

"Cut and run: the assault on Canada's forests". By Jaime Swift, Between the Lines, 427 Bloor Street West, Toronto, Ontario 1983.

Not even the big forests of the world can be regarded as unlimited reserves of fuel, industrial raw material or potential agricultural land. A rational utilization of the forests presupposes that industrial wood is regarded as a renewable resource exploited within sustained yield forestry. In "Cut and run — the assault on Canada's forests", Jamie Swift reports on the conflict between sustained forestry and institutional obstacles to utilizing them.

In an historical survey he follows forest exploitation in Canada, from the disturbance in European timber trade during the Napoleonic wars to the immigration of labour to Canada, which paved the way for export of timber to England. The reader gets a conception of an institutional framework being formed which now complicates conversion to sustained yield forestry. A characteristic of Canada is that only a minor part of the forest land was partitioned between the settlers. Most of it is still

owned by the state and granted to cutters by Province Governments. The terms of concession agreed upon by governments and cutters thus sets the conditions for cutting and silviculture. In the historical survey the power game, which down to the present time has preceded those agreements, is thoroughly analysed. It is made very clear how sustained forestry has all the time been set aside, in spite of being embraced as a value premise by all parties involved.

Governments, realizing the weight of the forest industry in the economy of the provinces and of the country as a whole, have of course been aware of the importance of guaranteeing the future supply of wood.

However, province governments often entrust concession holders to take care of reforestation. Their confidence in the determination and particular ability of big forest companies to manage sustained forestry has contributed to a concentration of cutting permits in the hands of a few big cutters. These in turn are dependent on cheap and reliable supplies of wood at their mill gates and have been inclined to disregard the demands for sustained forestry, as long as they have been able to regard access to new forests as unlimited. The state-landowner's control of forest company management has been weak. This applies particularly to the most important means of control, "the annually allowable cut", which has turned out to be a rather blunt instrument.

Swift's historical survey takes us up to the present, with cutting and reforestation policy concentrated in province capitals and at the head offices of the forest companies. Today the people making decisions on the future of the industry live so far away from the forests that they appear as "absentee landlords" to those affected by their decisions. From the remote view-point of the decision makers it is difficult to discern the specific character of a forest site or to grasp the dynamic elements in forestry. Therefore, when pressed by demands for short

run profits or immediate political results, they tend to underestimate the needs for long term investments in forestry, disregard long run risks connected with the use of insecticides, herbicides and fertilizers or with a uniform appliance of large scale cutting methods. "Administrative forestry" is the term used by Jamie Swift to describe sustained yield forestry as interpreted by forest companies and governments' forest services.

Learning from local experience

In the many interviews of the book, people with a local knowledge of forestry — loggers, foresters and farmers — let us share their experiences, in many cases gathered during a whole working life. Some of them live in communities completely dependent on the extraction and processing of wood. They are able to apply exactly that long perspective which is a prerequisite for developing a sustained forestry, based on ecological insight and knowledge about the site specific qualities of different forests. According to them, sustained forestry will make it possible to guarantee the future supply of wood raw material, to protect unique and sensitive nature reserves, and satisfy the need for recreation.

The interviews also expose the hollowness in the forest companies' optimism regarding long run results of their large scale methods of cutting and silviculture. They demonstrate how difficult it is to apply sustained forestry within present institutional frames.

Jamie Swift concludes that Canada, to secure her future supply of wood, must let people with local experience of forestry participate in forming the general outlines for the policy of cutting and silviculture.

Forestry in Europe a positive example?

In "Cut and run" European forestry now and then appears as an ideal. This

may be correct in that limited forest resources have enforced sustained forestry much earlier than in Canada. In Sweden, for example, the breakthrough of the pulp and paper industry at the turn of the century created demand for wood which could be satisfied by investments in reforestation. But increasing returns of scale in pulp production made the producers dependent on extensive supplies of wood. By mergers and take-overs companies tried to secure vast resource bases. Today all areas have been concentrated in the hands of a few survivors.

In Sweden, as in Canada, cutting and reforestation policy is decided far away from the forest, by decision makers who may appear as "absentee landlords" to those concerned. In Sweden, as in Canada, uncertain expectations of future yields from investments in sustained forestry are counterbalanced by immediate demands for cheap raw material. Ecological insight or knowledge about site specific qualities of the forests are not always maintained against those demands. Confrontations have arisen, eg about cutting in high altitude virgin forests and about utilization of herbicides.

