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Financialized Forests in British Columbia: Fixes, Regulation and Contestation

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Disclaimer

As a starting point I want to acknowledge that this is very much a rough draft and was written far too quickly and is probably the roughest thing I have ever circulated. Although I stand by the general argument and content I realize that it is under theorized in places and short on empirical details and references in other areas. I also should apologize for the rough writing (barely English in places!) and the typos that plague the document – apologies to my readers on this front!

Introduction

In November 2012, protests emerged at the entrance of a logging road on Cortes Island, a small island located between Vancouver Island and the mainland of British Columbia. Protesters, long time residents of the island, were mobilizing against the industrial harvesting planned on land owned by Island Timberlands, a company established by Brookfield Assets Management (hereafter referred to as Brookfield) to manage its private forestland holdings in BC. Since its founding in 2005, Island Timberlands has developed a reputation for being an unscrupulous player in the forest sector across Vancouver Island and the small Gulf Islands, of which Cortes is one. Island Timberlands operates almost exclusively on private land, which is unique in the Canadian context as the majority of harvesting occurs on Crown land. The regulatory framework covering private forestlands (the Private Managed Forestlands Act) is considerably weaker than the legislation pertaining to operations on Crown land (Forest and Range Practices Act)(see Office of the Auditor General of British Columbia 2008). There are no limits to the annual allowable cut on private lands, there is no commitment to value-added manufacturing that would provide stable jobs, environmental standards are weak and compliance to the relevant legislation is delegated to the companies themselves. All of this is in contrast with the more stringent Forest and Range Practices Act, itself watered down from earlier legislation. Given the absence of any significant regulatory hurdles, Island Timberlands has reportedly been aggressively and unsustainably harvesting BC's coastal forests for 15 years now.

When Island Timberlands showed up on Cortes Island in 2012, local residents were well aware of Island Timberlands reputation and the weak regulatory environment in which they operated. Protesters had also connected the dots between Island Timberlands, which at the time was owned by Brookfield and the British Columbia Investment Management Corporation (bcIMC), the pooled public sector pension manager in BC. Although, industrial logging has taken place in the province since colonial settlement, the arrival of new financial actors in the sector and the laissez-faire legislation governing private forestlands sparked a new round of protests

against large-scale logging operations and their environment and social consequences. On Cortes, Cec Robinson (as quoted by Saxifrage 2012) a long resident and commercial shell-fish grower described his opposition to Island Timberlands as follows:

“Brookfield wants to take our environment and convert it into cash for their distant shareholders. They want only to take! To take far too much and far too fast, and when will they give back?... Our government ignores its responsibility, and instead allows these multi-national corporations, such as ‘Brookfield Asset Management’, to self-regulate.”

Through direct action, protesters were able to block the industrial logging of forestlands on Cortes and are now in negotiation with Island Timberlands to purchase the land and place it in a permanent trust. I return to what made the Cortes campaign successful at the end of the paper, but here it should be noted that blockage of Island Timberland sparked a broader public dialogue about forestry operations on private land. Additionally, this was not the first and only act of resistance to Brookfield’s interests in coastal timber. The Hupacasath and Hul’quimi’num First Nations communities has already been engaged with the legal battle with Brookfield and the BC provincial government regarding the enduring alienation of private timberlands and the significance of this for treaty negotiations (see Egan 2012; Hupacasath First Nation v. British Columbia, 2005; Ke-Kin-Is-Uqs v. British Columbia, 2008). The vast majority of the land owned by Island Timberlands was first alienated by the Crown in the late 19th century and was granted to the Esquimalt & Nanaimo Railway in return for the construction of the Vancouver rail line, which arguable set in motion much of what I account for below.

The brief comments above provide a sense of what transpired on Cortes Island in 2012 and broadly across coastal BC, but by placing this struggle in a broader historical and geographical context a range of important questions emerge: Why were financial management companies and institutional investors involved in BC’s forestlands for the first time in a long history of industrial policy and practice? How did Island Timberlands and TimberWest (a second company owning and managing private forestlands in the province) come to respectively own and manage 258,000 and 327,678 hectares of forestland, almost all of which is located on Vancouver Island and the Gulf Islands? Why is the legislation covering private lands substantially weaker than the regulations pertaining to Crown lands and what is the source of this discrepancy? Finally, what are the different types of opposition to Island Timberlands and TimberWest?

Through distilling these admittedly large questions, this paper tracks the growing investments and involvement of financial firms and intuitional investors in BC’s forestlands as a form of land grabbing and management situated within regulatory changes in the forest sector. I argue that the movement of financial actors into the sector and the large-scale acquisition of land can be understood as a socio-ecological fix for finance capital and institutional investors, which I suggest entails

a deliberate targeting of land and resources as a means of navigating moments of crisis and overaccumulation. Land grabbing, which in this case is facilitated by the resources of a financial firm and institutional investors, is part of a broader and longer trend in which nature, broadly understood, represents the terrain on which the relations and conditions of capitalist accumulation are reconstituted in the face of crises. My past work has focused on such dynamics in the context of state led investments in forestlands in Depression-era BC as a response to economic, social and ecological crises (see Ekers 2009; 2015) and this paper seeks to explore financial investments into BC's forestlands as a distinct and contemporary fix for finance capital.

