OTHER LESSONS FROM THE NORTHWEST

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INTRODUCTION

A. The Purpose

In this paper, I have two purposes. First, I report some other lessons from the Northwest that might be applied to the Northern Forest, "[t]he 26 million acres stretching from Machias, Maine, across the top of New England to Syracuse, New York."[1] By "other lessons," I mean lessons other than those reported by Dean James Huffman in his paper in this same volume.[2] These other lessons come from the Pacific Northwest's experiences with the northern spotted owl in the Northwest's Douglas fir forests, with the salmon in the Columbia River and other coastal rivers, with the growth in urban populations throughout the region, and with the transformation of the Northwest's economy from its low-tech, extractive past to its high-tech, information-service-manufacturing present and future. Second, I use these lessons to evaluate *Finding Common Ground: Conserving the Northern Forest*.[3]

B. The Framework

Figure 1 illustrates a framework for understanding the lessons of the Northwest.[4] It shows the general process by which actions to protect or restore the ecosystem transform the economy. This transformation occurs in four stages, beginning with the change in ecosystem management and ending with the long-run state of the economy after all of the adjustments to the change in

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1. Ted Williams, *Whose Woods are These?*, 96 AUDUBON 26 (May-June 1994).

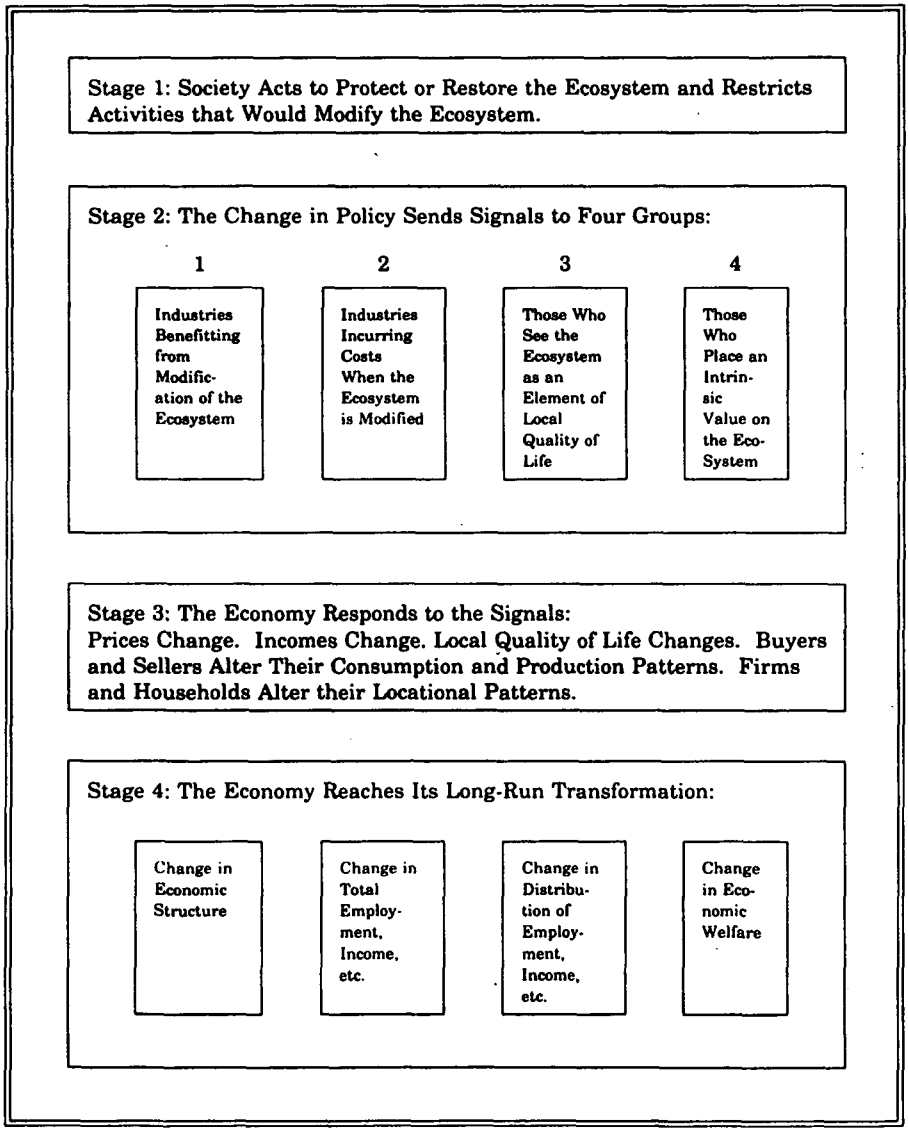
2. James L. Huffman, *Managing the Northern Forests: Lesson From the West?*, 19 VT. L. REV. 477 (1995).

