it costs, annually, \$98,000,000 to keep them in repair. By far the greatest proportion of these are wood. The railroads of the United States use 150,000,000 of ties annually, costing from 50 to 80 cents each, and these have to be renewed once in every seven years. In 1871, 10,000 acres of forest were stripped of their timber to supply fuel for the single city of Chicago. In twenty years scarcely anything will be left of the vast forests of Wisconsin, Michigan, and Minnesota, and too late our farmers will see how short sighted they have been in not making provisions for supplying the great demand for lumber which this wide-spread destruction is certain to cause.

Continued from previous page

rivers throughout the region, their rivers made inhospitable by a variety of factors, among which clear-cutting and its effects on watersheds stand prominent. Salmon fishermen face even more certain dislocation than the loggers, whose skills can turn to second-growth forests and forest restoration.

But there are crucial differences between now and the past. One is that when the timber workers were forced out of Michigan, they still had places to go. Similar opportunities don't exist now because the ancient forests of the Pacific Northwest are the last of this country's great forests.

A second difference is that it has taken much longer in Oregon and Washington to run to the end of the supply. There were more trees, and they were harder to get out. Plus while Michigan's devastation lasted only a few decades, the Pacific Northwest's has been building for over a century. As a result, the societal impacts of reaching the end of the line are much more wrenching. People have established roots and traditions and communities - expectations and hope - that will have to change, not because of the spotted owl or the marbled murrelet or the Endangered Species Act or even environmentalists, but because logging has run into the Pacific Ocean.

A third difference lies in our understanding. We

operate in a world different from that of 1880. Ecology did not exist then as a scientific discipline. Our forests seemed endless. Now we know better. And, I would hope, we now have a better appreciation of our responsibilities to the future, both to the environment and to the people who will forge livelihoods within its limits and out of its opportunities.

A final difference is that it is not yet over. We can still achieve a balance in the Pacific Northwest, a balance that protects the future, that preserves a national heritage, and that minimizes the trauma now facing logging communities in the region. That balance won't come from cynical political manipulations, from exaggerated claims of job loss, or from ignoring environmental and economic truths. With 90 percent of the old-growth forest already logged, that balance will come out of recognizing that enough is enough, and that adding to tomorrow's problems by continuing unwise abuse of our natural resources is something neither we nor tomorrow's people can afford.

• *J.P. Myers is director of the W. Alton Jones Foundation, which makes grants for global environmental protection.*

Seattle Times
August 18, 1992

Passing of Big Sawmills Welcomed By Minnesota

**Forestry Official Tells of New Day in State With Pulp Mills,
Wildlife Receiving Benefits**

Minnesota has come to the parting of the ways. The big stands of virgin timber have gone, and with them have departed most of the big sawmills.

G. M. Conzet, commissioner of forestry, however, has no regrets.

He says "1000 board feet of timber worth \$8 in the woods increases to only about \$25 when made into lumber by a big mill. The same amount of even lesser value in the woods, when converted into paper pulp, novelties and other small wood products, is worth

from \$100 to \$200, a large part of which is labor and capital, all expended in the home community.

"The type of forest that will supply material for these small wood-using industries is ideal watershed protection and game cover. The wood-using industries and the recreation public therefore will meet on a common ground in our future forests."

Deer and rabbits are a menace to regenerating the forests, he said, because they feed heavily on small pine seedlings.

Coeur d'Alene Press
August 19, 1930

Editorial

Lumbering in North Idaho

With the opening to commerce of the vast timbered region along the north fork of the Clearwater river, as planned by the Humbird interests, north Idaho will add vast sums yearly to the exports of the state. The growing importance of the Idaho panhandle as a producer of lumber is only faintly understood except by those directly interested in the lumber trade. Enormous mills have sprung up, equipped with most modern machinery, in the last five years. The great Blackwell enterprise at Spirit Lake, mammoth plants at Sandpoint, on Pend Oreille lake, sawmills of vast capacity at Coeur d'Alene city, on Lake Coeur d'Alene, enormous mills at Potlatch and smaller manufactories of lumber at other points, mean a total cut of many million feet yearly, with a growing demand and good prices.

The Humbirds are opening up the practically virgin territory along the north fork of the Clearwater, with an eye to the strictest economy in production and transportation. Their plans are said to include a large power plant, a railroad and all the labor-saving appliances that make for large profits.

With proper conservation these magnificent pine forests should prove inexhaustible. They can be made to provide a steady payroll for hundreds of crews and stimulate, in turn, other industries certain to follow.

Spokesman Review
January 25, 1910

Build Big Mill Near Orofino

Clearwater Timber Company Confirms Reports Before the Town Council TO MAKE 60-ACRE POND Dam 200 Feet Long and 25 Feet High to be Thrown Across Creek

OROFINO, Idaho, Feb. 6. - Definite plans for the development of the Clearwater timber owned by the Weyerhaeuser company were outlined last night, when E. Nat Brown, for the Clearwater company, appeared before the council and asked for support in securing right of way for a railroad to be built from Orofino to the millsite at the mouth of Whisky creek, three miles up Orofino creek.

In addition to the construction of the road Mr. Brown said the company proposed to build a dam across Orofino creek and create a mill pond covering 60 acres, while eventually the railroad would be extended into the timber districts to facilitate logging. In order to create the mill pond a dam 25 feet high and 200 feet long will be thrown across Orofino creek, just below the mouth of Whisky creek, and the waters of both streams used.