From "Cut and Run" we can learn that a necessary prerequisite for the existing Canadian forest industry to survive is the transition from mere extraction of wood into sustained yield forestry. There is an optimistic assumption implied in this conclusion, namely that such a conversion would also be a sufficient condition. That is, if only the supply of raw material in its present shape is secured, Canadian forest industry will always find its markets. The subject is merely touched upon, but the optimism seems to be founded on the following assumptions:

- the special qualities of the raw material (sounds familiar to Swedish ears).
- growing exports to European markets
- competing supplies of wood from fast-growing plantations in tropical and subtropical regions will find an outlet

on expanding third-world markets.

I think this is a somewhat easy-going treatment of complex market questions. The assumption about growing markets for established producers of for example pulp paper, sawn wood or veneer is not self evident. Competition among already established producers, threat of entry, and possibilities of substitution also have to be considered.

When demand for forest products is growing, producers already in the market have to secure a growing supply of raw material to protect their market shares. Access to new forests has been a solution traditionally open to companies with their resource base in Canada. Other possibilities are: getting higher yield from forests already under the realm of the company, using waste from the different stages of processing, innovations in raw material saving production processes or recycling.

To the individual company capacity limits in the supply of raw material means rising relative costs of production in the future, with a risk of shrinking market shares.

The limits of growth

In fact all established producers to some extent foresee raw material restraints, which means that they must take into consideration a rising probability of substitution and entry of producers with access to other sources of raw material.

Companies with their resource base in Canadian forests are worried about rising relative costs of production when possibilities of exploiting virgin forests are being exhausted. Companies which take their raw material from forests in northern Europe are anxious about reaching the limit for sustained yield and those depending on supplies of tropical hardwood from South East Asia about governments reacting against the hard exploitation of the forests by, for example, banning roundwood exports. And all over the industri-

al world there is the impending threat of forests dying from air pollution.

Worries about the future supply of raw material may provoke a whole series of reactions:

- mergers and take overs, resulting in an accelerated vertical integration and centralization of capital when individual companies try to augment their shares of existing sources of raw material
- rising interest in plantations on hitherto unexploited forest land
- innovations in raw materials saving processes
- entry of new producers with access to those new sources of raw materials, substitution processes etc.

All this will inevitably result in continuing changes of the market structures.

This unstable situation implies an increasing pressure on forests already at the disposal of the companies. They already argue strongly for "rational" methods of cutting and silviculture, as well as the necessity of getting access to adjacent nature reserves. Their arguments sound convincing when supported by threats of mill closures. The only possible way out of the crises seems to be satisfying the producers' demands for cheap raw material. Objections as to the risk for decreasing future yield or losses of irreplaceable nature values are easily dismissed.

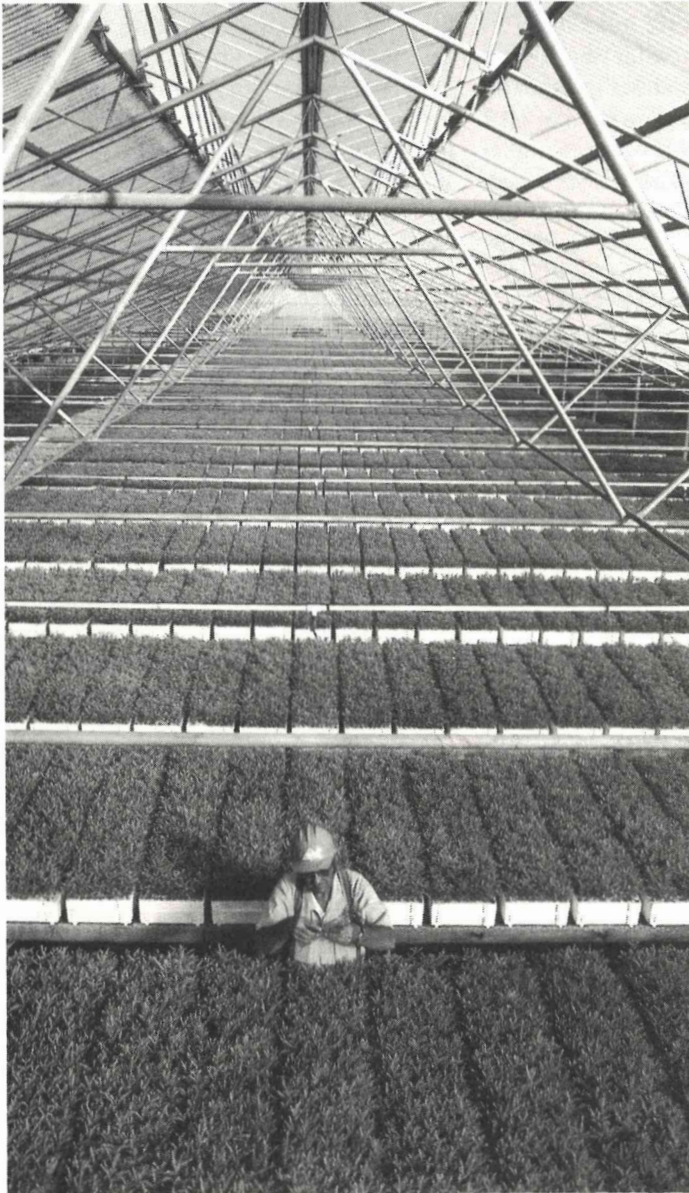
The long perspective on forestry advocated by the experienced foresters interviewed by Jamie Swift must therefore be supplemented by further impartial analyses, with a long perspective on structural changes within the forest based industry.

