

**Presentation by the New Brunswick Federation of Labour
on the Future of Forests and the Forest Industry
in New Brunswick
at the Public Hearings for the Select Committee on Wood Supply
held in the fall of 2003**

**Forests - A treasure for the citizens of New Brunswick,
today and tomorrow**

Miramichi, NB, November 27,2003

Introduction

The New Brunswick Federation of Labour is the largest labour body in New Brunswick, representing more than 31,000 members in 250 local unions in both the private and public sectors. We are happy to be able to participate in these public hearings dealing with the future of our forests and the forest industry in New Brunswick, since New Brunswick's forests must be, first and foremost, a source of economical (including tourism), social and ecological wealth for the citizens of New Brunswick, both today and tomorrow.

Forestry is at the base of New Brunswick's economy, constituting its principal industry, so the proportion of our membership from the forestry sector reflects this reality. In fact, aside of our members from the provincial and federal civil service, the forestry sector represents the NBFL's largest number of members, including the main labour organizations – the Communications, Energy and Paperwork (CEP) and the International Woodworkers of America (IWA) – as well as other members from the provincial civil service, a large number of which are members of the New Brunswick Government Employees Union (NBGEU). It goes without saying that the views of the NBFL as outlined in this brief are highly influenced by the positions taken by these organisations.

Many of our members in the forest industry are concerned about the future of their jobs. They live in regions where there is more and more talk of shortages in wood supply. We are seeing that the forest companies have not managed our forests very well. All these concerns are part of the challenges with which the committee holding these hearings must work.

Primacy to New Brunswick Citizens on Crown Lands

This is not the first time that the NBFL has publicly intervened on the issue of forests, and unfortunately it won't be the last. Given the importance of the industry itself, but especially given the way the government of New Brunswick manages this industry, and in view of the behaviour of the large corporations holding licences to exploit our Crown Lands, it is essential that we continue to be involved. According to the Supreme Court of Canada, Crown Lands are held in trust by the provincial government. This great responsibility is a heavy one to bear, and it is our duty to express our concerns about the way our government has discharged its responsibility up to now. As evidence, let us simply mention the difficulties that we have encountered, as unions associated with community, environmental and recreational groups,, in bringing about the expansion of this committee's mandate so it would address not only the management of wood supply, as the big forestry companies wanted, but the entire industry and

its future as well. **If big forestry companies are to have a certain place in New Brunswick public forests, the place of New Brunswick citizens in New Brunswick public forests must itself be supreme.** The way in which the New Brunswick government is discharging its responsibilities in this respect does not convince us that it is placing the interests of New Brunswick citizens ahead of those of forestry companies.

Moreover, the first terms of reference for this Committee of the Legislature were very restrictive for all the citizen groups intervening in this process, the only ones satisfied being once again the big forestry companies. We are not against forestry companies, since we need them to create jobs. But, we believe that our government must have the decency not to show its bias

for these companies so openly, and it must reaffirm, with us, the overriding interests of the citizens of New Brunswick. Decisions concerning the stewardship and management of Crown Lands must benefit the citizens. We are happy that the mandate of this committee was opened up and expanded, so as not to reduce its hearings strictly to proposals from forestry companies recorded in the Jaakko Poÿry Report.

Our principal responsibility, as a workers' federation, is that of defending the interests of our members. But, to have members, there must be work, and workers. As we have already stated in the past, we are not in favour of "jobs at any price," at the cost of destroying our forests, at the cost of profits only, at the cost of destroying wildlife, at the cost of excessive mechanization, at the cost of having no forest to leave to our children... Our challenge is to combine the creation of quality jobs, if possible in large numbers, with sustainable development; it is to ensure the development of our communities by vigorously encouraging second and third processing at the local level; it is to ensure that wildlife, flora and waterways remain healthy and plentiful in our forests so that we may receive their benefits; it is also to ensure that our Native brothers and sisters can make use of their ancestral rights to the forest as partners with us in the enrichment of our communities. For these reasons, we have for many years forged privileged links with community organizations that deal with the environment, wildlife, native rights... only to realise that all of us, in our diversity, wished for a more harmonious development of our forests, not only in the short term, but also in the long term. These organizations have become our principal "social" partners in this fight for healthier forests that can generate wealth to be shared by all New Brunswick communities. At times our interests differ from those of ecological groups, but more often than not, our interests converge. Sometimes workers are uneasily caught between the demands of environmentalists and those of the forestry industry. But, with the CEP (Communications, Energy and Paperworkers) **"we have always rejected the employers' false conflict between jobs and environment."** As New Brunswick citizens, we consider ourselves co-trustees of Crown Lands together with the government of New Brunswick, and we fully intend to carry out our responsibilities.

