

Subsidies For The Backpackers, Too

By Jane S. Shaw

In a recent report, "Taking from the Taxpayer: Public Subsidies for Natural Resource Development," Congressman George Miller of California criticized subsidies to the natural resources industry.

He cited special treatment for the mining industry, cheap irrigation water for farmers and ranchers, low-cost electricity from hydropower, grazing rights at below-market prices, the Forest Service's below-cost timber sales, and low royalties to commercial recreation companies.

The idea behind Miller's study is a good one. The federal government is rife with subsidies, and some of these are in the natural resource industries. But Congressman Miller is virtually silent in one enormous subsidy: the subsidy to recreation on our national parks and forests.

Terry Anderson, senior associate of PERC, has just quantified some of these subsidies in a chapter of a new book entitled *Multiple Conflicts Over Multiple Uses*. Anderson observes that the government often loses more money providing recreation than it loses on timber and minerals.

For example, in fiscal 1992 in Idaho and Montana, the Forest Service lost \$23.4 million more for trail maintenance, boat docks, cabins and other services in the national forests than it received in recreation fees. In contrast, it lost only \$19 million on timber sales, \$4.8 million on grazing rights and \$3.7 million on minerals.

An earlier study by Donald Leal, PERC senior research associate, reviewed the losses in 1988 on four national forests throughout the West. All four forests lost money on timber, but in three the Forest Service lost more money from recreation than timber.

In fiscal 1994, six federal agencies (National Park Service, Forest Service and four others that provide recreation) will receive about \$161 million from recreation fees. But the amount these agencies actually spent on recreation is expected to be \$1.5 billion, over nine times as much. Users will supply slightly more than 10% of the funds; taxpayers pay the rest.

But, recreation is different, you say. Recreation is a "public" good, something that the government ought to subsidize. This claim sounds good at first, but it does not withstand scrutiny. Why is recreation a "public" use, and thus deserving of taxpayer subsidy, when the provision of vital commodities such as water and hydropower is not? How is backpacking more "public" than using energy?

Furthermore, the people who are being subsidized are mostly affluent. In 1980 the Interior Department surveyed visitors to Bryce Canyon National Park. The survey found that the average annual household income of park visitors was \$30,000 when the average American household income was about \$18,000. Why should a taxpaying family in South St. Louis who may never visit Yellowstone National Park subsidize wealthy hikers and backpackers vacationing in Yellowstone? I can't think of a good reason.

Source: PERC, S. 502 19th Ave, Ste 211, Bozeman, MT 59715

Did You Know?

> Every week the Sunday "New York Times" uses enough paper to equal 75,000 trees that are eight inches in diameter at the base? In a year, "The Missoulian" [Missoula, Montana's paper] utilizes the paper from more than 28,000 such trees. Building an average 1,800 square foot home uses 10,000 board feet of lumber, or two semi-truck loads of logs.

> One cord of wood yields: 7,500,000 toothpicks, 1,000 or 2,000 lbs of paper (depending on the process), 942 one pound books, 61,370 No. 10 envelopes (standard size), 4,384,000 commemorative-size stamps, 460,000 personal checks, 89,870 sheets of letterhead bond paper (8 1/2 x 11), 1,200 copies of National Geographic, 30 Boston rockers, 12 dining tables (seats eight)?

Source: *Montanans for Multiple Use*, March 1995

Two men please God -- One who serves Him with all his heart because he knows Him; And one who seeks Him with all his heart because he knows Him not.

Blessed is the man who, having nothing to say, abstains from giving wordy evidence of the fact.

George Eliot

Money Money Money: A Lucrative Scheme

By Bert Hudson

My wife and I are convinced that our latest money-making scheme will contribute several gazillion dollars to our bank account. It's complicated, so pay attention as we reveal the steps to wealth and happiness.

1. Locate several thousand acres of farm land to buy.

2. Convince Congress that prairie dogs are an endangered species. That should be easy because Congress is anxious to protect cute little animals like spotted owls and kangaroo rats.

3. Promise to use your land to provide a home for prairie dogs.

4. Obtain a grant from Friends of Prairie Dogs to buy the land to provide a loving home for the prairie dogs. Grant money doesn't have to be repaid.

5. Go to your local Land Management Office and place your land in the Soil Bank, which obligates you not to grow crops.

6. Apply for compensation in lieu of not growing crops.

7. Black-footed ferrets are already on the Endangered Species list. Sign a contract with the Department of Interior for umpteen gazillion dollars to provide a home for ferrets.

8. Because ferrets dine almost exclusively on prairie dogs, Friends of Prairie Dogs will immediately offer you a grant to import coyotes, which dine on ferrets.

9. The Department of Interior will immediately offer you much larger sums of money not to import coyotes.

You won't have to spend a dime of your own money, but will be collecting money not to grow crops and not to import coyotes at the same time. The possibilities are endless, given the numbers of endangered species.

The above plan is foolproof because Congress has already proved that it is stupid enough to go along with something that dumb.

Source: *Great Falls Tribune*, Sunday, January 1, 1995, pg A8.

Most people are bothered by those passages of Scripture they do not understand, but the passages that bother me are those I do understand.

Mark Twain

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