3. NORTHERN FOREST LANDS COUNCIL, FINDING COMMON GROUND: CONSERVING THE NORTHERN FOREST, THE RECOMMENDATIONS OF THE NORTHERN FOREST LANDS COUNCIL (1994) [hereinafter COMMON GROUND].

4. *See infra*, Figure 1, taken from U.S. FISH & WILDLIFE SERV., A METHOD FOR ESTIMATING THE ECONOMIC EFFECTS OF HABITAT PROTECTION, FINAL REPORT, 3 Fig. 1-1 (ECO Northwest, Jan. 1994) [hereinafter FINAL REPORT] (illustrating the general process by which actions to protect or restore the ecosystem lead to changes in the economy).

policy have occurred. In Stage 1, society acts to protect or restore the ecosystem and restricts other activities that would directly modify the ecosystem.

Figure 1. The General Process by Which Actions to Protect or Restore the Ecosystem Lead to Changes in the Economy.



In Stage 2, the change in ecosystem-management policy sends economic signals to the regional and national economies, indicating a change in the economic role of the ecosystem.[5] Boxes 1 through 4 in Stage 2 identify four destinations for the economic signals. They also identify the four paths by which changes in ecosystem-management policy (and therefore changes in the ecosystem) manifest themselves as changes in economic behavior and economic welfare. Each of the Boxes is important, and in general, the Boxes interact with one another as the changes work themselves through the economy and through the stages.

Box 1 represents the industries that benefit from modifying or, more specifically, from degrading the ecosystem.[6] Box 2 represents the industries that incur spillover costs (i.e., negative externalities) from ecosystem degradation.[7] If society's action in Stage 1 serves to protect or restore the ecosystem, other conditions remaining constant, then it reduces the supply of the ecosystem available for the Box 1 industry to degrade at the same time that it increases the supply of the ecosystem available for profit by the Box 2 industry.[8]

These are the signals Stage 1 sends Boxes 1 and 2 in Stage 2. Depending on how these signals are perceived, they may alter the investment and employment decisions of the firms and workers represented in Boxes 1 and 2. These sectors are sensitive to the supply of the ecosystem.

Box 3 represents those concerned with local quality of life. When society protects or restores an ecosystem, it expresses a commitment to maintain and enhance, not just the ecosystem itself, but also any associated natural resource amenities. In some areas, the message and the amenities may have a significant impact on the quality of life available to local residents and visitors. This message potentially will alter the locational decisions of business owners, workers, and households who are sensitive to these amenities.

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5. *See*, EDGAR M. HOOVER & FRANK GIARRATANI, AN INTRODUCTION TO REGIONAL ECONOMICS 243-250 (3rd ed. 1984) (defining "region").

6. *See* FINAL REPORT, *supra* note 4, at 3 n.3 (defining "industry").

7. *See supra* Figure 1.

8. *See* FINAL REPORT, *supra* note 4, at 3 (explaining that "other conditions remaining constant" means, in this application, that the Stage 1 action, reduces the supply of the ecosystem available to the Box 1 industry below what it otherwise would have been in the absence of the Stage 1 action).

