PREPOSTEROUS PROGNOSIS

(A reluctant forecast of the future of Sustained Yield Forest Management in British Columbia)¹

By C. D. ORCHARD²

In a moment of weakness I agreed to speak on this occasion without a hint as to what the subject might be, which in the course of time turns out to be "The future of Tree Farm Licences, Public Working Circles, and Sustained Yield Units, in British Columbia"—and I am no crystal gazer. In any event "fortune telling" is some kind of offence for which people can be punished by process of law. And what do they mean by "future"? Tomorrow, next year, or fifty years hence? If there is any consolation in the situation it is that at least no one here knows any more about it than I do.

Now the past of the forest industry, and administration, would have been a rational subject, and one not without interest.

Our attention being focused on British Columbia problems, the important part of our gathering coming from "foreign" parts, and finding ourselves assembled in this Prince George Forest District, it might be well to take a quick look at that past in order that we may somewhat better understand the present, whether or not we make much progress with the future.

McKenzie sailed down this Fraser River in an Indian canoe in 1793, doubtless the first white man to pass this point, without as much as noting the site of this thriving centre of the wood industry, Prince George. At least it is written that he sailed past the confluence of the Nechako with the Fraser without noting that considerable tributary.

The Hudson Bay Company located here, the third white settlement in what is now British Columbia, in 1807; and the first two settlements, Fort McLeod in 1805, and Fort St. James in 1806, are both within this Forest District.

But neither McKenzie nor the Hudson Bay were interested in forests as a source of raw materials. It took the advent of the railway, more than one hundred years later and in our own day (1912), to create some interest in timber. Thereafter, with rail transportation at hand, mills, and their attendant logging operations, began to filter in, chiefly from Prince George east, very little west until you get far west into entirely different drainages.

This was the start of the forest industry in this Prince George Forest District, an area of some 45,000 square miles, more or less, extending from the vicinity of Quesnel northward to the Yukon, and from Fort Fraser eastward to Alberta.

Each part of the Province has a somewhat different history, of course, but they all add up to the same pattern and current problems. Too much timber, careless and wasteful exploitation, too little profit, too much fire, to an eventual too little timber, too much profit, still inducing a tendency to careless wasteful exploitation, and eventual stiff regulation designed to protect the public interest, and the logger and manufacturer himself.

¹ Theme address read for Dr. C. D. Orchard by E. E. Gregg at the 1959 Annual Meeting of the Canadian Institute of Forestry at Prince George, B.C.

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The question we are asked today, I suppose, is just how far that regulation is going to extend in years to come.

It is reported that in 1912, the birth year of the Forest Act and organized forest administration, there was cut in the whole of the province 325 MM FBM. But in 1912 the Chief Forester estimated an annual allowable cut of at least 6,500 MM, at least twenty times the utilization, and the industry was already at least twenty years old. Under these pioneer conditions there was room for all comers and not the remotest excuse for the imposition of anything resembling sustained yield management regulation.

Today (1959) the admirable inventory of the Forest Service estimates: 118,000,000 acres of commercial forest; 308,000 MM cu. ft. (note the transition to cubic feet of sound wood); 2,300 MM cu. ft. net annual growth; 2,200 MM cu. ft. annual depletion.

The inventory is not compiled by Forest Districts, but Zone 4 of the inventory closely approximates the southern occupied and developed half of this Prince George Forest District.

In this Zone 4 there is an estimated 25,000 million cubic feet of sound wood volume in trees twelve inches D.B.H. and over (Table V17); and an estimated annual growth of perhaps 300 million cubic feet (Table G2 Zone 4) in trees of like size.

In 1915, in this District, we cut about 400 M cu. ft.; in 1925, 16,000 M; in 1945, 25,000 M; in 1958, 115,000 M.

This 115 million, admittedly, is only in the order of one-third of the estimated growth capacity of 300 million cubic feet; but the cut and development is in a ribbon pattern along the railway and highways, and represents an increase in cut of more than 25,000% in 40 years. Locally, and regionally, throughout the Province, the timber supply situation has become highly critical.

Unlike the happy East, from whence so many of you hail, very little of our timber is tributary to drivable streams. Our streams are characteristically mountain torrents. Our logs must move from stump to mill on wheels, and wheels are expensive.

The fact that there may be millions of feet of timber going begging only a couple of hundred miles away is no consolation to our operator.

That timber may be operable some day, but in the meantime we want to work and eat, and even indulge in a motor car and washing machine and refrigerator; we want to have some assurance that we will enjoy these conveniences forty years from now. All of which adds up to the conclusion that this is the time, and this is the place, for the introduction of sustained yield forest management.

Given the opportunity we doubtless would have as many schemes for sustained yield management as there are foresters, responsible public administrators, and loggers; and some of them, at least, would be designed to be painless. Only one thing is certain about them—they can't be painless.

The approach in British Columbia has been through the media of Tree Farm Licences (originally Forest Management Licences), Public Working Circles, and Sustained Yield Units, all of which have been widely publicized, and explained at length and in detail to previous annual meetings of the Institute.

