

The Doug Little Memorial Lecture

What I saw of the revolution: Reflections of a corporate environmental manager in the 1990s BC coastal forest industry

by Linda Coady¹

Did MacMillan Bloedel really end the “war in the woods?” After years of intense battling, Greenpeace brought out the champagne for MB’s June 1998 announcement of a new direction in forestry. In January 1999, *Tomorrow Magazine*, a global environmental business publication produced in Sweden, named MB “Company of the Year.” MacMillan Bloedel Vice President Linda Coady, a key player in the company’s remarkable turnaround, says that behind the scenes, the conflict continues. And surprisingly, she says it’s appropriate and even beneficial to sustain debate over BC’s forests – although on a different plane, where competition and cooperation are seen as two sides of the same coin, and where ideological polarization is replaced by the kind of relationships that can deal with complexity.

Est-ce que MacMillan Bloedel a réellement mis fin à la « guerre des forêts » ? Après plusieurs années d’affrontement intense, Greenpeace a sorti le champagne lors du dévoilement par MB en juin 1998 d’une nouvelle direction en foresterie. En janvier 1999, *Tomorrow Magazine*, une publication d’affaire sur l’environnement mondial produit en Suède, a désigné MB « L’entreprise de l’année ». La vice-présidente de MacMillan Bloedel, Linda Coady, une figure dominante du volte-face remarquable de la compagnie, mentionne que derrière la scène, le conflit se poursuit. Et, surprise, elle indique que cela est approprié et même bénéfique pour poursuivre le débat sur les forêts de la C.-B. - quoique sur un plan différent, tandis que la compétition et la coopération sont perçues comme étant les deux cotés de la même médaille, et que la polarisation idéologique est remplacée par le genre de relation qui peut faire face à complexité.

Introduction

It is an honour to be invited to deliver the annual Doug Little Memorial Lecture. I knew Doug Little and worked with him when I was a young staffer with the Vancouver office of the Council of Forest Industries. To me, he was the thoughtful guy from Prince George who came to town for forestry directors’ meetings. He stood out from some of his more talkative coastal colleagues because he was both a good leader *and* a good listener – a correlation I have tried not to lose sight of during my career.

In later years, when I was doing a bit more work for the Northern Interior Lumber Sector of COFI – or NILS, as it was known in those days – I would come up to Prince George. I learned a lot from Doug about the North and the spectacular natural environment that provides the basis for communities and the economy up here. Most importantly, the time I spent here in Prince George with Doug and others from the northern forest sector taught me that the coast is NOT the centre of the forest universe in BC, and that those of us from the coastal arm of the industry need to be careful about making generalizations that imply otherwise.

For the last 10 years, I have worked exclusively on the coast, and I only come up here occasionally to make my friend Greg Jadrzyck feel good about the fact that he doesn’t have to deal with “charismatic trees.” But Doug’s advice came back to me when I picked up the phone last spring and there was Wini Kessler from UNBC inviting me to talk to you this evening. Naturally, I was delighted to say yes. That’s because back then I still had six months to think up something profound



The Doug Little Memorial Lecture

The Doug Little Memorial Lecture series was initiated by the Faculty of Natural Resources and Environmental Studies at the University of Northern British Columbia (UNBC) in 1996. This annual event commemorates the late J.D. Little, former Senior Vice-President of Forest Operations, Northwood Pulp and Timber Limited. Doug was a founding supporter of UNBC and a recipient in 1986 of the Distinguished Forester Award from the Association of British Columbia Professional Foresters. Doug Little believed that with appropriate forest management, the resources of the forest could be sustained for future generations. That philosophy is the central theme of this lecture series, supported by an endowment from Northwood Pulp and Timber Limited.

to say. Then came last Saturday, when I realized in a panic that I must have been slightly out of my mind because the truth is that my 15 years in the BC forest industry have not generated even one semi-profound observation or piece of wisdom.

Feeling desperate, I thought I’d try to refresh my memory by putting together a list of the top ten

things I’ve learned in my career.

- #10: No matter what they call it, the soup served in every deli across this province tastes exactly the same.
- #9: There is nothing wrong with American icons taking over Canadian icons unless you’re talking about basketball.

¹Vice President, Environmental Enterprise, Weyerhaeuser, BC Coastal Group

- #8: No two people on Vancouver Island mean the same thing when they use the words “sustainable forest management.”
- #7: Even before the Greenhouse Effect, people complained about the weather.
- #6: The only people who think BC forest policy looks good are academics who are hoping to head up a Royal Commission.
- #5: No two people in Prince George mean the same thing when they use the words “sustainable forest management.”
- #4: Don't go one-on-one with Greenpeace on TV unless you have big hair.
- #3: Be careful what you put on e-mail or say in elevators.
- #2: When meeting with a group of angry loggers do not use as an opening joke: “Hi, I'm from Head Office and I'm here to help.”
- #1: No two people in the world mean the same thing when they use the words “sustainable forest management.”

After reading this list, I realized that I was not going to have any life-changing insights to offer this evening. So I moved to Plan B and decided instead that I would simply talk about some of the things I've been involved with since I went to work for MacMillan Bloedel in 1994. That seemed like an appropriate plan, as it was also pretty much what Wini Kessler wanted me to talk about. However, one thing neither Wini nor I anticipated when we first made the arrangement for this lecture was the fact that MacMillan Bloedel would be sold and I would not be speaking this evening as a representative of MB. Instead, I am speaking tonight as an employee of the BC Coastal Group of Weyerhaeuser about some of the things that I saw or was part of when I was an employee of MB.

I also want to make it clear from the get-go that I do have certain biases. I have had a sometimes controversial but always incredibly interesting career in the BC forest industry, in the course of which I have been privileged to meet some truly remarkable people, both in and outside of British Columbia, who have greatly influenced my life and thinking. But I did not encounter those people as a neutral observer; I was – and still am – representing the interests of the company I work for. But with or without MacMillan Bloedel, there is no doubt in my mind that BC is on the cutting edge globally when it comes to new approaches to the changing relationship between natural resources, the environment and people. You can tell it's the cutting edge by all the blood on it. And, as MB's experience indicates, when it's your own blood, it tends to concentrate the mind something wonderful.

What we choose to do with our forests here in BC, and how we choose to handle the increasingly complex biological and social relationships around them, will have enormous implications – for ourselves, and for people and forests in many other parts of the world.

It is in that spirit, then, that what I want to do tonight is tell you the story of MacMillan Bloedel's struggle to adapt to change. The change we had to struggle to adapt to was, in general, a shift in social values in North America and Europe on environmental issues and, in particular, the globalization of concern about the world's remaining coastal temperate old-growth forests.

Again, I have to warn you, I was a character in this story, so you're not hearing from an objective observer. And because it's hard to see the picture when you're standing in the frame,

I am not totally clear on the significance or all the implications of this story. To me, there are many. But as a parent of a teenager, I am well aware of the trap of self-absorption. Maybe this is simply a story – one that may or may not be of interest to people who weren't part of it. That will be for you to judge.

Preview: The Truth about the Truth

So, what exactly happened at MB? Well, let's imagine there's a movie version of the whole story about to be released, and what follows is the coming attractions preview.