That a mill, probably as large as the one at Potlatch, will be built is believed, as the company owns 150,000 acres of timber, mostly white pine, while it controls large additional acreage. The Clearwater timber belt extends across the Bitter Roots to Montana, much of the valuable holdings being in the Bitter Root reserve, but corporations and individuals own at least 650,000 acres, a large portion of which would be milled at Orofino. This timber belt comprises the finest body of standing white pine timber in the world. Its value is approximated at not less than \$25,000,000. Owing to the character of the country considerable power can be developed by constructing the dam, and the mill machinery will undoubtedly be turned by water power.

Spokesman Review
February 7, 1909



White Pine, ca. 1908. The Weyerhaeuser syndicate used Congress's Northern Pacific railroad land grant to claim vast forests in the Pacific Northwest - including some of the greatest stands of White Pine in the world located in northern Idaho. In 1903 Weyerhaeuser incorporated "Potlatch" to log and mill some of these Idaho forests.

[Jerome Peltier Collection, Courtesy Spokane Public Library]

1907

America's Largest Mill

Weyerhaeusers Will Build at Coeur D'Alene

COEUR D'ALENE, Idaho, March 6. — For some time rumors have been afloat that the Edward Rutledge Timber Company, which is backed by the Weyerhaeusers, and whose headquarters are in Minnesota, intended to construct a large mill plant on its site at Sanders' beach. It is now an assured fact, and it is claimed that within the next few days active operations will begin.

The site includes 600 acres lying adjacent to the lake on the southeast of town. This is said to be one of the very best sites in the Inland Empire. The plant to be erected will be one of the most fully equipped in the west.

Over \$1,000,000 will be invested in the plant alone,

which will make it much more extensive than the plant of the Potlatch Lumber Company, which now enjoys the distinction of being the largest in the Inland Empire. Over 600 men will be employed locally, besides a large army of workers in the woods. The holdings of the company aggregate over 3,000,000,000 feet, besides options to be exercised. It is claimed the present holdings will keep such a plant running over 50 years.

Last summer one of the Weyerhaeusers visited Coeur d'Alene and at that time stated the company intended to use its site some time this year, but it was hardly believed then active work would begin so early in the spring.

Spokesman Review
March 8, 1907



Potlatch Rutledge Mill, Coeur d'Alene, July 1930. The mill site is now a golf course. [Libby Studio, courtesy Spokane Public Library]

1987

Potlatch to close Coeur d'Alene mill

Staff and wire reports

LEWISTON — The Potlatch Corp. will close its Rutledge sawmill in Coeur d'Alene this fall resulting in the loss of at least 115 jobs, company officials said Tuesday.

Officials of the wood products division decided to close the mill after expanding the operating schedule for the new sawmill at the company's Lewiston complex.

Potlatch officials said Coeur d'Alene employees willing to move to Lewiston will be given preference in hiring.

The Coeur d'Alene mill began operations in 1916. It has 225 salaried and hourly workers; those on shift Tuesday were told of the closure then.

When informed of the closure by a reporter Tuesday night, a Coeur d'Alene Chamber of Commerce official was saddened, but not surprised.

"We'd been hearing rumors for several years," said Sandy Emerson, executive director of the chamber. "The mill hadn't cut the size of log it was designed to cut in 20 years. This is not good news at this time. It's the closing of an era."

The mill, Emerson added, "reflected a lot of the personality of Coeur d'Alene, and the strong lumber-oriented part of our

history. You just don't replace those kinds of jobs."

Emerson noted that the Potlatch property—on Lake Coeur d'Alene on the eastern edge of town—has potential as a resort, shopping or housing development site.

The Potlatch mill at Lewiston will be shut down this spring for modernization. It will be reopened late this year on a one-shift basis. The mill will have three shifts by mid-1988.

The expanded schedule at the Lewiston mill means that 100 to 110 new people will be hired while 115 to 125 Coeur d'Alene employees will lose their jobs.

The Coeur d'Alene mill will be closed because it isn't profitable and because the new Lewiston mill will be competitive and efficient, said James Morris, vice president of the western wood products division.

The wood supply at the Coeur d'Alene mill should be exhausted by the end of October and all remaining lumber will be shipped by the end of the year, officials said.

The idled Lewiston plywood plant will be started on a one-shift basis when the new sawmill starts up late this year. A second shift will be completed early in 1988. The plywood plant closed in mid-1984.

Spokesman Review, January 21, 1987

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End of an era



Associated Press

Firefighters stand by as part of the mill building at the former Potlatch Rutledge mill at Coeur d'Alene burns. Firefighters set ablaze several buildings at the historic mill Saturday and Sunday in a training exercise that clears the way for Haganone Hospitality's construction of a golf resort on the site. The resort company bought the site from Potlatch after the mill was closed several months ago.



*Hauling logs, horse drawn wagon, ca. 1908.
[Jerome Peltier Collection, courtesy Spokane Public Library]*



*Moreland Truck Company truck, 1923.
[Libby Studio, courtesy Spokane Public Library]*



Log flume, northern Idaho, 1941.
[Wallace Gamble Collection, courtesy Spokane Public Library.]