The Jaakko Poÿry Study

We still do not understand why the New Brunswick government does not seem to respect its own Crown Lands Act sanctioned on July 16, 1980, whose Article 69 clearly states that "...the Minister must create an Advisory Council charged with advising him/her..." To our knowledge, such an advisory council has never been created, unless the minister considers that his regular meetings with the New Brunswick Forest Products Association fulfil his ministerial obligations under this article. If this is the case, we must make it clear that we are opposed to such an interpretation. The only valid interpretation that will satisfy us is the creation by the government and its minister of Natural Resources of a true Advisory Council bringing together all partners involved in the issue of Crown Lands, in order to protect the interests of all New Brunswick citizens, and of the forest itself.

Like many of our colleagues mentioned above, we were flabbergasted at the release of the Jaakko Poÿry public report entitled "Crown Lands of New Brunswick - Assessment of Stewardship and Management" It is obvious that this report, financed with \$150,000 out from the provincial government on \$500,000 overall, was written for and by the forestry corporations themselves. In the analyses and conclusions of this report, the views of other actors on Crown Lands and of the people of New Brunswick were completely dropped. The report is so favourable to companies and to the New Brunswick Forestry Products Association that the latter rushed into a public relations drill of brandishing the Jaakko Poÿry Report as the new dogma of the New Brunswick forestry industry.

Since the early 1990's, together with other associative and environmental groups, we have been calling for a complete review of the management of Crown Lands, without being heard. The companies made similar requests to the provincial government in September 2001 – not with the same objectives, of course – and the government hastened to grant their request... the old double standard... and the Jaakko Pöyry Report is the product of this favourable alliance with industry giants. The requests of the companies, in their September 14, 2001 letter to the then Minister Volpé, were as follows:

“The government must:

- 1) Revise the “Vision” document and Forest Management Agreements to incorporate wood supply goals that maintain the softwood AAC (annual allowable cut) above 1997-2001 levels, and double the sustainable harvest by 2050.**
- 2) Revise government policies to be consistent with doubling the wood supply; and develop mechanisms whereby government and Licensees are held financially accountable to achieve the objectives of the Forest Management Agreements.**
- 3) Implement a silviculture program to achieve the wood supply stated above.**
- 4) Implement third-party audits to assure accountability and protection of crown lands, and to verify performance as per the Forest Management Agreements.**
- 5) Require of all Crown lands operation for environmental sustainability.**
- 6) Streamline and simplify Crown land management procedures to improve cost efficiency.”**

The Jaakko Pöyry report answered favourably to all the requests expressed by the New Brunswick Forest Products Association Inc. in their September 2001 letter. Allow us to express strong reservations with regard to the methodology used, the analyses carried out, and the conclusions reached in this troubling report. **Just also retain the tone of this September 2001 letter, where it is written “The government must...” and not “The government should...”**

We are gravely concerned by suggestions made in the Jaakko Pöyry Report, and evidently supported by the industry since the release of this report, that the New Brunswick government should also relax its rules regarding cutting in special management zones and buffers zones around waterways such as lakes and rivers. These management zones have been established, up to now, as a means of reaching ecological objectives, but what we could call social and cultural objectives have not even been included yet. Indeed, it will be necessary in the future to increase the size of these special zones, given the government's obligation to respect legal decisions concerning Native rights, and also to meet more numerous demands for community forests to create jobs locally. It would therefore be absurd for the government to agree to such demands from the industry, under current circumstances.

Finally, the most striking request in the Jaakko Pöyry report is that in the event the companies fall short of their target of harvesting double the amount of wood because of management difficulties on Crown Lands, the companies shall be compensated by the government, meaning the tax payers of this province. No such recommendation or practice can be found in all of the literature on the wood industry around the world. By introducing this concept of binding targets, the report illustrates another facet of the greedy attitude of the big corporations involved in this issue.

Monoculture versus bio-diversity

We are very worried by the Jaakko Pöyry Report recommendations that aspire to make New Brunswick a great plantation of "spruce and fir" trees – conifers – placed in the hands of big companies, with, if possible, the disappearance of the Department

of Natural Resources in its supervisory role. New Brunswick has 39 species of indigenous trees, and the companies are prepared to turn the province into spruce and fir plantations, ignoring the biological diversity and history of our forests.

We must also mention that the cutting and reforestation practices in New Brunswick up to now have resulted in the substantial reduction of the natural wildlife habitat. The Jaakko Poÿry proposals would no doubt continue this merciless destruction of natural habitats and prevent Nature from regenerating itself, in those areas where this is still possible, whether by itself or with human help. Is this the type of forest heritage that we want to leave our children and grandchildren? Most certainly, it is not what we of the NBFL want to pass on to coming generations.