Box 4 represents those who place an intrinsic value on the ecosystem and the species dependent on it. This group sees the ecosystem and species as wealth, similar to jewels in a bank's vault, but owned jointly by all of society. Society's announcement of its intent to increase the protection afforded the ecosystem potentially will increase the value of this wealth.

The Northwest's northern spotted owl experience revealed how the protection of an ecosystem sent signals to all four types of destinations. When the United States Fish and Wildlife Service designated the ecosystem for protection, it sent signals to at least two industrial sectors—the logging and the commercial fishing sectors. The signals indicated that the supply of old-growth land to be degraded by logging would be diminished and the supply of old-growth land for anadromous fish would be increased. To the extent that firms and workers in these sectors were sensitive to this information, they adjusted their economic plans accordingly. The designation also reassured those who prefer to live near old-growth forests that they will be able to continue to enjoy the various amenities associated with these forests. This reassurance became input to the locational decisions of business owners and workers, as well as to those of households outside the work force, such as retirees. Finally, the designation told people throughout the United States and the world that the federal government intended to maintain, and even enhance, the intrinsic value of the spotted owl and the associated flora and fauna.

In Stage 3 of the transformation, the economy responds to the economic signals.[9] In general, this response involves changes in prices: prices of goods and services rise or fall to levels that otherwise would not occur, and buyers and sellers adjust their behavior accordingly. The prices of some goods and services in other locations rise, in response to a reduction in supply or an increase in demand, and, for the opposite reasons, the prices of some goods and services in some locations decline. Separate price effects manifest themselves in the industrial sectors whose ecosystem-degrading activities are curtailed by the change in policy, in the sectors that incur spillover costs when the ecosystem is degraded, and in the public's response to the change in the area's quality of life.

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9. *See supra* Figure 1.

In Stage 4, the economy reaches its long-run transformation as the various price effects reach their ultimate resolution.[10] Protecting the ecosystem alters the structure of the economy at the local, regional, and national levels. The distribution of industrial activity and quality of life differs from what it would have been without the ecosystem provision or restoration. The total level of jobs, incomes, and wealth, as well as their distribution within the local area and among the nation's regions, are also affected by this policy change.

On balance, protecting the ecosystem may increase or decrease the overall economic welfare of the nation (i.e., it may yield net economic benefits or incur net economic costs). If the present value of the bundle of goods and services produced over time is greater with the ecosystem protection than without it, then the national economic welfare increases. If the relationship is reversed, national economic welfare decreases. When evaluating the different bundles, it is important to include all components of the economy: the industries that benefit from protecting the ecosystem or that incur spillover costs; the various components of the local quality of life; and the intrinsic value of habitat and species.

I. THE OWL, THE FICTION, AND THE FACTS

The recent economic history of Oregon, seemingly the most economically vulnerable state within the range of the northern spotted owl, illustrates how having the wrong framework can doom a prophet. In a front page article, the October 11, 1994, *New York Times* proclaimed: *Oregon, Foiling Forecasters, Thrives as It Protects Owls.*[11] The failed prophets reported by the *Times* include President Bush, who predicted that "we'll be up to our neck in owls, and every millworker will be out of a job" on a Northwest campaign swing in 1992.[12] In 1991, Oregon Congressman Bob Smith predicted that the northern spotted owl recovery plan, which mandated reduced timber harvests, "will take us to the bottom of a black hole."[13] In 1991 even Oregon

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10. *Id.*

11. Timothy Egan, *Oregon, Foiling Forecasters, Thrives as It Protects Owls*, N.Y. TIMES, Oct. 11, 1994, at A1.

12. *Id.*

13. *Id.* at A19.

