

# BC's public forest is a trust

Renewing the trust for the 21st century

Toward  
sustainable forest communities  
healthy forest environments  
and a new diversified  
globally competitive  
forest economy

Youbou TimberLess Society

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## Summary

One hundred years ago, British Columbia's forests were kept out of the hands of private owners and retained in public ownership. Public forests are a trust and the BC Government, as trustee, had the task of ensuring a wise system of independent professional forest management. The intended outcome was sustainable communities and a healthy forest economy. A Forest Service was established to provide independent professional management.

Subsequent government administrations put wise care of the forest in second place, and saw their primary role as stimulating economic development. A tenure system of private timber harvesting rights in public forests and relying on forest companies to provide forest management, broke the original intent of the trust. *The government depended on forest companies for forest management so independent management was lost.*

Access to public timber was restricted and the lack of an open and free market reduced opportunities for secondary manufacture and made wood exports vulnerable to discriminatory export taxes.

The broken trust required a cumbersome system of approvals, codes and policing that was costly for government and forest industry.

Leniency within the system enabled value stripping of the most economic timber from public forests. Before the present economic crisis, the coastal forest industry was experiencing difficulty in adapting to timber of lesser economic opportunity. Value stripping in the interior of BC was a factor leading to the aging of less desirable Lodge pole pine forests and its increasing

susceptibility to attack by mountain pine beetle. Tens of billions of dollars worth of public timber is going to waste in a 13 million hectare outbreak that is much larger than a natural event.

Conflicts over management of BC's public forests have caused some of the largest incidents of disobedience in the history of Canada.

The BC forest sector has lacked resilience for some years and the present global economic crisis has exacerbated problems. Change is needed. Unfortunately some solutions, already on the drawing board, such as commercial timber growing leases will leave BC's forests public in name only.

### **Renewing the public forest trust**

Pioneers of one century ago, tried to establish a right relationship between society and the forest. A public forest trust with independent forest management would be good for the forest and society. Public forests were intended to provide open access to timber to encourage small as well as large enterprises. Public forests were seen as vehicles for free and competitive enterprise as well as a means of conserving forest resources.

### **New public forest institutions for the 21st century**

The following new institutions are recommended to revitalize the public trust and diversify the forest economy of BC in the 21st century:

#### **1. Local Forest Trusts**

#### **2. Forest Trust Assembly**

**Local Forest Trusts** will comprise a sizeable geographic area sufficient to enable economic operation of the forest under an independent professional forest management staff. If there are

communities and rural areas in the vicinity, they will be represented by a board elected on a ward system.

The elected board and professional staff will act as the trustee of the local forest trust. They will be guided by a written trust agreement developed from the Montreal Process, an international and scientific standard and definition of sustainable forest management. This agreement expects progress toward a diversified forest economy. This means trying to add value in timber manufacture and supplementing the existing timber economy with non timber forest products and nature based enterprises. Planning and managing a forest in this manner helps to maintain its recreational and social benefits.

The board and staff will be responsible and accountable for hands on management of the forest. Delegating major forest management responsibilities under major licenses will not be permitted. Timber will be sold on an open market in manufactured log form. This will open access to timber for secondary manufacturers and reduce vulnerability to discriminatory export taxes.

Minor stewardship licences for family and small business operators of woodlots, non timber forest products and nature based enterprises will be permitted.

### **The Forest Trust Assembly**

The forest trust assembly will be a democratic and collective body governed by an equal number of elected and professional delegates from local forest trusts. It will:

- audit performance of local trusts
- develop forest policy and trust agreements

- provide a court of appeal to the public, elected forest trust board members and staff
- act as the reporting authority for professional staff in local forest trusts with no adjacent communities and no elected boards
- provide collective support to local forest trusts in fire protection services, insurance, extension services, worker training, research and development, data standards and software, and sustainable forest management reporting

The Forest Trust Assembly may have a general BC meeting and regional meetings. Decisions on major changes in forest policy or trust agreements will require ratification by a majority of local forest trust boards.