Log drive, northern Idaho, 1941.
[Wallace Gamble Collection, courtesy Spokane Public Library]

3. "Logging to the ends of the Earth."

Timber Trauma

Study: Industry fleeing Northwest

Environmental group says shift is main reason jobs being lost

By Scott Sonner

of The Associated Press

WASHINGTON — The nation's biggest timber companies have dramatically shifted production and investment from the Northwest to the Southeast over the past decade, an environmental group's study said Wednesday.

Lumber and plywood capacity among the seven largest manufacturers decreased 33.5 percent in the Northwest while increasing 121 percent in the Southern states from 1978 to 1990, The Wilderness Society study said.

The study concludes that such geographical shifts in the market—combined with automation of saw mills and exports of unprocessed logs to the Far East—are responsible for the loss of tens of thousands of jobs in the Northwest.

It says that halting log exports alone would offset the loss of jobs anticipated due to logging cutbacks associated with protection of the threatened northern spotted owl.

"This is largely a story of abandonment of the Northwest for the Southeast by the timber industry," said Jeffrey T. Olson, co-author of the report.

"Those that could, left," he said. "These are changes that happened long before the spotted owl and ancient-forest protection became an issue."

The report says the geographic shift was prompted largely by relatively high costs for timber and manufacturing in the West compared to the South, as well as the less-unionized workforce typical of Southern states and deregulation of the transportation industry and resulting changes in freight costs.

"As a result, the Northwest increasingly became economically isolated from the major Eastern markets," the report said.

Rep. Rod Chandler, R-Wash., blasted the study.

"Once again, radical environmental extremists are avoiding the real issue in this debate—a guaranteed timber supply," Chandler said.

About 30 demonstrators, mostly from Oregon and Washington, picketed in front of The Wilderness Society's

headquarters Wednesday while group leaders were holding a news conference.

The protesters were among about 200 loggers, ranchers, miners and private land owners who are lobbying Congress this week in opposition to what they view as excessive environmental laws.

Earl Marcellus of Leavenworth Wash., a member of the Washington Contract Loggers Association, said the society was trying to divert attention from its push to halt logging across millions of acres of national forests.

He said environmentalists are viewed as "the good, fuzzy guys." But he said they have a socialistic agenda, seeking to take property from private owners.

"Just ask middle America if they want socialism," he said.

"The environmentalists are shutting our kids out of society," added Don Stewart of Hayfork, Calif., superintendent of schools for Trinity County.

But George Frampton Jr., president of The Wilderness Society, said the protesters are really the victims of a cruel hoax.

"The timber industry does not want them to know the underlying economic factors. They would rather blame the spotted owl and The Wilderness Society," he said.

The group's report said about 3 billion board feet of raw logs were exported from Northwest ports last year, costing U.S. workers about 19,200 industry jobs. It said industry employment fell 14 percent while production of lumber and plywood increased 19 percent during the period.

"Some 26,000 timber jobs were eliminated because of improved productivity and automation before a single acre of spotted-owl habitat was protected," Olson said.

"Over the next 20 years, approximately 33,600 jobs in the timber industry will be eliminated due to labor-productivity improvements that the region's industry will need to achieve in order to remain competitive," the study said.

Lewiston Tribune
September 26, 1991

Boise Cascade builds wood products plant

By Paul Beebe

The Idaho Statesman

Boise Cascade Corp. has started construction of an engineered-wood-products factory in Louisiana.

The factory near Alexandria in central Louisiana is part of a company strategy to significantly expand its share of the engineered-wood business now dominated by TJ International Inc., also based in Boise.

When the plant opens next year it will produce about 4.4 million cubic feet of engineered wood products.

Eventually, the plant will produce 8 million cubic feet of engineered wood products a year. It will employ 140 people.

Separately, Minneapolis-based curities firm Piper Jaffray Inc. has reaffirmed its "strong buy" recommendation on Boise Cascade's common stock.

Piper Jaffray said higher paper prices and cost-cutting at Boise Cascade will produce rising earnings through the next two years.

Building the new factory is part of Boise Cascade's decision to significantly expand its engineered wood products business.

Boise Cascade is the second biggest producer of two

types of engineered wood products — laminated veneer lumber and wood I-joists.

Its biggest competitor in that business is TJ International.

Boise Cascade recently finished a \$5 million expansion of its engineered-wood-products plant in White City, Ore.

Engineered wood products are manufactured from pressed and glued wood veneers and are stronger than conventional lumber. The products are used in residential and commercial construction.

The new factory is near other Boise Cascade plants in the South. The company operates timber and wood facilities in the Louisiana towns of Oakdale, Florien and Fisher. It has a similar plant in Jackson, Ala.

Boise Cascade also operates pulp and paper mills in DeRidder, La., and Jackson.

"We are committed to growing in the engineered wood products business," said Dick Parrish, senior vice president of the company's Building Products unit.

"It enables us to pursue a rapidly expanding market opportunity that should provide an excellent return on investment for our shareholders," Parrish said.

Idaho Statesman

April 28, 1995

Southern sawmills see banner year

Associated Press

ALBANY, Ga. - A frenzy of home construction starting this spring and declining lumber production in the Pacific Northwest could mean a banner year for Southern sawmills but higher prices for new home buyers across the country.

