# Government policy impact on the evolution of forest-dependent communities in Canada since 1880

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*An analysis of how government forestry policy orientation has influenced the planning and development of forestry towns and affected people's well-being in Canada since 1880.*

The forests of Canada have traditionally been one of the mainstays to' the local economy. Whether in terms of the aboriginal people, the European colonizers or the modem industrialists, Canadian forests have been and, in many ways continue to be the catalysts of growth and development. The forests, however, provide more than just an economic basis for Canadian society. Indeed, the forests, and particularly the community structures that have evolved around them, offer a context through which Canadian society can be defined (Innis, 1950). Government policy, particularly in regard to forestry, has had a discernable impact on the development, structure and sustainability of forestry towns and on the people who live in them.

## Plan of the townsite of Keewatin, Ontario

Long before the arrival of Europeans in North America, Canada's "first peoples" were active forest users and had developed a forest-dependent economy. The forests provided wood and non-wood products for food, construction materials, fuel, clothing and tools. For the European settlers, as for the native populations, the forests provided the materials necessary for subsistence. The European way of life, however, was focused on agricultural production. As a result, the forests were often viewed as an obstacle to development and were vigorously removed.

Although there was some demand for furs and timber for shipbuilding, the forestry policy of' the French Crown, which enjoyed the privileges of colonization until the Seven Years War of 1756-63, did little to encourage or promote forestry-based development in the Quebec area. With the British takeover in 1763 there was a newfound interest in the timber wealth of' British North America but even then timber exports would not increase consistently until after 1816. Elsewhere, in what would become Canada, forestry slowly became a dominant economic activity. Driven by

different economic and social forces, forestry experienced first slow and then rapid development in Nova Scotia, Ontario, British Columbia and, finally, in the prairie regions. By the middle to late nineteenth century, forest-dependent communities (communities which depend on the forestry sector for their continued vitality) were located across the entire country.

This article examines the factors which influenced the planning and economic development of forest-dependent communities from the middle of the nineteenth century to the present day. In particular, the discussion focuses on the evolving role of government and government policy as related to forestry and forest-dependent communities. Although government activity has indeed evolved from the original mandate of facilitating resource development to the encouragement of sustainable forest use, for the most part the government has used forestry and forest development as a means of encouraging growth and expansion. This has often been undertaken to the detriment of both forest dwellers and the forest itself.

**Plan of the townsite of Kapuskcasing, Ontario**

# The pre-industrial era before 1880

During this period, the government articulated what Gillis and Roach (1936) have termed the "exploitive ethic" in the harvesting of timber resources. Policy, when defined, provided for the ease of access to Canadian forest resources. In this regard, for example, government policy was more concerned with making timber tracts available to the so-called "lumber barons" or with the maintenance of unobstructed water access to the timber stands than with ensuring rational forest use or forest worker safety or living conditions (Nelles, 1974).

In part because of government policy, the pre-industrial era of forestry town development was dominated by the company initiative. The small localized towns established during this period (for example, Hawkesbury, located on the Ottawa River) were little more than pragmatic responses to community needs, as defined by company policy (Lower, 1973). There was virtually no separation between industry and residential areas, almost no consideration of topographical contours and, above all else, a propensity to expand community facilities in an ad hoc fashion.

The main industrial operation was often located on the most attractive plot of land in the townsite. It generally dominated the town both in a physical and psychological sense. The non-industrial component of the townsite, whether residential, commercial or service, was usually located in close proximity to the industrial plant. This allowed for ease of access and the economical use of town-site property but also often created community based problems such as industrial wastes, air pollutants associated with the industrial process and the noise of forestry production. Living conditions were generally dismal, with few or no social services. The very existence of these towns was linked to the boom and bust economy of the market and its fundamental consideration of the forest as a resource to be "mined".

**Aerial photo showing the townsite of Kapuskasing**

# The early twentieth century 1910-1920

The reform movement of the early twentieth century (which affected all sectors of Canadian life) emphasized themes such as efficiency conservation management, orderly development and the proper utilization of resources. The helter-skelter results

of the pre-industrial forest policy on town planning eventually forced the Government of Canada to enact regulatory measures in an effort to ensure satisfactory living conditions in the forestry towns. The first efforts were applied in an attempt to control a crisis situation, particularly in regard to fire control and public health (especially epidemics of typhoid, tuberculosis and influenza).

The main factor affecting the evolution of forestry towns was the development of the federal Commission of Conservation. Through the course of its tenure from 1909 to 1921, the commission focused on issues of conservation management with a special emphasis on housing and public health concerns, with a broad mandate to "take into consideration all questions which may be brought to its notice relating to the conservation and better utilization of the natural resources of Canada" (Canada Statutes, undated).

