

**CONTESTED FOREST:**

**Logging the Main River Watershed in Western Newfoundland, Canada<sup>1</sup>**

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In recent years, many states have favoured the introduction of governance processes in rural areas, thereby creating new arrangements in the dispersion of political power and obscuring the boundaries between state and civil society (e.g., Goodwin 1998; Higgins and Lockie 2002; Little 2001; Murdoch and Marsden 1998; Woods 1998). The transition to rural governance coincides with the emergence of neo-liberalism, a political agenda based on the tenets of individualism, the free market and decentralization. Various forms of devolution, partnership, co-management and corporatist arrangements provide new avenues of influence for some rural actors to take effective steps towards improving their circumstances (e.g., MacKinnon 2002; Herbert-Cheshire 2003). Indeed, government action is partially directed to helping local actors or communities work in networks that expand their capacities for self-government (Herbert-Cheshire and Higgins 2004:289-90). However, it should be no surprise that these changes are unevenly distributed geographically, function less effectively when local interests are in conflict, and may still be controlled by external elites, both state and non-state.<sup>2</sup> In some areas, local leaders become discouraged and find resistance to the changes that threaten local viability difficult to sustain (e.g., Gray and Sinclair 2005). Understandably, most studies of rural governance focus on spheres of action and locations where rural governance is well developed, but this chapter investigates a situation in which centralized decision-making remains intact, despite some concessions to greater local participation.

With regard to natural resource management, the widespread requirements for public consultation in many jurisdictions, including inputs to assessments of socio-economic and environmental impacts, mean only a minimal move in the direction of governance if the state reserves the right to decide following this input. Co-management arrangements between the state and private actors are less common, but fit the governance model more fully. In our research in western Newfoundland, we analyze a struggle to control the fate of a forested watershed in a situation where local actors had divergent interests and opinions, and in which governance structures,

in contrast to formal government powers, were minimal. This does not mean that local, non-elite people were powerless, but their capacities for effective action were limited compared with elites who enjoyed informal access to state decision-makers and greater financial resources when these were needed. We show how the local paper mill was ultimately successful in gaining at least partial access to the watershed because of the company's economic importance, as perceived by the provincial government, and its strategy of supporting heritage status for the river, thereby appearing to meet key demands of the environmental movement. Yet, a resistance coalition, partly local and partly based on outside support, proved effective in delaying and then altering the plans of the paper mill and government. The analysis is based primarily on 34 semi-structured interviews with entrepreneurs, loggers, company managers, government officials, politicians, environmentalists, and other key informants, supplemented by documentary sources.

Our case study explores a critical resource management issue in a situation in which political power is relatively centralized. This does not mean that non-state actors are powerless, but their strategies must take existing institutional arrangements into account. At the heart of our analysis, then, is the concept of power, which we understand as the capacity to produce effects. More specifically, social power refers to the capacity of actors to control relationships. Our position recognizes the widespread influence of Foucauldian views of power in recent decades, but we hold reservations on several key points. Social power is relational, as Foucault (1978) would insist, but it is also rooted in the resources on which various actors can draw. To that degree, we do not accept Foucault's position that power is exercised rather than possessed (94); and, the strategies, whatever they are, need to be initiated and pursued by some *body*. We do, however, stress the importance of the mobilization of these capacities for understanding actual practice.

Clearly, some people have more capacity than others to control what they do (power to). Over time, these inequalities may become patterned or institutionalized

so that people in particular social positions have more power than others. This distribution of power is socially structured in this sense, but power creates that social structure when participants draw on their resources to reinforce or perhaps alter the structure. Our case study will bring out the importance of institutionalized inequality to the outcome of the dispute.

Power is a component of all relationships. Thus 'power is not a specific kind of practice; it is implicated in all social practice, as a logically necessary feature of activity' (Isaac 1989: 75). All action requires mobilization of the necessary resources and no actor is completely powerless to control what they do. Or as Foucault (1980: 142) might put it, the possibility of resisting is always present. In our case, we discuss this resistance in a situation in which institutionalized power made it difficult to succeed. Foucault (1978), denying that power is either a capacity or intentional, sees it as a positive force circulating through interaction and potentially available to all. Being concerned primarily with how power is exercised, Foucault sees it in terms of strategy and tactics. He notes that points of resistance are a necessary defining part of power relationships, which are often transitory and moving, occasionally consolidated into radical, binary oppositions.