Lumber prices, which have started to inch upwards after weeks of winter doldrums, are expected to hit record highs this year.

With less lumber from the Northwest because of environmental concerns such as the spotted owl, Southern mills, which supply about a third of the nation's lumber, are boosting production to meet demand from a construction boom fueled by the lowest home mortgage rates in 25 years.

"You're going to have demand of an absolutely wild nature," said Michael Modansky, a wood-products merchandiser for Home Depot Inc., the Atlanta-based home-improvement chain. "Interest rates are at the right level and people know they are going up."

Spruce studs, commonly used in home construction, could

climb from \$3 to \$3.75 apiece, while plywood prices could rise from \$8.85 to as much as \$10.50 a sheet, Modansky said.

Supply will be adequate to meet demand, "but it'll be at a price," he said.

The higher costs will be passed on to consumers who buy the 1.4 million new homes expected to be built this year, said Jay Shackford, spokesman for the National Association of Homebuilders in Washington, D.C.

Much of the volatility in lumber prices stems from uncertainty about supplies from the Pacific Northwest, where environmental concerns have caused a virtual shutdown of logging in national forests, analysts say.

Last fall, when lumber sold for \$300 per 1,000 board feet, the wood used to build a 2,000 square-foot home cost \$7,300, Shackford said. The same wood costs \$12,200 today - a \$4,900 increase.

Spokesman Review

March 4, 1994

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Plum Creek cuts deal for land, three plants

Seattle-based Plum Creek Timber Co. says it has agreed to buy Riverwood International Corp.'s mid-South forest lands and wood-conversion plants for \$540 million.

The purchase price includes 538,000 acres of timberlands along with two sawmills and a plywood plant in northern Louisiana and southern Arkansas, and a nursery in Texas.

The deal, announced Wednesday, is expected to be completed by year's end.

Riverwood International is an Atlanta-based paper and packaging company.

Plum Creek already owns more than 2 million acres of timberland, mostly in the Pacific Northwest.

"This is a big deal," said Dan Nelson, an analyst with Ragen MacKenzie in Seattle. "Plum Creek has been looking to do a big one for the last couple of years."

Spokesman Review

August 9, 1996

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Potlatch expansion plan moves ahead

ST. PAUL (AP) - A plan by Potlatch Corp. to expand its wood manufacturing plant near Cook in northeastern Minnesota does not need a more extensive environmental review, a state pollution advisory board said.

The Minnesota Pollution Control Agency's citizen board Tuesday voted 8-1 that the company does not need to do an environmental impact statement, said MPCA spokeswoman Susan Brustman.

The proposed expansion, which now goes to the permit process, is expected to cost between \$65 million and \$85 million and would provide about 150 construction jobs and 60 full-time positions, the company said.

It also would increase demand for timber by 177,000 cords a year, or 9,000 acres of timberland.

Some environmental leaders say the additional cutting should not be allowed without stronger pro-

tections for water, wildlife, rare plants and soils.

Brustman said board members believe the environmental assessment worksheet done on the Potlatch expansion was adequate.

Board member Daniel Foley dissented from the majority of board members. He was not comfortable with how the project might affect the forest in a 50-mile radius of the plant, Brustman said.

Potlatch officials would like to complete engineering work and financing in 1996 and build the addition by the end of 1998. Opponents of the plan still could take the matter to court.

The Potlatch plant manufactures oriented strand board, a plywood substitute made by pressing flakes of resin-coated wood into multilayered 4-by-8-foot sheets used in construction. The plant produces 15,000 to 20,000 sheets per day.

The Pioneer

Bemidjii, Minnesota

November 29, 1995

Forest failing

California takes blame for its overcutting crisis

By Virginia Ellis
Los Angeles Times

SACRAMENTO, Calif. — In a startling admission of regulatory failure, the California Board of Forestry has acknowledged that for two decades state officials allowed lumber companies to drastically overcut mature trees and create a "timber gap" leaving too little high-quality lumber available for future harvest.

Conceding what environmentalists have long maintained, the board said there was a "statewide emergency" due to the shortage of mature timber and rapid disappearance of ancient forests on millions of acres of private land under state jurisdiction.

"Past failure to regulate industrial timberlands ... has resulted in long-term overharvesting, drastically reducing both the productive capability of the land and maintenance of adequate wildlife habitat," the board concluded, adding that studies found almost half of the state's harvestable timber on private lands vanished in a 10-year period.

The candid assessment by the Board of Forestry, contained in a series of documents filed in recent weeks to justify new regulations, is a sharp departure from the official line of past administrations in Sacramento, both Republican and Democratic.

"The Department of Forestry and the board have consistently been unwilling to acknowledge that there is a problem and now they are saying 'yes, there is a problem,'" said Sharon Duggan, an environmental attorney who has filed several successful lawsuits against the board. "They are basically admitting we're in a crisis."

The board last month acknowledged that private forests were in distress by issuing emergency regulations to protect timber lands, but the new documents contain the board's most strongly worded admission of the severity of the problem.

Saying that regulation of timber harvesting by previous administrations was piecemeal at best, the board concluded that officials relied too much on the short-term economic desires of lumber companies while paying too little attention to the need to conserve the forests for future harvests.

"This has resulted in some areas in overcutting, without sufficient regard to the maintenance of healthy and diverse forest ecosystems to supply timber products in the future," the board wrote.