Congressman Peter DeFazio (who should have known better) predicted that logging restrictions would cause widespread economic hardship.[14] In the framework of Figure 1, Bush, Smith, and DeFazio perceived a simplistic link between the northern spotted owl's old-growth forest habitat and the economy. The link consists only of Box 1 and contains the lumber-and-wood-products industry.[15]

In contrast to this fiction, Oregon's economic facts show a complex relationship. In 1991, before the environmental regulations set in, Oregon employed 211,700 workers in manufacturing (which includes the lumber-and-wood-products industry), and 1.25 million workers in nonagricultural jobs overall.[16] By late 1994, Oregon's total manufacturing employment is passing 218,400 workers, and the state's total nonagricultural employment is fast approaching 1.37 million.[17] Oregon has more jobs now than it did in 1991. These jobs on average pay higher wages than the same jobs did in 1991.[18] Property values have increased in every county in Oregon since 1991.[19] Oregon's population growth is approaching the phenomenal levels of the late 1970's.[20] And, as the *New York Times* noted, Oregon's unemployment rate has fallen below the national rate.[21]

Back in 1991, Oregon's high-technology industries (*i.e.* electrical machinery, non-electrical machinery, and instruments) employed 47,600 people, while the timber industry employed 56,600 people.[22] Since then, Oregon's economy has undergone an

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14. *Id.*

15. *See supra* Figure 1.

16. OREGON DEP'T OF ADMIN. SERV., 1994 OREGON ECON. AND REVENUE FORECAST 36 (1994).

17. *Id.* at 45.

18. *See* DEP'T. OF HUM. RESOURCES, STATE OF OR., OR. LAB. TRENDS, *Indicators*, 1 (Jan./Feb. 1992); EMPLOYMENT DIV., STATE OF OR., OR. LAB. TRENDS, *Indicators*, 1 (Jan. 1995).

19. OR. DEP'T OF REV., OR. PROP. TAX STATISTICS, FISCAL YEAR 1991-1992 22 (Rev. 6-92); OR. DEP'T. OF REV., OR. PROP. TAX STATISTICS, FISCAL YEAR 1993-1994 30 (Rev. 8-94).

20. *See, e.g.*, DEP'T OF ADMIN. SERV., OREGON ECONOMIC AND REVENUE FORECAST 40 (Dec. 1994); U.S. DEP'T. OF COM., BUREAU OF ECONOMIC ANALYSIS, REIS CD-ROM (May 1994).

21. Egan, *supra* note 11, at A1, A16.

22. DEP'T OF ADMIN. SERV., OREGON ECONOMIC AND REVENUE FORECAST, *supra* note 20, at 36-37.

historic and symbolic shift. The September 1994 *Oregon Economic and Revenue Forecast* predicts that in the first quarter of 1995, Oregon's timber industry will employ 52,900 people and that the high-tech industries will employ 53,600 people.[23] While it was inevitable that high-tech would overtake timber as the state's top employment sector, the rapid rate of the change has surprised the experts. In 1992, forecasters predicted that the shift would not be complete until early 1996. Their perceptions of the future were off, but not because they underestimated the decline in the timber supply; in fact, they overestimated it. They miscalculated because they underestimated growth in the high-tech industries.

II. THE LESSONS

The Northwest old-growth forest experience provides three lessons applicable to the Northern Forest situation: (1) economy-forest relationships are complex; (2) there *will* be economic and institutional transitions; and, (3) expect controversy when economic interests diverge widely.

A. Economy-Forest Relationships Are Complex

Economy-forest relationships are not limited to only one industry or sector of the economy or only to the short-run, and they are not static. Instead, they are economy-wide, both long-run and short-run, and definitely dynamic. The Northwest teaches us that one cannot begin to develop forest-management policies until one has first examined all aspects of these relationships. In other words, one cannot do sound planning, in either the technical sense or the political-institutional sense, if one does not look at Stages 1 through 4 and Boxes 1 through 4.[24] This argument was instrumental in Judge Dwyer's decision on the

23. *Id.* at 45, 48.

