

BRIEF TO TFL INFORMATION SESSION

March 6, 1989

Nelson, B.C.

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INTRODUCTION

I am a forester who works in forests and with communities throughout British Columbia. My work has demonstrated conclusively that our forests are in crisis -- socially, economically, and ecologically. The proposed replacement of forest licences with tree farm licences (TFL's) is an important symptom of a much larger problem... the control of our most important public resource, our forests, by the forest industry. Simply put, virtually all of our productive forest lands are controlled by the strongest special interest group lobby, i.e. the forest industry. This problem has affected and continues to affect our society's entire way of viewing and using forests. Universities, government bureaucracies, professional associations, labour unions, and virtually all parts of our society have been educated to believe that what is good for the forest industry is good for British Columbia. This view is a myth which must be overcome if our forests are to survive, indeed if we are to survive as a society.

Industrial control of our forests has resulted in:

- a failure to capture the true value or economic rent from timber management in our forests. Stumpage rates for timber and forest products in British Columbia have been on the order of 5 to 10 times less than stumpage paid in similar forests in Alaska and the Pacific Northwest states. In order to remove a 15% export tax, our government recently raised stumpage fees charged to the forest industry. However, our stumpage continues to be approximately one-third or less than that received by governments in the Pacific Northwestern United States. This occurs at a time when our forest industries are recording record profits.
- severely degraded environments. Soil degradation losses created by forestry practices over the ten year period from 1976 to 1986 is estimated to cost the provincial economy approximately \$80 million per year in lost timber productivity. Fish and wildlife populations have been severely depleted, threatening our forests with eradication of species and jeopardizing our truly sustainable, rapidly growing tourism industry.

-reduced employment for people who depend on timber management for their livelihood. Greater than three times as much timber is required to employ one person in the timber industry as was necessary in 1950.

Our current forest and environmental legislation ensures only that timber extraction will occur in our forests. Rights and land bases for aboriginal people, forest tourism operators, trappers, water users, small mill owners, and the plants and animals which make up our forests are consistently ignored. As Chief Simon Lucas of the Hesquiat Tribe stated recently in Tofino, B.C.: "We are being planned out of the plan."

We must change our ways of thinking about and relating to forests. For our government and our industry to speak of "sustainable development" is a mockery of the concept given the current condition of our forests and the further mismanagement of these diverse ecosystems which is planned by the government and forest industry.

We must recognize that we are a part of the forest and withdraw our arrogant, all-consuming attitude which focuses on dominating and subduing the forest into a model that we perceive meets our needs. This approach is tantamount to social, economic, and ecological suicide.

A major part of the solution to the mismanagement of our forests is community rather than corporate control of our forests. People must become part of the plan. All forests users and all parts of a forest must be protected through our systems of legislation and forest management.

For reasons explained above and other points which will be briefly touched on below:

- I oppose the proposed replacement of forest licences throughout British Columbia with corporate controlled tree farm licences, and
- I urge that a full scale judicial inquiry or royal commission be initiated covering all aspects of forest legislation, policy, and practices. This inquiry should be "regionally based", and carried out by committees of people representing all forest users. Findings and recommendations of the judicial inquiry/royal commission should be developed through consensus by regional committees representing all forest users. If committees cannot reach consensus on various findings or recommendations, minority opinions should be provided in the published reports. Provincial findings and recommendations would be synthesized from regional reports and should be developed by a provincial committee representing all forest users, operating under a process similar to that carried out in the regions.

While such a procedure for the judicial inquiry/royal commission may be slightly more complex than a typical royal commission, this approach is necessary to ensure full community participation and to provide a comprehensive foundation to correct the existing problems in forest legislation, policy, and practice. Without such a format, we run the risk of an inquiry into British Columbia forestry which inadvertently skews the importance of one group of forest users over another, and which will have little public trust. As we approach the end of our natural forest legacy in British Columbia, we must make careful choices about how remaining old forests are used. We will never have these choices again. Because of the importance of these decisions, an impartial, representative review of all aspects of forest use is required.

MINISTRY OF FORESTS' "EDUCATION"

In its document entitled "Tree Farm Licences in British Columbia", the Ministry of Forests has oversimplified and provided misinformation which needs to be clarified. The way the information is presented in this document lends credence to the assertion that the Ministry of Forests represents the short term profit interests of the forest industry, rather than managing and protecting forests for the full range of forest users as is specified in Section 4-B of the Ministry of Forests Act.