The new tone of the documents has sent shock waves through the logging industry, long accustomed to a sympathetic

"Past failure to regulate industrial timberlands ... has resulted in long-term overharvesting, drastically reducing both the productive capability of the land and maintenance of adequate wildlife habitat."

--California Board of Forestry

oversight board, and has produced praise from environmentalists who have warned repeatedly of the damage overcutting was inflicting on the state's forests.

The documents only address conditions on California's 7.1 million acres of privately held forestland, much of which is located in the north coast region known best for its stands of ancient redwoods. The remainder of the state's productive timberland—mostly spread over the inland Sierra Nevada—is in state and federal ownership.

Because the harvest has been allowed to exceed the growth of young trees—by as much as 225 percent in Mendocino County alone—the board said "inventories within privately owned timberlands have been drastically reduced."

From 1975 to 1985, the board said, studies have estimated that total private forest inventories have dropped from 82 billion board feet to 46 billion. If current trends continue, it said by the year 2015 those inventories will be down to 28 billion board feet.

Hardest hit by overharvesting, the board said, have been the privately owned ancient forests which covered 51,000 acres as recently as 1984 and now cover only an approximate 5,000 acres.

The board said all these factors have led it to conclude that "there is not only a statewide emergency with respect to the issue of cutting young trees ... but also with the rapidly diminishing ancient forests ..., watershed impacts and overuse of clearcutting."

Environmentalists said the new admissions by the Board of Forestry represent a dramatic change in direction for an agency which has insisted until now that it was providing adequate protection for the state's forests.

Terming the filings the "most important forestry documents to come out in the last 20 years," forest economist Robert Hrubec said they show government officials have finally recognized that forestry regulation for the last two decades has been by been driven primarily by "financial cash flow and debt retirement concerns."

Missoulian

November 25, 1991

LOGGING *To the Ends of the Earth*

North American timber interests move to South America, where they find more trees and fewer rules



Angela Cara Pancrazio

Maria Funete, 58, waits at the bus stop in the timber community in the Maule region in Chile, where Northwest companies are joining the migration in search of wood.

Q&A: Logging in South America

Q. What is behind the migration?

A. The timber industry marched west with the growth of the United States. In the Pacific Northwest, aggressive logging was halted by an ocean and an environmental storm over harvesting practices. As timber supplies grow more scarce, companies have begun looking for trees worldwide. South America offers large blocks of timber, cheap labor, eager governments and few environmental and safety rules.

Q. What does this mean for jobs in the Pacific Northwest?

A. It's a mixed bag. The importation of logs and lumber from South America will mean continued employment in some Pacific Northwest sawmills. At the same time, much of the logging and millwork will create new jobs in South America, not here.

Q. Are we logging the rain forests?

A. No. The vast majority of timber deals by Pacific

Northwest companies involve logging of pine plantation forests - essentially tree farms grown on marginal land in Venezuela, Brazil, Argentina and Chile. That helps avoid environmental battles like those that occurred here. Some companies are logging in native forests in South America, including the remote island of Tierra del Fuego, but none of the sites are in the fragile rain forests.

Q. When will we see products in the United States made from South American wood?

A. You already have. Door and window frames, moldings and furniture already are being imported and manufactured in the United States from South American trees, primarily pine. Lumber from South America started trickling into the Pacific Northwest in the late 1980s and imports are expected to increase.

Oregonian
October 2, 1994

Continued on page 27

A portent of the future?

Boise Cascade opens mill in Mexico

BOISE — Boise Cascade Corp. has leased a sawmill in Mexico, a move that may signal the end of its mill operations in Idaho, where company officials say federal timber policies are too restrictive.

The company has been quietly moving equipment from the closed sawmill in Council to Papanoa, a small community near Acapulco on the Mexican coast southwest of Mexico City. The subsidiary is called Costa Grande Forest Products.

Boise Cascade intends to make lumber from the lush evergreen forests of southwestern Mexico for at least five years, spokesman Doug Bartels said.

The mill's production is tiny compared with what Boise Cascade produces in Idaho and other parts of the Pacific Northwest.

So far this year, Boise Cascade has produced 3 million board-feet from the Mexican mill, enough timber to frame 300 homes.

But the strategy of seeking foreign sources of timber could result in more closings at the company's Idaho sawmill —

especially if the Forest Service continues to make it difficult and expensive to buy federal timber in Idaho, Bartels said.

"Federal timber supply will be a very large part of the equation," he said.

"Will there be a turnaround and more federal timber? At this point, who knows?" Bartels said. "But without it, the entire industry in the Northwest and in Idaho will be smaller."

Forest Service officials say the region's timber problems are not the agency's fault. Forest Service prices are set to follow the ups and downs of the lumber market, thus making timber as affordable as possible.

Environmentalists say Boise Cascade is abandoning its home state for cheap labor and lax environmental laws.

Bartels said Boise Cascade has no current plans to close any more Idaho mills. It closed a mill at Joseph, Ore., in 1994 and another in Council in March.

More than 250 mill workers in southwestern Idaho and LaGrande, Ore., have been laid off until lumber prices improve.

