

EXHIBIT A

THE TIMBER ECONOMY OF HUMBOLDT COUNTY,
CALIFORNIA IN 1968

A Summary of an Analysis of Reported Statistics on
Timber Removal for the Years 1953 - 1963

by

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Statistics on timber cut, production of timber operators, lumber, plywood and veneer production are available for given areas. However, serious difficulties arise in comparing these statistics because of the varying reliability of reporting methods used, the differences in measuring units used, and the application of various conversion factors. We have verified the reported statistics carefully, and for the first time have tried to relate these statistics to each other. The situation is further complicated because certain statistics pertain only to old-growth timber land stands, while others are needed for timber removal of second-growth stands. Furthermore, a part of the timber cut is exported out of the country, and will not appear in the statistics of lumber, plywood or veneer production of the county. Just recently, we have completed our analysis on the second-growth sawlog supply in Humboldt County. The following summary statements are taken from this analysis, the complete second-growth timber analysis will soon be ready for publication.

The inevitable conclusion from analysis of timber supplies in Humboldt County is that the economic future of the county is under serious threat, by the end of 1967, when the supply of virgin timber will be virtually exhausted. Since 1953 the young growth timber stands have been heavily logged for stud production. As of 1965, over one half of the original 1953 sawlog volume has been removed. There remains now less than one year's supply of saw logs in these second growth stands to support the current county's removal rate of about 2.5 billion board feet per year.

The two new pulp mills in Humboldt County have stated that they will each employ approximately 250 people each, plus creating twice as many outside jobs to supply these mills with chips. This amounts to an expected total employment of 1,500 employees. In 1963 there were 10,383 employees in the lumber

and wood products industries in Humboldt County. Therefore, the pulp industry employment amounts only to about 15 percent of the present total timber oriented employment. If the present rate of timber removal continues, there will occur in 1968 an immediate shift from the primarily sawlog supported employment of 10,383 to a primarily pulp-log supported economy employing 1,500 employees. This tremendous drop in employment can only result in a complete economic collapse throughout Humboldt County. It may seem puzzling that local and state government do not envision this economic collapse. Strong supporting evidence from other independent sources indicating similar results includes the economic analysis made for Mendocino County, and for Del Norte County by Arthur D. Little, Inc. and the California Taxpayers Association. While we have not yet thoroughly examined these reports, our findings for neighboring Humboldt County lends credence to these same conclusions.

Arcata, California
November 20, 1965

Respectfully submitted,

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REPORTED AND ACTUAL TIMBER CUT FOR HUMBOLDT COUNTY, 1953-1962

YEAR	ACTUAL TIMBER CUT MILLIONS OF BOARD FEET (MMBF)									
	LUMBER			PLYWOOD & VENEER			TIMBER CUT			
	Reported Total Timber Cut 1/ Int. 1/4" Log Rule MMBF	Lumber Produc- tion 2/ MMBF	Converted to Timber Cut 3/ Int. 1/4" Log Rule MMBF	Plywood & Veneer Produc- tion 4/ Plywood Standards 3/8" Basis MM Sq. Ft.	Converted to Logs Used 5/ (Scribner- Spaulding Log Scales) MMBF	Converted to Timber Cut 6/ Int. 1/4" Log Rule MMBF	TOTAL	ON PRIVATE LANDS	Int. 1/4" Log Rule MMBF	2,061(7)
1953	1,484	1,200	1,496	267	121	152	1,648	1,648	1,648	1,648
1954	1,416	1,230	1,534	343	156	197	1,731	1,731	1,731	1,731
1955	1,455	1,500	1,871	407	185	233	2,104	2,104	2,061(7)	2,061(7)
1956	1,400	1,500	1,871	407	185	233	2,104	2,104	2,061(7)	2,061(7)
1957	1,357	1,200	1,496	429	191	241	1,737	1,737	1,694(7)	1,694(7)
1958	1,705	1,350	1,683	504	229	289	1,972	1,972	1,945(7)	1,945(7)
1959	1,758	1,500	1,871	723	329	415	2,286	2,286	2,217(7)	2,217(7)
1960	1,272	1,500	1,871	883	401	505	2,376	2,376	2,311(7)	2,311(7)
1961	1,417	1,337	1,667	938	426	537	2,204	2,204	2,163(7)	2,163(7)
1962	1,620	1,598	1,993	957	435	548	2,541	2,541	2,491(7)	2,491(7)
TOTALS 1953-62	14,884						20,703	20,703	20,322	20,322