Brookfield's investments, which I discuss in more detail below, represent such a socio-ecological fix. For instance, Reid Carter (2006), now the Managing Partner at Brookfield that manages their timberlands investments noted in a 2006 presentation that there was "a global surplus of capital" adding that the "challenge is to identify positive opportunities for investment." Timberlands, he argued, represented one such asset because they represented a "non-depreciating asset class capable of providing stable returns". As I discuss below, the rationale governing timberland investments closely resembles the discourses surrounding farmland investments. However, it would be wrong to see such investments as a *fait accompli* because in the case of BC's forests it took significant legislative and legal work to develop such a fix, while the opposition witnessed on Cortes Island poses and by First Nations communities poses further challenges.

This paper builds on a mixed methods approach completed over the last two years, including: (1) primary policy, legal and document analysis regarding the financialization of forestlands and changing regulatory frameworks; (2) semi-structured interviews with key informants engaged with these issues at various levels; and (3) archival research focused on the original alienation of the land now owned by financial actors and the consolidation of this land over time.

Forests as Fixes: The Literature

Over the last number of years researchers working within a broadly conceived political ecology framework have conceptualized large-scale investments into environmental landscapes and ecological processes as ecological fixes, or, in more normative terms, as environmentally oriented responses to political economic and ecological crises (Cohen and Bakker 2014; Castree and Christophers 2015; Ekers and Prudham 2015; 2017a; 2017b). The concept of an ecological fix is meant to provide analytical leverage for understanding how state and private actors searching for profitable and 'green' investments increasingly target 'nature', broadly conceived. This work builds on David Harvey's (1981; 1982; 2001) lasting account of how capital and labour are sunk into social and physical infrastructure in order to address forms of crisis by securing the conditions for future economic activity and social life more generally. My previous work along with my collaborative writing with Scott Prudham has engaged with Harvey's broad argument but with the

environmental inflection noted above, focusing on how reforestation infrastructure was developed in the 1930s through the relief labour of unemployed men throughout Canada (Ekers 2009; 2015). In response to the collapse of the forestry sector, the concentration and mobilization of the urban unemployed and declining timber resources, the provincial and federal state utilized the labour of relief personnel to transition the forestry sector from an extractive to sustained-yield model. These investments represented the first fix in the BC forestscape in the form of a state-led response to the broad social, economic, political and resource crisis of the 1930s.

The investments of financial players in BC timberlands represent a second fix in landscape. For a second time, forests have been targeted, as noted in the introduction, as a means of addressing economic volatility and a dearth of investment opportunities. Working through the framework of a fix, Leigh Johnson (2015) has highlighted the role of finance in capitalizing on catastrophic weather events and Brett Christophers and Noel Castree (2015) have speculated that finance capital may be pivotal in addressing climate change through long-term investments in fixed capital. In the contemporary conjuncture, financialization represents the terrain through which large-scale investments in landscapes and specifically fixes are pursued. Following others, I understand financialization as the increasing proportion of profits generated through financial channels rather than through the production of 'goods and services' and also the growing role of financial logics and motives in everything from everyday life, monetary policy, governance, and land-use policy (Epstein 2005; Mann 2013). As many have argued, financial markets and instruments play a growing role for those seeking either control of various resources necessary for economic activity (oil and land being two key examples) or profits generated from investments in infrastructure, with municipal water services and the energy sector being two examples (Labban 2010; Loftus and March 2016). Within the financial investment literature, resources and environmental infrastructure have emerged as new asset classes viewed as increasingly appealing by virtue of the physical tangibility of the investments in question (Binkley and Beaver 2004; Glauner et al. 2012; Maher & O'Connor 2010).

The new so-called global land rush is central to the dynamics discussed above. While many writing from a geographical or political ecology perspective have adopted the language of fixes, those coming from development and peasant studies and anthropology have examined the large scale as acquisition as a renewed set of enclosures (Hall et al. 2011; White et al. 2012)). I use the word renewed here intentionally because as others have argued, the rush for land over the last years resonates with and extends a longer colonial and capitalist history of dispossession (White et al. 2012). Analytically then we need to remain attentive to the continuities and path-dependency between historic and contemporary enclosures. However, there are also points of distinction that must be recognized. A belief in the 'scarcity' of land, resources and food, combined with limited investment options in the post 2007/2008 era, has resulted in large investors purchasing huge swaths of land and infrastructure, sometimes for productive uses such as timber harvesting, but also as speculative investments (Borras and Franco 2012; White et

al.2012). Contemporary land grabs, while a product of historical processes, reflect the current neoliberal conjuncture out of which they emerge. Combinations of state and multi-lateral organizations and corporate and financial companies have been at the forefront of land acquisitions shaping access and exclusions to land. The research has suggested that the emergence of new financial actors has changed access to land while also changing governance structures (Torrance 2008; Hall et al 2011; Marguilis et al. 2013; Ouma 2014). Given that most of this literature focuses on the Global South and agricultural land, this paper builds on Gunnoe's (2014; 2016) and Gunnoe and Gellert's (2011) work on the financialization of forestry in the US and asks how such processes are unfolding in Canada

Although what I have offered above is at best a cursory sketch of three significant and overlapping layers of literature I want to briefly stitch them together before returning to the financialization of forests in BC. I understand the recent global land grabs, including the acquisition of forestlands in BC, as a contemporary ecological fix in which crises, both real and imagined, are addressed through the dispossession of large swaths of land, often facilitated through the role and power of finance capital. Indeed David Harvey (2003) has flagged processes of accumulation of dispossession as one type of spatial fix, specifically an 'extensive' or 'outer' fix rather than an investment in fixed capital. However, we are still left with the question of how land is assembled and governed, which is always going to be a conjunctural question (see Li 2014). In the case of BC, I suggest that it is finance capital operating in concert with the neoliberal provincial state that facilitates the acquisition and regulation of land in the form of a fix. However, as I suggested in the introduction it would be wrong to view the financialization of forestlands in BC, or an ecological fix, as the simple unfolding of the structural imperatives of capital, rather these processes are both historically contingent and contested.

