

Dan Goldy

1915-2001

Dan Goldy was the catalyst for one of the most pivotal and controversial chapters in Pacific Northwest forest history through his work at the Department of the Interior. There he was Deputy Assistant Secretary of the Department of the Interior in Washington, D.C. in 1947-49, and subsequently, Regional Administrator for the Bureau of Land Management and Administrator for the Oregon and California (O & C) Railroad lands. As an economist rather than a forester, he brought to the Department of the Interior the perspective of a liberal Democrat who believed in fostering change through public policy.

Born in Butler, New Jersey in 1915, Dan graduated from high school at 16 and from the University of Wisconsin, summa cum laude and Phi Beta Kappa, at 20. The title of his thesis was "A Statistical Analysis of Existing Unemployment in the United States." The University of Wisconsin was the think tank for many of the progressive programs in Franklin Delano Roosevelt's New Deal. Considered a whiz kid, Dan's rise in government circles was rapid.

He secured an apprenticeship with the Public Administration Clearinghouse, meeting often each week with the Bronlow Commission, which FDR and Congress had established to reorganize the federal government. At the age of 21, Dan was one of the architects of the Illinois Unemployment Compensation Act. He incorporated a job placement agency within the program to make it more than just the place where people registered for unemployment claims.

When the defense build-up and military draft escalated, Dan foresaw critical labor shortages for industrial production that would be essential for the war effort. At the age of 29, as Regional Director of the Office of Defense Health and Welfare Services for Ohio, Michigan and Kentucky, Dan went to Washington to lobby successfully for a War Manpower Commission.

In 1944, Dan was sent as a commissioned officer of the U.S. Navy to investigate a dire labor problem at Pearl Harbor. He uncovered a major corruption

scandal. Implicated captains and admirals were removed or court-martialed.

Dan returned in 1945 to Washington, D.C. to become an assistant to the director of the United States Employment Service, to facilitate the return of military and war production manpower to peacetime civilian pursuits. At that time the nation's priority and Dan's focus had shifted from the need for jobs in the depression to the need for labor in the war and then, at war's end, to the need to create civilian jobs and a stable peacetime economy.

In January 1947, when he was 32, Dan became Deputy Assistant Secretary in the Interior Department. He took a special interest in the Pacific Northwest. Dan became convinced that the key to economic transition in the region lay in its natural resources, especially forestry, agriculture, and hydropower, and that the Pacific Northwest would be the major source of lumber to meet pent-up post-war housing needs.

That spring a case that crossed his desk for review captured Dan's attention. It incensed Dan and propelled major changes on O & C lands and for the timber industry in Oregon. It was a proposal to enter into a cooperative sustained yield agreement in the Mohawk Unit near Eugene. Fisher Lumber Co. had applied for the agreement; the BLM had approved it and requested the Secretary to sign off on it. Many similar agreements had been approved routinely since Congress passed the O & C Sustained Forestry Act in 1937 and a later supplemental statute authorizing cooperative sustained yield agreements.

The O & C timberlands had been granted to the Oregon and California Railroad Company to finance the construction of a railroad from California to Portland, Oregon. The railroad was never built and the land reverted to the government in 1916. The O & C lands consisted of approximately 2.7 million acres in a checkerboard pattern in which odd sections belonged to the government and even sections to private landowners. The legislation authorized contracts

under which the government would grant a company the exclusive right to purchase O & C timber at an appraised price for a period of 99 years with the understanding that the company would operate the combined O & C and private lands on a sustained yield basis. Consequently, most contracts were granted to adjacent private owners.

The O & C lands were to be managed primarily to provide a sustained yield harvest to support the economies of the forest-dependent communities in the region. Half the revenue went to local counties. Supporters believed the policy was mutually beneficial for the counties and communities and for conservation.

Dan disagreed. He thought that the existing competitive bidding system was a charade, a give-away, fostering cozy agreements with privileged, preferred operators. He believed expanded competitive bidding would encourage small operators and independent mills to utilize leftover small logs, not just the large diameter trees that were the staple of the big timber mills at the time. He believed truly competitive bidding would generate far more O & C revenue, more employment and more lumber for post-war housing needs. He also thought higher timber sale prices would encourage reforestation.