We must make it clear that we are not against plantations and silviculture, on the contrary. We believe that the forest industry can be the ecological industry par excellence, given the resource's great capacity to regenerate by regrowth. But we also believe that the approach to reforestation must become more scientific. In those areas where nature can do better on its own, for example, it should be allowed to do so. Plus, we do not believe single-species plantations (monoculture), strictly to produce fiber for industry, is serving New Brunswick and its citizens well. We question the single option chosen by Jaakko Poÿry for fiber, given the known fact that in the forest industry throughout the world, the pulp and paper sector is among the stagnant ones, if not actually regressing, according to UNB forestry professors. We also learned lately that even the Jaakko Poÿry company, in a recent report prepared for the Ontario government, recommended it move away from a low-value, high-volume fiber commodity, to favour hardwood and value added manufacturing (Report: **“Assessment of the Status and Future Opportunities of Ontario’s Solid Wood Value Added Sector” – June 2001**).

Jobs and Transition

We believe that planners must attempt to raise the current level of jobs and production in the area of pulp and paper in New Brunswick, but that the management of our forests, therefore reforestation as well, must be rethought, taking into account the new sectors of the forestry industry that show more promise for the future in terms of second and third processing. We are referring here to lumber, furniture, marquetry, etc.... We are very surprised that the Jaakko Poÿry Report places so little emphasis on jobs.

A UNB study, as yet unpublished, shows that since 1961, the entire Atlantic region including New Brunswick has seen a drop in the ratio of the number of jobs to the cubic meter of wood harvested. Among the factors that might explain the situation in our region, two are most prominent: the small number of distinct value-added products being manufactured, and the decrease of the average size of trees in the woods (rebuilding a forest can take from 40 to 50 years, whether for fiber or not...), which has brought about an acceleration in mechanization in the forest. Yet Sweden produces 3 jobs per 1,000 cubic meters, while Canada produces only 2, and New Brunswick barely produces 1.5. Focusing solely on monoculture, as suggested by the Jaakko Poÿry Report, would be a proof of our collective irresponsibility, if not of human stupidity. It is important to remember, in this context, that the number of hours worked in pulp and paper mills in New Brunswick has decreased by over one third between 1988 and 1998.

It goes without saying that whether the choice is to reorient the forest industry, or to maintain the status quo, it entails and will continue to entail enormous risks of job losses during transitional periods. As union members we cannot but demand transition

programs that maintain the dignity of individuals, and create new job opportunities. We will not be able to accept swapping decently remunerated mill jobs for low-paid silviculture jobs... that trade-off would not support human dignity. Only the placement of people in comparable jobs at comparable salaries will be acceptable: this is a question of equity. Transition programs, especially for those who choose to train in other fields, should be available for at least four years.

To make sure that everybody understands the true meaning of just transition, we enclosed the definition given by the Canadian Labour Congress in a document produced in 1999 and called “**CLC Policy on Just transition for Workers during Environmental Change, p. 10-11**”, as follows:

THE MEANING OF JUST TRANSITION

Just Transition is:

Fairness:

Just Transition is the fair treatment of workers and their communities when employers close facilities for whatever reason. It is a moral and political imperative.

Re-employment or alternative employment:

The prime aim of Just Transition is the continuation of employment without loss of pay, benefits or seniority. Job equity is at least as deserving of preservation as the equity of corporations.

Compensation:

Where continuation of employment is not possible, just compensation is the next alternative.

Sustainable Production:

Just Transition is essential to the move to more sustainable production methods and the service sector which supports it.

Programs:

Just Transition will express itself in a variety of ways, according to the issue, but there must always be a *program*, suitable to address the environmental change that is about to take place.

Change is nothing new. It is happening all the time. Jobs change with technologies, for political reasons, even as a result of the weather. In market economies, jobs can change because of the random movements of the market, or arbitrary decisions of managers.

Change in jobs can have negative impacts, for individuals, families and communities. In a modern state, we aim to share the gains and we also aim to share the burdens of change, so that no individuals, families or communities carry an inordinate share of the burden.

Public policy makers should be aware of change before it happens and, particularly when change is the direct result of public policy, to ensure that the burdens of change are equitably shared. All change does not simply involve property rights, to be sorted out by markets. Rather, public policy must reflect the impact of change on individuals, families and communities..”

In further support of a just transition in the forest industry, that will enable our members to face the future with confidence, we favour the establishment of a crown corporation that would fund and organise the transition to sustainable harvesting and increased value-added production, and provide community and worker adjustments, as was done under Forest Renewal BC in

British Columbia. By taking significant royalties from the resource and reinvesting it in the management of Crown lands, in the industry and in the work force, much can be done to make the transition both possible and positive.