To summarize this article builds on current debates on fixes, finance and land grabs to explore the increasing role and effects of finance in shaping physical landscapes, regulatory frameworks and the terrain of mobilization for First Nations groups and broader coastal communities.

Historicizing the Fix in the Forest: Land Grabbing in BC

Private timber holdings in BC are managed under Private Managed Forestlands Act (2003). The provincial legislation encourages private owners to register their land with the Managed Forest Council (MFC) (created by the aforementioned Act). As I will discuss in more detail in a subsequent section, by registering their forestlands with the MFC, an owner/company agrees to manage their forestry operations according to the guidelines set out by the legislation specific to private rather than Crown land. This is a voluntary program. Registering the land with the MFC and committing to a management plan results in significant tax breaks for the landowner. The MFC maintains an inventory of all the land covered by the Private Manage Forestlands Act in the province and that's what I want to focus on here. The MFC provides a map of the forestland they oversee on BC's coast (see Figure

1). The land in red represents private timber holdings that have been registered with the MFC. The land stretches from just north of the city of Victoria all the way to Campbell River and includes land from the coast to the interior of Vancouver Island. Across the province, Island Timberlands and TimberWest own 585,678 hectares of the 824,000 that the MFC oversees and the vast majority of this land is found within the red block of land demarcated in Figure 1. How did two forestry companies owned by Brookfield Assets and two institutional investors come to own what is the largest contiguous stretch of private land in BC? Answering this question requires a historical perspective.

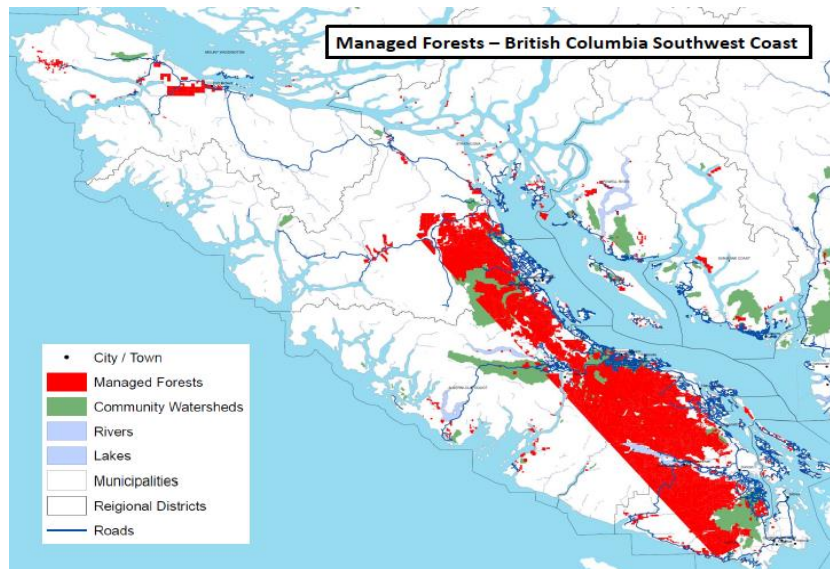


Figure 1: Land Regulated by the Private Manage Forest Council in BC

In 1884 a land grant of 800,000 hectares of land was given to the E&N Railway Company as part of an agreement that would see the company build a railway from Esquimalt to Campbell River. On top of the Dominion Government agreeing to contribute \$750,000 to the construction, the land was essentially payment for the construction of the rail line (Taylor 1975; Morales n.d). The promise of a rail line was a key provision in British Columbia's agreement to join the Canadian Confederation in 1867.

There is hereby granted to the Dominion Government, for the purpose of constructing, and to aide in the construction of a Railway between Esquimalt and Nanaimo, and in trust to be appropriated as they may deem advisable... all that piece or parcel of land situate in Vancouver Island, describes as follows:-

Bordered on the South by a straight line down from the head of Sannich Inlet to Muir Creek on the Straights of Fuca;

On the West by a straight line drawn from Muir Creeck aforesaid to Crown Mountain;

On the North by a straight line drawn from Crown Mountain to Seymour Narrows; and

On, the East by the Coast of Vancouver Island to the point of commencement; and including all coal, coal oil, ores, stones, clay, marble, mines, minerals and substances whatsoever thereupon, therein, and therefore (Taylor 1975: 5-6).