We open in the fall of 1993 with a wide shot of a giant inflatable chain saw – big enough to reach up to the fifth floor of the Hotel Vancouver. Traffic is blocked on West Georgia while environmental activists hang a huge anti-clearcut banner from the side of a 23-storey building across the street. Other activists chain themselves to the desks of senior executives in MacMillan Bloedel's corporate headquarters.

Then we cut to a logging road in Clayoquot Sound, with the Mounties hauling away some 800 people in the biggest display of civil disobedience in Canadian history.

Next we hear a voice-over of colourful Toronto lawyer Clayton Ruby reading his *Globe and Mail* column, in which he regularly characterizes MB as Canada's expression of the Evil Empire.

Then we go to the Hull headquarters of Environment Canada on a snowy winter's day in 1994. Into an elevator gets a 30-something woman with her daughter's ski toque clamped over her curly red hair, her arms full of maps that the snow has made damp. She is on her way up to the departmental boardroom to make a presentation to the senior bureaucrats on behalf of MacMillan Bloedel, having recently been hired as the company's government relations rep. But with the snow and the toque, she could pass for a slightly over-aged courier.

Two female bureaucrats get onto the elevator. One says to the other, “What are you up to today?” The second woman says, “I'm meeting with the barbarians from MacMillan Bloedel.” Now cut to the meeting, as the female bureaucrat desperately tries not to make eye contact with the red-haired barbarian.

On with the movie preview. The screen fades to black as we fast-forward to 1998. We close in on a shot of Greenpeace International's annual report. Amazingly, it shows MacMillan Bloedel's promise to end clearcutting as one of Greenpeace's top achievements of the year.

Next we cut to the cover of *Tomorrow Magazine*, a European business journal that covers the environment. It names MB the 1999 “Company of the Year.”

Then we cut to an annual meeting of Home Depot vendors in 1999 and MB receiving an award for “Environmental Partner of the Year.”

Then, finally, a close-up of forestry professor Jerry Franklin – the father of ecosystem-based “New Forestry” in the Pacific Northwest – as he returns from touring some of MB's new variable retention logging sites. Franklin looks into the camera and says, “I have to begin by complimenting MB. The learning here is obviously in an exponential phase – these [logging sites] are extraordinary. They were excellent. I have never seen any better retention harvest prescriptions and actual implementations.”

Now this is a fairly stark contrast. And if all your information comes from the mass media or the Internet, what appears to have happened is that in the space of a couple of hours in June

1998, MB was transformed in some Orwellian manoeuvre, no doubt involving a lot of smoke-and-mirrors, from a corporate environmental criminal into a corporate environmental hero. And, of course, you'd have to go see the movie to find out exactly what happened.

As someone who stood on both sides of this divide, I can certainly testify that although there was significant change at MB in the late 1990s when it came to environmental issues and policies, it occurred over a much longer period of time than most people think. And the truth is, of course, that MB was not the villain it was previously made out to be. Nor in all modesty, was it ever the environmental "star" it was sometimes portrayed to be.

Truth is not only stranger than fiction, it's also way more complicated. In fact, if I put across only one thought this evening, that's the one I'd like you to remember. And here's why: as the 20th century draws to a close, we have come to appreciate that forest management and conservation are extremely complex tasks. Probably the single largest impediment to our collective ability to perform these tasks well is a tendency to deny that complexity.

It is always easier to reduce issues to a struggle between good guys and bad guys, between right and wrong, between a life-sustaining natural environment or some life-destroying corporate agenda. Or – to do a paradigm shift on the semantics – between uncompromising, single-issue special interest groups and socially responsible economic development.

I submit that if you want to tease apart the multiple truths about what happened at MB during the mid 1990s, you need to be not only a good forester, biologist and resource analyst, but a political scientist, an economist, a shrewd international trade and business analyst, a psychologist, a sociologist – and given a lot of what I've participated in, it would probably help if you had some training in early childhood education. That's funny, but it's not really a joke. Most of those disciplines – excepting, unfortunately, early childhood education – were, in fact, represented on the highly diverse Forest Project team that designed MB's new forest management strategy in 1998.

Now, of course, it is widely recognized in business that diversity can be a key to innovation and growth. You can hardly read an issue of the Harvard Business Review that doesn't talk about it. But the Faculty of Natural Resources and Environmental Studies here at UNBC, and the forestry program that is one of the elements in that faculty, deserve praise for having the foresight to embrace the benefits of diversity and an interdisciplinary approach long before it was fashionable to do so.

I said that this would be a talk about *what* happened at MB. But many of the more useful elements of the story lie in *how* it happened and *why* it happened, because at the end of the day the most important aspect of what happened at MB really wasn't the company's public pledge in 1998 to end clearcutting, voluntarily increase the conservation of old growth, and achieve independent certification that the products it produces come from well-managed forests.

Certainly, the shift in corporate forest policy embodied by those three things is what captured all of the attention. But the underlying drive behind that shift in corporate forest policy was the fact that in the late 1990s, MB came unstuck from an old, linear, compartmentalized and hierarchical system of management. What those of us working in the company

learned, and continue to learn via the things we are doing, is significant, but perhaps more importantly we *unlearned* a decision-making style that was blocking us from making all kinds of necessary changes.

The actual changes we ended up making involving forest practices, conservation and certification were really less significant than the fact that we learned *how* to change, and the fact that we got reasonably good at it. You might liken it to a move from a religious or ideological perspective to a scientific perspective. We gave up a comfortable system that was based on fixed, eternal absolutes, and got used to a world built on theories and hypotheses, where you learn by doing – where truth is what you can make of the best available knowledge, and where evolution by constant testing and verification can mean continual change.

Another way to look at it is that we moved toward an adaptive management system that is aimed at achieving particular objectives and away from a prescriptive management system with an emphasis on rules and compliance. In other words, we put the emphasis on product instead of process. For example, if I'm a logging division manager, is it my job to ensure that there is a 15-metre forested buffer retained along each side of a stream? Or is it my job to ensure that logging doesn't damage the quality of habitat in the area of the stream? There's a big difference. The former approach is about complying with the rules; the latter approach is about effective outcomes. The former says, "Do the job this way and in most instances it should get this result." The latter says nothing about how to do the job, but stipulates what must be the effective result.

Now, when I talk like this about the transformation of MB's management approach, I admit that I am doing exactly what I warned against. I'm over-simplifying. I'm making things black and white: that was then, this is now. The truth, of course, is that it was all much more complicated.

MB's History: The Big Picture

Let's begin at the beginning. The roots of MacMillan Bloedel in coastal BC extend back to three pioneer logging companies, which merged in two separate deals in the 1950s. These companies were established back in the time when what brought down big timber was steam and sweat. They evolved through the age of diesel into the era of computers. The history of MacMillan Bloedel's Franklin River division near Port Alberni exemplified this evolution. During the 1930s, Franklin River boasted the world's largest logging operation. It was here that Canadian loggers were introduced to the steel logging spar, the chainsaw and the first logging truck fleet.