Believing that what is important is strategy itself and that power is everywhere, it makes little sense for Foucault to discuss who *has* power; he sees power as having objectives, but no particular subjects who direct it. We appreciate the understanding of process that follows from thinking with Foucault of 'power to' rather than 'power over,' but not to the exclusion of asking in whose interests does power work. Power over may follow from power to. It is not irrelevant because power over points to the beneficiaries and the losers as social relations are worked out. Power over should not be taken, however, to imply that resistance is impossible. We accept the important insights, associated with Foucault, that power is part of all relationships, that no party ever holds total power, and thus that resistance is always possible or present. These assumptions guide our research, but we also ask who (if

anyone) is able to control outcomes and who benefits or loses from particular strategies. The power strategies involve attempts to legitimize positions through discourses of economic efficiency, expertise and short-term material welfare on the one side, environmental health and longer term social welfare on the other. Through “discourse and interpretation, rationality and power become interwoven” (Flyvbjerg 2001: 123).

### **THE MAIN RIVER WATERSHED DISPUTE**

At this point, we turn to our case study. The contested forest is located on the island of Newfoundland where trees, mostly black spruce and balsam fir, grow slowly in the poor soils and harsh climate. Nevertheless, pulp and paper have been produced almost continuously for more than a century, but, as the year 2000 approached, most of the original forests had been cut over, and mill companies turned to the last remaining stands of old growth forest, which were located on the east side of the Great Northern Peninsula. In this area, Corner Brook Pulp and Paper, owned by Kruger of Montreal, held logging rights to the watershed of the Main River (Figure 1). The river flows from the Long Range Mountains through an unsettled expanse of boreal forest and grassland before emptying into White Bay on the Atlantic coast. It lies adjacent to Gros Morne National Park, a large protected area that includes part of the mountains and the Gulf of St. Lawrence coast. The Main River watershed contains balsam fir up to 250 years old and is home to the pine marten, an endangered species. The Main is also considered one of the world’s outstanding salmon rivers. Thus environmentalists opposed development of this area from 1974, when Newfoundland Hydro proposed to construct a transmission line across it. A decade later, Kruger first attempted to log the watershed, which started a drawn-out, sometimes heated dispute that delayed permission to cut for nearly 20 years (until 2002). However, the amount that Kruger was allowed to cut in the following five

years was severely restricted. Neither side could claim a clear victory, but many environmentalists saw the logging decision as a major defeat for their cause.

Figure 1 about here

In developing our argument we set out the economic and political context of the dispute before analyzing the history of forest management decisions as an evolving product of power relationships centred on the regional newsprint industry. The process leading up to government's decision to permit harvesting was stated to be based on inclusive participation through its public consultation process. However, the reasoning of logging proponents was backed by greater power to influence relationships and outcomes.

### **The newsprint industry and the provincial state**

As part of its strategy to diversify development away from reliance on the fishery, the Newfoundland government in the late nineteenth and early twentieth centuries provided generous grants of crown land and timber rights, based on 99-year leases, to rail and paper companies. Following the opening of a mill at Grand Falls (1909), now owned by Abitibi-Consolidated, the government supported construction of another mill at Corner Brook in 1925. This mill changed hands in 1928 and again in 1938 when it was purchased by Bowater-Lloyd, a British newspaper manufacturer. Bowater produced newsprint there until 1984 when ownership switched to Kruger (Hiller 1990; Norcliffe and Bates 1997). From the beginning, the Newfoundland and Labrador (NL) forest industry was influenced by international capital and product markets. The primary benefit to the Newfoundland economy from the pulp and paper mills came through employment, since the companies paid no stumpage fees and low rents on other land. Apart from mill work, the newsprint industry provided core employment for men in villages like Hampden, close to Main River. Due to the introduction of mechanical harvesters since the early 1990s, these villages have suffered economic and population decline. Thus, Hampden experienced an

unemployment rate of 53.2 percent in 1996, and between 1996 and 2001 lost 16.4 per cent of its population (Canada 2001).

