
Forestry industry puts on brave face

B.C. Views

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V ANCOUVER – “As this report is written, British Columbia’s forest industry is reeling from new U.S. trade actions against Canadian lumber. Logging operations and sawmills throughout the province are shutting down, throwing thousands of employees out of work and undermining the economic foundation of many communities.”

So begins UBC resource expert Dr. Peter Pearse in his assessment of “an industry in crisis.” In November 2001.

Six years later, a new softwood lumber export tax, a huge currency shift and a U.S. lumber market meltdown have erased whatever gains were made from all the deregulation, forest licence reassignment, corporate takeovers and bankruptcies that have defined the B.C. Liberal government’s handling of the forest file.

So the 65th annual Truck Loggers Association convention was a tough room for Forest Minister Rich Coleman last week. The announcement of yet another regulatory review and the creation of a “Working Roundtable” on restructuring was reserved for Premier Gordon Campbell’s wrapup speech, leaving Coleman pretty thin gruel to offer the battered logging contractors of the B.C. coast the day before.

“I wonder some days just what I did to the premier to be made forests minister,” he told delegates, while trying to smile.

So how bad is it? Coast Forest Products Association president Rick Jeffery used that 2001 Pearse report as a yardstick.

Pearse said they needed to move to 50 per cent second-growth harvesting on the coast. After six years they’re at 30 per cent. Pearse said they would need 11-14 mills to handle second-growth timber. They have one new one and two rebuilt.

Pearse said they would have to close half the big old-growth mills. Six have closed, and 24 remain open, for now at least.

Of course those targets were to return the coastal industry to break-even, and they didn’t anticipate the U.S. market or last year’s three-month strike that cost the industry many of its

highest-skilled workers. A similar story is told in the pulp industry, which depends on the waste stream of busy lumber mills. Expect more closures.

Now we have the government's proposed solutions. Regulations have already been "streamlined" to the point where the Forests Practices Board has just issued an unusually strong denunciation of "high-grading" by helicopter loggers on the Central and North Coast. They've been lifting out the prize big cedar and spruce and leaving the decadent hemlock, good only for soaking up the sun and preventing regeneration.

Everyone agrees that tenure reform is needed, but the buy-back of 20 per cent from big forest companies a few years ago hasn't done much for smaller players. The last effort in 2004 privatized inspections and led to big-company monopolies on Crown timber.

Privatizing Crown lands? Campbell shot down that trial balloon in a hurry. As one industry insider noted, the public would never support it.

One government strategy that looks promising is to take the 15 per cent border tax money and use it to retrain and retire workers from the shrinking industry. Good old Ottawa, collecting taxes at the behest of the U.S., is finally getting around to sending some back to communities. It's almost enough to make one forget the phantom billion-dollar pine beetle fund promised to B.C.

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