HR MacMillan, a company founder, became a BC legend. He served as the first Chief Forester of the BC Forest Service from 1912 to 1916. He continued to have a profound influence on provincial forest policy, even while he was building MacMillan Bloedel into the premier forest company of British Columbia.

Through the 1960s and 1970s, the company rapidly expanded into the US and elsewhere in Canada. As the '70s came to an end, the company had a workforce of 24 500 people, largely concentrated on Vancouver Island, where 10 000 men and women worked. In BC, MB's major facilities included 17 logging camps, 9 sawmills, 3 panelboard plants, 2 newsprint mills, 3 pulp mills, 1 fine-paper mill and 1 paper bag plant. It was also operating a panelboard plant in Saskatchewan,

two panelboard plants and one corrugated medium plan in Ontario, a newsprint mill in New Brunswick (in which MB held a 65% ownership) and one lumber mill, two panelboard plants and a linerboard mill in Alabama. Of its 24 corrugated container plants, 7 were in Canada, 11 in the United States and 6 in the United Kingdom.

Although the 1980s had started out looking hopeful, it became evident in the latter part of 1981 that the forest industry was experiencing its worst recession since the 1930s. MacMillan Bloedel reported a net loss for 1981 of \$26.7 million. In early 1982, the company was restructured into three regional business units in an effort to make it more responsive to the marketplace.

For most of its 75-year history, MacMillan Bloedel had been more volume-driven than value-driven. Success meant pushing big logs through the sawmills at the fastest speed and the lowest cost. The company was slow to recognize that some others here in BC and elsewhere in North America, as well as in Asia and Europe, were doing better by processing smaller logs more efficiently.

When the recession of the early 1980s crippled the Canadian forest industry, MacMillan Bloedel moved into survival mode. Managers realized they had to get more value from logs and move into specialty markets. New challenges called for new strategies. "Value-added" became the theme for the next decade. Throughout the '80s, new mills were built and old ones retooled in an effort to capture the beauty of the province's old-growth coastal timber and make it a selling point, especially in the Japanese market.

During the '70s and '80s, the company maintained a very active and highly regarded Research Centre. It was here that MacMillan Bloedel researchers invented two new engineered wood products, Parallam and TimberStrand. MacMillan Bloedel researchers also developed SpaceKraft, a disposable, recyclable bulk container which could replace steel barrels for transporting and storing liquid foods and non-hazardous chemicals.

The company built manufacturing plants in the US in Georgia and Indiana in the late 1980s. As the '90s began, it continued to close down or divest itself of unprofitable operations.

In the first part of this decade came a series of new investments, mainly outside British Columbia, aimed at expanding the company's manufacturing base and marketing capabilities, particularly in the area of composite wood, while building its value-added manufacturing capability in BC. The company's solid wood business performed very well in the mid-90s, but by 1996, markets were falling off and the company was once again facing challenging times, mainly due to increased competition for the Japanese market.

In September 1997, the board brought in a new CEO to restructure the company. Tom Stephens, a native of Arkansas, had recently retired as CEO of Manville Corporation, a building materials company based in Denver. He had successfully brought Manville back from the brink of bankruptcy and a disastrous exposure to class action lawsuits stemming from asbestos manufacturing operations owned by the company.

Stephens immediately began to reshape and reposition MB. His strategy was founded on further focusing MB on its core building materials business and aggressively addressing the areas that were hampering cost-competitiveness in

its BC base and limiting market access for the company's products.

Stephens also initiated a program to make safety a first priority, and to make the company the kind of place that people would feel good about having their kids work at. He led MB through a revolution in labour relations by encouraging a process of employee involvement called co-management and co-design. This process breaks down the traditional roles of staff and hourly employees to bring everyone to the decision-making table. By working closely together, union and management representatives designed new ways of running sawmills and woodlands operations in BC to cut costs, increase efficiency, and ultimately, make the operations more competitive.

As 1998 came to a close, MB had sold its paper business and was trying to sell its packaging business, so it was smaller than it used to be. But with sales of \$4.5 billion Canadian it was still one of the biggest forest companies in this country.

Although Canada as a whole is a major forest products-producing nation, on the international scale our companies are relatively small. MB was not even one of the world's two dozen largest forest companies. And when you compete in global commodity markets on an international scale, size does matter.

MB's History: Close-up on Forest and Environment Issues

Now let's move from the big picture to look more closely at what had been happening on the environmental side of things. This may sound like a bit of revisionist history, but to a significant extent the environmental campaign against MB that began in the early 1990s was attributable to factors other than the company's actual environmental performance. Historically, the company was actually one of the better performers in complying with regulatory legislation. Not necessarily the best, but easily within the top quartile in BC. Moreover, the company's harvesting and silvicultural practices were virtually indistinguishable from those of other BC coastal companies – everyone pretty much used the same recipes in those days.

So I think it's accurate to say that our notoriety was owed to something other than our performance. That something was primarily *where* we operated – on the BC coast, primarily on Vancouver Island, in some of the most dramatic examples of BC's old-growth forest. A man with an eye for a good forest, old HR had selected some of the best of them on the coast for his holdings.

So as public appreciation of the non-timber values of BC's old-growth forests increased, along with a general increase in public concern over environmental quality, MB's forest tenures received a lot of focus. MB's size and history also often made it the first corporate name most people thought of when they thought about BC's forests. In addition, it was also a company that sold into European and US markets, where there was growing public sensitivity to environmental issues.

The mid-80s to the mid-90s was a period characterized by plenty of environmental controversies in BC, and MB was at the centre of most of them. But they were controversies that mostly stayed within the borders of our province; they were essentially home-grown disputes among British Columbians: forest companies, the provincial government, First Nations, local environmental groups, BC labour unions and resource-based communities.

The provincial government responded, under Mike Harcourt's NDP government, with a commitment to double the total land dedicated to parks and protected areas to 12% of the provincial land area. There was a series of public stakeholder processes devoted to defining those new protected areas, followed by a new *Forest Practices Code*. As you know, the responsibility for responding to the controversy landed primarily on the provincial government because the provincial government owns the Crown lands – adding up to 94% of BC's land area – on which most of the forests grow.

Although these responses were all substantive ones, they didn't stop the controversy. Environmental groups decried every action as a wholly inadequate compromise. And in fact, the province's attempts at compromise not only failed to end the controversy, but in 1993 the disputes heated up even more when Greenpeace International invited itself into the fray.

Greenpeace was born in Vancouver in the '70s, but they'd long since moved away, becoming a substantial force in Europe and elsewhere in the world, while leaving the field in BC to other provincially based groups. Attracted by the situation in Clayoquot Sound, Greenpeace took up the battle with enthusiasm, organizing a coalition of organizations to mount a marketplace boycott of MB paper products, first in Europe and then very aggressively in the US. Suddenly, BC forest issues had gone global.

Somehow, my friend Dennis Fitzgerald and I won the job of dealing with this international campaign against MB. Dennis and I were arts graduate refugees from the corporate communications department. We both had strong backgrounds in the social sciences and writing. We were "refugees" from the corporate PR department in the sense that along with our colleagues in that department, we had come to the conclusion that one more corporate brochure, newspaper ad or video on this stuff just wasn't going to cut it. Although in truth, at that point, neither of us had a clue as to what exactly would or could cut it, and we were considering going into the restaurant business.