24. *See supra* Figure 1 (classifying four groups affected by actions taken to protect the environment).

owl forests[25] and the Ninth Circuit's opinions regarding the salmon.[26]

I am troubled by *Common Ground* because as we have learned in the Northwest, society cannot find common ground if the process excludes or fails to give full weight to one or more affected groups.[27] I find neither full weight given to all four Boxes in *Common Ground* nor any evidence that the contributors understood the longer-run, dynamic nature of the problem the region faces. As an example, consider *Common Ground's* discussion on "Strengthening Economies of Rural Communities."[28] The beginning looked promising. The authors seemed to recognize some of the same general forces seen in the Northwest: a wood-products industry and dependent communities that "generally rise and fall in response to changes in . . . forces often beyond their control" and "dependence" on a wood-products industry that has "brought instability" and "downturn."[29]

The authors, though, made the same mistake that many in Oregon and elsewhere in the Northwest seem compelled to make. They appeared to believe that solving the problem required providing "[a]dditional support of the private sector"[30] by either somehow increasing the communities' dependence on the wood-products industry (e.g., the so-called, value-added manufacturing),[31] or by investing in recreation and tourism,[32] thus throwing money at industries that benefit from ecosystem degradation in Box 1 and at only a portion of industries that incur costs when the ecosystem is degraded in Box 2. Never mind that

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25. Seattle Audubon Soc'y. v. John L. Evans, 771 F. Supp. 1081, 1096 (W.D. Wa. 1991) *aff'd* 952 F.2d 297 (9th Cir. 1991) (noting that the Forest Service had not taken the "necessary steps to make a decision in the first place" on the impact of timber sales on the spotted owl's habitat).

26. Northwest Resource Info. Ctr., Inc. v. Northwest Power Planning Council, 35 F.3d 1371, 1393 (9th Cir. 1994) (concluding that "the Council failed to utilize sound biological objectives in evaluating [the Columbia River Basin Fish and Wildlife Program's measures"); Pacific Rivers Council v. U.S. Forest Serv., 30 F.3d 1050, 1053 (9th Cir. 1994) (requiring the Forest Service to consult on the land resource management plan's ("LRMP") effect on the chinook salmon, listed as a threatened species by the National Marine Fisheries Service, after the adoption of the LRMP's).

27. *See supra* Figure 1.

28. COMMON GROUND, *supra* note 3, at 65-82.

29. *Id.* at 65-67.

30. *Id.* at 67.

31. *Id.* at 67-71.

32. *Id.* at 73-75.

ecosystem-degrading industries (in Box 1) are shrinking and tourism (Box 2) pays poorly. Granted, we have learned in the Northwest that value-added manufacturing in lumber and wood products offers some opportunities, but they are severely limited relative to the opportunities in other industries that do not degrade the environment. In the Northwest, we are learning that tourism's contribution is not realized in the short-run—the direct dollars it brings to the economy—but in the long-run, indirect effects it has on the location of firms, workers, and households.[33]

> Residents and businesses continue to move into the Northwest as more parts of the region are "discovered" by national and foreign tourists, and by businesses seeking . . . favorable living conditions for employees. If [the northwestern states] can manage to preserve their unique environmental assets . . . the Northwest will remain one of the strongest regional economies in the country.[34]

John Mitchell, of U.S. Bancorp, and Paul Sommers, of the University of Washington Northwest Policy Center, correctly identify the salient economic impact of tourism, which is not through the dollars it brings in or the workers it employs, but through the number of talented Northwesterners it dissuades from emigrating and the number of talented non-Northwesterners it persuades to immigrate.

The authors of *Common Ground*, however, seemed to miss the big economic role played by the quality of life (Box 3) and the non-consumptive, non-tourism sectors. How does one justify no discussion of the Northern Forest's relationship to the overwhelming bulk of the future economy? Without that discussion, how can anyone presume that efforts to find common ground will find anything other than frustration and distrust?

Ignorance of this complexity reflects and, in turn, causes a fundamental misunderstanding of what really is the major economic issue. The issue is jobs versus jobs, *not* jobs versus the environment. In other words, it is a strategic choice among economic futures in which the economy and the environment are

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33. JOHN MITCHELL & PAUL SOMMERS, NORTHWEST PORTRAIT 1992 7 (1992) [hereinafter NORTHWEST PORTRAIT].

