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ECONOMIC REFLECTIONS ON THE NORTHWEST FOREST PLAN

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When the NWFP was adopted, many feared that sharp reductions in logging on federal lands would lead to widespread, persistent economic calamity. These fears were stoked by perceptions that the timber industry played a special role in the regional economy, as a dominant element of the region’s economic base. According to this view, the crumbling of the economic base resulting from logging reductions incorporated in the NWFP would cause other sectors to topple. These fears did not materialize. Instead, though some workers and firms were adversely affected, logging reductions were accompanied by robust increases in regional jobs and incomes. This experience demonstrates that the economic-base perspective of the timber industry was invalid.

A more useful perspective sees the timber industry as one among numerous, competing demands for federal forest resources. In this context, as the NWFP reduced the supply of forest resources available to the timber industry, it increased the supply available to competing demands. Economic losses from contraction in the timber industry were offset by gains in other economic arenas. Insofar as the gains outweighed the losses, regional economic growth over the past decade has occurred not despite the NWFP, as many feared, but because of it.

SYNTHESIS REPORT- Social, Economic & Human Dimensions

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