We have neither time nor inclination to go once again into that detail but, by way of memory refresher we might recall, in briefest possible form:

The Tree Farm Licence is an area of forest domain incorporating both public and private ownerships, under contract with the government for rational sustained yield management by a single licensee. It was, and to all intents and purposes, still is, perpetual.

A Public Working Circle is an area of Crown Forest managed by the Government's own agency on strict sustained yield principles. A Sustained Yield Unit is a Public Working Circle masquerading under an alias.

Management Licences, after a brave and promising start, have fallen into disrepute in some circles. It is claimed that they are monopolistic, undemocratic, and generally the spawn of the devil. It is claimed that they condemn the "little" man to the role of "slave" for all eternity, quite a long time. Nevertheless some thirty-five licences have been awarded, embracing more than 11.6 million acres with an approved annual cut of 226 million cubic feet. They range in size from 4,300 acres with an annual cut of 208 M cu. ft., the smallest, to one of more than 2½ million acres, and one with an annual cut of 37 million cu. ft.

The Public Working Circle is, in essence, almost exactly the alternative to the repugnant Management Licence as advocated by most of the critics; an area of Crown Land managed by the Crown for the people on perpetual sustained yield principles, the product available to all and sundry at public competition and competitive stumpage rates. To the operating critic the fly in the ointment is how, having advocated and approved, to circumvent the Forest Service in its efforts to make an honest job of sustained yield administration, and cut the stuff off anyway while he, the operator, is alive to enjoy it. It is something of a shock to find that the Service takes this thing seriously and that we are, in fact, going to be limited in our "spending" to our income.

And it is not all clear sailing for the Forest Service. No matter what some of us conscientious souls would like to do for posterity, we've got to eat today, else we will not be long enough here to produce the makings of posterity; and we've got ourselves into some beautiful messes. Consider this one, for example, an actual case: A Public Working Circle with an allowable cut of three million cubic feet per year, and with thirty-nine established mills. This is an average available for sale of 77,000 cu. ft. per mill (less than 500 M FBM per mill) per year. It will take about twelve times this amount in this country to make a small integrated economic operation. (For further reference we might remember this one as the "39 Mills").

And the program committee complacently asks me "Watchman, what of the night?"—instructs me to switch on the lights in the pitch dark future and show, and say, how, where, and why, we are going, and when we will get there!

In the meantime the Forest Service is commendably busy compiling forest surveys and inventory, and putting every acre of unencumbered Crown forest land into Public Working Circles, establishing allowable cuts, and enforcing the cutting limits. To deal with the 39 mills with some semblance of impartial justice they set up "Quotas" based on actual performance of the occupants during the past three years. If it proves that an operator has been buying and using say 7% (or 70%) of the product of the area, then he gets a quota of 7% (or 70%) of the allowable cut, which may amount to one half, or less, of what he has been accustomed to take to maintain his business. Only the quota holder is permitted to initiate sales, but there is no assurance that he will get the sale he initiates. For that he must compete at a public auction where the cutting rights will be disposed of, without recourse, to the highest bidder. He's in the bight of the line.

The Government adopted a very necessary, far-sighted and rational policy of sustained yield forest management in basic legislation of more than ten years ago—a policy that should need no "selling" before an assembly of the Canadian Institute of Forestry. The Forest Service of the Province has been busy industriously putting that policy into effect in the field; and with rather better progress than might reasonably have been forecast ten years ago. In 1947, we had one, historic, experimental working circle under management, comprising just over 100,000 acres. In 1959 we have under management: 35 Tree Farm Licences, 11,657,000 acres; 32 Public Working Circles, 16,102,798 acres; 29 Sustained Yield Units, 34,817,424 acres; a total of 62,577,222 acres under honest sustained yield management, comfortably more than 50% of our estimated 118 million acres of commercial forest land, Province wide.

The total approved cut under management is: Tree Farm Licences, 226 million cu. ft.; Public Working Circles, 193 million cu. ft.; Sustained Yield Units, 187 million cu. ft.; a total of 606 million cu. ft. or more than 2/3 (more than 66%) of our total cut of 908 million cu. ft. in 1958.

While our praise is loud we might be pardoned if we take note in passing that there still is much to be done, and room for improvement in existing methods and procedures.

Particularly the unfortunate "39", and their counterparts, are bemused, bewitched and befuddled. They have given lip service to sustained yield management. Most of them conscientiously believe in the principles involved but how is a struggling operator going to maintain his business on an allowable cut of one half, or less, of what he is set up to use?

The 39 reason: "There is plenty of timber in B.C. The Forest Service reports a stupendous 308,000 million cubic feet, enough to supply our present cut of about 1000 million cubic feet for more than 300 years! Always, without let or hindrance, we have cut what we wanted anywhere we could find it. Perhaps there is something in this sustained yield bunk, but why, why, should we be made to suffer without apparent reason? Why should we be required to starve

in the midst of plenty?" So plead the 39, and so they beset the local Ranger, the District Forester, the Chief Forester, and the Minister; then go home and cudgel their brains for ways and means to beat the administration. Some of those "means" are ingenious, inevitable, and almost certainly will have an important bearing on the future development of the practical application of sustained yield forest practice; some of them should be aired in Court.

