

Sustainable Development, Crown Lands Management and the Jaakko Poyry Report

Presented to the select committee on wood supply

By

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1982 crown lands act.

The Crown lands act of 1982 was largely viewed as an encroachment of private interests over a public good. There was a lot of rhetoric at the time floating around the province suggesting different trajectories in terms of who was going to benefit from the policy framework implemented by the crown lands Act. But developments in terms of who gets what, all of the timber licenses for harvesting on crown lands were in the hands of 6 large multinational Pulp and Paper companies.

The arrangements have some justification in the interest of keeping jobs created and maintained by our forest resource base in the province but they do not bode well for diversification and dynamism within the Forest Products industry. They left little room for entrepreneurs to the increase productive capacity of our forest resource base in sectors of the forest industry other than pulp and paper and bulk softwood production.

This arrangement remained status quo until September 14 2001 when the New Brunswick Forest Products Association (NBFPA) sent a letter the Department of Natural Resources Detailing that they would like to see the current arrangements be reconfigured so that they can double wood supply harvested on crown lands over the next fifty years and have some kind of financial accountability for wood harvest targets off crown lands.

The Jaakko Poyry report

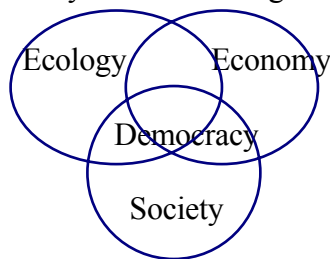
The Jaakko Poyry report, issued in November 2002, makes six generalised recommendations in terms of changes to crown lands management which would at least in theory double wood supply. It must be clear that it is not Jaakko Poyry Consulting that wants to increase wood supply in such a drastic fashion; they are a hired gun of sorts for the NBPEA and Department of Natural Resources. The Economic imperatives of the industry beg the question how can we increase our stock of natural resources and they hired the consulting firm to answer it.

The recommendations are as follows:

- A timber supply objective should be set for each license area that would be binding on Government and on the licensee. Timber supply objectives should be set for the range of species harvested commercially from each license. This would include a feedback loop to evaluate the timber supply implications of DNRE.

- The Industry and DNRE should jointly fund and support research and development of science based forest management practices applicable in New Brunswick.
- The Public should participate in reviewing the objectives of management for New Brunswick's crown lands to provide a mandate for the direction and magnitude of change in forest management.
- The DNRE should reduce overlap in management and oversight of Crown lands. Ontario provides a model on how industry/government responsibilities have been streamlined.
- Special management zones should be critically reviewed and where possible additional harvesting permitted. These areas should be managed using the best science to meet habitat and timber supply objectives.
- Conservation values of private lands should be taken into account when evaluating the need for set asides and special management on public lands. This should include a process to establish a form of voluntary conservation designation on private industry lands and woodlots.ⁱ

The objective of this essay is to analyse these recommendations according to the principles of Sustainable Development. Broadly stated, Sustainable development consists of two main pillars of thought. The first states that our societies widely accepted concept of economic growthⁱ, economic growth outstripping population growth, is fundamentally flawed. Sustainable Development states that economic growth is not limitless and its potential is a function to the Global ecologies Natural resource base.ⁱⁱ The second pillar of Sustainable development state's that Society, ecology and economy are share common relationships with each other and are in essence one metabolically integrated thing. The imbalances in this relationship have to be mitigated and eventually rectified through a democratic process meaningfully participated in by all involved.ⁱⁱⁱ



Ecology

The New Brunswick Ecology is comprised of 3 Three distinct ecological zones. Those being the Southern uplands, the South and central lowlands and the north-eastern uplands and highlands or the Appalachian range.^{iv} These three Eco-zones blend together to form what many would indicate is a distinct New Brunswick Ecology that is unique to this part of the world. It is characterised by 32 indigenous tree species, healthy populations of gain animals, a diverse array of other animal and plant life, an wealth of rivers, lakes, marshland and streams teeming with aquatic life all of which are either aesthetically pleasing, productive resources or very tasty.

New Brunswick's Crown lands constitute more than half of New Brunswick's natural ecology as populated and cultivated areas are not natural ecologies they are human ecologies. It is

¹ Economic growth is measured in terms of the value Capital formation and personal incomes, measured in terms of Gross domestic product or gross national product, increasing at a greater rate than Population growth.

safe to say that the recommendations of The Jaakko Poyry Report (JPR) will dramatically alter the structure of what's left to make up the natural ecology on our crown lands. Special management zones, covering 32 percent of crown land, were put in place to protect key elements in the structure of the ecosystems at work on crown lands. The JPR recommends more intense harvesting in these areas in during the next 30 to 35 years to give a boost to wood supply before the added stock from the siviculture recommendations hypothetically comes into being. Once the bicultural and tricultural siviculture practices have initiated, operating plantations on 40% of crown lands, it is fair to say this will cause a dramatic and permanent change to the Natural ecosystem existing on crown lands through the human transformative agency embodied in industrial forestry practices. This would effectively steer New Brunswick's mixed hardwood and softwood Acadian Forests on a trajectory of becoming Northern Boreal Forests largely composed of softwood, mainly black and white spruce.