Although this is admittedly a long quote it's useful to read because, on the one hand, it is the precise language of a 19th century colonial land grab in BC, and on the other, because of the casualness with which it erases numerous Indigenous nations from the landscape. It is also important to consider as the area described in 1884 and smaller subsequent grants almost perfectly corresponds to the private forestlands registered with the MFC (see Figure 2 below). The correspondence is such that it's not speculative to suggest that financial investments in BC's private timberlands would not have been possible without the alienation of this massive track of forestland well over 100 years ago. The Hul'quimi'num Treaty Group describes the dispossession as "The Great Land Grab" (Morales n.d.), which set in motion a series of land transfers leading to the acquisition of this land by Brookfield Assets, bclMC and Public Sector Pension Investment Board. Robert Morales (n.d) the lead lawyer for the Hul'quimi'num Treat Group wrote "For us, the railway deal marked the beginning of gradual and unremitting decline in our economic, cultural, and social well-being," and arguably the financialization of forestlands has continued this trend, a point I'll return to later

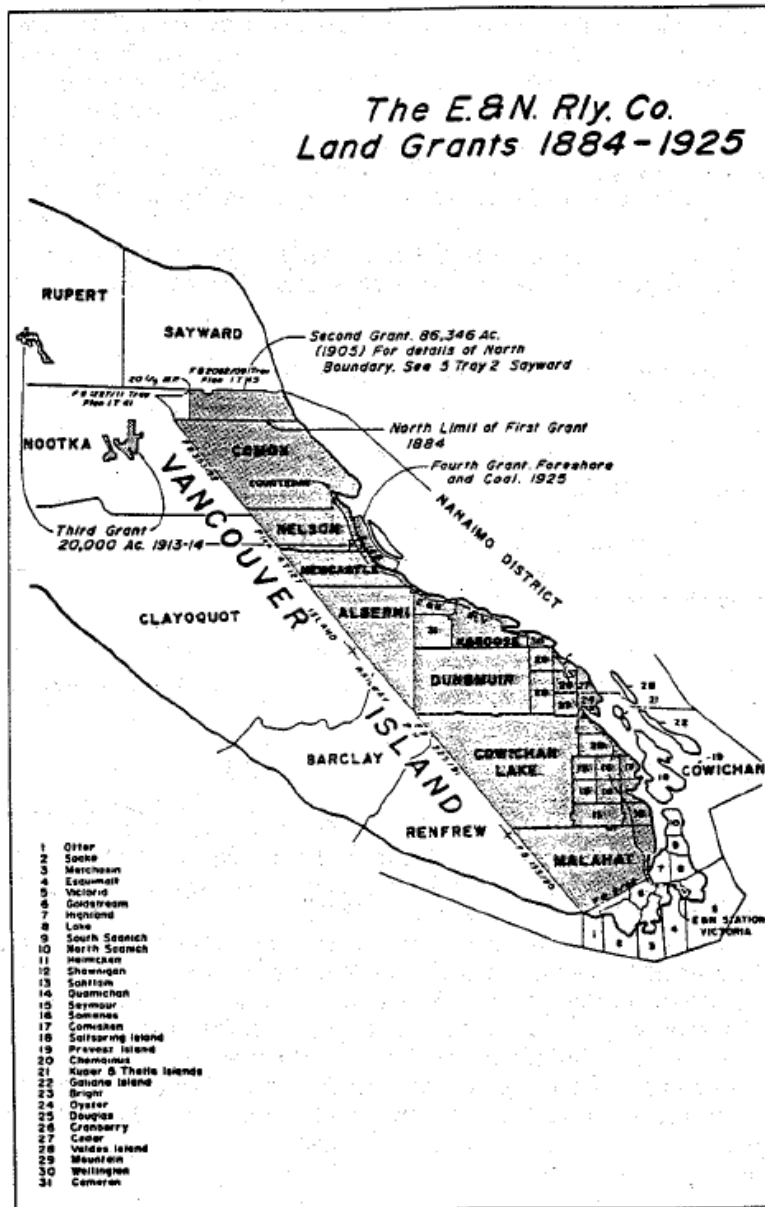


Figure 2: The E&N Railway Company Land Grants 1884-1855 (Taylor)

The initial land grant in 1884 was the largest and was followed by three smaller grants that were given to the E&N Railway Company in response to settler's claims to land within the initial grant, even as Indigenous claims were ignored. In 1908 Canadian Pacific Railway (CPR) purchased the E&N Railway from founder and owner James Dunsmuir, a coal baron in the province and former premier of BC. With the rail line also came the land associated with the grants, which for the most part was still entirely owned by Dunsmuir at the time of the sale. CPR continued to hold the land until the 1940s when they began to sell it to larger forestry companies in the province including Crown Zellerbach, B.C. Forest, Rayonier and MacMillan Bloedel, the largest operator in the province (Chodos 1973). By 1964, all of the so-called E&N land was sold off to the provinces forestry companies with Crown Zellerbach and MacMillan Bloedel owning the majority of the holdings. Many of these were large scale acquisitions between corporations and details of these deals are found in archives in British Columbia. However, in the case of MacMillan Bloedel (MB), and presumably other companies, individual buyers acting at arm's length from MB,

purchased smaller pieces of property across Vancouver Island and the smaller Gulf Islands. One long time observer of the coastal forestry industry explained the process to me in an interview as follows: “They weren’t telling people who they were buying for, they just went around, sent them around and he acquired them and then MB ended up with them.” MB purchased the contested forestland on Cortes Island through such a manner, with Island Timberlands coming to own the land through a series of acquisitions I detail below.

