

## ***Presentation to the Select Committee on Wood Supply***

**By Andrew Clark**

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I would like to begin by introducing myself. My name is Andrew Clark. I was born and raised on a farm in Carleton County. My family has been involved with harvesting wood in New Brunswick for over one hundred years. I worked in the woods as a teenager during summer vacations and school breaks. I graduated from Hartland High School in 1966 and I attended and successfully completed the course at the Maritime Forest Ranger School in 1972. I was already married and had bought my first skidder in 1970. For the past 35 years, I have derived all or the major part of my income from working in the woods, the past 23 years exclusively.

I worked for a few years on crown land for Fleming and Gibson (Juniper) but have spent the most of my career working on private woodlots. I helped in the establishment of the Carleton Victoria Wood Producers Association and the Carleton Victoria Forest Products Marketing Board. I also served for five years as president of the NB Federation of Woodlot Owners from 1996 to 2000 during which time I was involved in discussions with various Ministers of Natural Resources, Deputy Ministers, Members of the Legislature, industry representatives, environmentalists and educators on behalf of woodlot owners. The discussions with this diverse group have helped me to develop my views.

I would like to point out that I am aware of, and in agreement with, the presentation made by Ed Perry, current President of the New Brunswick Federation of Woodlot Owners. My comments are of a more general nature and therefore should be taken to be a personal observation. Although, having had many discussions with woodlot owners, woods contractors and members of the general public, I know a lot of people would echo these views. To use a modern phrase, I hope this explains where I am coming from.

I would like to borrow from a letter by Bud Bird (DNR Minister in 1980) that was sent to Paul LeBlanc (NBFWO President). On October 29, 1980, that letter contained these words: "This will mean more than managing trees; it will mean managing the system so that the small wood producer and small forestry contractor can perceive their future with optimism and confidence." It has been 23 years since this letter was written and I would like to offer an update that addresses some of the changes in the economy that have occurred since then. Today it could be said that "This will mean more than managing trees; it will mean managing the system so that forestry contractors, woodlot owners, independent community based wood using industries, outfitters, eco-tourism as well as the large industrial users of wood can perceive their futures with optimism and confidence."

I know that at first glance that some will say that this is an impossible dream. They will say choices have to be made. They will say that we can't both double the amount of wood now produced and meet the needs of outfitters and eco-tourisms operators etc. I

am here to say that I believe that if we make the right changes to the administration of crown lands, use the leverage we have to influence behavior on industrial freehold and work with the provinces forest products marketing boards, we can achieve these goals.

It is true that the 1980 act brought order to chaos. The system that was put in place categorized crown land, organized it in licenses and structured the harvest to be sustainable as well as supporting the sale of woodlot wood to a calculated annual allowable cut level. It also improved the organization of silviculture on crown lands. I acknowledge that there were many good results. However, there were also some bad results that I can only hope were unforeseen. Some of these bad results were aggravated by the 1992 changes to the Act, which gave open access to small woodlots. This allowed work crews that had been displaced by mechanization, as well as reduction in harvest levels on Crown land, to indiscriminately harvest immature wood with the active cooperation of industry.

One of the worst results is the fact that the licensees were not only given guarantees of access to the wood but also got exclusive rights to who harvests with what equipment, at what rates, at what time with no countering mechanisms such as meaningful negotiations, etc. The effect of this has been that men and women working as individuals or as contractors are all too often treated as serfs.

The industrial sector owns as freehold 20% of New Brunswick forests and the crown gave them control of 50%. The current system is an oligarchy, that is to say, a system in which a small group exercises control especially for corrupt or selfish purposes. I have no permission to use names but I know details of some cases and regard them as a disgrace to the Government of New Brunswick that they have allowed this exploitation to happen. The latest exercise of raw power was the high handed manner in which hundreds of life long forestry workers were treated by UPM in bringing in more harvesting machines, sending them home, no buy outs, no alternatives, "Just get". I simply point out that a wrong has been done and if the industry wants changes to the present system, many people would welcome changes to the current balance of power.

The second significant problem relates to the organization of harvesting activity. It is the cause of the loss of large volumes of wood to tree mortality in blocks not scheduled for harvest. It is also the cause of the loss of growth potential of immature trees within harvest blocks that are cut simply because they are scheduled. The Carleton-Victoria Board has a lease on 100 acres of Crown land that is used as a demonstration woodlot. When acquired, it was not on the 25-year operating plan of the Licensee. The lot provided employment for 3 men for 3 months simply to capture the mortality. That is to say, that the wood harvested was in a state of decline and would have been otherwise lost to the economy. I could, if requested show you more of these examples. The system is at fault, far too rigid and decision-making is too far removed from the ground. My environmental friends who want large woody debris on the ground should actually be pleased with this. Industry complains that they don't get credit for this and have to provide the blocks for trees to rot. There is room for great improvement.