Key points of misinformation in "Tree Farm Licences in British Columbia" include:

1. "Is the granting of a tree farm licence equivalent to selling Crown Land? No. A tree farm licence grants a company rights to timber, not the land." While this statement is legally correct, the methods which are used to carry out forest practices on tree farm licences effectively preclude any other forest uses. Clearcutting is the timber extraction method on greater than 90% of existing tree farm licence lands. In many instances this clearcutting is performed in a manner which denudes large areas and often entire valleys. This practice is commonly followed by slash burning, pesticide use, and/or tree planting. Extensive soil degradation, water pollution, and loss of fish and wildlife habitat are common with these practices. Landscapes become visual eyesores for many years. Plantations of trees are biological deserts by comparison to diverse old growth forests. Thus, timber management on tree farm licences effectively prevents any other forest uses. Legally a tree farm licence holder does not own rights to the land. However, the methods of "managing" forests in TFL's result in the domination and virtual total control over the forest in all its aspects by the TFL licensee.

2. "Can tree farm licencees do whatever they like on their licence area with no regard to the environment? No. All licencees, including tree farm licencees, have to meet the same environmental standards for harvesting and forestry operations on Crown lands." This is a meaningless statement since there are few, if any, stringent environmental standards for forest management operations. The proof of this is borne out in the continued degradation of fish and wildlife habitats, water pollution, and soil damage which results from forestry operations in and outside of tree farm licences. One example of the lack of emphasis placed on protecting the forest environment is that only 14 field people exist in the Ministry of Environment to review and regulate forest practices with the regard to the protection of fish and wildlife. There is no significant protection for the environment in tree farm licences because no significant environmental standards or legislation are in place to restrict forestry practices in British Columbia.

3. "Myth: We are giving away Crown land when we grant tree farm licences." This statement, which the Ministry of Forests considers to be a myth, is in reality a truth. The primary reason that there has been such a large response by the forest industry to the opportunity to replace their forest licences with tree farm licences is that these tree farm licences are considered to be proprietary interests. Proprietary means "privately owned and managed". Financial institutions consider tree farm licences to be the only form of tenure which may be used as collateral. When replacing a forest licence with a tree farm licence, the forest company does not have to pay the government anything for the greatly increased right of using public land to raise private collateral. If financial institutions consider tree farm licences to be collateral, they are simply telling the people of British Columbia that corporations now own, i.e. manage and control, the public forest land and resources making up a tree farm licence. Point 1 above also indicates that we are effectively giving away Crown land by allowing it to be degraded in the short and long term for any other use than timber exploitation.

4. "Myth: The government has to pay if it wants to take Crown land out of a tree farm licence for other purposes." This "myth" is in reality a fact. The most prominent example of this problem is the establishment of the national park in the South Moresby region of Haida Gwaii (Queen Charlotte Islands). In this instance Western Forest Products Ltd., holders of TFL 34, are being compensated \$31 million for the portion of their tree farm licence located in the South Moresby region. This compensation follows highgrading by Western Forest Products of the northern portions of TFL 34 which contain the most accessible, highest quality timber in the licence. While this mismanagement was occurring, the poorer quality, less accessible forests of the South

Moresby region were ignored. Indeed, in the opinion of many foresters, the forests in the South Moresby region are considered to be marginally operable. Hence, our government has not only permitted a tree farm licensee to exploit valuable forest resources at an excessive rate by including questionably operable forests in another part of the licence, but also has handsomely compensated the licence holder when the questionably operable forests were withdrawn for the creation of a national park.

Establishing proprietary interests on virtually all of our productive forest land in British Columbia through tree farm licences means that any future changes in the land use status of these forests will cost the taxpayers of British Columbia millions, indeed billions, of dollars. This reality is well understood by the forest industry and politicians. The cost of removing forest land from tree farm licences to settle aboriginal land claims, to establish parks or conservation areas, or to protect other forest values such as water, fish, and wildlife will become financially and politically impossible with the increase in tree farm licence control.

5. "Myth: Tree farm licencees set their own annual cut level." This purported myth is in reality true. The tree farm licensee collects all of the necessary information and analyzes this data to develop an allowable annual cut which suits their needs. While this cutting level must be approved by the Chief Forester, he effectively acts in a vacuum without having been directly involved in the collection and analysis of the important data on which the allowable annual cut is based. History has shown that tree farm licencees have been consistently able to manipulate allowable annual cuts to suit their needs. The most recent example of this is found in TFL #22 held by Fletcher Challenge Canada Ltd. The initial allowable annual cut for this tree farm licence was approximately 450,000 cubic meters. By 1980 the allowable annual cut for this TFL reached 1.1 million cubic meters, a 240% increase. This same licensee has just recently laid off 425 people due to lack of timber supplies. Who controls the AAC of tree farm licences? The forest industry has the control in their quest for short term monetary profits.
6. "Who pays for reforestation on tree farm licences? All licencees must, by law, pay for the costs of reforestation." This answer is incorrect. All tree farm licencees, indeed all forest licencees, deduct the cost of reforestation from stumpage charges payable to the government of British Columbia. This means that reforestation costs are offset by reduced fees or economic rents paid by the forest industry to the government. In reality, the people of British Columbia pay for reforestation costs, not

tree farm licencees. This is true of all forest management costs including planning, public involvement, road construction, logging, and silviculture.