The British Columbia Forester, and the Forest Service and Government are not entirely heartless, but they have the advantage of standing on a bit of an eminence apart, from whence they can take a more or less impartial view. From this holy eminence I see, or think I see

1. The forester, logger, and manufacturer of forest products, a disorganized host, frantically trying to assemble themselves once more into orderly series ranks, and in the process antigodlin' around the floor, rudely jostling, shoving, pushing, any and every neighbor with whom they come in contact. The Caller has given them some brand new figures and the sets have failed to fall into their intended orderly rhythm.

The whole industry is in a state of flux arising out of an involved complex of circumstances that includes a world-wide stirring of social and economic influences over which the 39, or even the august Government, has no control whatever. The forty-or-fifty-year-old "Wallingford" ventures of New Zealand and Australia, and the aspirations of Ghana, have their bearing on the plight of the B.C. logger. The scene changes, and we simply have to readjust no matter how painful it may be, or how little we like it. We may even come to feel rather fortunate if we simply manage to survive.

2. The "small operator", in terms of what we have been accustomed to call small, is through. But that is not new, and it is not confined to logging and saw-milling. The independent blacksmith, with a capital investment of perhaps \$100, long since gave place to the small garage with \$10,000 invested. The wagon factory with \$100,000 invested, long since gave place to the automotive factory with million invested, and they in turn progressively have lost out to the billion dollar corporations. The water wheel succumbed to the steam engine, and horse to the gas engine; and no amount of ribble-rabble or gibble-gabble will halt that trend. I have no doubt the very same process operated three thousand years ago in Egypt.

The people who rail loudest against sustained yield forest management and the supposed crime being perpetrated against the "small man" are the very, very few one time small men who happen to locate their small efforts in some wild, but fore-ordained area that paid off in a big way on their back-breaking labor, and intelligence. At least 50% of their economic success is attributable to exactly the same "opportunity" that you seize by the forelock when you buy an Irish Sweep ticket. They are suffering from a peculiar brand of psychopathic nostalgia. They went into a primitive frontier environment and made good. They think that all British Columbia should be maintained in that primitive frontier

state for the benefit of the new-comer small man, overlooking the fact that their own operations, and success, changed that frontier to a thriving, modern community.

There still are frontiers in B.C. There still is that frontier opportunity for the hardy and venturesome, and some such are going to make fortunes there from scratch; but the critics seem to think that that sort of opportunity should be located in the midst of paved roads, motor cars, electricity, beer parlors, high schools, and hospitals. It can't be done. In spite of the sophists I still don't believe that you can have it wet and dry, black and white, sweet and sour, all at the same time. And in this day you can't have it big and small (small, that is in terms of the turn of the century) at the same time. We still are going to have small industry and business, but it is going to be a different type of smallness, and in the forest industry the small are not going to be able to exist without the big to carry them.

I deeply regret, but can't help thinking, that the 39 are in for a bad time; and I can't see anything much that we can do for them. They, and we, were born thirty years too soon, or too late.

3. Sustained yield forest management has come to British Columbia to stay. The Province can't prosper without it.

4. The 39 are especially prominent in the farrago on the dance floor. Some are getting tired and, obviously, are going gracefully to retire to the side-lines. Some are getting mad, swinging wild, and, almost certainly, are going to get hurt. Some are doggedly, and strongly persisting, and doubtless will find their place in the new figures and continue to enjoy the dance for a long time to come. In less fanciful terms a few of the small operators, presently in difficulties, are going to withdraw while the withdrawing is good. Some are going to persist to the point of bankruptcy. A very few, for the available timber supply will support only a very few, will absorb their neighbors, acquiring their quotas, and survive. At that stage the 39 will have shrunk to three, or two, or even one.

If there are more than one then they will be organized for their own protection and we will have what will amount to a Management Licence managed by the Forest Service for the benefit of the occupants, the new version, or one of the versions, of the small operator. The vilified Management Licence will be back with all the advantages to the licencees, and none of the advantages to the public. And some day, considerably this side of that eventuality—

5. The Forest Service, first will register, and thereafter licence mills assuring the mill of a predetermined cut at upset prices.

All this will, of course, come about with much travail and bitterness, proposals and counter proposals, twice confounded by silviculture, protection, evolution of logging methods and manufacture, markets and products.

Both big and small are bound to get bigger. The era of chemical wood utilization lies just ahead, and you can't get into pulp, paper, and chemicals in a small way. Neither can you risk the scores of millions, that that kind of an industrial venture is going to take, on a liquidation management.

The chances are that there are a great many here today who shake their heads in disagreement with much of what I have had to say. I can only repeat my opening remarks—the fault lies with the Program Committee, not with me, and, in any event, who are you to disagree? I know just as much about what the scene will be twenty years from now as you do, that is to say, just about nothing.

The chances are that all I have managed to do here today is to scandalize some very good former friends.

Of this much I am sure. In 1979 you will have the twenty year answers, and no one in that day will care one jot or tittle about what we may forecast today.

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