Although lumber production increased rapidly in the 1990s with the rise of integrated saw mills, over 90 per cent of logs were destined for the newsprint mills (James and Russell 2000), and from there to international markets. The U.S.A. was the largest market in the early 1990s, but absorbed only about 30 per cent of exports. By the late 1990s, a clear shift towards the U.S. market was evident at the expense of the U.K. and other countries. Shipments show considerable annual fluctuation and no clear trend because the industry is cyclical and the mills must struggle to maintain their markets (Industry Canada 2004). A senior manager informed us that Newfoundland newsprint is in demand because the local trees produce a dense, high quality product. However, prices are volatile and buyers can change quickly, as in the 1990s. What happens in western Newfoundland mills is inevitably influenced by economic linkages in the newsprint sector that extend backwards to corporate head offices and forward to purchasers. Only when demand is high do the mills have pricing power; at other times, they are price-takers and must struggle to control their costs.

In Canada's federal system, natural resources on land are owned and regulated by the provinces. Trade, however, is a federal government concern. Thus the conduct of newsprint business requires links to both state levels, but the province is the main focus in the context of land use rules. NL forest policy is a complex outcome of the actions of several different departments. Since the *Forestry Act* of 1990, management strategy has been influenced by an ecosystem approach. Thus forests are to be regulated according to the principle of sustainable yield: 'a policy, method or plan of management to provide for an optimum continuous supply of timber in a manner consistent with other resource management objectives, sound environmental practices and the principle of sustainable development' (Newfoundland and Labrador 1990). This 'ecological modernization' rhetoric

suggests that economic growth and environmental protection can advance hand-in-hand (Davidson and MacKendrick 2004; Fisher and Freudenburg 2001). The NL state's new approach directed the Forest Service to consider in its *Twenty-Year Forestry Development Plan* factors such as historic resources, culture and spiritual values, ecotourism, parks, recreation, and aesthetics (Newfoundland and Labrador 1996).

The provincial *Environmental Assessment Act* is also central to forest policy. The Act specifies that, for each forest management district, companies must register a five-year operating plan with the Department of Environment at least 180 days before cutting. These plans must include detailed descriptions of required public consultations as well as the exact location of logging for each year. Based on this information, the government announces annual allowable cuts for specific districts. For these reasons, a former forest minister responsible for forests considered that this planning process provides for 'a bright future because we're living within our means as to the amount of raw material that government allows to be harvested' (interview 2004).

### **Interested parties**

Participants in the Main River dispute were linked in a geographically dispersed network with nodal concentrations in Corner Brook (the city that grew up around the paper mill) and villages close to Main River. In studying this network, it is important neither to assume that the state is all-powerful, nor to relegate the state to the role of neutral arbiter. Officials and politicians operate with ideological and material interests like anyone else. Moreover, they can draw on the power of legislation and the practical discretion that comes from how they choose to implement the legislation. However, commitment to private enterprise means that the state is constrained by the need to maintain corporate investment and the employment it generates, as well as general political legitimacy. We will report the active role of

senior state personnel in the conflict – usually but not consistently on the side of Kruger.

Kruger's strength came from its status as the most important private employer in western Newfoundland and its long-term lease (from the state) of timber rights in the watershed. The company argued that this wood was crucial to the mill's ability to supply its customers. Linked to Kruger's position, but less visible in the story because most local citizens were bystanders, were loggers, plant workers and other residents who perceived that their prosperity was allied to the company's stance. Yet this rationality of material welfare was open to serious challenge to the point where Kruger switched strategy to emphasize conservation.

Environmentalists condemned Kruger's insistence on harvesting the Main River watershed. Adopting an alternative discourse of environmental health and protection, the Main River Coalition and the Sierra Club argued that logging within the watershed amounted to irreparable loss to the environment. Their key resources were committed volunteer activists and the ability to help fuel growing public concern, locally and in the country in general, about environmental degradation.

Entrepreneurs active in the ecotourism industry also factor into the Main River dispute, although most remained on the sidelines. Outfitters, who were substantial contributors to the local economy, felt their businesses threatened by logging operations because outdoor enthusiasts, hunters, fishers and hikers would be reluctant to book excursions into areas where clear-cuts were visible. Many residents in White Bay South view ecotourism as their best opportunity for future prosperity. In addition, several prominent local residents informed us that the long-term prospects of tourist development should not be sacrificed for four or five years of logging (interviews 2001). Thus the rationality of material welfare could work against logging as well as in its favour. Nevertheless, relatively few actively opposed Kruger's plan. Other interested parties, less directly linked to the Main River dispute,

include Abitibi-Consolidated (the island's other paper mill operator and the world's largest newsprint company), independent sawmill owners, and numerous participants in service sectors whose future would be influenced by the outcome.