Through a series of large- and small-scale acquisitions, the land associated with the E&N land grants (grabs!) and smaller parcels of land came to be owned and managed by some of the provinces largest forestry companies. These were vertically integrated corporations that operated on public land but also the private coastal holdings purchased from CPR. These companies managed the forestlands in concert with both their saw and pulp-mills, meaning that commitments to regional employment were in place, often at the expense of the ecological fabric of framework (see Rajala 1998; Prudham 2007).

Financializing Forests: Asset Management Companies and Institutional Investors

In 1999 Weyerhaeuser, a US forestry giant, purchased MB for \$2.45 billion and with that acquisition came all of the private forestland owned by MD including the E&N lands. Five years later, in 2004, Brascan (which was renamed Brookfield Assets Management (BAM)) was in negotiations to purchase all of Weyerhaeuser’s coastal holdings, including private land, rights to timber on Crown land and all assets. The deal was worth \$1.4 billion dollars. After the purchase, BAM created two subsidiaries, Island Timberlands, which managed and operated on all the privately held land, and Cascadia Forest Products Ltd., which managed the operations on Crown land. Cascadia was then sold off to Western Forest Products. In 2005 BC Investment Management Corporation (bcIMC) purchased a 28.3% stake in Island Timberlands (bcIMC 2008; bcIMC 2015)

TimberWest’s (founded in 1987), ownership of private of forestlands was accomplished through a series of corporate acquisitions much like Brookfield’s. In 1987 Fletcher Challenge, Canada, a New Zealand company purchased BC Forest Products and in 1988 purchased Crown Forest Industries (formerly Crown Zellerbach). Both BC Forest Products and Crown Forest Industries owned large chunks of the E&N land sold off by Canadian Pacific Railway in the 1940s to 1960s. In 2001 bcIMC and the Public Sector Pension Investment Board, which is the pooled pension for the public sector in Canada including the public service, the Canadian Armed Forces, the Royal Canadian Mountain Police and the Reserve Force. In this case, two of Canada’s leading pension plans own massive amounts of private land in BC. Although this history of acquisitions by corporations, asset management companies and institutional investors is a bit tedious it demonstrates the pathways through which private forestlands in BC were transferred from vertically integrated

forestry companies to financial firms and organizations that were investing in BC timberlands for the first time.

The movement of financial actors into the BC forest sector reflected broader trends at play in global land grabs. Brookfield describes timberlands as a non-depreciating asset class by virtue of the growth of timber that is seen as a hedge against inflation (Carter 2006). In the backdrop to the financial crisis of 2007/8, finance has increasingly focused on ‘hard’ assets, with timber perfectly fitting this theme. Timber is also seen as a renewable investment that literally grows in economic and physical terms by virtue of being a living commodity in contrast to say oil and gas and thus is commonly framed as a green and sustainable, hence acting materially and ideologically as an ecological fix for capital. Familiar discourses of potential land scarcity and population growth also shapes an expectation of capital appreciation as timber supplies dwindle (see bcIMC 2003). Brookfield was quite open about pulp and paper facilitates being too capital intensive and they hold a similar view of saw mills. For this reason, Brookfield quickly separated their private and Crown land holdings into two companies, Island Timberlands and Cascadia Forest Products Ltd, which as noted above was quickly sold. In short, this was about the land and the high-value timber. The backdrop to this is that Brookfield felt that the value of integrated forestry companies in BC had already declined by 65% at the time of their investment in the sector and they also pointed to a more business friendly government in BC, specifically the Liberal party, which as I discuss in the next section introduced significantly leaner and more flexible regulations governing private timber lands.

The movement of pension plans into the sector reflects similar dynamics. Given the importance on long-term investments for pensions, timberlands are ideally suited given that growing trees can take upwards of 100 years. Moreover, there is a sense amongst the pension plans that timberlands can be held when prices are low and cut when they are high. In the case of bcIMC, timberlands and their investments in Island Timberlands and TimberWest were rolled into their ‘Renewable Resources Investment Funds’. In their words “investments in the Funds are global in scope and typically include physical assets that are used in the production of food for human consumption and wood based products.” (bcIMC 2015). Here a similar emphasis on the physicality of the resources emerges echoed by the Public Sector Pension Investment Board (PSP Investments 2012: 12) in their explanation of their decision to move into timber and agricultural lands:

Following a thorough review of the Policy Portfolio that began during fiscal year 2010, changes were made in April 2011, including a reduced allocation to World Equity and an increased allocation to Real Return assets and private asset classes. Those changes were followed by the addition of a new asset class during the fiscal year: Renewable Resources. This asset class... includes timber and farmland.