34. *Id.* at 7.

viewed as complements, not substitutes. We have ample evidence that maintaining and even enhancing ecosystems can yield more jobs, and more importantly, higher standards of living than degrading them.[35]

B. There Will Be Economic and Institutional Transitions

The second lesson is that there *will* be economic and institutional transitions. If you believe that in the past Box 1 industries played a dominant role, and if you give any weight to the current and prospective roles of Boxes 2 through 4, then you must conclude there will be transitions.[36] If you believe that the dynamism of the economy is growing and that economic decisions are being decentralized, then you must conclude that the question before each institution concerned with management of the Northern Forest is not whether to have transitions, but what will be the institution's role in the transitions.

The institutions managing the Northern Forest must find ways to assimilate the concepts of complex environment-economy relationships, dynamic economies, and changing constituencies. Clearly, natural resource managers should not act in isolation from what is happening in the larger economy. Issues such as inter-regional patterns of economic development, information, and metropolitan concentrations of growth have far-reaching implications. Moreover, these managers should not act in isolation from other policy-makers. They must be aware of what is happening in the education, labor, and transportation policy arenas.

Unfortunately, *Common Ground* does not take this broader perspective. For example, the section on promoting informed decision-making states: "[E]ducation and technical assistance are

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35. *See, e.g.* Bob Hall, *Gold & Green: Can We Have Good Jobs and a Healthy Environment?*, 22 SOUTHERN EXPOSURE 49, 52 (Fall 1994) (summarizing economic analyses supporting environmental protection and showing job growth); NORTHWEST PORTRAIT, *supra* note 33, at 7 (noting that despite a "troubled" wood products industry, the Northwest continues to show a pattern of slightly faster growth compared to the rest of the nation).

36. *See supra* Figure 1. Box 1 represents industries that benefit from degradation of the ecosystem; Box 2 represents industries that incur costs when the ecosystem is degraded; Box 3 represents those who see the ecosystem as an element of local quality of life; Box 4 represents those who place an intrinsic value on the ecosystem. *Id.*

vital tools . . . to keep pace with a rapidly changing world."[37] I agree, we certainly are learning that lesson in the Northwest. But I cannot find any discussion of labor markets, income trends, the changing structure of the world's economies, our national economy, or the regional economies encompassing the Northern Forest in *Common Ground*. There is no discussion whatsoever of the transitions that are occurring and will occur.

When I review the recommendations and compare them with our efforts to find common ground in the Northwest, I cannot find any appreciation of the importance, for example, of having labor economists and educators talk about the strategies it will take to increase the standards of living for the region's workers.[38] I cannot find any role for social workers to talk about helping dislocated families cope. I cannot find any role for strategists in economic development, transportation, and communications to talk about the "non-traditional" future relationships between metropolitan and rural areas. In light of the lesson we have learned in the Northwest, which tells us there *will* be transitions that must be explicitly and actively faced, this omission in *Common Ground* limits the report's impact. In contrast, Oregon's broad-based, long-run strategy includes, for example, having the Oregon Department of Forestry oversee the training of workers for today's more complex management of the state's forests and help workers dislocated from the wood-products industry get relocated quickly.[39] For another example, Washington's State Land Commissioner and Land Board are moving beyond the simplistic extractive focus of the past and formally recognizing the complementarity between protecting a healthy environment and encouraging a healthy economy.[40]

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37. COMMON GROUND, *supra* note 3, at 83.

38. *Id.* at 93-97.

39. For information on this strategy, please contact Patti Lake, Department Chair of Training and Development at Lane Community College, (503) 726-2223; Chuck Forster, Director of the Southern Willamette Private Industry Council Dislocated Worker Program, (503) 687-3800; or Bill Easly, Program Manager of the Joint Training Partnership Act Administration at the Oregon Economic Development Department, (503) 373-1995.