SEE: Explanations and Footnotes, pp. 5 and 6.

PERCENTAGE OF ERROR IN ACTUAL TIMBER CUT

<u>Privately Owned Mature Timber</u>	<u>Millions in Board Feet</u>
Inventory in Humboldt County 1953	35,625 Int. $\frac{1}{4}$ " L.R. <u>9/</u>
Actual Timber Cut from Private Lands 1953-1962	<u>20,322</u> Int. $\frac{1}{4}$ " L.R.
Indicated Timber Inventory in 1963 Reduced to Scribner L.S.	15,303 Int. $\frac{1}{4}$ " L.R. 13,663 Scribner <u>10/</u>
1963 Inventory based on Humboldt County Timber Cruise	<u>13,500</u> Scribner <u>11/</u>
Difference	163
Percent Error in Actual Cut	1.2

DIFFERENCE REPORTED AND ACTUAL
TOTAL TIMBER CUT 1953-1962

Actual Timber Cut	20,703 MMBF
Reported Timber Cut	<u>14,884</u> MMBF
Difference	<u>5,819</u> MMBF
Percent Error in Reported Cut	39 <u>8/</u>

OLD-GROWTH TIMBER SUPPLY
IN HUMBOLDT COUNTY
BILLIONS IN BOARD FEET SCRIBNER

<u>Year</u>	<u>Timber Inventory</u>	<u>Rate of Cut</u>
1963	13.5 <u>11/</u>	2.5
1964	11.0 <u>12/</u>	
1965	8.5 <u>11/</u>	
Projected at same rate of cut		
1966	6.0	2.5
1967	3.5	2.5
1968	1.0	2.5

REFERENCES TO ACCOMPANY PAGES 3 AND 4

- 1/ Production of California Timber Operators, plus 12% adjustment to timber cut. Source: R.A. Siegel: The North Coast Forest Products Industry in 1975, June 14, 1965, Eureka, Calif. p: 36 quoted from the Pacific Southwest Forest and Range Experiment Station.
- 2/ Source: The Greater Eureka Chamber of Commerce, Directory of Lumber and Forest Products Plants in Humboldt County, California. Published annually 1953-1965, price \$2.00 each.
- 3/ Lumber production plus 24.7% adjustment to timber cut. Source: Timber in Humboldt County by Henry J. Vaux, Bulletin 748, 1955.
- 4/ Source: The Greater Eureka Chamber of Commerce, Directories of Lumber, Logging, & Forest Products Plants: 1953-1962.

NOTE: Only 30% of independently owned veneer mills production was included, assuming same ratio as established for Mendocino County, 70% consumed locally, 30% exported to mills outside the county.
Source: Young Growth Timber Taxation in Mendocino County, Bulletin 780, 1960, by Henry J. Vaux.
- 5/ Computed by dividing MM sq. ft. 3/8" basis by 2.2 (conversion factor).
Source: letter to Deane B. Mather from H.W. Camp, Asst. Director of the Pacific Southwest Forest & Range Experiment Station, dated Nov. 18, 1963, "1,000 bd.ft. log scale will yield 2,200 sq.ft. of plywood on a 3/8" basis."
- 6/ Plywood and veneer logs used MMBF log scale plus 26% converted to timber cut.
Source: Timber in Humboldt County, Bulletin 748, 1955, by Henry J. Vaux.
- 7/ Reduced by 50% of Six Rivers National Forest Cut, plus 12% adjustment to timber cut.
Source: R.A. Siegel, June 14, 1965, speech at Eureka, Calif., quoted from the Six Rivers National Forest, Eureka, Calif. and the Pacific Southwest Forest & Range Experiment Station.
- 8/ This large error in voluntary Timber Operators Reports for Humboldt County is also true for the State of California.