While the emphasis in the literature is often on agricultural investment in the case Public Sector Pension Investment Board, under the umbrella descriptor of “Natural Resources” 82.8% of their holdings are in Timberland while 17.2% are in agriculture

(PSP Investments 2015). For the Public Sector Pension Investment Board, timberlands, and their ‘renewable resources’, in 2013 generated \$54 million in investment income equaling a rate of return of 16.7% and they noted that “portfolio returns were driven by distributions and valuation gains attributable to the investment in TimberWest” Public Sector Pension Investment Board

The sizable returns generated by the timber investments describes above stem from two sources. First, by all accounts outside of Island Timberlands and TimberWest, the transfer of the landholdings to the financial companies ushered in an aggressive harvesting regime. Ben Parfit (2008) of the Canadian Centre for Policy Alternatives reported that from 2003 to the 2007 TimberWest harvested an average of 2.58 million cubic metres a year and Island Timberlands’s average 2.1 million cubic metres over the same time span. More work is needed to examine how the harvesting volume has changed since then but these figures provide a sense of the immensity of wood taken off the land. As I discuss in more detail below, the deregulation of private timber holdings removed limits to how much wood could be harvested from private lands, which is in stark contrast to the government mandated limits on the ‘annual allowable cut’ on Crown land. Second, many of the coastal holdings of Island Timberlands and TimberWest have been earmarked for ‘higher and better uses’, meaning real estate developments. In the case of TimberWest, they established a subsidiary named Couverdon, which is a real estate company that is developing what was historical E&N lands and other private parcels of land in coastal areas and around already built-up locations such as Nanaimo and Campbell River. Given skyrocketing real estate and land prices in British Columbia it’s likely that a significant (but unknown) amount of the income generated stems from these developments. Returning to the case of Cortes Island, Island Timberlands, not only eyed the old-growth forests on one of the contested parcels of land but also viewed it as a potential coastal condominium development.

Facilitating the Fix: Regulatory Changes and the Private Managed Forest Act

Thus far I have alluded to some of the regulatory changes that have facilitated the movement of financial actors into BC forestlands and ushered in the aggressive cutting of timber. In this section, I provide more details on these changes. Since the 1940s, Tree Farm Licenses (TFLs) have been the principal regulatory framework through which BC has managed forestry practices on Crown and private land. TFLs were long-term agreements between forestry companies and the provincial government in which forestry companies were granted 25-year licenses to harvest timber on public land and private land was bundled into the TFLs to ensure consistent management practices across different tenure systems (see Office of the Auditor General of British Columbia 2008). In return for access to the land, forestry companies developed and committed to a detailed management plan that included reforestation of cleared lands, paid stumpage fees (essentially a royalty) for timber harvested and also agreed to manage their harvesting in accordance to the annual allowable cut determining by the Ministry of Forests. The TFLs also historical

required forestry companies to maintain saw and pulp and paper mills to ensure regional employment, and as part of this, limits on log exports were imposed. These latter features of the TFLs have been weakened over time.

In 2003, the BC provincial government introduced the Private Managed Forest Land Act. The legislation resulted in the creation of the Private Managed Forest Land Council, now called the Managed Forest Council. The legislation allows landowners to submit a proposed management commitment to the Council, which adheres to a number of regulatory requirements that I briefly detail below. Once the management commitment is approved the landowner receives substantial tax breaks that are intended to incentivize 'sound' management practices. However, the legislation allows companies working on private lands to work within a much leaner and more flexible framework than what covers Crown land. The key differences are: (1) that on private land, operators are not required to submit a forest stewardship plan for approval, they simply must put forward a much more streamlined 'commitment'; (2) forest management on private land is focused narrowly on environmental and land-use issues regarding soil conservation, water quality, fish habitat, critical wildlife habitat and reforestation, all of which are vaguely defined in comparison to the standards on Crown land, which are much more expansive and address both environmental concerns and broader non-resource objectives such as employment; (3) there are no limits to the volume of timber that can be harvested annually by companies or owners operating on private land whereas operators working within TFLs are constrained by the annual allowable cut determined by the Ministry of Forests; and (4) participation in the program managed by the Managed Forestland Council is entirely voluntary whereas adherence to the Forest and Range Practices Act, which regulates operations on public land is legally required.

Private landowners lobbied for this legislation in the late 1990s and early 2000s, but it must be remembered there are only two principal players, Island Timberlands and TimberWest. The Private Forest Landowners Association, which represents private timberland interests across the province was key in this effort. The legislation went a long way towards deregulating forestry practices on private land and decreasing the cost of operating. A representative of the Managed Forest Council described legislation covering public land as an "an absolute albatross around the neck of operators on Crownland." In contrast, they described the Private Managed Forest Land Act through very different language:

Our legislation is very much so professional reliance driven... We don't seek approvals for many things by owners other than the fact that when they join the program, they are required to meet some certain criteria under the Assessment Act [which grants the tax breaks]... They also are required to have a management commitment approved by us that talks about you know, their objectives and how they're going to manage their land. So there is a lot of freedom provided to owners under our legislation.

Similarly, a staff member at the Private Forest Landowners Association commented on the difference in the bureaucratic costs between the Ministry of Forests and the and Managed Forest Council suggesting that: “Last time I checked, the Ministry of Forests spends 16 plus dollars per cubic metre in terms of the cost of running the Ministry divided by the annual harvest. The Council spends like 13 cents per cubic metre.” The MFC is funded through small fees charged to the landowners and operates at a considerable distance from the Ministry of Forests, so much so that a staff member at the MFC said there was no oversight of the Council by the Ministry.