The new policy orientation coincided with the development of the notion of scientific forestry. B.E. Fernow, who was appointed the first Dean of Forestry at the University of Toronto in 1907, described scientific forestry as a "radical change in the attitude of our people and government from that of exploiters to that of managers" (Fernow, 1910), combining forest conservation with the scientific use of forest resources. Unfortunately, however, as argued by Swift (1983), conservation management of forest resources still regularly deferred to the demands of the "exploiters". In tact, in many cases, forest policy actually was defined by the timber barons (the Philmon Wrights, J.R. Booths, etc.).

The responsibility for overseeing community affairs still remained largely with the forestry company. The community of Keewatin, located adjacent to the town of Kenora in northwestern Ontario, offers evidence of the continuing involvement of the forestry company in community affairs and, further, the development of the community provides a good example of the evolution of a forest-dependent community. Keewatin's forestry dependency can be traced to the early 1880s and the activity of the Keewatin Lumber and Manufacturing Company and its predecessor, the Mather family lumber company.

The first timber produced by the Mather consortium was cut in the summer of 1880 and plans were thereafter made for the permanent configuration of both the community and the mill site. According to local historical sources, the first two houses in the community were built by the Mather family on the peninsula opposite the developing mill site during the 1880 season. The original area developed by the Mather family eventually formed the central core of the community. Erecting only sufficient housing to meet their immediate needs, the 1880- 1886 period of community growth provided for little in the way of community facilities.

The site was eventually incorporated into a townsite plan by the Lake of the Woods Milling Company which purchased the timber lease in 1887. The company constructed mill facilities and also subdivided a townsite on a section of the original land grant. Selecting the peninsular area developed by the Mather family in 1880 for townsite purposes, the company plotted a gridiron design which centred around open parkland.

The activity of the company in designing the townsite of Keewatin is one of the early examples of company-initiated town planning in the forestry sector. The incorporation of the gridiron pattern, for example, which provided for orderly development, the separation of industrial and residential areas and, as a result, a functional form of land use and the attempt to provide for parkland space suggest that the community was

created to meet both the industrial needs of the milling company and the social needs of the resident group, and evidence a long-term planning horizon.

In another example of town evolution, the Spruce Falls Pulp and Paper Company, a subsidiary of the Kimberly Clark Corporation, acquired the Kapuskasing Pulp limit in northern Ontario in July 1920. When, after some preliminary investigation, the company committed itself to developing the property, it entered into an agreement with the provincial government to facilitate pulp production. While the company was responsible for the provision of electric power or building materials, the government agreed "to have such part of the said lands which are to comprise the said townsite surveyed and laid out as soon as possible as a model town" (Ontario Statutes, undated). Designed by officials from a variety of government agencies or departments, Kapuskasing was intended to be a showcase community. The conceptual plan, which included compact neighbourhood units, wide winding streets and an abundance of' green space, was undertaken in an effort to "create a new industrial town on town planning lines with social development under the control of the bureau of municipal affairs" Hall, 1922).

The actual construction of community facilities proceeded at a much slower rate than provincial government officials had anticipated. Work was impeded, on the One hand, by fire which struck the *vicini*ty in both 1923 and 1924 and, on the other, by the resistance of the Spruce Falls Company (Drury, 1966). In the post- 1926 period, an alternative residential area evolved along the eastern boundary of Kapuskasing. Known locally as Brunetville, the fringe community, as is often the case in a company town situation, offered local residents a way of avoiding company authority. The circumstances of the community in Brunetville, however, were "chaotic" at best with houses "erected haphazardly" and the streets little more than dirt lanes "bordered with littered yards" (Saarinen, 1981).

Eventually, in response to the less than favourable conditions encountered within the community, provincial government authorities were forced to re-enter the picture and to introduce the Brunetville Rehabilitation Programme (Department of Municipal Affairs, 1972). The remedial programme, which included the relocation of residents, the demolition of buildings, the construction of new structures and the servicing of the townsite, was not completed until 1970.

## From the 1920s to 1945

In the 1920s, the initial enthusiasm for conservation management (never really implemented) declined dramatically and a more traditional, expansionary policy initiative was reinstated. Intended to encourage large-scale investment with minimal government intervention, the expansionary thrust of forest policy was perhaps most notable in the pulp and paper industry.

For example, the community of Pine Falls, located north of Winnipeg, traces its origins to 1926 and the activity of the Manitoba Paper Company. The town, with its housing geared to the level of company wages and varied social services, clearly reflected the desire of the paper company to guarantee the availability of a much needed labour force.

