

Economic Reflections on the Northwest Forest Plan

Ernie Niemi
ECONorthwest

Context: Widespread Fear

I don't think we can accept an answer that is going to paralyze employment in the Northwest

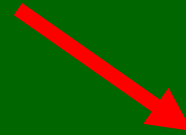
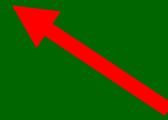
President George H.W. Bush.

Underlying Reasoning, I

**Timber Industry
(Jobs)**

**Forest
Resources**

**Environment
(Owls)**

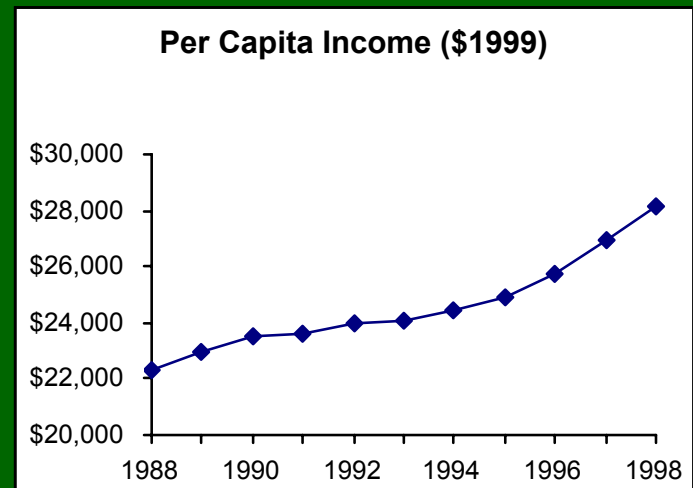
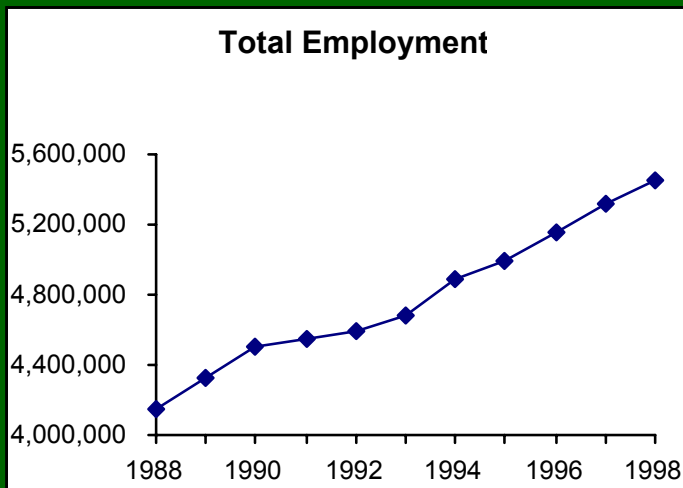
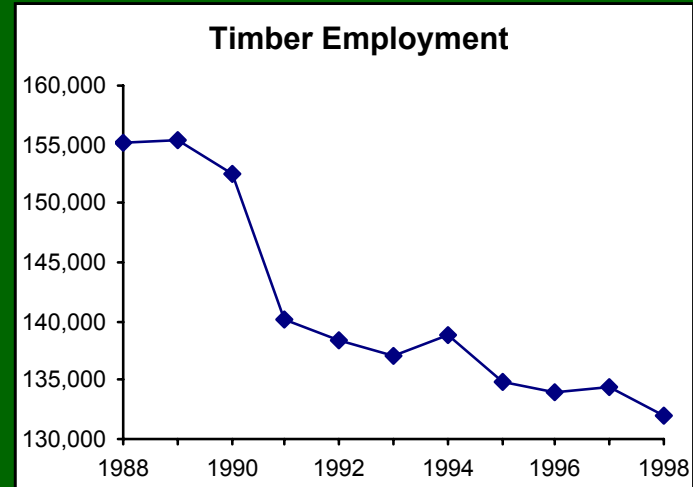
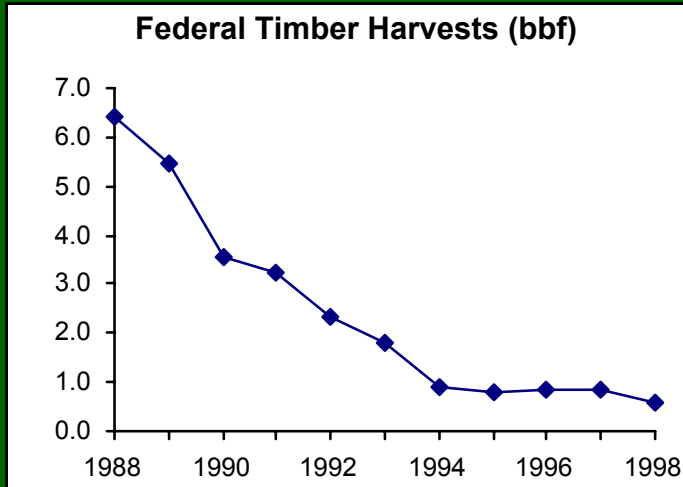


Underlying Reasoning, II

Timber industry = economic base

Crumbling of the base would have catastrophic, economy-wide consequences.

But the Sky Did Not Fall



Competition for Resources: Current Reality

Timber Industry
(Jobs)

Quality of Life
(Household
Location)

**Forest
Resources**

```
graph TD; FR[Forest Resources] --> TI[Timber Industry (Jobs)]; FR --> QL[Quality of Life (Household Location)]; FR --> CCU[Competing Commercial Uses (Other Jobs)]; FR --> ENV[Environment (Intrinsic Values, Ecosystem Services)];
```

**Competing
Commercial Uses**
(Other Jobs)

Environment
(Intrinsic Values,
Ecosystem
Services)

NWFP Helped Reveal:

- Economic-base model is wrong.
- There is competition for resources.
- There have been benefits as well as costs.
- Messages matter.