

## **Economics and Healthy Forests**

Once upon a time Cortes had a balanced economy. What that means, in simple terms, is local income and the cost of living here were roughly the same. Too much or too little income creates problems.

The Island's economy is now hopelessly out of balance. Wages are so low compared to the cost of land and housing that apart from a fortunate few, the only stability is retired and seasonal residents with off-island income. New people arrive with great hopes and dreams and most soon leave. We don't notice it because they are constantly being replaced. At any one time the deficiency influences hundreds of people. Over time Cortes has rejected thousands.

Because of low wages the local market for goods and services is very small and this means there are few conventional solutions.

Our traditional sources of income were fish, shellfish and trees. Fish and shellfish offer scant new opportunity. The forest is the only resource large enough to repair the deficiency.

The size and condition of the forest cannot sustain the 'annual cut' required by the BC Government, or even become vibrant and healthy over time with the present harvest.

Historically the forest created an average of \$1 million each year from the sale of raw logs, which translates to around \$0.5 million in off-island wages with a profit of around 15%.

We are operating at less than half of this with less profit due to our methods and reduced scale.

To correct the income deficiency, each hundred families needs around \$3 million in annual income. To repair the Cortes economy, what we do with the forest must be capable of creating more than \$6 million in annual wages.

Of course this presents an apparently impossible goal. Not only must we reduce the long term load on the forest, we must create 10-20 times the existing earnings.

The local market for wood products is minimal as we have already seen from the wood being consumed locally.

Attracting people to pay us money is cultural and financial suicide: The easiest way to ruin a place is to attract people from a different culture. And their higher

earnings will drive prices up ahead of us, thus defeating our efforts.

In a nutshell, because we are responsible for the health of our own community, socially, economically and environmentally, we must find ways to sell enough goods and services to people who earn more than we do, without attracting them here!!!

In terms of basic principles our options are few. We need to create earning opportunities and incentives, not jobs. We need to encourage a union of raw material with the talents of local people, combining artists, woodworkers, organisational skills and much more. We need to provide marketing assistance since individuals have insufficient ability and resources.

One dedicated processing facility at an inconvenient location for much of the island is certainly not the answer. Nor are several of them.

We need a widespread ability to process, store, create and administer, which means bylaw provision to expand cottage industry in a manner that does not interfere with neighbours. The larger, non-central parcels can provide storage and initial processing.

We need to develop a voluntary mini 'wheat board' that shares the cost of selling the result to off-island customers.

As an incentive and to ensure viability, we need to make raw material available at far below market value, at least until we have an adequate flow of revenue. This means a transition in which the cost of harvest, currently paid from the sale of raw logs, is gradually replaced by the proceeds from successful small scale value added operations.

Above all, the forest is not an independent entity. The goal, in the form of a viable long term plan, must be economic support for hundreds of local families without cumulative damage to nature.

It can be done. Long ago I accomplished far more, so I write with the confidence and knowledge of what can be achieved.