### **New Forest Trust institutions provide innovative solutions**

The new system of local forest trusts and forest trust assembly is progressive and it integrates a whole array of solutions:

1. BC`s public forests will have independent forest management to ensure their sustainability
2. The public shareholders of the forest will have an accountable system of participatory democracy
3. First Nations communities will have local forest trusts and both First Nations and other communities will have the same and equal system of self governance and revenue sharing
4. Independent forest management is better suited to plan and develop non timber and nature based economic activities

5. Active stewardship of the wilderness component of forest landscapes will retain social and recreational values for local populations, urban residents and tourists
6. The system includes appeal mechanisms available to the public, forest trust boards and staff
7. Public credibility in the system will reduce forest management conflicts and incidents of civil disobedience
8. Completely open markets for public timber will encourage secondary manufacture and competitive conditions to ensure the resiliency of all wood utilization industries
9. Open markets will reduce vulnerability of wood products to discriminatory export taxes
10. The new institutions will encourage progress in all the elements of the Montreal process, an international and scientific agreement on forest conservation and sustainable forest management
11. The new institutions will protect BC's public forests from further progress toward inclusion or enclosure by private interests

A forest stewardship system based on forest trusts is progressive and will provide participatory democracy, open and free markets for timber, fairness and equality of opportunity. These conditions will stimulate social and economic stability and a strong forest economy. This compares most favourably to the alternative of turning BC's public forests into commercial timber growing leases held by a few.

## **Introduction**

One hundred years ago, most of BC's forests were retained in public ownership to benefit from independent professional forest management. Wise management of our forest resources was intended to sustain communities and enable the forest economy to prosper.

The BC government is the trustee of the forests and has the duty of ensuring good independent professional stewardship. Well managed forests should enable free enterprise. Public forest ownership is a way to give the small enterprise an opportunity by ensuring that forest land does not fall into the hands of a few big operators.

Pioneers had the following vision:

- Public ownership of forests
- BC Government to act as trustee and ensure wise professional management of forest resources
- Wide access to forest resources to encourage enterprises of all sizes
- Wise orderly management that does not rob the future
- Sustained livelihoods for communities and families

The forest economy in BC was showing signs of weakness before the present world economic and financial crisis. **We need a plan for recovery and solutions that will lead to a more diverse, competitive and sustainable forest economy.**

We need to reflect on the ideas that led to the establishment of BC's public forests and Forest Service, one hundred years ago. Do they offer any solutions for the present and the future? First, we should examine if the public forest solution of one century

ago is in any way responsible for our present forest difficulties. In human affairs, no arrangement is perfect.

The Commission that recommended public forests one hundred years ago noted that BC government administrations would change and might not be mindful of their trust and duty to ensure a good system of independent professional management.

Government administrations began to see their role as facilitators of economic development and the primary focus the economic forest policy became ensuring the well being of corporate forest industry. This led to a considerable departure from the ideas that led to the establishment of public forests. It also resulted in confused legal and institutional arrangements for forest management:

- A tenure system of private timber harvesting rights was developed
- Forest management was shared between government and forest industry

These arrangements compromised the public forest trust and are at the root of several systemic problems.

Allocation of timber rights to commodity lumber and pulp producers meant that there was no open market for timber from public forests. As a result, secondary wood manufacture was suppressed and British Columbia's wood products exports became vulnerable to discriminatory tariffs.

The sharing of forest management between government and forest industry, a fox in the chicken coop arrangement, is the source of many difficulties. On one hand the government has to be seen to have control and this has resulted in a complex system of approvals that actually represents a waste of

considerable professional forest management resources by forest industry and government. On the other hand the government tends to be lenient.

### **Value stripping of BC's forests**

The government strictly controls how much timber a forest company can harvest. At the same time it is lenient. Companies propose and get approval for the areas of forest that they wish to harvest. British Columbia retains considerable timber resources and our cup is at least half full. However, not all timber provides the same economic opportunities. BC has mountainous terrain and timber that exists farther away and higher up the mountain tends to be less valuable but more costly to harvest and transport.

Common sense management BC should involve reserving some of the better economic opportunity timber for a rainy day. We did not do this and we are facing rainy days at present.

Sawmills on the coast of BC have closed owing to the difficulty of dealing with timber of lesser economic opportunity. There is a greater human cost behind the statistics. It means that Ken who has spent the greater part of his working life in the sawmill is displaced from his livelihood in middle age and may never find other employment.