With the onset of the Depression in i 929, the government was forced to resume a more active role. By about 1934, the government had redefined forest policy in an effort to stimulate economic recovery. Through the reduction of timber dues or pulpwood tariffs, the government again sought to promote forestry expansion. As

maintained by Lambert and Pross (1967), natural resources were viewed as the means to recovery and were heavily exploited (and not conserved) in an effort to encourage capital investment and further economic growth.

The interventionalism of the 1930s, which saw the government assume a central role in the local economy, came to form the basis of a newly defined, or redefined, government forestry policy in the 1940s. By the early 1940s, the government had adopted a comprehensive approach to the management of Canada's forest resources. This, more than anything else, was intended to provide for a well-integrated, and reasonably efficient, forest economy. The proper utilization of the forests once again echoed through the government decision-making process.

## Post-second world war developments

Of particular importance to the new era of government intervention was the concept of sustained yield forest management. As is concluded in the Alberta report (Environment Conservation Authority, 1977), sustained yield management provided for permanent manufacturing facilities based on the responsible management of forest resources. It was seen by government authorities across Canada as the means of sustaining forest production while ensuring forest conservation.

Focusing specifically on the untapped resources of the northern hinterland, the upper echelons of the federal government attempted to ensure the profitable utilization of the country's forest resources. By investing heavily in transportation, hydro-electric power development and eventually community infrastructure, not only did the government encourage growth but in many areas it actually provided the means for expansion.

[Aerial photo showing the industrial plant At Pine Falls, Manitoba](#)

Most provincial governments in Canada adopted the legislation necessary to provide for the comprehensive, forest-dependent town in the immediate postwar era. While in Ontario it was through amendments to the Municipal Act which allowed for the creation of Improvement Districts, in Manitoba it was through the Local Government District Act, in Alberta through the New Towns Act and in British Columbia through the Instant Towns legislation, that government authorities attempted to plan for the forest town.

More than 40 new resource towns were created during this period and a large number of other communities were revitalized as a result of the new-found interest in sustained resource development. Many of these towns were forest-dependent communities. With the growing acceptance of state intervention, most provincial governments and, indeed, even the federal government, combined with the forestry industries to provide for the expansion of permanent, stable forest-dependent communities.

The community of Terrace Bay, Ontario, located approximately 225 km east of Thunder Bay, was one of the first comprehensively planned forest-dependent communities in Canada. The town was created in 1946-47 to accommodate the employees of the Long Lac Pulp and Paper Company sulphite pulp mill. Construction of the townsite began in 1946 and, when the mill opened in November 1948, several of the neighbourhood units were completed and others were nearing completion. Eventually the town reached a population of 1 453 in 1951 (Canada Census, 1971).

Gold River, which is located on Vancouver Island approximately 100 km west of

Campbell River, is a more contemporary example of the same phenomenon. Established during the Canadian pulp mill expansion of the 1960s, the community of Gold River was developed to meet the needs of the Gold River Pulp Mills Ltd Company (Dietze, 1968). Constructed between 1965 and 1968, Gold River, like Terrace Bay, reveals the contour planning, curvilinear streetscape, neighbourhood unit and green belt areas so typical of the era.

The provincial government assumed a mostly supervisory role as its responsibility was primarily to ensure the creation of an open, well-integrated community. The municipality, although only newly created, was responsible for the provision of water and sewage servicing. The pulp and paper company assumed the bulk of the responsibility for townsite development as it took on the tasks of surveying and clearing the townsite area, planning and subdividing streets and townsite lots, constructing the storm sewer system, installing the street lighting and underground cables for electrical, telephone and television servicing and the preservation of parkland space.

## The move to sustainable forest development

In the 1970s and 1980s, Canadian forest policy changed its direction from sustained yield to sustainable forest development, perhaps best defined by Weeden (1989) as "an activity that is economically feasible, environmentally sound and socially acceptable". In terms of the forest sector, sustainable development has meant anything from what Dufour called "a new silvicultural system" to British Columbia's Ministry of Forestry's notion of "enhanced stewardship" (Dufour, 1991). Bourdages (1992) describes the concept as "nine strategic directions": forest stewardship; forest management; public participation; economic opportunities; forest research; the work force; aboriginal people; private forests; and the global community.

By 1991, sustainable forestry had evolved into the wide-ranging programme of holistic forest management which, as articulated in the State of Canada's Forests (Forestry Canada, 1991), focused on the "full range of economic, environmental and social values" of contemporary forestry.

