

## HOW CAN WE ENSURE THE SUSTAINABLE DEVELOPMENT OF OUR FORESTS?

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Each year, Quebec's forests account for more than 90,000 direct jobs that generate salaries totaling \$3.2 billion. It is of the utmost importance that forests be managed carefully with an eye on the long run.

Some environmentalists have argued that Quebec forests are being subjected to a reckless chainsaw massacre and that only increased government oversight can prevent their disappearance.

Given the importance of this issue, the Montreal Economic Institute recently published a short study examining two fundamental questions: are Quebec forests running out of wood, and is increased government oversight likely to improve their sustainability? (see [Comment assurer le développement durable de nos forêts?](#))

First, are we running out of wood? Despite the doomsday rhetoric of most environmental groups, it is interesting to note that the temperate forests of North America and Europe have actually expanded significantly over the last century.

For example, Vermont's forest cover has more than doubled in the last 150 years – from 37 per cent of total land area in 1850 to 77 per cent today. Over the same period, New Hampshire's forest cover expanded from 50 per cent to 87 per cent. This reforestation happened for three main reasons.

- Cars, trucks and tractors have replaced horses and other draft animals. In 1910, roughly a quarter of crop land was used to feed draft animals. Some of this land is now used to feed humans instead of animals, while a significant portion has reverted to forests.
- Advances in technology, chemistry and genetics have made it possible to produce much more food on the same amount of land.
- Many substitutes for wood are now available. For example, steel studs have increasingly replaced wood studs, while firewood was supplanted long ago by alternative energy sources.

What about Quebec? The same forces are at work here. As a result, few experts fear a wood shortage. While it is true that 45 million cubic meters of wood were taken out of Quebec forests in 1999, the harvested area amounted to about 0.5% of the forest cover. To put things in perspective, more forests were lost to insects and fires during the same period. Furthermore, 140 million trees were planted that year. While not everything is perfect in Quebec's forests, a wood shortage is not among the more significant problems.

Next, is increased governmental oversight the way to go? More than 87 per cent of Quebec forest is public land, a fact that most Quebecers seem pleased with. However, this means our public servants must not only promote logging interests and the pulp and paper industry but also keep the woods open for hunting, fishing and other recreational uses that people feel entitled to.

By all accounts, not everybody is pleased with the way our forests are managed. For instance, some private owners complain that the stumpage fees charged on public land are too low and undermine their business. Other people claim that the reforestation measures implemented by bureaucrats in Quebec City are wholly targeted towards conifers while most private forests located in southern Quebec are entirely or partly made up of deciduous trees. Furthermore, Quebec outfitters never tire of reminding us that their business does not seem to carry much weight in political decision-making.

It should also be pointed that the Quebec government sets severe restrictions on forest use. For example, Quebec residents are not allowed to cut trees from public land for their personal use. As a leading Quebec environmentalist has put it, the real status of Quebec forests is akin more to Crown land than to true public land.

The Quebec government acts this way to prevent what economists call "the tragedy of the commons," which results in the over-exploitation of an unowned resource. In a nutshell, when something is owned by everyone, then nobody feels responsible for it. In a common pasture, each shepherd has an incentive to add to his flock until the pasture is destroyed.

The tragedy of the commons can be prevented either by political control or by the privatization of a resource. In practice, public lands tend to be less well maintained than privately owned lands. A private landowner who charges people for access to his property for hunting or logging has an economic interest in ensuring that the land is not over-hunted or over-cut. Politicians have no such incentive. On the contrary, their time horizon often does not extend beyond the next electoral cycle.

The history of forestry all over the world illustrates this. For instance, even though Quebec's public forests are seven times larger than their private counterparts, fewer trees were planted on public land right up to the 1986 revisions to the Forestry Act. In the United States, by the late 1980s federal lands were the only major areas where growth did not exceed harvest.

The ownership status of Sweden's high-yielding forests is exactly the reverse of Quebec's case. In Sweden, 50 per cent of forest land is owned by small private owners and an additional 37% by large industrial concerns. Only 5% is owned by the Swedish state, with the rest held by the Church of Sweden and local communities.

It should also be pointed out that private ownership by logging or pulp and paper companies does not prevent the use of forests for other purposes. For instance, in 1980 International Paper began selling recreation passes to its timberlands in Arkansas, Louisiana and Texas. Since then clear-cut forestry by the company has declined by 70 per cent, partly because some company lands have proven more valuable as preserves than as tree farms.

In the end, there is plenty of evidence to show that private ownership encourages better stewardship of resources than government management. It is therefore a mistake to believe that increased government oversight is the only way to go. Perhaps an ownership structure similar to Sweden's would be better able to reconcile economic growth, jobs and the sustainable development of our forests.