40. DEP'T OF NATURAL RESOURCES, WASH. STATE, *Request for Proposals, Strategic Planning Facilitation* (RFP No. ASP-01) (Jan. 10, 1995) (issuing a Request for Proposals ("RFP") for assistance in the development of an Asset Stewardship Plan with the long-term vision and policy to guide the Board of Natural Resources and the Department of Natural Resources' decision-making on integrating the economic, social, and ecological performance of the managed assets to assure the ability of those assets to perform in perpetuity for the benefit of trust beneficiaries and the general public).

These changes in institutional attitudes and behaviors in Oregon and Washington may simply reflect long-delayed institutional adjustments to the attitudes of the citizens these institutions are meant to serve. In a 1993 survey, the Oregon Business Council asked Oregonians which they find more important to economic growth in Oregon: less protective environmental regulations that make it cheaper for companies to do business or a high-quality environment that attracts people and companies.[41] Nearly five Oregonians chose "[m]aintain a quality environment" to every one Oregonian who chose "[r]elax environmental regulations."[42] Even in the timber and agriculture dependent eastern counties of the state, this ratio was nearly four to one.[43] It is difficult to imagine that the attitudes of informed residents of the Northern Forest region differ all that much from Oregon's residents.

C. Expect Controversy When Economic Interests Diverge Widely

The central resource-management issue is how to manage the competition for the Northern Forest's valuable natural resources. Controversy always arises when economic interests are widely divergent. It is foolhardy to rely solely on market mechanisms to resolve the conflicts, especially as increasing demand for the resources intensifies the competition and when the benefits and costs of cutting and selling trees are not fully appropriated by the buyer and seller. Once there is not enough to go around and once benefits, costs, or both are enjoyed or incurred by third parties, the market and simple "landowner-takes-all" definitions of property rights break down. This lesson applies just as well to the Northern Forest, where most of the forest land is privately-owned, as it does to the Pacific Northwest, where most of the forest land is publicly-owned.

The forces creating controversy over forest management in the Northwest are powerful and persistent. From an economic perspective, they are the primary source of the conflict over the

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41. OREGON BUS. COUNCIL, *Oregon Values & Beliefs: Summary*, 18 (Vol. 2, Ver. 1.1, May 1993).

42. *Id.*

43. *Id.* at 20.

spotted owl forests of the Pacific Northwest.[44] In the end, public ownership of much of the land facilitated resolution of the conflict. But it is foolish to pretend that the conflict will fade away simply because much of the Northern Forest is privately owned. Landowners cannot escape the controversy by ignoring it. If they manage their land, focusing only on Box 1 while ignoring Boxes 2 through 4, they should expect continuing economic, political, and social pressure.[45] Business will become increasingly risky. If you are a legislator or a governor, or if you are an administrator of a public agency, then expect your job to become more challenging. Expect people to be in your face, not because they are irresponsible "greens" or "browns," but because these economic forces are powerful.

Society's welfare is greatest when it is able to apply coordinated, intelligent management to forest lands to maximize the value of all four Boxes. Otherwise, society's welfare is reduced since the value of the forest lands is reduced. Currently, it hardly requires an advanced degree to recognize that the Northern Forest is not managed optimally. *Common Ground's* description of forest management mentions "instability," "downturn," "forces often beyond their control," and "protecting the traditional uses of the Northern Forest."[46] Thus, the challenge is to find politically and institutionally feasible mechanisms to obtain the greatest value from the land.

To understand one evolving lesson from the Northwest about such mechanisms, consider what the authors of *Common Ground* offered on "fundamental" private property rights: "The rights of private property owners must be respected."[47] I agree with that, but only if the statement is extended in the same breath to embrace the obligations private property owners have to the rest of society. This means we must recognize that both private property owners and the public-at-large have rights and obligations, and that the public has an obligation to respect the

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44. Ed Whitelaw, *Oregon's Turn, A Blueprint for Economic Growth in the 1990's*, 69 OLD OREGON 22-24 (1990).

45. *See supra* Figure 1.