Lewiston Tribune

November 27, 1995

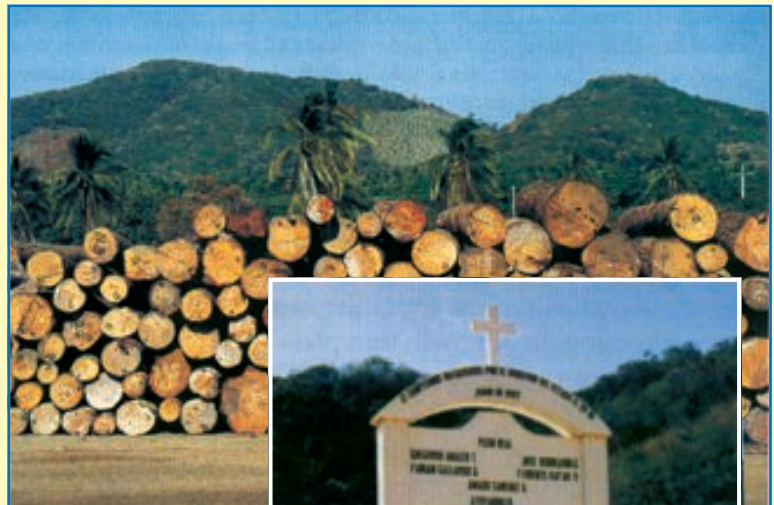
Treasure of the Costa Grande

By John Ross

The front page of *El Sol de Acapulco* features a full-color photo of Ruben Figueroa, then-governor of the Mexican state of Guerrero, with a brace of U.S. timber barons from Boise Cascade. All are smiling broadly as they sign a five-year agreement in the spring of 1995 to bring the timber giant to the Costa Grande, a guerrilla-ridden stretch of coastline that winds between the luxury Pacific Coast resorts of Zihuatanejo and Acapulco.

The agreement was a salutary one for Figueroa, who was otherwise known for his spotty record on human rights (74 members of the left-center Democratic Revolutionary Party were killed in his state in his first three years in office). Allowing Boise Cascade exclusive rights to buy from local forestry *ejidos* (villages organized as communal production units) under terms dictated by the North American Free Trade Agreement translated into hundreds of jobs, and—theoretically—a welcome lessening of social tension.

The Boise Boys had good reason to smile, too. Their operations in the Pacific Northwest have been harried in recent years by thinning inventories, tough



Boise Cascade's mill in Guerrero, Mexico (above); monument to 17 protestors slain at Aguas Blancas (right).



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ening environmental regulations, and dogged demonstrators. Last year at the company's Sugarloaf logging site in southern Oregon, more than 200 "environmental extremists," as Boise Cascade calls them, were arrested, including members of the Sierra Club. (Sierra was barred from the company's Mexican mill sites according to spokesperson Doug Bartels, because of "the politics of your organization.")

Having logged off much of the Pacific Northwest, Boise Cascade is now moving on. It has already closed mills at Joseph, Oregon (1994), and Council, Idaho (1995). "How many more mills will be closed depends on what Congress does," Bartels told the *Idaho Statesman*. "The number of timber sales will determine our decision to move south."

Boise Cascade isn't exactly hurting: third quarter 1995 profits were a record \$18.5 million. Nevertheless, it is one of 15 U.S. wood-products companies to set up operations in Mexico since the ratification of NAFTA in 1994. Costa Grande Forest Products, its wholly owned subsidiary, has access to a million acres of old-growth white and sugar pine and white fir, plus an enormous pool of cheap labor. And even at its most vigorous, environmental regulation in Costa Grande can best be described as lax.

Had the timber execs read further in the issue of *El Sol de Acapulco* graced by their photos, they might have pined for the days of tree-sitting Earth First'ers. The paper reported on a tense standoff between militant farmers from the Campesino Organization of the Southern Sierra (OCSS) and loggers backed by heavily armed state police near Tepetitla, a dirt-poor town of 20,000 not 30 miles from Boise Cascade's proposed mill sites. "They had already taken out a hundred truckloads of pine and cedar," says Rocio Mesino, the 20-year-old daughter of an OCSS director now in hiding. "We saw how this lumber company [owned by local lumber baroness Isabel Calderon, not Boise Cascade] was taking out our forests without returning anything to the people and we decided to stop them."

"We stopped the trucks, took down the logs, and returned them to the community. Then the owner sent two big logging rigs into the mountain and we burnt them. We are farmers. The forests bring water. We can't allow them to be cut down."

With arrest warrants issued against OCSS leaders and squads of police assembled, tragedy was averted only by an agreement to curtail all logging in the area. But Figueroa reneged on his promises, and two months later, on the rainy morning of June 28, 1995, a truckload of OCSS members descended the muddy road to the coast to demonstrate against him. At a mountain wash named Aguas Blancas ("Whitewater") they were met by a police squad under the direction of Comandante Manuel Moreno. The police opened fire without warning, killing 17 farmers and wounding 20 more. Weapons were placed in the hands of the dead to try to justify the

"Logging was at the root of the killings. Now 27 compañeros are dead."

massacre, but the cover-up failed when an unedited video version of the massacre was aired on national television. A special prosecutor jailed 28 police officers and four officials in abuse of authority. Governor Figueroa was forced to resign in March.

"Logging was at the root of the killings," sighs Julian Rodriguez, a member of Tepetitla's development council, leaning against a mud wall in his chairless home. "This all began up in the forest and now 27 compañeros are dead. [Ten more were killed after Aguas Blancas.] They were all hard workers and valuable men."