- 8/ Source: The North Coast Timber Economy in 1975, by Dr. John A. Zivnuska, Forestry Seminar Series: October 21, 1964, Eureka, California.

NOTE: As all published timber analyses of the North Coast and of Humboldt County Timber Economy have been based on these Timber Operator Reports, such analyses are obviously in error.

- 9/ Source: Timber in Humboldt County, Bulletin 748, 1955, by Henry J. Vaux.
- 10/ Adjustment for Scribner long log to International short log averages 12 percent.
Source: Redwood Volumes and Acres by Frank & Dean Solinsky, Inc. Journal of Forestry, March 1965, p: 204.
- 11/ Public Statement by the County Assessor and Timber Appraiser to the Humboldt County Board of Supervisors at the meeting of July 7, 1965.
- 12/ Obtained by Deane B. Mather from the Humboldt County Assessor's Office, 1964.
- 13/ The rate is verified by an Actual Timber Cut Analysis of the Directory of Lumber and Forest Products Plants in Humboldt County, 1965.

EXHIBIT B

INFORMATION ON REBATE TAXES AND IN LIEU TAXES

The 25 percent rebate taxes and in lieu taxes have not normally been included in the enacting legislation establishing national parks. Only two precedents have been established of which I am aware:

(1) The 25 percent Rebate Taxes

The act authorizing the establishment of the Olympic National Park approved June 29, 1938 (52 stat. 1241) has a provision providing a rebate of funds to counties. This provision is quoted in full as follows:

"Sec. 3. The income of each county receiving moneys from the Olympic National Forest, under the Act of May 23, 1908 (35 Stat. 260, ch. 192), as amended, shall be proportioned to the total area of each county in the Olympic National Park combined. (1c U.S.C. sec. 253.)"

Insofar as my information is concerned this is the only unit in the National Park system with this type of legislative provision. It is interesting to note that the establishment of the Olympic National Park encountered strong opposition from the lumber industries.

(2) In Lieu Tax Provisions

The act authorizing establishment of Grand Teton National Park approved September 14, 1950 (64 Stat. 849) contains provisions under Sections 5.a. and b. concerning compensation for tax losses. This section is quoted in full below:

"Sec. 5.(a) In order to provide compensation for tax losses sustained as a result of any acquisition by the United States, subsequent to March 15, 1964, of privately owned lands, together with any improvements thereon, located within the exterior boundary of the Grand Teton National Park established by this Act, payments shall be made to the State of Wyoming for distribution to the county in which such lands are located in accordance with the following schedule of payments: For the fiscal year in which the land has been or may be acquired and nine years thereafter there

shall be paid an amount equal to the full amount of annual taxes last assessed and levied on the land, together with any improvements thereon, by public taxing units in such county, less any amount, to be determined by the Secretary of the Interior, which may have been paid on account of taxes for any period falling within such fiscal year. For each succeeding fiscal year, until twenty years elapse, there shall be paid on account of such land an amount equal to the full amount of taxes referred to in the preceding sentence, less 5 per centum of such full amount for each fiscal year, including the year for which the payment is to be made: Provided, That the amount payable under the foregoing schedule for any fiscal year preceding the first full fiscal year following the approval of this Act shall not become payable until the end of such first full fiscal year.