In terms of Sustainable, this immense alteration of the forest ecosystem to meet economic imperatives constitutes a further exacerbation of the parasitic symbiotic relationship between the NB ecology and economy which would ideally be commensalistic. The Jaakko Poyry Report concedes that in the benchmarked Finnish public forests "not all of the policies and method employed in Finland were optimal. Practices.... have caused long term harm to non-timber values and the country is working to mitigate the problems that have arisen."^v

Economy

The Jaakko Poyry Report may have been issued on behalf of the New Brunswick Forest Products Association which represents the forest products industry as a whole but it can be said that the JPR is not in the interests of the entire forests products industry. The letter sent to the Minister of Natural Resources and Energy on September 14th of 2001 stated that Bowater Pulp and Paper Canada INC, Fraser Papers Inc., St. Anne Nackawic, WPM-Kymmene Miramichi Inc., Weyerhaeuser Company Ltd., The Chairman of the NBFPA and their president held a unified position with regards to doubling the wood supply extracted from NB crown lands serving as the catalyst for the JPR.^{vi} Although these companies do account for the large portion of the economic activity of the forest products industry, they represent, more or less, the pulp and paper sector of the Forest products industry.

Roughly one third of the Forest products industry depends on Hardwoods for there raw materials not to mention the mills that uses of softwood species such as white pine, red pine, cedar and hemlock.^{vii} In the JPR the recommendations are benchmarked largely on the Forest Industries of the province of Ontario and the country of Finland. In Finland and Northern Ontario raw materials come from Boreal forests which are predominantly softwood suggesting that the forest products industries in the benchmarked areas are Qualitatively different than that existing on the raw material base of New Brunswick's Acadian Forests. They also have different ratios of public land to private land in their jurisdictions than the ratio that present in the jurisdiction of New Brunswick. In Ontario 87% of land is public and Finland 22% is public^{viii}.²

In New Brunswick the Forest products Industry accounts directly and indirectly for 28,000 jobs, 40% of our exports and roughly 20% of our GDP.^{ix} The JPR does not in any capacity address issues of employment and Job creation which are important to New Brunswickers. The

recommendations, in and of themselves, would only serve to maintain Jobs all ready present in the Pulp & Paper industry where new technologies are continually replacing people on the factory floor. In extraction of Raw material, traditional methods have been completely replaced by modern mechanised harvesting machinery leaving little work to be done by eager woodsmen and woodswomen. The only jobs that are likely to be created if the recommendations of the JPR are followed through are those in siculture operations and commercial thinning. The work, in these scenario's, involves long hours of back breaking labour for modest pay at best. This report isn't creating new jobs although it may create some more of the same that already exist.

To remain competitive in the global market the pulp and paper industry has to invest in new technology.^x For some time now the Industry has been faced with a declining world price for Pulp and paper commodities and Organised Labour demanding wage parity with Regions in other parts of the country. It is having a hard time competing with expanding production in the Global South where relatively inexpensive unorganised labour is bountiful and stocks of primary raw material are available for exploit. All of these pressures coupled with the current climate of protectionism in the United States and the European Union don't bode well for the future of the pulp and paper mills in the Province of New Brunswick. It seems fair to conclude hear that the recommendations of the Jaakko Poyry come loaded with some serious employment risks about the future.

In light of this marginal erosion of the competitiveness of the pulp and paper industry a different approach seems to be warranted if the province wants to have a healthy and resilient forest products industry. There are many burgeoning value-added mills and factories which are contributing more and more every day to the GDP of NB, creating new jobs that did not exist before. What is also interesting about these new industrial microcosms is that most of them are indigenous to their region and are not foreign direct investment. This kind of economic growth which tries to be more and more productive with less and less raw materials points towards a new trend in the Forest Products industry that needs to be nurtured if it is to thrive. If there is a drive to develop these types of industries in the province eventually a handful will gain product recognition and find themselves firmly situated in niche markets for forest products around the world thus not being as adversely affected by macroeconomic variables such as monetary fluctuations.