Even so, the logging business is booming for Boise Cascade's Mexican operation, which intends to cut 20 million board feet a year for five years, all of which will be exported to the United States. Costa Grande rents a former state-owned sawmill at Papanoa and is negotiating for a second mill in nearby Tecpan. But its pride and joy is a spanking new planer mill that can be packed up and shipped out when the forest is gone. Through contracts with 24 *ejidos*, logs are pouring into the enormous Papanoa yard 24 hours a day, because Boise Cascade is paying \$60 a cubic meter—three times what the local mill was offering.

"We are the salvation of the *ejidos*," boasts Papanoa superintendent Carlos Vega, adjusting his Boise Cascade cap. "Before we came along, they owed the banks so much money for machinery they'd bought on credit that they were on the verge of going under." Now, he says, Boise Cascade is building roads into the mountains ("they will be works of art") and is putting hundreds of locals to work at \$4.75 a day—well above the Mexican minimum wage, but barely a 30th of what Boise Cascade pays north of the border.

The boom times extend to Boise Cascade's U.S. crew here as well. The 30 workers—mainly supervisors, technicians, and millwrights—are housed behind thickwalls with an armed guard standing sentry at the wrought-iron gate. In the restaurant, Merle Haggard belts out "Okie From Muskogee," and the perks are great. For a 30-day stint they get six drinks a day, Cuban cigars (Monte Cristos), scuba diving in "Aca" and

Continued on next page

Washington firm goes to bottom of the world to turn up timber

•Trillium Corp. promises careful harvesting, but Chilean activists fear for the virgin old-growth forest of Tierra del Fuego

By PETER SLEETH

of The Oregonian staff

TIERRA DEL FUEGO—The roar of engines from the De Havilland Stol Twin Otter drowns conversation. Ahead, the forest canopy of Tierra del Fuego rolls out from the mountains like gray green carpet at the very foot of the world.

Broken at times by peat bogs and frozen lakes, the forest is nearly all old growth, a treasure trove of hardwood inhabited by herds of stately guanaco and red fox. In this remotest of regions, civilization has had little impact.

That is about to change in a scream of chain saws.

The sun is rising over the Strait of Magellan, pink hues turning blue.

Below, the dark water of Bahia Inutil-Spanish for

“Useless Bay”—is clipped by whitecaps. Jean Gorton, an executive with the Bellingham, Wash.-based Trillium Corp., points down to the island, to a river valley and the logged over riverbank.

“It makes for a natural laboratory for us, without waiting for 50 or 60 years,” she shouts over the engine noise, noting the edge of the Rio Condor, where Chilean loggers years ago harvested the easy-to-get timber.

This is what Gorton is talking about: Her company is preparing the largest scale logging assault ever mounted here.

Trillium already owns land that is about twice the area of Multnomah County—nearly 1,000 square miles on the Chilean side of the island. The company

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“Zihua,” and weekend trips to Costa Grande red light districts. Asked what he is being paid, James “Tiny” Wegner laughs. “Not enough,” he says, although he is making considerably more than his \$22-an-hour U.S. wages; he misses only his motorcycle (he displays fond photos) and his freedom. On trips to town, Wegner complains, “we’re not allowed to step off the pavement.” Kidnapping is a major industry here, with more than a hundred incidents in the last three years.

Boise Cascade’s boom is setting a new pace of deforestation on the Costa Grande. In order to compete with the gringos, the huge El Balcon *ejido* mill has pushed production from 3,000 to 40,000 cubic meters in the past three years. But while El Balcon is responsible to its *ejido* owners and is rooted in the area, Boise Cascade is free of local attachments, and can rip and run.

In Mexico City, Undersecretary of Natural Resources Gonzalo Chapela worries about “the amount of wood this project will take out of the area,” conceding that his ministry never looked very closely at the Boise project in the first place.

According to John McCarthy of the Idaho Conservation League, “Boise wasn’t willing to follow sound environmental law in Idaho; now they’ve gone to where people are poor and desperate.”

“There is no control over the way our natural resources are being exploited,” says Homero Aridjis, director of “The Group of 100,” Mexico’s most prestigious environmental organization. “Permission is granted to these foreign corporations without environmental-impact studies. All of this is being done silently—the trees are cut down silently and they are exported silently. No one knows anything; everything is hidden. From our point of view, NAFTA represents ecological neocolonialism.”

Meanwhile, Boise Cascade is already planning for the post-Guerrero future, looking at sites in Oaxaca, Malaysia, Chile, and Siberia.

Sierra
July/August 1996

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is negotiating for a similar amount of land on the Argentinian side. All of this is on an island roughly the size of Connecticut.

Tierra del Fuego floats off the southern tip of Chile at the bottom of the world. Nothing lies between it and the frozen mass of Antarctica save a vast expanse of frigid ocean.

With a population density of 3 people per 100 square kilometers, much of it remains as isolated as

"It makes for a natural laboratory for us, without waiting for 50 or 60 years."

**Jean Gorton,
Bellingham, Wash.-based Trillium Corp.**

when the first explorers saw smoke rising from fire built by natives. The Europeans christened it "Land of Fire."