### **Power relations unfold**

We now explore the processes of exercising power in the struggle to protect the Main River forest. In 1980, the NL government formed the Wilderness and Ecological Reserves Advisory Council to consider the establishment and protection of ecological and wilderness reserves. Two years later, the Council submitted a proposal to include the entire Main River watershed in a reserve. It commissioned several detailed studies and held introductory meetings with local residents. However, the Department of Forestry rejected the plan because the Corner Brook mill held timber rights in the area that were not due to expire until 2037 (one of the 99-year leases). In 1984, Kruger purchased the aging mill from Bowater with support from NL premier Brian Peckford, who portrayed the sale as a step toward the 'revitalization of the economic base of Corner Brook, and indeed of the whole western region of the province' (Peckford 1984). This indicated that Kruger could expect sympathetic treatment from the provincial administration for some time to come. Kruger quickly set out to modernize the mill and expand Bowater's plan to harvest the Main River watershed. Although the Advisory Council requested a full environmental review, government granted permission to cut if Kruger provided an acceptable environmental impact statement and consulted with the Council. While these processes were on-going, government also approved construction of an access road and bridge over Main River.<sup>3</sup>

In 1986, Kruger's environmental impact statement recommended a small ecological reserve at Big Steady, a unique grassland area, and a buffer zone along the remaining length of the river (*Northland Associates* 1986). Despite general state support for Kruger, some NL bureaucrats, more committed to an environmental than

a short-term economic rationality, effectively stalled the company's plan because they considered that the buffer zone was too narrow. The Department of Environment (Newfoundland and Labrador 1986: 43) noted that: 'The proponent's proposal for the Main River Reserve is extremely one sided considering all productive forest has been removed from the WERAC proposal, leaving basically only areas the proponent has little interest in harvesting anyway.' Kruger quickly overcame this setback when its revised statement was supported by the Department against an Advisory Council plan to create a reserve of 10,300 hectares. Thus Kruger began harvesting in 1987, but almost immediately the provincial government directed it to relocate its logging operations to the Upper Humber, not due to any conservation strategy, but rather to salvage wood from a major 'blow down' in the Humber. It did, however, provide some 'breathing room' for environmentalists inside and outside the NL government in their struggle to break the Kruger-state alliance.

Over the next 15 years, the issue of logging was intertwined with attempts to have Main River designated as a Canadian Heritage River, a process initiated by the NL government in 1987. A background study concluded that Main River was a suitable candidate, but also noted that proposed wood harvesting 'would seriously affect other natural values of the areas' (LeDrew et al. 1989: 5). After four years, the government finally nominated Main River for heritage status. Soon it initiated a series of public consultations and open house discussions, evidence of concessions to governance ideas, in order to develop a management plan. However, this process took more than a decade.

Meanwhile, Kruger's harvesting plans evolved to include the Main River watershed once more. In 1999, the company submitted an amendment for its previously approved five-year logging plan in District 16, which includes Main River. This amendment proposed harvesting two areas not originally included and also prompted a fresh wave of opposition. In March 2000, the Main River Coalition

of environmentalists was formed in St. John's to challenge Kruger's plan.<sup>4</sup> The Coalition argued that logging in this area would destroy promising tourist and recreational opportunities. Moreover, it felt that the proposal threatened the ecological integrity of Gros Morne National Park and would 'destroy one of the last old growth forests on the island' (*Main River Coalition press release*, March 8, 2000). Recent research by Father John McCarthy indicates that the boreal forest in this area is among the oldest in the world. McCarthy (interview 2004) notes that the area is 'special in this province, in terms of being primary forest. It is quite special also because there are very few areas in the province that haven't been logged or accessed by roads (either domestically or industrially).' The Coalition also expressed deep concern for the viability of a population of Newfoundland pine marten isolated in the watershed. The pine marten is an endangered species and changes to its habitat would have serious impacts on its well-being. A provincial official (interview 2004) spoke of how environmentalists used the pine marten issue in their argument to prevent logging: "Having marten in the area complicates things because there are multiple challenging issues (the endangered species, a unique ecosystem, etc.)' and because 'you can't deny that balsam fir that's 250 years old is not unique. It definitely is.'