When you look back at those years – particularly 1994 and '95 – the forest industry almost everywhere was going great guns. Economically, those were the best years the industry, including MB, had enjoyed in more than a decade. As a result, when those of us embroiled in countering the market campaign dared to suggest internally that "Hey, guys, we may have a significant problem here!", it was hard to get anybody's attention. Our intuitive sense that things just might be heading for a crunch was buried beneath an avalanche of positive economic indicators.

Similarly, it was difficult for company ecologists who may have had some misgivings about aspects of our forest management to exercise much internal influence. The same situation faced the marketing analyst who tracked the relationship between consumer demand and social values. This was because people with those kind of skills had no role to play in the zero-sum game that was being waged in those years by both the BC forest industry and the environmental movement.

A zero-sum game is a game in which the only acceptable outcome is for one side to win at the expense of the other. By the mid-1990s, the environmental movement and the BC forest industry were nose-to-nose in a zero-sum game. Of course, there were a few notable exceptions, such as the decision by West Fraser Timber to support conservation in the Kitlope, and

the World Wildlife Fund's unflagging support for the Harcourt government's protected areas strategy. But these were more the exception than the rule. I think it would be accurate to say that by the mid-1990s, the majority of the industry, for which MB was an icon, and the majority of the environmental movement, for which Greenpeace was an icon, were firmly on the zero-sum page. But since neither one faced any realistic risk of suffering the sort of outright defeat that the other was seeking to inflict, the only strategy that either side could conceive of was to continue pouring more and more resources into the battle.

Meanwhile, however, something interesting was happening in Clayoquot Sound. A third force stepped into the middle of the battlefield. The First Nations in Clayoquot had found themselves caught up in the war of wills between the big corporation and the big environmental lobby. And they didn't like it. It didn't serve their interests at all. But significantly, they did not see themselves as helpless bystanders. And they certainly weren't about to accept any collateral damage as a result of clashes between other interests.

With a modern-day treaty process having recently begun in earnest in BC, the aboriginal peoples of Clayoquot Sound suddenly found themselves with the moral authority to cast the swing vote in that whole controversy. They had the effective political power to either discredit Greenpeace's international market campaign or to blow MB's defences to smithereens.

To their everlasting credit, the First Nations in Clayoquot opted to do neither. They called in the company and the environmental groups, and they said in essence: "You guys are both out to lunch. You get your act together and find some solution that we can all live with, or we're going to intervene in a way that neither of you is going to like." Well, that focused everyone's attention. And the ability of First Nations to focus the attention of other stakeholders in Clayoquot was subsequently strengthened in December 1997, by the *Delgamuukw* decision of the Supreme Court of Canada affirming the existence of Aboriginal Title. What it led to was a long, difficult journey in which both MB and the environmental groups were like the two convicts who escaped from the chain gang manacled together. Like it or not, they had to work out a solution both could live with.

All of this happened, of course, well out of sight of both the media and the public. Greenpeace's boycott campaign and MB's defence against the campaign kept on rolling. MB's industrial logging operations in Clayoquot were a casualty of the dispute. More than 100 loggers lost their jobs, and a local community lost a big part of its way of life. There was a lot of confusion and bitterness. The politics of blame ruled. As time went by, whether we wanted to or not, the people on both sides got to know each other a lot better. (Going to a hundred or so meetings together will do that to you!). Consequently, much of the theatre and some of the bitterness fell by the wayside. At some point, though I can't recall precisely when, we all began to put more time and energy into achieving a shared goal – a goal that each side knew it could not achieve on its own – than into fighting with each other.

It is important to note that that shared goal was a new outcome in the sense that it didn't really belong to either side when the dispute began. Nor would it likely ever have been foreseen as a viable option by either side when the dispute began. So it wasn't really a product of consensus or compromise. Instead, it was an outcome of continual interaction and constant redef-

inition of the situation and the options for dealing with it. And so began the makings of a very different dynamic. What was the exact dynamic of that dynamic? A lot of people have asked me that and I am embarrassed to admit that it is such simple and obvious stuff that it sounds silly to recount. But, for the record, as I recall it went something like this:

- The First Nations required that both the company and the environmental groups recognize their right to make decisions on matters that affected their traditional territory or interests; in return for which they committed to use that right in a way that would respect the interests of others.
- The company required that the environmental group recognize its economic interests; in return for which the company committed to pursue its economic objectives in a way that respected the conservation interests of the environmental groups.
- And the environmental groups required that the company recognize their interest in conservation; in return for which they committed to pursue their conservation objectives in a way that respected the economic interests of the company.

Of course, there were many more groups involved in this situation, including the provincial government, labour, local communities and international customers of MB's forest products, so it really was much more complicated than this. But, looking back on it now I would say that this fundamental pattern of realignment around relationships and interests was the dynamic that eventually pushed the situation beyond a Mexican stand-off and into unfamiliar and uncomfortable territory for everyone involved. As we all know, unfamiliar and uncomfortable territory is fertile ground for new ideas and approaches.

What the Clayoquot First Nations did was to effectively transform an unresolvable battle between conflicting absolutes into a process driven by a need to reach shared objectives. I don't think there was, or is, any other party in BC other than the First Nations who are capable of doing such a thing. What it required was one player with the political power to not only hold everyone at the table, but to ensure that failure was not an option.

So when I say that MB's transformation from environmental villain to environmental hero didn't happen overnight, this is what I'm talking about. Well before any of us at the company ever dreamed we would have the opportunity to work on a project aimed at revamping our corporate forest policy in BC, there had been several years of quiet relationship-building with other interests, accompanied by an ongoing search for new solutions to concerns about clearcutting and old-growth logging.

Clayoquot – that mother of all environmental conflicts – had borne “children” that took the form of several limited but special initiatives, such as the Clayoquot Sound Scientific Panel, variable retention logging, UNESCO Biosphere Reserve status, forest certification and a joint venture company with First Nations. Some of those children were now alive and growing up inside of MB. Moreover, other things at MB were also quietly changing. As a result of a decade of exposure as a constant target for environmental activists, there was generation of managers at MB who were far less inclined than any of their forebears or most of their current industry colleagues to put their faith in either government policy or regulations or industry solidarity when it came to dealing with environmental con-

flict. We didn't know it at the time, but there was only one place left to turn to for help, and that was to ourselves. But doing that meant we had to accept accountability for the problem.

The BC Coastal Forest Project

Now, let's fast-forward to late 1997 and zoom back up to the big picture of what was happening at the company. The economic bubble had burst, and MB was beset by some fundamental structural problems that had been largely obscured by the market upswing. While the campaign against MB products had been quieted by progress in Clayoquot, the elements that nurtured it were all still in place.

We got a new CEO who decided to keep things simple. Tom Stephens told the company's 9000 employees to throw away the corporate policy manuals and let everything they did be guided by three basic principles:

Principle #1 was safety. Even though MB's safety performance had been well within the industry norm, Stephens said that record was abysmal, totally unacceptable, and he wouldn't work for an organization that injured people. He linked pay incentives for both managers and workers to safety performance.