This Private Managed Forest Land Act was deeply important to the owners of private forestlands as it essentially provided them with ‘freedom to operate’. In the words of someone from the Private Forest Landowners Association: “For us, freedom to manage is a key value driver around operators on our land. So maintaining as much freedom to manage as possible is our goal.” However, it was the new legislation governing private land that facilitated what I have described as the fix in the forest. Historically private and public land were bundled into TFLs but the 1996 Forest Act included a provision that gave the Minister of Forests authority to allow companies to remove private land from the TFLs.

In 2003 Weyerhaeuser formally requested that 70,000 hectares of private land be withdrawn from TFL 44. All 70,000 hectares were formerly part of the E& N grant, which highlights the path-dependency of the financial ownership of forestlands in BC. In 2004, the Minister of Forests formally agreed to the removal of the land from the TFL (Hupacasath First Nation v. British Columbia, 2005). Weyerhaeuser managed to remove a further 18,000 hectares from TFL 39 and TimberWest in 1998, before the new legislation pertaining to private land was passed removed 60,000 hectares from two TFLs. The Auditor General of BC estimated that the lands removed from the TFLs increased in value by \$9.5 million in the case of TimberWest and between \$15.4 million and \$31.8 million in the case of Weyerhaeuser (Office of the Auditor General of British Columbia 2008). The regulatory changes essentially provided windfall profits for these companies. In an internal report cited in a legal decision, Weyerhaeuser stated very clearly that “the value of removing private lands from the TFLs is attributed to those three areas: 1) regulatory cost reduction; 2) harvest rate benefit; and 3) log export benefit” (Hupacasath First Nation v. British Columbia, 2005)

As I discuss in the final section below, the decision to remove private landholdings from the TFLs, and the government’s support of this move, was a contested process. Progressive organizations like the Canadian Centre for Policy Alternatives suggested the removal of lands was an affront to public policy. The Hupacasath First Nation launched legal challenges against the Weyerhaeuser’s removal of the land claiming that both the company and the government failed in their constitutional duty to consult with them as Indigenous people regarding the changes. The legal decision provides remarkable insight into the intentions and logics of the Weyerhaeuser and Brascan/Brookfield regarding the private lands. The Judge, C.L. Smith, in the

decision captures the important of the removed land for asset management company writing:

“Brascan has produced evidence, which was uncontradicted, that the removal of the privately owned lands from TFL 44 was a critical consideration in its decision to proceed with the transaction. Its business plan was based on the premise that it would be able to conduct two different logging operations, through two different entities, under different management regimes for the Crown land than for the private land. Unlike lands in the TFL system, private timberlands can be "harvested to market", thus allowing private owners to harvest the species commanding the best prices in the market. A further benefit for private owners is that they are not subject to TFL restrictions on the export of logs that are surplus to the demands of domestic mills” (Hupacasath First Nation v. British Columbia, 2005).

The financial investments in BC forestlands, as seen in these remarks, were contingent on the regulatory changes that allowed for profits to be generated through a market and export driven management scheme that attracted the interest of Brascan/Brookfield and subsequently major institutional investors. In this respect, the fix in the form of new capital flows into BC’s forestlands was made possible by series of legislative changes that reflected a very market-friendly provincial government.

Contesting the Fix

Jim Glassman (2007) notes that crisis and fixes are never simply the unfolding of the structural imperatives of a capitalist economy, rather forms of economic turbulence and various responses (such as investing in forestlands) are subject to social and political struggle. In the previous sections I have highlighted the contingency of the land grabs and the ecological fix in BC but in what follows I discuss some of the points of struggle.

In 2012, as noted in the introduction, small but impactful protests and blockades emerged on Cortes Island in response to Island Timberlands’ plan to harvest sections of their private holdings on the island. The protests thus far have been successful and Island Timberlands to date has been unsuccessful in harvesting the timber. Opposition grew out of a number of concerns. First, many of the community members were concerned that Island Timberlands would clear-cut their holdings and the community would be left with the legacy of a deforested landscape that would potentially affect the water quality on the island while also undermining the cultural, ecological and economic significance of the forests for residents (settlers), the Klahoose First Nation and for the tourism industry. Second, protestors also connected the dots between Island Timberland, Brookfield and the major pension plans. From the perspective of those on Cortes, significant money would leave the island in the form of the trees ending up in the hands of financial investors yet there was no commitment to local employment on Cortes or more

regionally as in all likelihood the timber would be exported to global markets. Third, part of the issue was that underlying the private ownership of the land was a long history of customary access and attachment to the landscape and to some degree a cultural aversion to the exclusivity of private property. One resident commented on this dynamic in an interview:

The interesting thing about Hank's beach was it was one of these private managed forests bases but it was held emotionally very strongly by the southern Cortes community. Even when conservation buyers came in [after opposition to the forestry company], there was objection to what they were going to do and it was like no, we want that land, we want access to Hank's Beach, we want it this way.

Residents customarily accessed many of the forestlands on a regular basis despite signs by Island Timberland stressing the private nature of the land and warnings against trespassing. On top of this, this land was never formally or legally ceded to the state, which I discuss below.