At its inception, the Coalition advocated heritage status for the river, based on the belief that this would protect the watershed from logging. However, in a surprising move, Kruger emerged as an outspoken public advocate of the nomination. A key informant (interview 2003) indicated that the NL government advised Kruger that the company would have to help achieve heritage status for the river if it ever hoped to harvest in the watershed; the dispute was simply generating too much publicity. By then, the environmental health rationality was difficult for the state to ignore. Moreover, the Sierra Club had taken a keen interest in the Main River issue. With its international reach and high profile history on environmental issues, the Sierra Club's involvement made the environmental opposition a force to be

reckoned with. However, Kruger was also aware that any management plan would always be open to amendments.

Seeing the mill's tactics as a manoeuvre to garner public support, the Coalition (as well as several international environmental groups) rescinded its advocacy of heritage status for the Main river. Environmentalists now wanted the federal government to refuse the nomination, arguing that acceptance under the conditions created by Kruger would make the designation less meaningful. The Canadian Heritage Rivers Board was not persuaded, noting in a statement based on the positive vision of ecological modernization, that the 'management plan for the Main seeks to strike a balance between harvesting its forests, while at the same time protecting the ecological integrity of its unique and rich ecosystems, and ensuring that the aesthetic values of the river are not degraded' (2001:11). Main River officially became a Canadian Heritage river in February 2001. Nevertheless, the logging issue was far from dead.

In October 2001, Kruger registered a new five-year plan for district 16. On August 9, 2002, the Minister of Environment announced a conditional release of this plan from further assessment under the Environmental Protection Act. This meant that logging could start. The Minister expressed confidence that Kruger's operating plan, combined with restrictions imposed by government, would alleviate environmental impacts on the ecological integrity of the Main River watershed (Newfoundland and Labrador 2002). To this end, the Department of Environment required the company, beginning in 2002, to measure the environmental impact of harvesting in the watershed area, to establish the success of any measures taken to mitigate negative environmental effects, and to execute measures to alleviate any negative effects that were identified. Among other issues, this monitoring programme had to address the impacts of logging on the Newfoundland pine marten, forest birds, ecosystem links with Gros Morne National Park, and the structures of the boreal ecosystem.

Opposition was instantaneous. A Coalition spokesperson called the Minister's decision 'environmentally reckless' (*The Telegram* 2002a). Don Ivany argued that it 'is important for the public to realize... that once old-growth forest is logged, we permanently lose a part of our province's most valuable forest resource' (*The Telegram* 2002b). In response to Kruger, the Coalition submitted a compromise proposal to government that would still have allowed some cutting within the watershed region. Many Coalition members had volunteered much time to develop this proposal, but the NL government never responded to it. Silence can be effective. As one environmentalist stated, this was 'an indication as to which side it would take in the dispute' (interview 2004). The Coalition felt that a new environmental impact statement was necessary. However, Kruger claimed this was redundant because it had completed an assessment in 1986. Kruger felt an environmental preview report was 'good enough, since it was based on existing knowledge' (interview 2004). Furthermore, a Kruger official felt that the Coalition wanted an environmental impact statement simply to delay the decision to harvest for as long as possible.

Kruger's plan stated it would harvest 25,000 cubic meters per year from the watershed area using 'selective harvesting techniques.' Over five years, this represents 2.5 percent of the total amount of merchantable timber in the area. Additionally, Kruger pledged to avoid harvesting along the main stem of the river. Nevertheless, the Coalition continued to argue that logging would harm the environment and damage the province's reputation for responsible management. Nothing changed, but at least one government official felt that the environmentalists won the debate: 'because if you look at the original harvest levels, they were much higher than what will ever happen in the Main River watershed. And the harvesting design has changed. There's a commitment to never clear-cutting' (interview 2004). Indeed, Kruger's original plan was curtailed and to that extent the coalition of opponents succeeded, but their energy may have been exhausted and any new plan to extend cutting operations may be difficult to oppose.

In summary, several actors, competing with unequal resources, fiercely contested how the Main River watershed can be accessed and used. By 2002, no contestant had clearly achieved what they wanted, but Kruger did obtain crucial permission to begin logging and may well expect more lenient treatment in the future. Environmentalists negotiated at least a temporary limitation on those plans.