Principle #2 was respect. Stephens said that one of MB's key goals must be to become the most respected forest company in North America.

Principle #3 was to make money – lots of it. Tom Stephens called this “outrageous success.” And he also linked financial performance to pay incentives.

Of course, it wasn't lost on most of us in the company that if we ever did indeed manage to become the safest and most respected company in North America, odds were good we would also be one of the most financially successful. Any business journal will tell you that really good companies usually perform well across a range of indicators. So these three principles were linked and formed the genetic code from which MB was to adapt and evolve. The co-management process embraced them. Training and leadership courses for salaried and hourly employees were developed around them. Performance indicators were agreed upon and yearly personal goals were derived from them. We were all accountable, and it was very clear exactly what we were accountable for.

Quickly enough, within the company the quest to achieve “most respected” status came to be seen as code for ending the environmental controversy. And lest anyone think it was a prescription for pouring on more PR, Stephens invited the environmentalists into his office for a get-to-know-you talk. On the same afternoon he gave the company's Chief Forester \$1 million to undertake a special project to come up with a recommendation for ending the old-growth clearcutting problem on the BC coast.

Just like the Nuu-Chah-Nulth chiefs in Clayoquot Sound, Stephens had swept away the notion that MB should rest its case exclusively on compliance – even 100% compliance – with regulatory requirements. It wasn't enough to be law-abiding, we also had to have something called “social license.” The idea of social license holds that there are social expectations beyond the law that a corporation – or for that matter everyone – has to meet. And because Tom Stephens was a businessman, he said that a company doesn't want social license only because it's the right thing to do. Depending on how sensitive your business is to social values you can also want it because

if you *don't* have it, you're going to lose business in the long run. Or conversely, you want it because it may give you a competitive edge in gaining business over the long run.

As a result of that afternoon, MB's Chief Forester quickly assembled a project team, and those of us on the team were thrust into a six-month quest that, for the longest time, felt dangerously like a career-terminating misadventure. It was frequently argumentative and unproductive to the max. As one member noted, MB had taken a controversy that had always been "out there," and moved it right into our own corporate living room. Things were getting a bit messy.

Greenpeace wasn't on the street or chained to anyone's desk anymore. In fact, I can't quite remember where they were at that time. The point is that none of us cared. We were too pre-occupied dealing with the arguments and debates now being waged *within* the company.

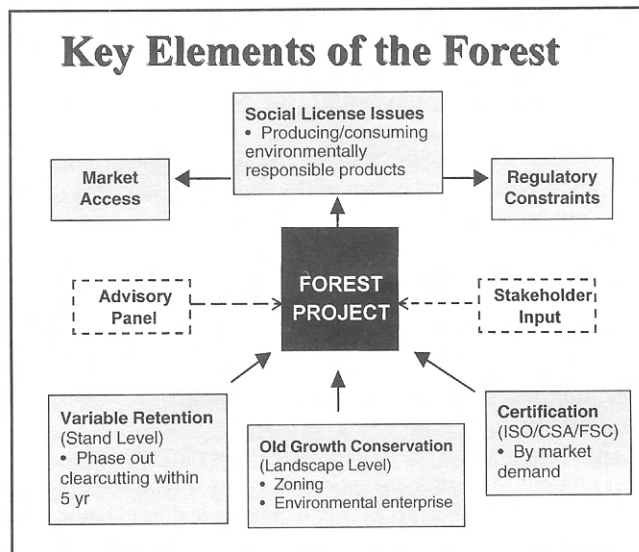
A key member of the team, who is now our Woodlands VP, later acknowledged that he thought the project was the stupidest thing he'd ever heard of, and the only reason he joined the team was to put the poor misguided thing to death as quickly as he could. His term for the ecologist and silviculturist leading those aspects of the project was "the blue-sky guys." Naturally, the "blue-sky guys" meanwhile were complaining about the intransigence of certain "redneck loggers." Meanwhile, our resource analyst, who was supposed to quantify the economic impacts of our green schemes, studiously refused for months to have anything to do with the project at all.

I was the leader of the so-called social aspect of the project, and I went around telling people that I couldn't define what would or wouldn't allow MB to achieve the much-sought-after prize of social license until I had a proposal to assess – a position that my male colleagues said was nothing more than the old chicken-or-the-egg cop-out.

In the midst of all this turmoil, we weren't getting much help from our Chief Forester who was supposed to be directing all this. By his own admission today, his instructions were pretty limited. He told us: "You're all smart people. Go solve this thing, and don't do anything irredeemably dumb." He's being a little unfair to himself. He did make sure that as a team we were well organized into six "aspects," effectively six separate research projects: ecology, silviculture, harvesting, economics, growth and yield, and social concerns. Each aspect had a leader, and the six of us constituted the core team. We each employed a variety of consultants and other resources.

The Chief Forester's arm's-length management style was applied not out of neglectfulness, but with deliberate intent. At the time, given what we were doing to one another, the intent seemed perversely sadistic. Our problems – and the occasionally toxic e-mail they generated – were not going unnoticed internally. There were other major reviews being conducted simultaneously in the company as part of the overall corporate restructuring process undertaken by Stephens. One of those, which had a much higher profile than our own, was being led by a group of high-priced consultants from an internationally respected management firm. Looking across the way at our efforts, they became so alarmed at our apparent drift that they went to the CEO to pressure him toward a more structured problem-solving approach. The Chief Forester, in a heroic show of devotion to his team, refused to budge. And the CEO, in a solid display of leadership, declined to intervene.

Key Elements of the Forest



I swear I can't figure out exactly what happened next. As I recall, we social types enrolled the support of the marketing guys for our ideas, and the loggers rallied support from the production guys for their ideas, and a fierce competition ensued for the hearts and minds of the economists and accountants, who at the end of the day we all knew would have to pen a business case for senior management and the board that could hold water. It was chaos, but even though those of us responsible for the chaos occasionally thought we were ultimately going to end up looking for new day jobs, we were nevertheless capable of recognizing the fact that we were involved in a highly dynamic situation with the potential to create some unusual outcomes – if we didn't collectively blow it.

In retrospect, it is clear to me that the challenge for the leaders of our company during this time was to manage the conflict that was now breaking out within the company in a way that did not inhibit innovation, but still protected the process from ending up in gridlock or breakdown because of clashes between personalities or ideologies. As I said, in the style of leadership they exhibited, our CEO and Chief Forester were key to this. But so were other managers in the company, who would occasionally pull some of the more fractious protagonists out of the game and quietly combine personal suasion with good old-fashioned linear authority in a way that effectively ensured none of us lost sight of the bigger picture. Somehow, in the final weeks things started to come together in a way that none of us probably ever anticipated they would or could, and it all came out looking something like this (Fig. 1):

This is essentially an input-output diagram. If you think of the Forest Project as some kind of a conversion mechanism or facility, what you see here is the "raw materials" being fed in at the bottom and the "product" emerging from the top. While this is a linear diagram, in many respects the process it describes is actually a cyclical one.