The pulp and paper in this province has shown that it has very little room to grow and that it has to make room, hence the Jaakko Poyry report. Instead of this growth scenario that was put forth so factually in the JPR we could focus on developing more than the one dominant sector in the wide ranging New Brunswick Forest Products industry. Instead an approach that is aimed at developing a more diversified and resilient forest products sector that is focused on valued added industries as the source of new growth. This coupled with a gradual contraction in the pulp and paper industry would hopefully eliminate the need to radically alter forest ecosystems to meet economic imperatives.

Social Concerns

The JPR exhibits that 30 mill and factories in the province of New Brunswick depend on hardwood as there raw materials and 25 mill and factories depend on softwood s other than White and Black Spruce for there raw materials. If these mills are negatively affected by the recommendations of the Jaakko Poyry Report the communities which depend on them will surely suffer. Effects such as displacement of populations to urban centres either inside or outside of New Brunswick will surely result. As well the social effects of increases in the unemployment rate can

manifest themselves in the form of increases in the crime rate, violent and non-violent, as well as social estrangement of laid off employees.^{xi}

New Brunswick is already dealing with what one might call a demographic crisis. Young people in this province are not finding meaningful employment in the province and are moving away.^{xii} The largest growth industry in the province is the callcenter industry. Few see this as a positive development in the course of economic development in this province. It has left many disenchanted with their personal prospects and seeking more fulfilling employment else where in the country. This trend coupled with the fact that our population is getting older appears as though it may lead to more and more of the baby boomer generation on the Canada pension plan with an ever dwindling tax base to support them.

The cultural value of the forest is also something that cannot be negated. Many families who have called New Brunswick home for the last two or three hundred years will talk of how their parents worked in the woods and their parents worked in the woods and their parents worked in the woods but this generation cannot find meaningful employment from the forest. A common saying is that “the jobs have all dried up.” This of course is largely due to the increased mechanisation of timber extraction technologies which remove more wood with less people. For years the Forest was a source of most of life’s inherent values for these families and communities. These areas should be managed using the best science to meet both habitat and timber supply objectives. Conservation values of private lands should be taken into account when evaluating the need for set asides and special management on public lands. This should include a process to establish a form of voluntary conservation designation on private industry lands and woodlots.

Democracy

Democracy in the western world has many different ideas associated with it. Some ring of a certain majoritarianism and other focus on the capacities of individuals and groups living within a society. The working definition of Democracy for this paper is “referring to a form of Government in which citizens enjoy equal ability to participate meaningfully in decisions that affect their common lives as individuals in communities”^{xiii}

Concerning the Crown lands management there are two overarching issues which stir up concern in regards to democracy. Firstly; the recommendation the binding timber supply targets be put in place coupled with financial accountability desired of the government by the NBFPA and the large pulp and paper interests and secondly the scenario in which the select committee hearings have been played out.

Crown land is Public land, not owned by the government. It is held in trusteeship by the government for the people of New Brunswick. It echoes of the arrangement of a public corporation with holdings that are bought and sold on the open market with one big difference: The owners of “shares” in crown land are endowed to their holdings by virtue of being a citizen of this province and their shares are endowed to future generations. As share holders of crown lands we cannot simply sell off holdings when prospects look bleak for that requires physical relocation to another place outside of New Brunswick, a more cumbersome task than contacting a stockbroker. A public commons of this nature requires that government act responsibly in managing this renewable resource for the desired health and biodiversity necessary for it’s resilience on into the future and that the general public participate meaningfully in or be adequately informed if all decisions and

actions inherent to it's management. In essence government serves as an agent of the general public to manage this resource for their long term benefit.

The Jaakko Poyry Report states that in New Brunswick, "the Province must elevate timber supply for commercial use to a primary objective in the management of Crown lands"^{xiv} The recommendations of the report dictate that Binding wood supply targets be set for license as well the 6 large pulp & paper companies active in the province in concert with the NBFPA are asking for financial guarantees that shortfalls in timber production targets off crown lands be met with compensation. This combination of recommendations and requests begs the questions: If this scenario were to be enshrined in future policy decisions regarding crown lands management, who are crown lands held in trust for? These policy and management recommendations and requests would indicate that crown lands are to held in trust to ensure a steadily increasing supply of raw materials be delivered to the provinces pulp& paper mills for if this condition is not met the public, as represented through the agency of government, will have their money, in the form of taxes, transferred to the pulp & paper companies in an amount that reflects the revenue potential not realised due to shortfalls in supply of raw materials off crown lands. To ask the citizenry of this province to accept into policy these arrangements would be asking them to accept, in a financial capacity, the responsibility to ensure continuing supply of raw materials be extracted at a rate higher than they are naturally produced. Nowhere did New Brunswick citizens participate in the fomentation of the forest management alternative presented in the Jaakko Poyry Report. If these Recommendations were to find their place in legislation it would indicate a reversal in the agency roll of government to hold to account all who use crown lands for economic purposes to a standard of what's thought to be the public interest. Instead the people would be held financial accountable to legislation that entitles the licensees to a certain rate of raw material extraction off crown lands.