7. "Myth: More tree farm licences mean less opportunity for small operators." Increased tree farm licences mean less real opportunity for small operators. While the government has proposed that small operators may expand through removal of a portion of the allowable annual cut from forest licence holders when these licencees convert to tree farm licences, this opportunity is limited in several ways. At this time, tree farm licencees take the position that they will choose areas in which small business operators may harvest timber. Hence the tree farm licencee has the ability to relegate the small business operator to the poorer quality timber areas within a TFL. Further, a small business operator within a tree farm licence area is compelled to sell his logs to the tree farm licencee because this usually constitutes the only reasonable market. By controlling the stands to be logged and the price paid for logs, the tree farm licencee effectively controls the small operator. Hence the small operator becomes, in reality, a contractor to the tree farm licencee. Because of the monopoly control of the tree farm licencee within the tree farm licence area, the small business operator must accept the terms offered by the tree farm licencee or find work elsewhere. Expanded opportunities for small business operators within a TFL are severely limited.

As evidenced by the above examples, I am disappointed that the document, "Tree Farm Licences in British Columbia" has not presented a balanced, accurate view of the characteristics and implications of tree farm licences for management of forest land in British Columbia. Such a distorted presentation gives the appearance that the Ministry of Forests speaks for the forest industry of British Columbia rather than representing the interests of all forest users in the province.

The Ministry of Forests information also states:

"For new tree farm licence proposals, government agencies will ensure, where possible, that potential withdrawal areas are not put in the tree farm licence in the first place.

Public input will play an important role in identifying these areas."

This statement is made to avoid purchasing tree farm licence rights for other forest uses following granting of a TFL. If this statement is sincere, it would mean that virtually all proposals to replace forest licences with tree farm licences should be withdrawn until such time as aboriginal land claims have been settled. Surely there is significant evidence to indicate that land claim areas, which cover the entire province,

are "potential withdrawal areas" from tree farm licences.

In addition, all watersheds used for domestic purposes should be withdrawn from consideration for tree farm licence status. These areas should be removed entirely from the administration of the Ministry of Forests and placed under the Ministry of Environment. Maintenance of water quality, quantity, and timing of flow is the number one priority in these consumptive use watersheds. The Ministry of Forests is not as well equipped as the Ministry of Environment to ensure protection of this number one priority land use. This withdrawal should pose little problem for the Ministry of Forests since these consumptive use watersheds occupy less than 5% of the productive forest land in British Columbia.

TFL'S, PROFESSIONAL FORESTERS, AND LETTERS OF UNDERSTANDING

All current tree farm licence holders have been recently issued "letters of understanding" which transfers forest management rights from government to forest companies. These letters of understanding also will be issued to forest licence holders and new tree farm licencees established under the proposed forest licence replacement program. Government functions such as public involvement, adjustments to management and working and development plans, and review of forest management operations by other government agencies will now become the responsibility of the forest industry under letters of understanding. The reduced Ministry of Forests role will be to audit the forest companies. These audits will not be performed annually and it is unclear whether or not audits will include field inspections.

The rationale for this increased control by TFL and forest licence holders is the requirement that professional foresters in the employ of tree farm licencees will ensure that the public trust is protected. Further, the Ministry of Forests has stated that "additional accountability and responsibility" provided to licencees will improve forest management practices. Will the government provide significant control over ecological issues to environmental groups? Would the government provide control of our forests to regional governments or community forest boards? Then why would the government give total control of our forests to the forest industry, which has consistently mismanaged our forests?

At this point I would like to examine more closely the role of professional foresters in protecting the integrity of our forests through tree farm licences and letters of understanding. One must first understand that tree farm licences always require the services of at least one professional forester. Hence, professional foresters have been charged through time with the responsibility for stewardship of the forest resources held within a tree farm licence. Their record of success has not been good.