The raw materials are our logging practices at the site level (replacing clearcutting with variable retention), our conservation initiatives at the landscape level (zoning and environmental enterprise) and independent, third-party certification under systems designed by the International Standards Organization (ISO), the Canadian Standards Association

(CSA) and the Forest Stewardship Council (FSC). All of these inputs are subject to influence by outside advisors and other stakeholders, as well as ongoing modification based on various feedback loops within the company that are not shown here.

You might think of the product produced by the Forest Project as the value-added output of the various inputs. That product is our response to the social license demands that originate in the marketplace. If we are effective in responding to those demands, we will maintain unimpeded access to markets capable of placing the most amount of value on our products, and we will minimize the pressures that would otherwise build for further regulatory control – and, of course, increased operating costs that inevitably reduce competitiveness and profitability.

The Forest Project stresses economic margin rather than harvest volume. A core assumption was that it would be possible to offset additional costs with technological innovation and improved performance. It established three zones for the company's private and public forest tenures on the coast of BC. The zones were designed to manage for different objectives: old-growth conservation, habitat conservation and timber production. The intensity of logging varies by zone designation, and harvesting is done under a system known as "variable retention," which protects biodiversity by retaining a portion of the original forest as individual trees or in groups of various sizes.

That is a quick thumbnail sketch of the Project, but several reports about it are available, including an ecological rationale for it that was developed by the UBC Centre for Applied Conservation Biology.

I want to comment a bit more on the conservation initiatives input box for a moment, since this is the element of the Project that I am most involved with. I think it is important to note that when we talk about additional conservation within the context of the Forest Project we are not talking about establishing more parks or protected areas, since that is obviously not something a private company operating on crown land in BC has the authority to do. Rather, what we are aiming for here is managing for conservation in areas *outside* of parks and protected areas. That is not going to happen in British Columbia as a result of guidelines published by the government that inevitably translate into economic barriers for companies attempting to follow them. Instead, it requires making a business case for conservation, or stated differently, creating a commercial *incentive* for conservation because it produces benefits for employees, customers and shareholders. That is what we were trying to convey with the term "environmental enterprise." It is an attempt to acknowledge the potential for business innovation and growth as a result of forest conservation, and to begin the process of developing business strategies to realize the potential of both timber and non-timber products and services from forests.

While the move away from clearcutting is the aspect of the Forest Project that has tended to capture the most amount of attention, for me the truly radical, most exciting and, of course, completely untested and unproven aspect of the Project is the commitment to advance a commercial case for conservation management. From my perspective, this is the leading-edge issue, at least when it comes to natural forests that are publicly owned. While we are too new at it to know

exactly what it requires, our experience to date suggests that one thing it requires is a completely different mindset than the existing one in Canada when it comes to issues involving ownership and investment in timber and non-timber values. This is an area that is ripe for leadership in the global forest sector, and British Columbia is extraordinarily well positioned to provide that leadership. Perhaps just as significantly, it is an area that cries out for collaboration between aboriginal and non-aboriginal interests in an effort to derive greater value from the interaction between modern science and technology and the traditional environmental knowledge of First Nations people, as well as the historical wood-using traditions of coastal aboriginal communities.

I have certainly come to believe that developing globally recognized expertise in conservation management is one of the keys to the future of the BC forest sector. This is not to say that *all* of our forests should be managed for conservation. Rather, the point is that managing some forests for conservation, and thereby expanding our toolbox, if you like, for landscape-level planning, can expand opportunities for other types of management in other types of forests. Admittedly, this concept really places traditional thinking on its head, which has tended to hold that conservation diminishes opportunities for commercial management. But while on a given hectare that may be true, across several hundred thousand hectares it may not be. The point is, this is an area where we in industry need to suspend disbelief and establish the kind of collaborative relationships with First Nations and environmental groups that will allow us all to learn by doing.

Let me go back to the chart and try to explain why this fairly simple-looking plan was so hard to get at, and why it achieved the consensus it did in our fractious team. Maybe the easiest way to do that is to briefly itemize some of the main reasons that for years were the standard explanations for why we couldn't do something like this, and then tell you what caused us to change our collective mind.

Let's start with safety. We used to say that we couldn't safely employ non-clearcut systems in BC's coastal old-growth forests. If you walk into one of those forests and look up into the canopy, you'll see that it's frequently a mass of broken-off tops and limbs – big chunks, bigger than some of the little things you northerners call trees up here. It's a life-threatening exercise trying to fall one tree among standing timber in that environment. Even if nothing hurtles down on top of you, there's always a chance that this enormous tree is going to get hung up midway to the ground, and then you've got another life-threatening exercise to finish the job. We dealt with that objection by rejecting the idea of single-tree selection harvesting for most of those situations. For the most part, the silvicultural systems we endorsed tend to retain trees in patches or as widely dispersed individuals.

The ecological study we commissioned gave us some help here. It strongly endorsed the habitat benefits of aggregate over dispersed retention. We worked closely with the provincial Workers Compensation Board throughout the project to make sure that nothing we recommended was going to jeopardize worker safety. Let the record show that the company's safety performance so far under variable retention has been better than its record under clearcutting.

Then there was the economic argument. Everybody knows that non-clearcut systems cost more. On a per cubic metre basis,

they cost more to design in the planning phase, and they also cost more in the yarding phase, when you're recovering felled trees from a setting. And let's not forget that coastal BC is already the highest-cost jurisdiction in North America. Well, how much more do these variable retention systems cost? The answer is – it depends. It depends on the site, it depends on the trees, it depends on exactly which system you're talking about, it depends on things that a faller might or might not do. We ran permutations of all that backwards and forwards six ways from Sunday. What we finally settled on was, given the shape of our final recommendation, and averaged out across all three zones, it might add 4–5 percent to our current costs.

But then we began finding ways to mitigate that cost increase. As one example, what if you could design an opening to favour recovery of a particular species? True enough, you're not likely to have all your fir or hemlock or cedar nicely organized into discrete little patches, but some areas may run heavier to one species than another. What if you could concentrate on cedar when market demand was high, and then make a second pass some years later for the hemlock when that was fetching a good price? This is as opposed to cutting everything in the area at once, even if it means that some of that timber can't be sold for the cost of logging it.

Or maybe, "I've got a couple of old fir veterans here that are twisted and half-rotten to the extent that they're no good for anything but pulp. I'll never make a profit on those. But the ecologists, speaking on behalf of the world's cavity-nesting critters, love those trees. What if I built my retention patch around them? Or around the less than commercially-valuable trees on this ecologically-important rock outcrop?"

You have to be careful in all this not to veer into the rightfully disparaged practice of "high-grading": taking the best and leaving the rest, with negative consequences for the genetic health of your future forests. But if you're mindful of that concern and if you understand that, yes, you are also going to have to leave behind some commercially-valuable trees, you can nevertheless begin to see some interesting possibilities. The more we looked, the more possibilities we began to find.

What was happening was not that we were trading one system for another system, which is how the old debate had always been scripted. Instead, we were trading an old cookie-cutter system for an apparently inexhaustible range of variations or tools. And we were finding enough flexibility in those variations to accommodate safety, our new ecological objectives and improved profit margins.