All summed up the recommendations of the Jaakko Poyry Report constitute a general loss of sovereignty, incurred by the people of New Brunswick, over our crown lands. Significant power to control how Crown lands are to be managed would be transferred from public agencies to corporate interests with the implementation of binding wood supply targets.

Secondly, the provincial government's decision to initiate this select committee process concerning the issue of Crown lands management was a good one. It was one the JPR's recommendations and it has been followed through to an extent. Issues do arise, however, from the complexity of the question asked of the public, the degree to which the Provincial government is attempting to engage the general public and the fact the JPR was the catalyst for the public to engage and discussion the issue of crown lands management.

The select committee on wood supply was charged with:

"inquiring into and reporting on the status of sustainable wood supply from lands in New Brunswick, and specifically address... opportunities arising the Jaakko Poyry Report to in the available wood supply from crown lands in New Brunswick, and opportunities and strategies for the future direction of Crown lands management."^{xv}

This statement of purpose implies that the focus of the select committee is to ask New Brunswickers if the recommendations of the JPR are a viable way of increasing wood supply and if not how should wood supply be increased. The problem hear is that a legitimate response to such a

question posed would require significant amounts of technical knowledge and an understanding of the applied science of forestry and forest ecosystems which is not easily attainable for the common citizen of this province wishing to contribute to the select committee process. The intellectual and financial resources required to produce a management alternative of the calibre of the JPR are simply not attainable for the general public.

The select committee process is a good one but its very nature sets limits on the amount and quality of discussion that is to take place. There is only a certain amount of time that is to be parcelled out for each presenter or group of presenters. This places an upper limit on the amount of people who speak at the hearings for as more and more people who wish to present sign up time consumed by this process becomes longer and longer thus making the hearings an inefficient process of providing a calculus of public opinion on the issue. An informal town hall type scenario which would allow more of the general public to express their views, commentary, suggestions and opinions in regards to the issue of wood supply and crown lands management. This way people could discuss exactly what they desire for the future of crown lands. At the select committee participants are engaged in a manner that is more judicial than democratic in that they plead their case as to whether Jaakko Poyry is good or bad.

Returning to the policy arrangement of crown lands as a public trust, public discussion around how they are managed and their economic, social and ecology trajectory should be a frequent thing. It is shameful that this is the first time in Thirty years that there has been a public discussion concern this provinces most valuable resource. It would seem fair that public consultation could coincide with renewal of licenses. The criteria for opening crown lands management up to public discussion should not be that an entity with a stake in the process make demand that changes be made.

Conclusion

The issue of Crown lands management affects some facet of life for every person in this province. It is not set to go away anytime soon and will likely never be resolved in arrangement that leaves all of whom the land is held in trust for satisfied. It is human nature. However, if the antagonisms that develop due to or because of changes in the current status quo of public policy in regards to crown lands are not addressed in a meaningful way involving democratic process, they likely to erupt with harmful consequences. Less economic activity per hectare of productive forest, higher unemployment rates leading to social problems, a forest that doesn't provide clean water and abundant wild and aquatic life are all potentialities that could be realised if Crown lands are mismanaged.

If there were to be regular democratic public consultations around crown lands involving a panel of Academics, Industry executives and workers, the Department of Natural Resources officials, ENGOs, Business associations, Private woodlot owners, naturalists in a public forum where every citizen of this province has a chance to participate in the discussion of solutions to problems such as wood supply could be rectified in way that leaves almost everyone involved satisfied.

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- ⁱ Pg. 9, New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ⁱⁱ Pg. 30 The Death of Industrial Civilisation: The Limits to Economic Growth and the Repoliticization of Advanced Industrial Society, Joel Jay Kassiola, 1990.
- ⁱⁱⁱ The Green Economy: Environment sustainable development and the politics of the future, Michael Jacobs, 1991,
- ^{iv} Pg. 50 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^v Pg. 10 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^{vi} Just a Reminder of what the actual recommendations are from the paper companies and Jaakko Poyry, David Coon 2003
- ^{vii} Pg.23 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^{viii} Pg.39 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^{ix} Pg. 21 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^x Speech to the select committee on wood supply, J.D. Irving.
- ^{xi} Roger and me, dog eat dog films, Michael Moore, 1989
- ^{xii} Personal observations of the author
- ^{xiii} Pg. 22, Prometheus Wired, Darin Barney, 2000
- ^{xiv} Pg.7 New Brunswick Crown Forests: Assessment of stewardship and management, Jaakko Poyry Consulting. 2002
- ^{xv} Speech from the throne, Summer 2003