Despite the success of the Cortes mobilization it's not necessarily a model of opposition that is transferrable. Over the last 20 years Cortes has seen an influx of money in the form of philanthropists, retirees and other wealthy residents. With the money has come political leverage, media connections and importantly the time necessary for mobilizing against Island Timberlands. However, Cortes has historically been a hub of activism and organizing dating back to the New Left and the counter cultural movements of the 1960s and 1970s. The autonomy of islanders has been central to the political cultural of Cortes and the ownership and management of forestlands by financial interests directly challenged, and still does, the sense of responsibility and connection that people have with land, including privately held land. However, success on Cortes might simply mean that Island Timberlands will bunny hop to another piece of land in another area as highlighted by someone engaged in the mobilization: "I think it's amazing that we've held them off and I don't take any confidence from it and I truly regret the fact that insofar as they're not logging here, they're logging somewhere else where a community is less well-resourced to oppose it."

Central to the layers of attachment to so-called private managed forestlands are the claims of various coastal First Nations to the much of the land held by Island Timberlands and TimberWest. All of the coastal land in BC, which includes Vancouver Island and Cortes Island is unceded, meaning no treaties were signed between Indigenous communities and settler state of Canada. The Hupacasath First Nation on Vancouver Island claim aboriginal rights and title to 223,000 hectares of land that includes the private land that Weyerhaeuser removed from TFL, again, which was E&N land. Once informed by the Ministry of Forests that Weyerhaeuser was permitted to remove the land from the TFL, the Hupacasath filed a legal challenge against both the company and the Ministry of Forests claiming that both failed in their constitutional "duty to consult" them regarding the changes to the management of the land.

The Hupacasath sought the overturning of the decision so that proper consultations and compliance to relevant legislation could be achieved. The 'Crown' has a duty to consult with Indigenous people regarding government decisions that "might adversely impact potential or established Aboriginal or Treaty rights" (Government of Canada 2011). The Hupacasath argued in the legal proceedings that the removal of the private land from the TFL would have adversely impacted them given the relaxed regulatory environment in which the removed lands would be managed. Although, Weyerhaeuser had a record of consulting with the Indigenous community regarding the management of TFL there were no consultations regarding the private land, precisely because it was private. The Hupacasath lost the legal challenge and a subsequent appeal on the grounds as a "duty to consult" was not required on private land (Hupacasath First Nation v. British Columbia, 2005; Ke-Kin-Is-Uqs v. British Columbia, 2008). The judge in the case referenced an earlier case writing: "The Court held that although there is a duty on the Crown to consult with and accommodate the interests of aboriginal peoples, there is no obligation on third parties (such as Weyerhaeuser) to consult and accommodate" (Hupacasath First Nation v. British Columbia, 2005: 15). However, in a contradictory decision the judge acknowledged that low-level consultation was called for given that treaty negotiations between the government and Hupacasath regarding the unceded lands were ongoing at the time and dated back 10 years before the removal of the private land from the TFL. This low-level requirement of consultation meant that the "Court declined to quash or suspend removal decision but did order various heads of declaratory relief" (Hupacasath First Nation v. British Columbia, 2005). In short, the Hupacasath were recognized but no meaningful action regarding their claim to the land was taken, which as Glen Coulthard (2014) suggests is a key colonial strategy for containing the claims of Indigenous communities in Canada.

The Hupacasath's legal challenge reflects broader legal and social mobilizations around E&N lands on Vancouver Island (see Egan 2012). The Hul'quimi'num treaty group, comprised of six coastal First Nations communities, has been engaged in a long BC treaty process in an attempt to claim their traditional territories. The sticking point has been that 85 percent of Hul'quimi'num land is privately owned and TimberWest and Island Timberlands 'own' 60 percent of the territory. As Egan (2012) discusses the sticking point in the negotiations has been the Crown's unwillingness to include the privately held land within the treaty process. Ironies abound here. First, the E&N land grants, which were egregious in the first instance, continue to foreclose access to land for Hul'quimi'num people. Second, although Island Timberlands and TimberWest ostensibly 'own' this land, given the investment of major Canadian public sector pension plans we might question how 'private' this land actually is. The Canadian courts have continually awarded more rights to First Nations communities regarding the Aboriginal title and rights to land and the goal posts have shifted over the last decade to it is entirely possible that more legal challenges are to come. The mobilization of First Nations communities through legal avenues might represent the sternest challenge to the financialized ownership of BC's forestlands.

Conclusion

This paper tracked how asset-management firms and some of the largest pension plans in Canada have come to own and manage massive amounts of forestland on Vancouver Island and many smaller Gulf Islands in British Columbia, Canada. The emergence of these new financial actors has transformed rural geographies as they have sought to accelerate the pace of extraction while also distancing themselves from commitments to local employment and forestry/environmental regulations. I suggested that the financialization of forestlands in BC represents a socio-ecological fix in response to the 2007-2008 crises. In exploring this question I tracked the regulatory changes that facilitated the 'fix' and the contestation of new forms of investment and extraction. Building on this framing, I took a long-view starting with the original dispossession of the land through a rail grant in the early 20th century. This historical moment of dispossession created the largest contiguous parcel of private property in BC, which came to be the object of investment by financial actors in the 2000s. If such investments are to be understood as a fix, the paper examines how financial and state actors pushed through legislative changes that essentially deregulated forestry operations taking place on private land. Finally I examined how the financialization of forestlands provoked opposition from indigenous and broader coastal communities concerned with the social, environmental and colonial fall-out of deregulated extraction. Obviously there is much more work to be done explicating both the theoretical and empirical arguments presented here but my rough argument presented here demonstrates the interplay of finance and land grabbing in the Canadian context.

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