In the interior of BC, lodge pole pine was avoided in favour of other species. Lodge pole pine forests grew older. Fire fighting removed a natural agent of regeneration in these forests. The result was millions of hectares of old lodge pole pine forest. Lodge pole pine becomes susceptible to mountain pine beetle attack at about 80 years old. The primary factor in the present 13 million hectare mountain pine beetle epidemic is the increased susceptibility of the forest to attack. The increased

susceptibility was largely caused by forest management. It is true that mild winters aid mountain pine beetle populations and the best forest management will not completely eliminate mountain pine beetle outbreaks. The present outbreak indicates a forest management problem:

- the 13 million hectare outbreak, the size of Denmark, Holland and Switzerland combined, is much larger than a natural outbreak
- Losses in timber will amount to tens of billions of dollars and reduce timber supplies to many interior communities for decades

Global warming is not the only culprit. This explanation has sheltered our forest management arrangements from needed scrutiny. BC Government and forest corporations public relations efforts have been very successful in broadcasting this incomplete explanation.

Conflicts over forest management in BC's public forests have caused some of the largest incidents of civil disobedience in the history of Canada. Fortunately, we are now starting to address the interests of First Nations.

If we are to develop some good sustainable solutions we must admit that some of our problems are of our own making and fix them. Blaming everything on external factors will not solve our problems.

## **1. Public Forests: Changing our perspectives**

We need to make good management of our forests the first priority. Well managed productive forests result in a sustainable forest economy. The pioneers that recommended public forests in BC understood that wise management arrangements for our public forests must come first. The condition of the forest industry has always been our first priority in forest policy. We tend to think of the forest as merely a pool of resources to serve the needs of forest industry.

We need to be less human centered and realize that we are dependent on the environment. In forest management, we need to be more aware of the natural functions of the forest environment and manage within their limits. Forest ecosystem management is not an airy fairy concept but a practical necessity. BC is losing tens of billions of dollars worth of lodge pole pine to the mountain pine beetle because forest management allowed millions of hectares of lodge pole pine to get older than nature intended. It is an outcome of putting forest industry first.

*If we put our forests first, we lay a strong foundation for a sustainable forest economy. It is about developing the right relationship with our forests.*

### **Public Forests are a trust**

Trust is a very basic idea on how we look after things. Human families rely on nurture and authority to look after children. Trust falls on the nurture side of things. We train and support and eventually trust children to be responsible and free. When

they have freedom they often go on to innovative paths in life. Trust is really an efficient idea because it takes less effort than authority, control and policing.

Even legal trust documents follow the family model. The trustee will have specified responsibilities or requirements. However the trustee is usually accorded considerable freedom to achieve the objectives of the trust.

### **How has BC exercised its public forest trust?**

BC seemed to be on the right track in 1912. The trust became an institution when the Forest Service was established as the independent professional management agency.

Later developments added some confusion of purpose. Although public forests had been established to prevent private ownership of forests by timber companies, a tenure system of timber harvesting rights was established. Forest management responsibilities were shared by timber companies and the Forest Service. This development could be described as a loss of trust. The BC Government was not entirely to blame because almost everyone was agreeable to realizing wealth from BC's forests.

A loss of trust eventually hurts everyone involved. The public was not supplied with true independent professional management of its forests. Forest companies could not be trusted to manage on their own, so an increasingly complex system of approvals, rules and codes developed. While the control system exercised by the forest service did reduce abuse, it was costly for government and industry to administer. In the local forest, some regulations could increase forest industry costs with little or no benefit to the forest or environment. Incidents of civil disobedience over forest management were in

part driven by the perception that government was only looking after timber interests.

A prescriptive forest practices code was introduced in the 1990's. Prescriptive codes in forest management are well intentioned but they reduce the freedom necessary to manage forests. Codes of this type are not new. The French introduced a forest code in 1669. Codes of this type restrict freedom and innovation and can become unworkable. BC has moved away from the prescriptive code approach toward a greater reliance on qualified professionals. Since the professionals preparing the forest plans are in the employ of timber corporations, this arrangement is a far cry from the original notion of a public forest trust managed by independent professional managers. Making forest professionals directly responsible under a trust will give freedom to manage for the conditions of the local forest.