## **INTERPRETATION**

In our presentation, we have integrated a review of the strategies and tactics of exercising power with attention to the participants and their interests. Indeed, it is difficult to do one without the other, as a more radical Foucauldian position might suggest. As to the beneficiaries of how power worked in this case, there is no clear short-term victor, but we suspect that Kruger's interests will prevail in the long-term.

As Flyvbjerg (1998) shows so skilfully in his study of transportation politics in Aalborg (Denmark), power defeats reason; that is, if reason is the only resource a group can call upon, it probably will lose. Whatever the logic and knowledge they could muster, the Main River Coalition was a weaker political force than Kruger, but through its environmental health discourse, it could appeal to sympathetic segments of the public and even some state officials. We do not argue that proponents of logging lacked reason, but their reasoning was backed by power to influence relationships and outcomes. As one participant noted, the power imbalance between Kruger and the Coalition was 'quite evident and strong' because Kruger actually owned timber rights through its long-term lease. 'So, even from this perspective, the power relationship is very unbalanced' (interview 2004). Some environmentalists also view the calculation of allowable cuts and the development of five-year operating plans as processes that highlight power differentials between interested parties. In the case of Main River, one participant charged that Kruger has the ear of government much more easily than does the average citizen:

The operating plan comes from the company and the AAC (annual allowable cut) is already set by government; so it's already a done deal, even though it goes through a public process. Key decisions have already been made. The environmental community is pushing against that, but it's like pushing a boulder up a hill on a slippery slope (interview 2004).

In other words, the claim here is that the move towards institutional patterns that might be called governance is more apparent than real.

Informal access to state policy makers and regulators was surely beneficial to Kruger. We have reported some evidence of a close relationship between the NL state and Kruger. However, Kruger's case was sometimes opposed from within the state apparatus where voices sympathetic to environmental causes were scattered among the departments concerned with forest management, environment, and tourism. Outside opponents were much more reliant on media publicity and formal presentations or appearances during the rounds of public consultation. However, many were discouraged by the ineffectiveness of the means available to them (i.e., too little governance). One respondent went so far as to claim that the public consultations were a sham as they were really about how to maximize the resource for Kruger. He claimed that everything was already decided prior to any public consultations concerning wood harvesting in the region. This participant felt that the public consultation process was 'all about government trying to figure out how it could facilitate Kruger getting its fibre from this particular district' (interview 2004). We have no proof of this assertion, but opponents complained to us of inadequate notice of meetings and inconvenient timing that made it difficult to present their case, and we have produced evidence that the state only restrained Kruger when the Coalition appeared able to obtain public support that might have hurt the political interests of leading state personnel.

Some opponents of Kruger's plans were frustrated that the conduct of hearings and the presentation of briefs operated on the basis of scientific discourse. This is evidenced by one informant who focused on the nature of present environmental discourse, arguing that a strongly technical, scientific, legal or legislatively based language is dominant, while language of emotion or feeling is considered invalid. In the case of Main River, the reasons given for wanting to protect the area were not necessarily scientific, but in the end, those that counted always seem to end up in the scientific, technical dimension. Government and industry are the prime movers of this language and, to be seen as credible, the environmental community ends up using it. The discussion is reduced to a battle of experts, an exclusive discourse in which transparency is reduced and a good portion of society is muted because they do not know the language.

Opponents made their case with a combination of reasoned argument and emotional commitment, but when they showed some sign of success, they were trumped by Kruger's adoption of the heritage river campaign. By adding the environmental health rationality to its economic claims, Kruger neutralized the appearance of the Sierra Club, a high profile intervener with organizational resources. Kruger claimed that it had demonstrated commitment to protect the natural, recreational, and human heritage values of the river through its efforts to obtain heritage status. This countered images of uncaring capitalist extraction. It helped the public image of Kruger and made it easier for the NL government to accept, admittedly scaled-down, logging plans. This success for the opposition depended less on the rationality of their case, which had been made before, but more on the possibility that the state could lose popular support.