46. COMMON GROUND, *supra* note 3, at 65-67, 80.

47. *Id.* at 15.

rights of private property owners, which are limited by the private property owners' obligation to respect the rights of others.[48]

The last twenty years in the Northwest have taught us how important it is to recognize that these rights are limited. I do not have the right to dump toxic waste on my land and allow it to migrate onto my neighbor's property. In some places we have learned that I do not have the right to destroy habitat on my land that salmon absolutely must have if they are to survive as a species. In the future, as we learn more about the complexity of the forest ecosystem and about the complexity of the economy-forest relationships, I anticipate that we also will learn more about the rights and obligations of the private property owners and the public.[49]

The authors of *Common Ground* focused on a few different mechanisms for maximizing the value of the land, especially tax concessions.[50] Expect a frustrating and a bumpy ride if you hitch your wagon to a horse and have a carrot but no stick and no reins. At least some states in the Northwest have learned that it is futile to rely on tax policy to influence forest land management without also having strong regulations on forest practices. In *Common Ground*, I find disturbing the discussion about reducing taxes and on sustainability, especially the proposal to "educate forest users and the public about sound forest management."[51] Does this mean giving International Paper a tax break and then launching a media blitz to convince the public that clearcuts are good? This sounds very much like a policy developed by looking only at Box 1.[52]

Common Ground raises some other questions as well. In the discussion of land use planning, the authors proposed that land use planning should be used in "protecting the traditional uses of the Northern Forest."[53] Does this mean to ignore Box 3? If so, then any plan, as the Northwest has learned, will run afoul of the

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48. *See* James M. McElfish, Jr., *Property Rights, Property Roots: Rediscovering the Basis for Legal Protection of the Environment*, 24 ENVTL. L. REP. 10,231, 10,246 (May 1994) (discussing these limitations in the context of protecting the environment).

49. *See* M. MITCHELL WALDROP, COMPLEXITY 250-55, 308-13 (Simon & Schuster, 1992) (providing some insights into the progress on thinking about the complexities of economy-ecosystem relationships).

50. COMMON GROUND, *supra* note 3, at 31-39.

51. *Id.* at 43.

52. *See supra* Figure 1.

53. COMMON GROUND, *supra* note 3, at 80.

economic realities Box 3 represents. The authors also addressed the forest's contribution to recreation and quality of life and to the difficulty private landowners have when they allow the public to use their lands.[54] If private landowners exclude the public from their private property, then the quality of life declines and the public loses the opportunities of Box 3 and the linkages to the industries in Box 2. Private landowners have no economic incentive to provide recreational services to the public. What is a responsible society to do?

An insight can be gained from one of the lessons the Northwest has learned: there is no easy solution. If not, then the controversy is here for the long-term. A private landowner, for example, cannot avoid the controversy simply by keeping the public off his land. Enlightened landowners in the Northern Forest will get ahead of the curve by recognizing that they are no longer in the timber-growing business. They are in the complex-forest-products-and-services business with the opportunity to turn lemons into lemonade. Those who fail to make the adjustment, especially those who own lands where the quality-of-life assets have the greatest value, will face increasingly serious problems.

CONCLUSION

The point of this article is straightforward: the economy and the environment should be viewed as complements, not substitutes. It is gratuitously smug to claim the Northwest has fully learned these important lessons. In fact, not surprisingly, the Northwest is lurching and groping its way into the twenty-first century, along with all of the other regions. As we do, it is sorely tempting for at least some of us to look fondly on our extractive past. Even if that past were as rosy as our faulty, selective memories sometimes perceive it, we can, as the sage said, "never go back." Besides, it is a bad idea to try to drive our car by looking in the rearview mirror.

On the issue of managing forests to serve the changing needs and preferences of its citizens, the Northwest has learned—only partially, of course—important lessons: economy-forest relationships are complex; economic and institutional transitions will be difficult; and diverging economic interests cause

54. *Id.* at 73-75.

controversy. These same lessons apply to the Northern Forest and its region. How refreshing it would be for the Northern Forest region to take the Northwest's lessons and run with them, by incorporating them into current resource-management policies.