### **The public forest is on the slippery slope toward enclosure by private interests**

The major error in our handling of the public forest trust over the last century has been the inclusion of private rights within the public forest. This has caused many complications in the management of the forest and put the public forest trust on a slippery slope toward enclosure by private interests. Confused arrangements over forest management have created problems for the public, government and forest corporations. Forest corporations are looking to reduce some of the complexities of operating on public land by seeking enhanced private lease rights and commercial forest land designations that will enable growing of timber with reduced regard for other forest values (See The report of the Working Roundtable on Forestry

[http://www.for.gov.bc.ca/mof/forestry\\_roundtable/Moving\\_Toward\\_a\\_Globally\\_Competitive\\_Forest\\_Industry.pdf](http://www.for.gov.bc.ca/mof/forestry_roundtable/Moving_Toward_a_Globally_Competitive_Forest_Industry.pdf) )

Turning BC's rich and diverse public forests into long term timber or fibre growing leases lacks ingenuity. Indeed, the Montreal Process, an international agreement that serves as the most comprehensive definition of sustainable forest management and conservation in temperate and boreal forests, has a component dealing with multiple economic and social benefits. It sees progress in sustainable management by having diversity in timber product manufacture supplemented by non timber forest products and nature and recreational enterprises. This type of management can reap additional income from the forest while maintaining recreational and social values.

*A public forest trust managed by independent forestry, biology professionals is better placed to progress toward a new diverse multiple economic benefit forest economy. British Columbia has tremendous unrealized potential for nature based enterprises. Many forest communities could benefit from non-timber and nature based enterprises to help bridge downturns on the timber side.*

## **2. Revitalizing the public forest trust in a new legal and institutional framework**

A revitalized public forest trust in a new legal and institutional framework for the 21st century will require:

- Retention of the forest land within the trust (with possible additions of forest)
- Removal of private rights and encumbrances
- An effective, efficient and accountable system of independent professional management
- Written trust agreements
- Democratic local public participation and revenue sharing
- Totally free and open market for timber
- A framework that supports free and competitive enterprise

### **2.1 A centralized or devolved system?**

BC has a large area of diverse forests. Even local forests are diverse and have special niches of environment owing to terrain. A local approach to forest management is best.

BC's centers are in the extreme south west and any centralized system would be inevitably large and cumbersome owing to the total area of forest involved.

Improved democratic participation and encouragement of additional local forest economic enterprise should be a major focus.

A devolved system will work better. We need the courage to change from the present centralized arrangements.

## **2.2 Local Forest Trusts**

Local forest trusts would involve a sizeable geographic area comprising several watersheds. It should be of sufficient size to enable an economic forest operation complete with independent professional staff. If there are communities or rural populations in the vicinity of the local forest trust they will be represented by a an elected board with a ward system.

## **2.3 Forest Trust Assembly**

Local forest trusts will require some collective supports:

- Aerial fire fighting
- Insurance
- Extension services and worker training
- Research and Development
- Mapping and Information standards and software supports

There is a need for some agency to audit forest management and trust agreements. A system of appeals available to the public, local trust boards and employees will be essential.

The Forest Trust Assembly would be governed by an equal number of local forest board member and staff delegates. The Forest Trust Assembly could have a general BC Assembly and Regional Assemblies. Major changes in forest policy by the Forest Trust Assembly will require ratification by Local Forest trust boards. Professional staff in Local Forest Trusts with no population in the vicinity and no boards would be accountable to the Forest Trust Assembly.

### **Check and balance of power**

The Forest Trust Assembly would act as a check and balance of power in the stewardship of public forests. At present, power over the public forest rests with two centers. One is government and one is economic represented by forest corporations. At present these two centers of power manage the public forest.

Local forest trust Boards and the Forest trust assembly essentially organises the public into a third and balancing center of power that includes professional and scientific understanding of forests. It will add a progressive and innovative component.

### **2.3 The local forest trust agreement will be based on an international standard**

The trust agreement will identify the Local trust board and professional managers as the trustees and the stewards of the local forest management unit. To ensure that the trustees remain responsible for forest management and operations, no

major forest licences will be permitted. Timber will be sold in harvested log form on an open market. Small scale stewardship licences for family and small business operations will be permitted. These could cover woodlots, non timber forest products and nature based enterprises.