The concept of capturing the mortality, if properly implemented, would mean more extensive, yet less intensive forest management. That put another way means, to get your annual allowable harvest, you would harvest more acres annually, but take less wood per acre. Harvesting would be your main silviculture tool. The effect of this would mean higher harvesting cost, but lower remedial silviculture costs and over time, would reduce the cost of producing wood. There is an example on the UNB woodlot that covers 55 years now. While it was not intended to prove this concept, it does show that if followed, the rate of wood production rivals plantations. Other good examples exist on the Bradley forest in Maine. The benefits are good esthetics, good wildlife habitat, watershed protection, and biodiversity as well. In short, this is what conservationists, tourists, hunters, and those looking for wood and income are looking for.

The first response from the industry will be that this is a nice idea and, yeah, a good little demonstration lot, etc., but you can't do this on a large scale. I would argue that they are right with the current administration, but wrong, if we have the insight and courage to make changes. I would like to offer a working model that if used in New Brunswick would improve our overall situation.

The first problem that I believe my suggestion would help with is the conflict of interest problem. The managers of the forest now, naturally, wish to make the forest they manage fit the mills that they run. The management decisions are driven by this motivation whether they are biologically wise or not for example, softwood-using industries like to spray and kill competing hardwoods. Well managed hardwoods grow as fast as softwood and can be more valuable employing more people per cord harvested than softwood. There are other corporate conflicts of interest like companies that own mills in Maine as well as New Brunswick wanting to move their own freehold wood as well as buy private wood for delivering to Maine mills and then complain there is not enough wood in New Brunswick. I may be the only one that thinks so but if this doesn't make the conflict of interest in accepting a ride on an airplane seem minor by comparison; I'll eat my shirt. Two of our companies who each have two crown licenses are in this situation.

The second problem it may help is returning to the people of New Brunswick revenue from the sale of wood that can be used for our roads, schools and hospitals. The Auditor General of NB in 2001 report shows that although we receive some \$56 million in wood royalties, after all expenses were deducted we lost money; some \$35 million went to planting and thinning( remedial silviculture), and then the rest was used in administration. There is something terribly wrong with that result.

The model I suggest we seriously consider is that provided by the Seven Islands Land Company in Maine. In brief, they are a company of some 22 professional foresters and technicians that manage one million acres of forestland in Maine. The Pingree family, who also own the one million acres of land, owns the Seven Islands Land Company. Their mandate from the family is to return to the family an income from forestry operations while meeting the requirements of the Forest Stewardship Council in Maine for environmental management. They are certified now. They seek and maintain good long-term agreements with companies to buy their wood. At least one contract I heard

about was for 25,000 cords per year of pulpwood for five years. This is a good model to follow for steady supply for industry and a market for the wood producers.

The company seeks to negotiate with their contractor's rates that allow the contractor to pay his cost and make a profit. They want good workers who know their system and to be there on a continuing basis – some are third generation contractors. They are a no-nonsense forestry operation.

The people of NB should have no less expectations from their land than the Pingree family:

- a. Good sound, no conflict of interest management.
- b. Stable, fair employment on those lands.
- c. An annual income that can be used for roads, schools and hospitals.
- d. Protection of the environment
- e. Sustained yield of forest products for NB wood using industries.
- f. Enhancement of tourist opportunities.

The model I am suggesting, would replace the present Licensees as managers, not as primary users of wood. I believe competent professionals should be allowed to do their jobs, as outlined by our expectations, with a minimum of interference. I believe a system of random auditing that if well designed, should keep the managers of the forest honest and focused (ex. The current system of monitoring of private land silviculture by DNR staff.) This should streamline the process and be more cost effective than what we do now. More of the land base should be available for multiple uses.

Finally, I would like for you to strongly consider from whom you should take your advice. In 1980, Juniper Lumber was given a license and is now bankrupt, leaving the Province, woodlot owners and small businesses holding the bag for millions of dollars in bad debt. Nexfor has replaced Noranda Corp, UPM-Kymmene has replaced Repap, Bowater has replaced Avenor who replaced Canadian International Paper and the list goes on. Do you really want to take advice on how to manage crown land in NB from this group of corporate executives? They remind me of the carpetbaggers that went into the southern U.S. after the civil war, look around, invest your money, make a profit and move on.

Final points:

1. The U.N.B. woodlot result of one cord per acre per year equals the five point five cubic meters per hectare that the industry has as a target.
2. Recent scientific discoveries such as how mychorrizal fungi works in tree growth should teach us humility. We simply do not know enough to change species on whole landscapes.
3. We should try to manage a forest for it's biological potential.
4. Figure out what commercial products this would give us and when.
5. Then design an industrial strategy that would give us the people of N.B. the most employment and income.
6. Don't let industry give us the Chicken Little treatment anymore.

Note: Attached is the information on the U.N.B. Woodlot Demonstration and the Penobscot Experimental Forest in Bradley, Maine