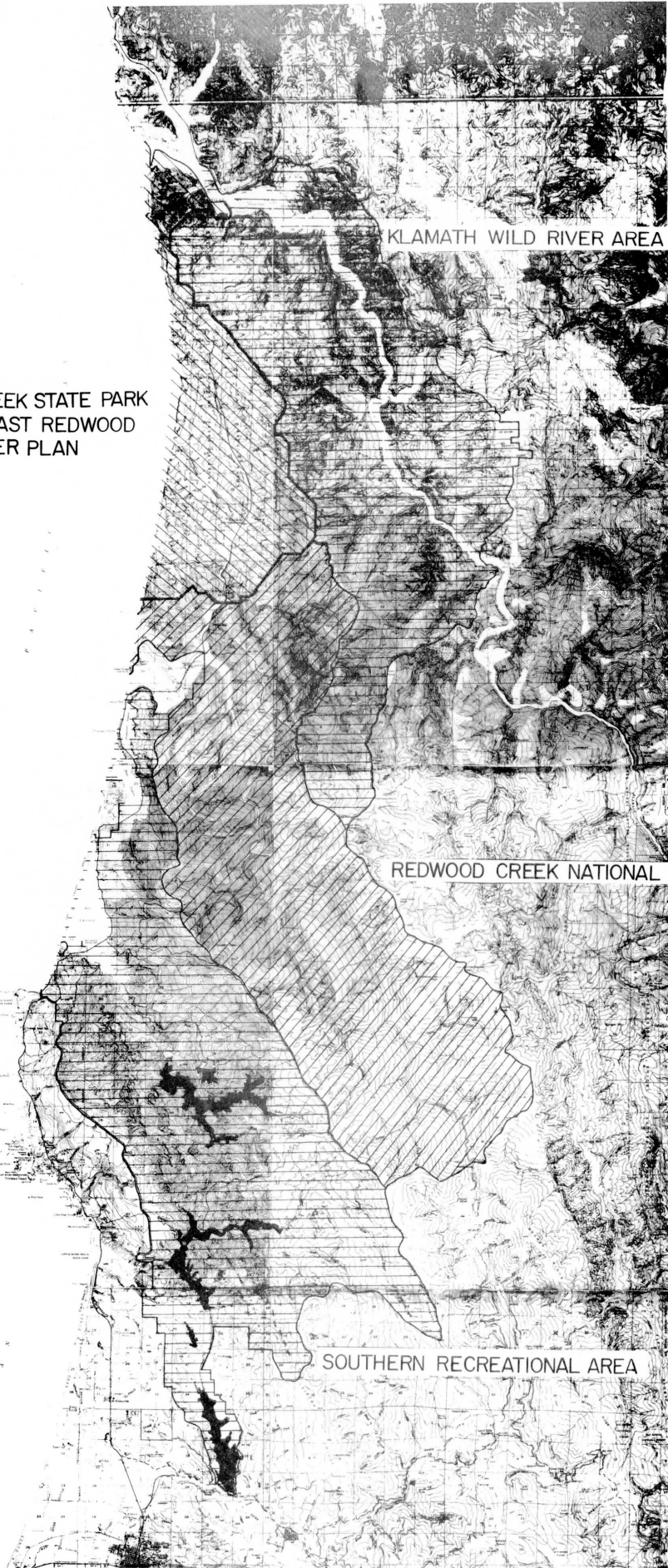
(b) As soon as practicable after the end of each fiscal year, the amount then due for such fiscal year shall be computed and certified by the Secretary of the Interior, and shall be paid by the Secretary of the Treasury: Provided, That such amount shall not exceed 25 per centum of the fees collected during such fiscal year from visitors to the Grand Teton National Park established by the Act and the Yellowstone National Park. Payments made to the State of Wyoming under this section shall be distributed to the county where the lands acquired from private landowners are located and in such manner as the State of Wyoming may prescribe. (16 U.S.C. Sec.406d-3.)"

Respectfully submitted,

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PRAIRIE CREEK STATE PARK
NORTH COAST REDWOOD
MASTER PLAN

PACIFIC
CREEK



KLAMATH WILD RIVER AREA

REDWOOD CREEK NATIONAL PARK

SOUTHERN RECREATIONAL AREA