For many years forest land users other than the timber industry have struggled to obtain a protected land base for such activities as water production, fish and wildlife habitat, and forest tourism. At present, approximately 98% of the productive forest lands in British Columbia are controlled by the forest industry. In spite of the obvious need for a better balanced use of forest lands, professional foresters, as represented by the Association of B.C. Professional Foresters, consistently fought to restrict the protection of forest land for uses such as provincial and national parks, and watershed protection areas. Foresters do not appear to be interested in a balanced use of the forest, nor in establishing a truly sustainable, diverse economy through a spectrum of forest uses.

In the 1988 annual convention of the professional foresters, the membership in attendance unanimously rejected the following proposed resolutions:

1. That, pursuant to the ABCPF Code of Ethics and the Foresters Act, that the ABCPF establish and enforce minimal standards for planning, operations, and evaluation of forest practices on all forest lands in British Columbia.

That the discipline and ethics procedures of the ABCPF be broadened to include enforcement among ABCPF members of adherence to minimum forest practice standards.

That the ABCPF privately and publicly defend its members obligations and actions necessary to meet established forest management practices.

2. That the Association of British Columbia Professional Foresters encourage a free and open public debate among its membership on the full spectrum of forestry issues and forest land uses.

That the ABCPF publish a series of discussion papers on prominent issues in forest land use with opinions presented by proponents of all sides of the issue.

Failure of professional foresters to establish and enforce minimum standards for forest practices and to encourage a free and open public debate among its members on forest practices is an abrogation of professional responsibilities. I do not believe that an association which is unable to embrace professional responsibilities such as standards, and free and open discussion warrants the responsibility of protecting our forests.

The Association of B.C. Professional Foresters casts further doubt on its ability to act as stewards for British Columbia forests by separating "professional responsibility" from "employer practice" and "professional decisions" from "management

perogatives". These statements, taken from the Association of British Columbia Professional Foresters' newsletters mean that professional foresters are not operating at an arms length relationship with their employers. If "management perogatives" or "employer practices" violate professional responsibilities, a true professional would advise his employer of this conflict and if the employer was unwilling to make necessary changes, the professional forester would resign. Instead, British Columbia professional foresters consistently support "employer practice" and "management perogative" in instances where the application of such practices threatens the integrity of the forest resources.

Until such time as professional foresters and the Association of British Columbia Professional Foresters have the will to operate at an arms length relationship with their employers, professional foresters will continue to be part of the problem instead of part of the solution. The prcsence of professional foresters does not ensure professional forest practices and a balanced, sustainable use of forest land in TFL's or any forest tenure.

EXPERIENCE WITH SPECIFIC TREE FARM LICENCES

I have had direct experience in evaluating the management of Tree Farm Licence #1 located in the Nass Valley of British Columbia. The Nass Valley portion of TFL #1 is in a seriously degraded condition:

- a) The forests have been seriously highgraded.
- b) 25% of the area logged has degraded soil. Cost to correct: \$12 to \$20 million.
- c) Nearly 2,000 hectares (75%) of the best timber lands are choked with brush.
- d) Up to 15,000 hectares (96%) of logged lands are not restocked with a satisfactory crop of new trees. Cost to correct: up to \$15 million.
- e) The lost value of timber not grown on these not satisfactorily restocked logged lands was up to \$31 million in 1985. This cost increases annually.

The total cost to rehabilitate Tree Farm Licence #1 in 1985 was a minimum of \$35 million. Without an immediate, large scale commitment to forest rehabilitation, TFL #1 will not supply an economically viable source of wood fibre in the future. In addition severe degradation of soil, damage to fish and wildlife populations, and disrespect for the culture of the Nisga'a people have occurred in TFL #1. Mismanagement of TFL #1 has created a debt which cannot be covered by the remaining forest

resources in the area, and which has resulted in damage to a culture and other life forms which cannot be adequately compensated in monetary terms.

Our report revealing the mismanagement of TFL #1 was publicly released by the Nisga'a Tribal Council in 1985. A report by another professional forester confirmed the existence of inadequate forest management and planning in TFL #1. The Ombudsman of British Columbia recommended either cancellation of Tree Farm Licence #1 or conducting a comprehensive inquiry into the management of this tree farm licence. These recommendations were rejected by government. The Association of British Columbia Professional Foresters indicated that foresters had no responsibility for the problems which had occurred in Tree Farm Licence #1. To this date, the government, the current tree farm licence holder, and professional foresters have done little to rectify the ongoing and ever-increasing problems which have been created by the mismanagement of Tree Farm Licence #1.