It has remained a remote reserve of sheep and cattle ranchers, who share the island with herds of guanacos, fox and penguin. Seabirds are abundant, including flightless rheas, condors, albatross, geese and ducks. It is a favorite playground of the hardest of adventurers.

Logging to date has been primitive, and limited to nipping at the edges of the huge virgin forests.

But even that minimal logging gives Trillium a chance to study the possible effects of more extensive harvesting, and to speculate on what it would take to regrow the downed forests.

Throughout the rest of South America, Pacific Northwest timber companies are rapidly setting up shop. For the most part, they are harvesting pine trees, which grow quickly on large, flat tree farms. The plantation timber offers large supplies of lumber without the heavy pricetag of environmental opposition.

But the Trillium Corp. is making the high-stakes gamble of entering Tierra del Fuego's untouched beech forests.

"These are virgin forests. They could turn it all into wood chips. We have no control."

**Hernan Mladinic,
Fide Doce, a Chilean environmental group**

"It's a way to make enemies," acknowledges Gorton.

Trillium is a real estate development company that expanded to forestry seven years ago.

Company officials claim they have crafted a careful harvest strategy for Tierra del Fuego that will minimize environmental damage. They say they offer the best shot at responsible logging in a place where logging is inevitable.

"They are being friendly to everybody," says Hernan Mladinic of Fide Doce, a Chilean environmental group.

But many environmentalists fear the worst. On the Chilean side of Tierra del Fuego, Trillium reportedly paid about \$30 million, or roughly \$50 an acre, for forests that would cover an area the size of Rhode Island.


"These are virgin forests," Mladinic says. "They could turn it all into wood chips. We have no control."

Trillium's chief operating officer, Steve R. Brinn, says most of the wood would be used in the furniture industry. He says it is possible some could be used for chip exports.

The company plans a five-year, \$150 million investment. About 125 miles of road will be punched into Trillium's land base, which includes 250,000 acres of commercially valuable timber. The primary tree is a type of beech called lenga, which is prime furniture wood.

A company town will be built to house 2,500 workers and their families at Puerto Arturo, a former logging encampment on the Strait of Magellan. The town will include a port, a mill complex, a power generation plant, a movie theater and a fishing resort, according to company plans.

Harvested timber will be milled on site. Almost half of what's logged will be burned to generate the



Washington-based Trillium Corp. is preparing a massive logging operation in the native hardwood forests of remote Tierra del Fuego. Environmentalists say that the ecology of the remote and primitive island is too sensitive to be touched.

power plant and support the logging operation.

Trillium President David Syre says that wood from temperate forests will gain in value as tighter restrictions are placed on logging in tropical forests.

Trillium has hired Chilean scientists to review its harvest plans and a Washington environmentalist to oversee the logging.

Brinn says, "I hope they will be persuaded that the approach we are taking is what they and reasonable people everywhere think should be a model for this kind of forestry."

Trillium plans no clear-cutting. Instead, company officials say they will do selective cutting, leaving some trees to naturally reseed the ground. They will employ Chilean workers.

They have vowed to be good stewards of the land, studying the impact of harvesting before they log. That is of little comfort to some.

"Nobody knows how much native forest is left," says Adriana E. Hoffman, one of Chile's leading environmentalists. She argues that Tierra del Fuego—with only a single tree species and little other flora or fauna—is too delicate an ecosystem.

"It should not be touched," she says.

Her organization, Defenders of the Chilean Forest, is part of a coalition seeking a moratorium on cutting native forests pending an inventory. She is also seeking a ban on the export of wood chips from native forests.

Mladinic, who was raised in Puenta Arenas, across the Strait of Magellan from Tierra del Fuego, suspects Trillium is more concerned with money than environmentalism.

"I think this is the business deal of their life," he says. "Why else do they come to the bottom of the world?"

Oregonian
October 2, 1994

1929

Editorial

Can the Forests Be Saved?

Chief Forester Stuart of the United States forest service made a report to the secretary of agriculture that is of especial concern to the Pacific northwest.

The timber cutting business is on a wrong basis, an alarming fact that becomes impressively clear upon reading the report of the chief forester. The problem is to change a migratory and transitory industry into a fixed and permanent industry.

Past and present methods, the chief forester reminds us, "have already brought economic retrogression, railroad abandonment, mounting tax burdens, depopulation and, in some cases, county bankruptcy. The lake states furnish the most notable example, with similar situations seen as inevitable in parts of the south and west."

He finds that economic conditions are forcing private forest owners in the Pacific northwest to liquidate as rapidly as possible.

That means a policy of forced cutting, cutting of the timber and cashing in and getting out, leaving the

denuded forest areas to vanish from the tax rolls and go back upon the county.

What's the answer? The chief of the forest service says: "Agriculture and forestry together must supply the answer. Submarginal lands must be distinguished from those worth cultivating and an effort made to find ways of guiding and assisting both agricultural development and ownership for forest use along lines that will best serve the public welfare."

And: "The right answer will be attained when there has been brought about such an adjustment of agriculture to forestry, of forestry to agriculture, and of both to the soil source as will enable the land to contribute to the most favorable economic and social conditions of rural life."

The difficulty is not in diagnosing the evil. That is apparent, and the causes are well analyzed. The remedy, too, is pointed out by the chief forester. But how to apply it in a practical and effective way - that's the enigma.

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