Here again, we found some synchronicity between the economic and ecological requirements. The ecologists told us that the key to biodiversity is diversity of habitat. It's not that clearcutting is necessarily such a bad thing, they said. The problem is that it's been the *only* thing that the industry in BC has done. The solution is not to substitute another homogenous approach, the solution is to do many different things. To repeat the advice given to us by the UBC Centre for Applied Conservation Biology: *don't do the same thing everywhere!*

Once our "redneck logger" on the team caught a glimpse of the range of opportunities, he was launched into a fury of creativity that hasn't stopped and that continues to uncover new possibilities. In fact, he became such a convert to the agenda that he and the "blue-sky guys" formed their own little internal lobby group to promote the project. They even borrowed

a line from *Star Trek: The Next Generation* for a slogan to beat down the internal sceptics: "We are the Forest Project. Resistance is futile."

With this strategy, there is no question that we are giving up a certain amount of volume: perhaps as much as 8–10% of our Annual Allowable Cut, or maybe less. Either way, that's not an irrelevant factor for the mills and their employees who rely on that wood. But when we look back over the last decade, we find we've been steadily losing that volume anyway to parks and more stringent regulations. And the prognosis was for more of the same.

The Forest Project offered us an opportunity to try to move ahead of the curve, to effectively address via non-regulatory initiatives some of the environmental and social concerns that were driving the decline in AAC. Besides, you have to remember that we went into this project because it was our strong belief that the status quo was not an option.

Another in the list of old arguments against getting out of clearcutting had to do with regeneration. Some coastal species, such as Douglas-fir, require virtually full sunlight to regenerate successfully. Doug-fir is prevalent in those few areas of the Coast where fire is a relatively common part of the natural disturbance regime. But the public won't tolerate big forest fires. Given the popular prejudice in favour of Smokey the Bear, clearcutting is how you let the sun shine in. Other species may be more shade-tolerant, but they all do better in sunlight. Their growth is retarded roughly in direct relation to the percentage of shade-generating retention. Slower growth would mean a further reduction in what constitutes a sustainable harvest.

This concern was addressed to some extent by placing the drybelt Doug-fir area of southeast Vancouver Island mostly within our Timber Zone – the zone with the least amount of retention and, therefore, the least shading. (This also happens to be the area where we have the largest concentrations of mature second growth and the largest percentage of our private lands.)

I think this issue is not fully resolved. The growth and yield specialist on our team was and remains our least enthusiastic member. He also has concerns about the future of control strategies for certain endemic diseases and pests. These are areas that are subject to monitoring, further research and perhaps adaptive strategies.

The last old argument against giving up clearcutting was the question of social impacts. It seems curious now that we at MB ever offered social impacts as a defence for clearcutting, but that is exactly what we did when the debate, at least in the way we used to frame it, coupled any retreat from clearcutting with an enormous job-destroying reduction in harvest levels. And not only lost jobs, but lost profits, lost shareholder value, lost government revenues, lost community stability – in short, a veritable catastrophe, a zero sum.

Two important ideas helped us pull ourselves out of that game. One idea came from Paul Hawken, who wrote *The Ecology of Commerce*. We read his book, attended a public lecture he gave in Vancouver and asked him for advice about how to deal with conflict on environmental issues. Hawken said that no matter how many significant points of divergence there are on a given issue, there are also, simultaneously, points of convergence. The trick is to find them.

Hawken believes that most people's values come from similar sources, and that if you "swim upstream" – away

from the points of divergence – you’ll be heading toward those sources. You’ll begin to find things that everyone believes in and can agree on. He predicted that if we started to build on those points of agreement, and if we devoted as much time and energy and resources to them as we were all devoting to the points of disagreement, then the dynamic of the situation would, over time, change. He also predicted that from our collective work on the points of convergence would come new tools or options for dealing with the points of divergence, which would not necessarily eliminate them altogether, but would change them. Hawken’s advice certainly struck a chord with those of us within the company who had worked on Clayoquot.

The second idea came from three people: David Suzuki, Daniel Botkin and Dee Hock. David Suzuki is an internationally known scientist and broadcaster from British Columbia. Daniel Botkin is an American ecologist who wrote a book called *Discordant Harmonies*. And Dee Hock is the American businessman who founded the international system of VISA cards. Granted, this is an eclectic combination of thinkers, but all of these individuals are passionately committed to the environment and to the premise that diversity is the built-in mechanism that allows us to adapt to change.

Suzuki and Botkin see biodiversity – or the discordant outcome of never-ending and simultaneously-occurring competition and cooperation between the different biological participants in an ecosystem – as the basis for vitality and evolution in nature. Dee Hock took these principles, applied them in the marketplace, and created a highly successful economic organization, VISA International, that is now owned by 20 000 financial institutions in 200 countries and territories, and used by hundreds of millions of people every year for the purpose of conducting a couple of trillion dollars worth of transactions. VISA International is the financial equivalent of an ecosystem.

To make a long story short, we came to understand that if biological diversity is nature’s tool for adapting to change in ecosystems, then perhaps a diverse array of opinions and ideas is necessary for adaptation and evolution in social and economic systems. Once we loaded that concept into our belief system, the whole situation began to look a bit different. We came to see discord in a less negative light. In fact, as long as it wasn’t totally destabilizing, we came to see diversity between all the different interests as being a good thing. In fact, we came to see diversity as the catalyst that causes a system to mobilize its collective intelligence and evolve in ways that no individual component could ever conceive of, let alone do, on its own.

So we moved away from the metaphor of a game – or a war – in which one side wins and the other loses, into the metaphor of an ecosystem, where survival is the end result of simultaneous cooperation and competition among the various elements. And then came the dawn. Because, as our economist quickly reminded us, ecosystems aren’t the only thing characterized by simultaneous cooperation and competition. Markets are as well. So we created a social model that we used to help us understand forest issues and options in BC. That model held that the application of traditional linear authority simply doesn’t work when it comes to forest issues and policy in this province. It doesn’t work because relationships among the various interests involved are so complex and interdependent that no one can really be in charge. Instead, the situation behaves much

more like an economic marketplace (or an ecosystem), in which outcomes are the product of constant interaction among various forces.

Now I want to be clear that the concept I am talking about here is not “win-win,” nor is it a “stakeholder consensus” model. The dynamic I am describing is both more complex and more variable. It may sound like a bunch of new-age babble produced by people who attended too many meetings and took one too many trips to California. *But whether or not you agree with it, the important thing is that it inspired us to want to move away from the old simplistic, adversarial relationships into new relationships that would allow us to deal with complexity.*

Interestingly, in this respect, the social model we created to help us come to grips with the perspective of various interests on BC forest issues was really very similar to the one being employed within the company by labour and management in the co-management initiative on productivity.

On one level, the Forest Project was about applying ecosystem management principles to commercial forest management within the context of coastal temperate old-growth forests. But in and of itself this is not exactly revolutionary stuff. Either of their own volition or as a result of regulatory pressures, most industries these days are looking for ways to reduce their ecological footprint. And ecosystem management is a concept that was in vogue in the US Forest Service back in the 1980s.