My home is in the Slocan Valley. Adjacent to the main Slocan Valley is Tree Farm Licence #3. This tree farm licence, like many throughout the province, has been severely highgraded by the licensee. As a result, this licensee has applied considerable pressure to log economically attractive timber located in consumptive use watersheds in the main Slocan Valley and outside of TFL #3. These forests are only 80 years old, which is at least 40 to 50 years before foresters should be considering these stands for commercial harvest. This same company has now applied to replace its forest licence, which covers our consumptive use watersheds, with a tree farm licence. Given the poor past performance of this company in their existing tree farm licence, the water users of the Slocan Valley are opposed to permitting further control to this company in consumptive use watersheds.

To provide a more balanced alternative to this form of management of our watersheds, the Slocan Valley Watershed Alliance proposed to the Minister of Forests that our watersheds be controlled under a community tree farm licence which would supply raw material to the current forest company's timber manufacturing facility. This arrangement would ensure that water and timber production were protected in both the short and long term by people with a social conscience, rather than by those motivated by short term profits. This proposal was rejected by the Minister of Forests in January and June of 1988.

These two examples of the tree farm licence system clearly demonstrate that the system has many flaws. Corporate control and short term industrial profits at the expense of forest conservation and diverse use of our forests is the modus operandi for tree farm licences.

The forest industry has continued to strengthen its disproportionate control over our forests. This has been facilitated by government through the years, despite the poor economic and ecological performance of forest companies in British Columbia. The British Columbia government now plans to more than double the control of forest companies through the replacement of forest licences with tree farm licences. This proposed change in forest land tenure denies the reality of forestry in this province and should be rejected.

Three final key points:

1. The two Sloan Commission reports (1946 and 1956) indicated that B.C. logged approximately 20 to 25% of the volume of timber cut in Canada and produced approximately 20 to 25% of the value from that timber in Canada. Today we log 50% of the timber volume in Canada, but continue to produce only 25% of the value. This represents economic failure. If we return to the economic efficiency of the 1940's and 1950's we could cut one-half of what we currently log and employ the same number of people.
2. The B.C. forest industry provides only approximately 7% of the total federal, provincial, and municipal government revenues in B.C. Yet the industry's demand for control over the forest land base is immense.
3. The total value generated from various forest uses in British Columbia is approximately \$17 billion per year. Thirty-five percent of this revenue is generated from non-timber uses. However, these non-timber uses have no protected forest land base. It seems reasonable that approximately 35% of our forest land base should be protected for non-timber uses.

This information and the other points raised in this brief make it hard to believe that the government of British Columbia is proposing to strengthen the control of our forests in the hands of a forest industry which has consistently created problems for many aspects of our society.

We must understand that we are part of forests. Forests sustain us, we don't sustain forests. Changing our views will permit us to have a better balanced use of our forests, incorporating community control rather than the present corporate control of our forests will provide environmental protection and ensure sustainable economies. In order to move towards this new way of thinking about and relating to forests, I recommend the following:

1. That government move immediately to recognize aboriginal

1. That government move immediately to recognize aboriginal title and to settle fairly the land question with the aboriginal nations which comprise British Columbia.
2. That forest land use planning be enshrined in legislation in British Columbia and be implemented immediately throughout the forests of British Columbia prior to any further alienation of forest land to the forest industry. The primary philosophy of this land use planning would be to ensure that an adequate land base is provided for all forest users and that the rights of all forest users and all parts of the forest are protected by legislation.
3. That a forest practices act, establishing minimum standards for protection and conservation of the forest in the short and long term be created and enforced for all forest users.
4. That forest tenure arrangements in the form of tree farm licences and forest licences be cancelled and that forest land use truly be controlled by government through community forest boards which would be responsible for implementing forest land use planning legislation and the forest practices act.

These are important changes which would emphasize the long term protection of our forests. This would assist us in treating our forests in socially and ecologically responsible ways and would help us to move towards a truly sustainable use of our forests.

In conclusion I would like to reiterate my statements at the beginning of brief.

1. I oppose the establishment of any further tree farm licences in British Columbia.
2. I support the immediate implementation of a full public inquiry or royal commission which is regionally based to investigate all aspects of forest legislation, policy, and practice in British Columbia.

It is indeed time for a new beginning in the way we use our forests in this province. However, the clock is running and the fox is guarding the henhouse. I urge the government to act quickly in this matter so that we may begin to work cooperatively together to use our forests in a way that we might leave a healthier environment for our children than we inherited from our parents. Thank you for the opportunity to express my views on this important matter of forest policy in British Columbia.

cc: Jack Kempf
Dan Miller