The trust agreement will also specify that the entire landscape in the trust be placed under effective sustainable forest management. Although there are a number of sustainable forest management certification schemes with different perspectives and agendas, local forest trusts need to be guided by a comprehensive scientific standard. **The Montreal Process**, an international agreement on conservation and sustainable forest management in temperate and boreal forests, is the gold standard. Although its existing measurement scheme is intended to be applied to the country or provincial level, its definitions and criteria also supply a comprehensive scientific definition and view of sustainable forest management at the local level.

Montreal Process criteria include maintaining biological diversity, the productive capacity and health of the forest, and carbon storage. It views economic and social progress in sustainable forest management as moving away from complete reliance on commodity timber products to a diversified forest economy that increases the value added from timber while developing non timber and nature based economic activities. The natural, recreational and social benefits of the forest are more likely to be sustained in a diversified forest economy. These benefits can be enjoyed not just by local populations but especially by urban dwellers and tourists.

## **2.4 An institutional framework of local forest trusts and a forest trust assembly will make BC the most progressive forest jurisdiction in the world.**

One major component of the international standard on sustainable forest management looks how a jurisdiction such as BC sets up its laws and institutions to promote sustainable forest management. An underlying theme is that the framework should promote, democracy, social and economic equality as a foundation for political and economic stability and progress.

The trust agreements will require sustainable forest management to the international standard. Participatory democracy at the local trust and forest trust assembly will enable public participation and transparency. Open and free market for timber will encourage enterprise and reduce the vulnerability of BC's wood exports to discriminatory tariffs. It will clarify forest land ownership and management responsibilities. The Forest Trust Assembly will act as a monitoring body as well as a collective organiser of research and development, protections services and training.

A forest stewardship system based on forest trusts is progressive and will provide participatory democracy, open and free markets for timber, fairness and equality of opportunity. These conditions will stimulate social and economic stability and a strong forest economy. This compares most favourably to the alternative of turning BC's public forests into commercial timber growing leases held by a few.

## **2.5 Parks, Protected Areas and wilderness**

Approximately 13% of BC's forest land is in Parks and protected areas. International agreements on conservation of biological

diversity and sustainable forest management see parks as the core areas where biological diversity is conserved.

Parks are part of sustainable forest management. They conserve areas of forest where ecosystems function with little interference. Increased understanding of natural process can enable better and more sustainable management of all forests.

Parks can add to the local forest economy by attracting tourism and nature based enterprises. They are not economic negatives as some timber interests would have us believe.

Although BC has a large area protected in parks, they do not comprise BC's largest area of wilderness or area in natural undisturbed condition. Less than half of the average forest landscape will be used for timber production. The remainder is poor forest, lakes streams, alpine areas, mountain tops and glaciers. These areas are likely to remain in natural condition and have considerable potential for nature based enterprises. Devolving public forest to local forest trusts will stimulate greater community interest and involvement in local forest landscapes. Developing trails and other infrastructure in local forest landscapes will be a good outlet for volunteers. These developments will improve amenities and help to develop local tourism. Local forest trusts will develop expertise in managing this part of the forest landscape and will be well placed to conserve and protect parks in the landscape. We should remember that the Park system is underfunded with local parks being looked after by private contractors at present.

**Forest and urban communities have nothing to fear from parks and wilderness**

BC has the scenery and variety of natural conditions to make it a leader in nature based tourism. We have the potential of several times that of Switzerland, if we manage our natural environments with skill and innovation.

Local forest trusts will be better placed than timber interests to manage and develop nature based economies. Opportunities exist in the large areas of wilderness that exist within timber producing forests as well as in Parks.

### **3.0 Local Forest Trusts, First Nations and Urban Populations**

How will a system of local forest trusts benefit other segments of the population such as First Nations and urban dwellers? British Columbia is the most urbanized province in Canada with over 3.5 of its 4.1 million inhabitants living in urban areas. Although the forest economy of BC makes a significant contribution to urban economies, forests are seldom at the forefront of urban discourse.