I want to stress that although this particular combination of initiatives and the circumstances surrounding its evolution may have been unique to MB, other forest companies in BC and elsewhere in Canada and North America have their own journeys and stories to tell on the environmental side, many of which involve the application of similar tools at the site and landscape level. Moreover, the forest certification trail is getting so crowded these days that it is difficult to find room to walk on it. There isn’t a company on the coast of BC right now that isn’t considering FSC certification – yet further proof, if any were needed, that the coast is the leading edge, or perhaps even beyond the edge on some of this stuff.

Looking back now, it is clear to those of us who participated in the Forest Project that it was essentially an exercise in adaptive management and organizational learning. As I said before, the most significant result is not so much the particular changes we came up with. *It is the fact that we learned some new ways to learn.*

One Year Later

June 1999 marked the one-year anniversary of the Forest Project. When I consider what happened during that first 12 months, I am certainly reminded of the old adage in politics that timing is everything.

In many ways the attention the MB Forest Project received was considerably out of proportion to the changes it actually wrought. It certainly exceeded anything we ever expected. I am not sure how to explain this, except to say that somehow this initiative became a symbol for something else that people care about. For battle-weary customers of BC forest products, it was a sign that the coastal BC industry was coming to grips with the need to address demand for a wider range of forest products aligned with a wider range of values. And for or some battle-weary British Columbians, it was a sign that there are new approaches out there that may ease some of the

social controversy and polarization that has existed around forest and environmental issues in this province. At the most basic level, it sent a signal that change was appropriate, and reshaped at least some of the political landscape in BC on forest issues.

To give you a more substantive feel for the ecological aspects of the Forest Project, I recommend that you read an unusual document that has just been printed. It is the transcript of a scientific panel's two-day review of our first year's implementation program. The review was conducted in July and included a field component. The participants were recognized experts in their various fields, but what makes the gathering particularly unusual is that half of them were nominated to the panel by MB and half by environmental groups including Greenpeace, the Sierra Club, the Natural Resources Defence Council, the Western Canada Wilderness Committee, the World Wildlife Fund and others. The review was jointly organized by MB and the NRDC, and it was independently facilitated.

If you are a forest-issue junkie, I predict you'll find it fascinating reading. The panel and the environmental group representatives who attended the review by no means offered uncritical support of the Project, but their criticisms were constructive ones – a sure sign of growing mutual acknowledgement of complexity. As I think the report will show, we are – tentatively, and with some caution, but nevertheless indisputably—past the zero-sum barrier. In the Canadian context, particularly in the British Columbia context, this represents an enormous achievement for all the parties involved. Will it last? Can we sustain it? I honestly don't know. There are enormous pressures against it from many sides.

Zero-sum politics is a tried and true tradition in public life in North America. It may not produce the most socially-equitable or environmentally-sustainable results, but there is lots of evidence that in the short term at least, individuals and groups skilled in its application can wield considerable power and upset established orders, be they social or ecological. The Internet and the nature of media coverage in our society create endless opportunities for those who are prepared to be self-righteous and impossible in pursuit of a specific objective, regardless of where on the ideological spectrum that objective might fall.

Some of these people and groups accomplish remarkable things that are later heralded as much-needed reform. Others leave havoc in their wake and pieces that have to be picked up and put together by someone else. But like them or lump them, agree with them or disagree with them, their presence in the system drives change. It is one of the great strengths and equally great vulnerabilities of democracy. A paradox, if you like, that lies at the heart of it. But paradox is a familiar phenomenon on the BC coastal forest sector. Coastal BC forests continue to be at the centre of a lot of seemingly conflicting demands right now.

There are tensions between the demand to have a forest industry capable of representing British Columbia's interests in a competitive global marketplace, and the demand for more local variety, involvement and autonomy in forest resource management and manufacturing. There are tensions between the demand for more commercially-productive or intensive management of forests and the demand for more conservation of old growth and more community-based eco-forestry. And there are tensions between Crown and Aboriginal title.

If there is one thing I hope you take away from the MB story, it is that reconciling these kinds of complex paradoxes requires new approaches and new accountability on the part of everyone involved. We at MB learned, sometimes the hard way, that if we want to unlock value in coastal forests, we had to be willing to:

- take risks
- invest in specialized resources and capacities and, perhaps most difficult of all for a large corporation,
- be prepared to let the people we're involved with – including our employees, First Nations, local communities and our customers – find new ways to exercise more personal control in an increasingly impersonal global economy.

What's the prize? All the trendy articles on the benefits of empowerment and micro-enterprising aside, why would any private company in its right mind ever be interested in doing such a thing? Quite simply because a company that can do these things – and do them well – is a company that will be highly valued.

The Snark Dynamic

Way back at the beginning of this presentation, I talked about how the ability to understand the dynamic that drives change can be even more important than the specifics of change. I call that dynamic the "snark" dynamic. Project Snark was our secret code name for the Forest Project. Actually, it was so secret half the people on the team never heard of it until well after the project conclusion, when the Chief Forester, in a slip of the tongue, confided this fact to a puzzled *Globe and Mail* reporter.

The Snark comes from a Lewis Carroll poem called *The Hunting of the Snark*. The poem describes a seafaring expedition – a search for the elusive Snark – on a boat crewed by eight people, which just happened to be the number of people in the Forest Project's core group. In the poem, the crew members are all fairly eccentric representatives of different occupations. They have a lot of trouble communicating.

The significant thing here is that none of those who set out on a hunt for the Snark knew what a Snark was. They had never seen one before, they had never really heard it well described, and they didn't have the first idea where to look for it. All they knew was that they had to find it and bring it back home for the greater glory of England.

If you remember my description of the early dissension in the Forest Project team, the parallels with a Snark hunt are unavoidable. In fact, one of us wrote an entire essay documenting those parallels, which gives you some insight into what executives of multinational corporations do in their spare time.

I thought I'd like to close by quoting a passage from *The Hunting of the Snark*. It's the part that describes the captain of the expedition. And again, if you remember my description of our Chief Forester's hands-off management style, certain parallels may occur to you:

*He had brought a large map representing the sea,
Without the least vestige of land.
And the crew were much pleased when they found it to be
A map they could all understand.
"What's the good of Mercator's North Poles and Equators,
Tropics, Zones, and Meridian Lines?"*

*So the Bellman would cry: and the crew would reply
"They are merely conventional signs!"*

*"Other maps are such shapes, with their islands and capes!
But we've got our brave Captain to thank
(So the crew would protest) "that he's bought us the best—
A perfect and absolute blank!"*

*This was charming, no doubt; but they shortly found out
That the Captain they trusted so well
Had only one notion for crossing the ocean,
And that was to tingle his bell.*

I'll close by saying that embracing the Snark dynamic does not entail a leap into irrationality – it is not dismissive of science or of other “conventional signs.” It does, however, require you to maintain some flexibility about wanting to know exactly where you are going, or precisely what you are looking for, or even how you'll recognize it once you've found it. It is one of those occasions when the journey is more important than the arrival. May you all get as much from your trip as those of us at MB did from ours.