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An Agricultural Law Research Article

**Book Review: Reforming the Forest Service,  
Randall O'Toole**

by

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## BOOK REVIEWS

### REFORMING THE FOREST SERVICE

RANDALL O'TOOLE,

Washington, D.C.: Island Press. 1988. Pp. xii, 247.

\$24.95; \$16.95 s.c.

For those whose hearts lie with protection of wilderness, decisions made by professional resource managers can be perplexing indeed. How, for example, is the Forest Service's continued use of clear-cutting, a practice little loved by environmentalists, to be understood? Clear-cutting can necessitate costly measures for reforestation, such as the use of herbicides and the hand planting of species after cuts, and the use of shade cards to protect seedlings from the heat which results when shading trees are removed (pp. 157-160). Why, despite the obvious and growing importance of recreational use of the forest, does timber management continue to receive the predominant attention of the agency's decisionmakers (pp.168-169)? And how can the national forests produce such valuable resources each year with so little return to the U.S. Treasury (p. 14)?

Randall O'Toole, a forest economist who is a consultant to several environmental groups, has made it his task to answer these questions in *Reforming the Forest Service*. First, however, he documents his case that the Forest Service's current timber sales lose money in most forests (p. 24). This contention is explored at great length and it is the argument that has been most pressed by environmentalists in Congressional battles over Forest Service appropriations. The detailed discussion of accounting issues, however, may be of less interest to some readers than the reason for examining them. Whether a particular sale can be economically justified or not may have little relationship to the merits of extending environmental protection to an area. O'Toole ultimately provides an opinion regarding the relationship between market values and protection of the environment, but not before disposing of the justifications that have been offered for current leasing practices.

If the current system of forest management is truly as "irrational, inefficient, and environmentally destructive" as O'Toole presents it, then how can it appear "perfectly reasonable from the viewpoint of the Forest Service" (pg. 7)? Two alternative explanations are examined: a "wood is good" philosophy that is characterized as the "timber primacy" view, (pg. 98) and the hypothesis that Forest Service managers make decisions to achieve "budget maximization"(pg. 98). Little real contest exists concerning which of these O'Toole regards as the most plausible explanation, as he demonstrates that controversial forest service policies dealing with

clearcutting, wilderness, grazing, and recreational usage can be explained under a theory of budget maximization. O'Toole's unlocking of these puzzles is elegant and one is satisfied that there is indeed a logic behind what the Forest Service does.

This critical analysis of the Forest Service's current management practices presages O'Toole's recommendations for reform. The argument that the government should not sell timber when it loses money on the sale is easily transformed into the assertion that sound management of the forest would follow the model of a successful business. This is the argument that O'Toole pursues in his proposals for reform. "Reform" is in fact a misnomer; virtually none of the statutes under which the Forest Service now operates and little of its administrative structure would survive his proposal. In summary, he calls for "marketizing" the Forest Service in the belief that "markets are the key to reforming public land management because they most closely resemble a natural ecosystem" (pg. 193). Incentives are to be given for efficiency, fees imposed on a variety of uses which now return no fees, appropriations eliminated, administrative operations streamlined and decentralized, and management over the forests generally brought under a business model. The booming involvement by the public in forest planning would be totally transformed: "the plans will be oriented to identifying and making the best use of opportunities to generate income through sales or leases of timber, recreation, and other resources. Public involvement in the plans will be in the form of proposals to use, lease, or contract parts of each forest for various proposals." (pg. 217)

These reforms, with one exception, are aimed at the Congress. Here the focus of O'Toole's analysis throughout the book must be questioned. The system he has criticized he evidently believes to be one of Congressional, not administrative making, yet few insights are offered into why Congress has arranged the system as it has, nor what it would take to change it. Do members of Congress believe "wood is good" or do they have their own calculation of interests? O'Toole points to domination of committees by legislators with the greatest concern for logging interests, but aren't there more members with concerns over the federal deficit? If recreational users command the economic power that O'Toole believes will preserve wilderness and recreational lands under a market system, why has that power not prevailed in Congress? An alternative perspective might suggest that Congress has attempted to achieve a variety of goals which are not simple in their relationship to each other in its forestry lawmaking. Economic efficiency, while sometimes invoked, is not the sole model under which Congress has acted, and Congressional motivation will need to be examined, as the Forest Service's has been, to understand what will cause Congressional change.

The notion that a market model is the best way to make decisions about forests will not command intuitive assent from those who seek nonmarket values in them, nor will those who have founded communities upon logging necessarily appreciate the job training which will enable them to move elsewhere and do different work. O'Toole's economic analysis powerfully demonstrates the irrationality of the present system, yet the question of what values should be reflected in a new system may require further study of what values are reflected in the current system.

Those involved in forest management will find this an important book, but may suspect that the proposed reform of the Forest Service is not imminent. The book's contribution is to show that reform will only be effective if it addresses the budgetary incentives which drive agency decisions.

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