Because it controlled approval of resource extraction, the NL state could exercise some power over other participants, even Kruger. This was evident in the pressure to respond to the negative publicity brought by the Sierra Club and in advocating heritage status for the river. However, the state also needed the

cooperation of Kruger to maintain investment and employment in a region with few alternative industries. Moreover, most politicians in the ruling Liberal party were clearly pro-business and pro-development. Thus, the scepticism of some environmentalists about the openness of the decision-making process is understandable. There was still space for resistance and partial success, even if environmentalists felt that any approved cutting was a defeat that opened the way to more extensive logging in the future. Nevertheless, experts do not know how much cutting is consistent with conservation objectives. As one government official acknowledged (interview 2004), 'adaptive management is about going down the road long enough until you know you've gone down the wrong road.'

The dispute over Main River raised key public policy issues, including the extent of citizen participation as a component of forest policy development along with increased emphasis on sustainability. The limited move towards governance proved frustrating to opponents of logging, who often felt that only Kruger and its allies had effective voice. Would more decentralized governance reduce long-term conflict in situations like this and generate decisions with more widely felt legitimacy? Perhaps no general answer is possible because place-specific factors, such as the economic importance of the paper mill and the pressures emanating from a corporation's power to relocate, in conjunction with environmental issues in this case, may ensure that no single model of governance will be satisfactory. Although the state is often more closely allied with corporate elites than with other groups, to remove the state from decision-making by some form of radical decentralization will only leave local actors more seriously exposed to the economic power of Kruger and similar companies. Moreover, it can be argued that in certain spheres, including natural resource management, members of society as a whole have a legitimate interest in what takes place, and this interest needs representation. Perhaps the best that can be achieved within the general framework of capitalism is governance concerning natural resource issues through co-management institutions in which

state and local actors share decision-making powers with those most subject to the consequences having as much say as possible - essentially the principle of subsidiarity in which decisions are made at the lowest practical level in the political hierarchy. These processes can be slow and demand compromises, but hold some prospect for generating outcomes that are perceived as legitimate and that have a reasonable chance of being effective.

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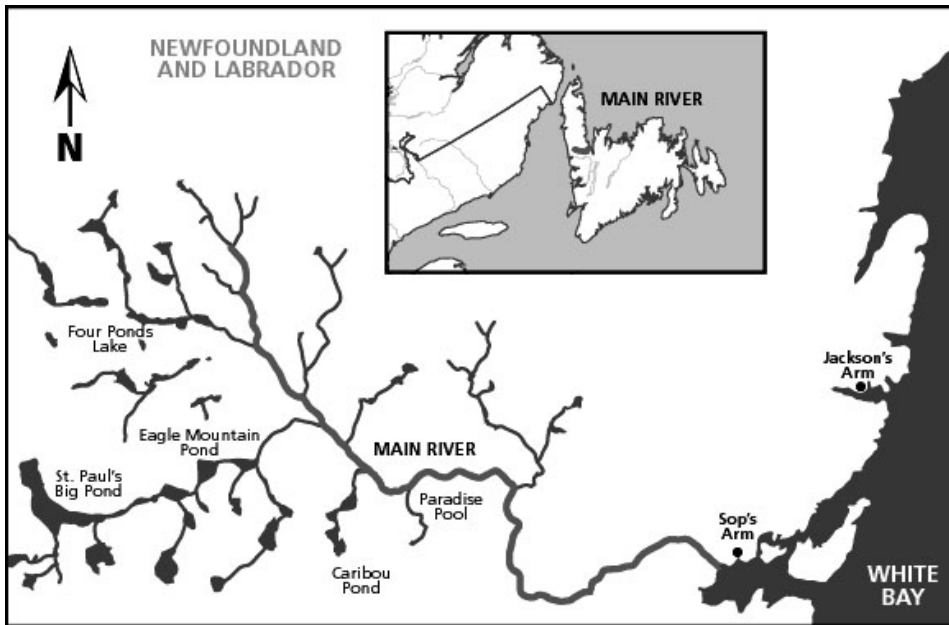
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Figure 1. The Main River Watershed.



Source: Main River Coalition website (no longer functioning)

## ENDNOTES

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<sup>2</sup> See, for example, the critical evaluation of rural partnerships by Jones and Little (2000).

<sup>3</sup> Evidence of a tight alliance between the state and capital extend back to the earliest development of pulp and paper (Cadigan forthcoming).

<sup>4</sup> The coalition was composed of the following organizations: the Canoe Association of Newfoundland, Forest Allies, Natural History Society, Newfoundland & Labrador Wildlife Federation, Outdoor Rights Association, Protected Areas Association, and the Salmonid Council of Newfoundland and Labrador.