#### **3.1 First Nations**

Local Forest Trusts will benefit First Nations perhaps more than any other method of redress. First Nations population is less urban centered and First Nations communities are often situated in rural landscapes. First Nations communities will have local forest trusts just like other communities. The trusts will provide the self government and revenue sharing that First Nations desire. Other communities will have the same, so there will be no need of a different and separate system. Land will not be alienated from the public forest and First Nations Local Forest Trusts will have the same requirement for professional forest management staff and an elected board.

Owing to geography of forest landscapes and rural communities, some local forest trusts will have a mix of First nations and other communities represented on their boards under a ward system. First nations will be equal participants. All local forest trusts will be under a requirement of the Montreal process to manage for First Nations traditional uses and rights.

The wisdom of having First Nations and other communities operating under the same system of rights, responsibilities, participatory democracy and revenue sharing is self evident. Local forest trusts are the sustainable solution.

### **3.2 Urban populations**

Urban areas with adjacent forest landscapes will be part of the local forest trust system and have elected boards. Urban populations also view forests at considerable distance from the urban center as recreational opportunities. Local Forest trusts with forest dependent communities serve as stewards of the recreational and natural amenities of the forest for the benefit of urban dwellers or tourists. This will be part of the trust agreement and system. This arrangement is certainly going to produce better results than can be expected from the alternative of timber interests managing public forests under commercial timber leases.

#### **4.0 Local Forest Trusts: A stimulus and a foundation for rebuilding British Columbia's forest sector in the 21st century**

Devolving BC's public forests to local forest trusts will reorganise forest management to make it more effective and accountable. Returning the public forest to independent forest management will result in better stewardship of the local forest. Forest management resources will be focused on stewardship. There will be elected boards and local forest trusts will be supported by and be accountable to a Forest Trust Assembly comprising elected and professional delegates from local forest trusts.

#### **Free and open markets for public timber and other values**

Local forest trusts will plan and manage entire forest landscapes to sustain timber supplies, non timber forest products and nature based economic activities. Timber will be sold in manufactured log form on an open market. Local forest trusts will operate as a business. Allocation of timber will take place by free market and existing forest companies will be able to purchase their timber needs. Local forest trusts will be able to give stewardship licenses for family woodlots, local non timber businesses and nature based enterprises. The BC Government in the report entitled "Generating more value from our forests; A vision and action plan for further manufacturing " notes that we compare poorly to other jurisdictions in dollars generated per cubic meter of timber. (

[http://www.for.gov.bc.ca/HET/valueadded/ValAdded\\_report.pdf](http://www.for.gov.bc.ca/HET/valueadded/ValAdded_report.pdf) ) Free markets for timber are essential to encourage value added manufacturing. The open market system of local forest trusts

will be second to none in terms of availability of timber supply to secondary manufacturers.

Free markets will ensure that existing commodity manufacturers will face reduced vulnerability to discriminatory export tariffs. Free markets ensure availability of supply and competition.

### **Local forest trusts add clarity**

Every BC resident is a shareholder in BC's public forest. Shareholders should expect representation, good management and a return on assets. A system of local forest trusts gives local shareholders a direct say in the management of their local landscapes. Local landscapes will have responsible and accountable local staff. If problems develop at the local level, appeal can be made to the Forest Trust Assembly. Local forest trusts will sell timber on an open market to encourage free enterprise. The local forest trust will also be responsible for managing and developing additional enterprise from non timber products and nature based opportunities.

Our present system involving private harvest rights in public forests is a confused arrangement. While forest corporations will be reluctant to give up their private rights in public forests, there are benefits to a clear separation of the business of manufacturing wood products from the business of managing the forest.

### **Open markets will replace special privilege in the allocation of public timber**

Local forest trusts will sell timber on an open market. Markets rather than timber rights entitlements will allocate timber. Public forests will be managed like a business by local forest trusts and

income generated will build and maintain roads and other infrastructure and cover the costs of reforestation and other silviculture activities.

A free and open market for timber encourages forest corporations to be efficient and competitive by investing in up to date wood manufacturing equipment. A free and open market will reduce BC's vulnerability to discriminatory export tariffs and duties on manufactured wood products.

Independent professional forest management that plans for timber, non-timber and nature based economic activity in the landscape will have greater public acceptance. Forest companies will face reduced social conflict toward their operations.

For more information on the above and other related forestry issues see the British Columbia Forests Society "Centennial Plan" at <http://www.forestsociety.com/centennial.htm>

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