Conclusions

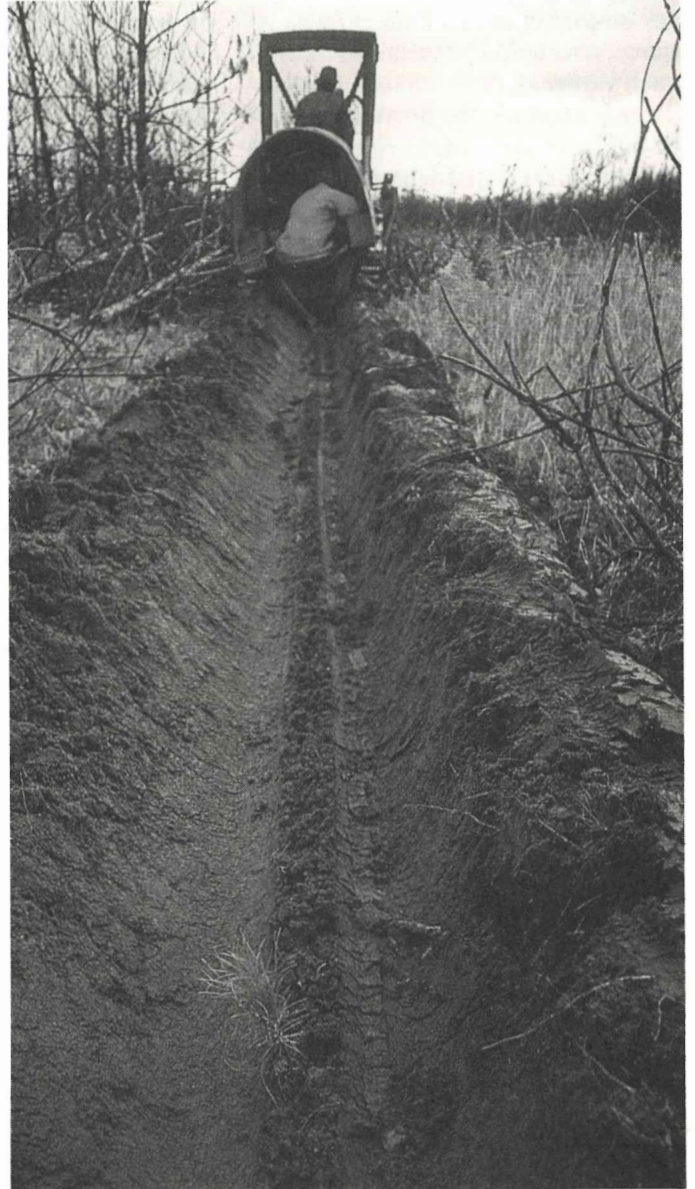
"Cut and run" is primarily written for a Canadian public in order to influence Canadian forest policy.

But the conflicts treated in this book appear all over the world, although in somewhat different shapes. They appear in third world countries where forests are exploited even more short sight-

Seedlings in a nursery on the US West Coast. The nursery belongs to Georgia-Pacific, a leading forest TNC, based in Portland, Oregon, USA.



Forest regeneration in Canada by Consolidated Papers, Inc., a forest TNC based in Wisconsin, USA.



edly than in Canada, and in Europe where the forest industry since long has been forced to apply sustained yield forestry.

Extraction of industrial wood always and everywhere runs into a conflict between ecological considerations and demands for cheap raw material, with companies arguing that competing producers have access to cheaper wood. Somewhere limits for exploitation have to be drawn. Cutting in unique and sen-

sitive high altitude forests in northern Sweden, spraying of insecticides against spruce budworm in New Brunswick, Canada, and large scale clear cutting in the rainforests of the tropics are examples when limits have been reached or exceeded. Knowledge about the different appearances of this world-wide conflict between ecology and economy, and information about its solutions will hopefully strengthen the possibilities of maintaining the necessary limits for

exploitation in any given forest region.

"Cut and Run" may hopefully initiate similar reports from other parts of the world, or stimulate translation/publication of studies already made but not accessible in English or for a wider public. It is our hope that RMR can contribute to spread this knowledge. ■

*Eva Skult
Raw Materials Report*