Dan proposed a new policy that would set aside blocs of timber for competitive bidding by companies that did not own adjacent sections. He proposed establishing advisory boards in each O & C administrative district, a two-year sale plan for public review, and that the advisory boards include representatives of small as well as large timber companies, environmentalists, mining and grazing interests, and county officials. He proposed that the existing O & C Advisory Board be expanded to include similar representation.

In the bitter battle that ensued, Dan unrelentingly fought the influential big timber companies, which were the economic powerhouses of the Northwest economy, and the major organizations and politicians who supported their stand. His proposals became the O & C Policy Program of 1947.

Dan became Regional Administrator and moved to Oregon to implement the new policy. Although he now had the authority to reassign recalcitrant district managers who were resistant to change, he found that the real obstacle, inherent in the checkerboard land ownership pattern, was lack of road access for

competitive bidders. He devised new regulations to overcome that obstacle: the government would condition a grant of right-of-way across government land to get to private land only if the private landowner were willing to permit use of his road by anyone the government designated, providing the permittee paid the road owner a fair compensation for its use.

Opponents believed he was depriving people of private property rights without due process and compensation. The political battle became fierce, echoing from Roseburg, Oregon to Washington, D.C. Infuriated representatives of established timber companies descended on Washington. An enraged representative of one of the largest timber companies is reputed to have said to the Interior Secretary, "Cooperating with Dan Goldy is like sharing a swimming pool with someone who insists on having the top half." In the end, Dan fought even Interior Secretary Oscar Chapman, under whom he served, in a public battle over the issue. Dan's view prevailed. Competitive bidding and the right-of-way were instituted. Stumpage prices and revenues tripled but the bitterness of the battle lingered and is still remembered.

In 1951, Dan was sent to Europe to help craft the Marshall Plan as Deputy Director of the Labor Division. One of his major accomplishments was a study of the potential for developing unrecognized natural resources in Italy, where unemployment hovered at 22-25% and poverty and hopelessness led to social unrest. Dan proposed agricultural land reform; reforestation and development of a pulp and paper industry; development of oil and gas deposits; modernization of mining methods for iron ore, coal and sulfur for export; and a comprehensive public works program.

From 1965 to 1976, he worked in the private sector as president or director of numerous companies. Then, in his sixties, Dan returned to public service as Director of the Oregon Department of Economic Development from 1976 to 1979. He was a strong advocate of diversifying Oregon's economic base with new high-technology jobs in the budding computer industry.

From 1979 until his death in 2001, he was a consulting economist for Daniel L. Goldy, Inc. His belief in managed forests as a renewable, sustainable natural resource base for the Pacific Northwest economy never waned. He was an

outspoken proponent of the timber industry throughout the turbulent forestry debates of the 1980's and 90s.

Though he railed against those he considered radical preservationists, he considered himself an environmentalist. While Regional Director of the BLM he blocked a Bureau of Reclamation and Corps of Engineers proposal to build dams on the lower Rogue River by convincing the major agency heads to oppose taming the lower river -- by means of a fishing trip on the river renowned for its salmon and steelhead runs. Nearly 30 years later, as Oregon Economic Development Director, Dan and his wife Genevieve (Rusty) donated a crucial, 10 acre, timbered parcel in Portland's West Hills to help launch what has become Marquam Nature Park. He was a staunch supporter of the park and its trail systems and of state and federal conservation crews.

Dan met, courted and married his wife, Rusty, a beautiful WAC who caught his eye, just prior to shipping out to Pearl Harbor. Their son Skip was born in Washington, D.C. An avid horseback rider, Dan's idea of paradise was their ranch in Central Oregon. The ranch was a sanctuary and retreat where the Goldys often entertained a vast entourage of friends.

Dan Goldy was charismatic and combative. He had the courage of his convictions when faced with controversy. His breadth of career experience at an early age prepared him to succeed in a wide array of important positions. Though he served in administrations extending from Harry Truman to John Kitzhaber, Dan is most remembered and was most proud of the battle he won to institute competitive bidding on O & C timberlands in the late 1940s.

The programs he instituted replaced long accepted, established forest policies. The changes engendered bitter hard-fought political battles and forever changed federal forest practices and the forest industry in Oregon. The basic policies instituted by Dan Goldy are still in effect more than 50 years later.