Since 1991, it has become apparent that the concept of sustainable forestry in Canada is not a panacea for the forest community or for local forest-dependent populations. Indeed, as is argued elsewhere, sustainable forestry does not necessarily reflect the realities of modern forestry (Drielsma, Miller and Burch, 1990). In fact, labour adjustment programmes retraining initiatives and programmes to adjust or downsize community infrastructure appear to be more representative of the realities of modern forestry.

The evolution of Canadian forest-dependent communities has in recent years reached something of a watershed. Having evolved from the frontier camps of the pre-twentieth century to the comprehensively planned model towns of the post-Second World War era, the contemporary forestry town phenomenon is in a period of decline. Responding to changing government policies in terms of the need to conserve resources, even at the expense of production, increasing costs, uncertain global economic tendencies, the slow downswing of the postwar expansion period and ongoing labour strife, the forest-dependent community has become less and less of a viable community alternative (Robinson, 1984).

Although there is a long tradition of boom and bust associated with the forestry town phenomenon, the recent downturn has forced government, industry and even labour

to adopt a crisis management approach to the problems of the forest-dependent community. In many ways a proactive response to the problems associated with recessionary times, the crisis management approach appears to focus on the maintenance and/or downsizing of faltering community infrastructure. On occasion, however, the process of decline management has also had to consider the complete dismemberment of a forest-dependent community. Some communities, for example, Geraldton (Ontario) or Pine Falls (Manitoba), have responded reasonably well to the contemporary era; other communities, such as Ocean Falls (British Columbia), have not been so fortunate.

Ocean Falls, which was located approximately 525 km north of Vancouver and quaintly nestled into the nook of Cousins Inlet, is an example of the decline orientation of the contemporary forest town. Founded in 1906 when the Bella Coola Development company erected sawmilling facilities on the site, the town experienced a series of booms and busts until 1972, when Crown Zellerbach (the current owner of the facilities) announced the impending closure of the plant in response to rising costs, soft markets, obsolescent plant facilities and an expensive government-enforced pollution abatement programme.

At the time of the planned shut-down, the community of Ocean Falls was almost entirely dependent on the workings of Crown Zellerbach Although, according to the 1971 census, the total population of the townsite had dropped from a high of 3 000 to 1 375, approximately 76 percent of the total workforce of 545 men and women were employed by the company (Ocean Falls Corporation, 1981).

The imminent demise of the community was forestalled in late March 1973 when the provincial government made the decision to take over the remaining assets of both the mill and the townsite (McMurray, 1973). The provincial government pursued two redevelopment alternatives. The first of these was community diversification, highlighting such potential uses for the townsite as a rehabilitation centre, a retirement village or a native craft centre. The second redevelopment alternative which considered "mill upgrading and modernization" was eventually selected.

The modernization programme included the construction of a new sawmill, the installation of new pulping facilities and the allocation of sufficiently large timber berths to provide a guaranteed source of both pulp and lumber over a period of five years. But between 1973 and 1979 only slightly more than $Can 24 million were spent on the modernization programme, a significantly smaller amount than was initially intended, and it was apparent that the whole project had begun to fall into disfavour with the provincial government, partly as a result of continuing losses but also partly owing to changing political attitudes.

In March 1980, Ocean Falls Corporation announced that both "the industrial operation and community of Ocean Falls" would be shut down (Ocean Falls Corporation, 1981). Subsequently, with the assistance of the Manpower Consultative Service, a Manpower Adjustment Committee was formed and an Employment Centre opened. The objective of the Adjustment Committee was to bring "employees and prospective employers together" in an effort to find suitable employment for displaced workers (Ocean Falls Corporation, 1981). At the same time, the Employment Centre offered a wide range of services which included occupational consultation, relocation counseling and advice on benefit continuance, unemployment insurance and financial planning.

The community members slowly resigned themselves to the eventual demise of the

town and, in September 1983, the provincial government passed legislation dissolving both the Ocean Falls Corporation and the British Columbia Cellulose Company (Ministry of Economic Development, 1983).

## Conclusion

Canadian forest-dependent communities have come a long way from the shanty towns of the pre-industrial era. Along the way, town plans have been plotted, townsites cleared, streets laid out, houses constructed, town centres opened, recreational facilities expanded and industrial production commenced. Also along the way, houses have been vacated, shopping centres torn down, recreational equipment sold, services removed and production concluded. Many communities have prospered and many others have faltered. Nevertheless, the forest-dependent community clearly reflects the reality of the forestry economy. There have been boom periods in which both the forestry economy and the forestry community have thrived, conversely, there have been bust periods during which both have declined rather dramatically. Under the current policy framework of sustainable development, many of the forest-dependency issues are not yet adequately considered and will need more scrutiny if the end result of Canada's sustainable forest management policy is not to be a "bust management" operation.

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