One way to fund such a corporation would be through the "stumpage fee". We believe that this corporation, in conjunction with the Department of Natural resources, should completely control all silviculture, reforestation and plantation activities in the province. By doing this we will prevent situations arising where companies are able to state, among other things: the land may be yours but the trees are ours. This new control would provide a better guarantee for the future of public lands than currently

A former forest manager estimates current losses in cutting rights in New Brunswick to about 80 million dollars annually: we are collecting 60 instead of 140 million dollars per year. Why? Companies are currently paying \$13.50 per cubic metre in stumpage fees, while they should be paying \$24.41. Comparing with fees paid in neighbouring Maine, the legitimate price in NB would still be much lower than the \$29.39 paid in that state. This kind of stumpage revenue would allow a crown corporation to fully carry out its responsibilities in maintaining and developing crown lands.

Restoring the diversity of our forests

We must also aspire to restore the true personality to New Brunswick forests, inasmuch as possible. We must be aware that restoring the Acadian forest would open our forests to more promising sectors of the industry and also allow our wildlife to reclaim its rightful place, to some degree. From then on, we can imagine the tourist and recreational potential that such a forest could generate. The province of New Brunswick could also recover its true identity as the "Picture Province", as it is known throughout North America. At the present time, tourists have more and more difficulty in seeing the true New Brunswick, with all the black spruce plantations that profoundly disfigure its genuine ancestral image, which represented its main trademark. Adopting the Jaakko Pojry Report would be choosing to continue the disfigurement of New Brunswick.

It is our view that forest inventories must err on the side of caution, and that only conservative estimates should be used as a basis for calculating how much wood is standing and how much we can safely cut. This caution has been in short supply up to now.

Management and Ownership

Big forestry companies are of the neo-liberal school of thought, and aspire to eliminate governments and citizens, as much as possible, from the management of what they consider their affairs, although their raw material - in this case the wood - belongs in the main to the citizens. One must therefore not be surprised that the Jaakko Pojry Report strongly urges yet again the reduction, in New Brunswick, of mechanisms for the supervision and management of Crown lands, which would eventually lead to the reduction, if not the almost total disappearance, of the Natural Resources Department. They even dare present the Ontario system adopted by Mike Harris as a model. Here in New Brunswick, we still believe that governments must play a major role in the management of forests. The total amount of money spent by governments on forest management in Canada in 1997 was the smallest amount since 1985...and it hasn't risen since 1997. Yet it is known that the employees of DNR consider that their current numbers are entirely insufficient to perform their tasks.

It cannot be said that New Brunswick citizens trust forestry companies to the point where they dare to believe that they could become auto-disciplined in the management of public lands. As stated by the CEP: "**Canadian – public - forests are not for**

sale, not now, not in the future."

That is why we also believe that licence holders for cutting and managing New Brunswick Crown lands must be diversified and increased in number. More licenses must be granted to community groups, for example. The management of forest resources must become more democratic. As it is now, two companies, as licensees, control more than 60% of our Crown lands: they are UPM-Kymmene Miramichi Inc. (28%) and J.D. Irving Limited (33%) – See the graph below, taken from a government publication called Management of the New Brunswick's Crown Forest – September 2003, on page 5:

We know and affirm that "**sustainable development demands that we decide locally in matters of forest management (CEP)**" Besides Irving, supposedly a New Brunswick company, the other five big licensees in New Brunswick are outsiders, and are multinational companies. Indeed, Irving is itself a multinational. These companies do not give a damn about the long term, but people here do. The involvement of more citizens in the machinery that manages Crown lands means that we guarantee a voice to current and future views on our public forests. We therefore hope, as we said at the beginning of this presentation, that the Department of Natural Resources will provide itself with a true forestry management advisory council composed of representatives of the industry's main actors, including workers, as well as representatives of communities and of above-mentioned groups (environment, wildlife, leisure...). We also call for the creation of a New Brunswick crown corporation along the lines of Forest Renewal BC, as also mentioned above.

Conclusion

Historically, unions representing workers in the forest industry have come to play important roles in the industry, in Canada as well as in New Brunswick. We are proud of having been able to participate in the full expansion of this industry, but especially in the improvements in working conditions and wages of this industry. New Brunswick's forest industry is among the most important industries in New Brunswick's economy, and there is no reason for this to end. In order to support the continued development of our forest industry, New Brunswickers should be made aware of their role and duty in the management of Crown lands which are collectively owned by the citizens of New Brunswick. Our province's citizens are becoming more aware of what is at stake, and our organisation and our member labour organisations ask nothing better than to accept responsibility with regard to the future of our forests. More than ever, New Brunswick must develop this feeling of ownership of Crown lands. We must reverse the trend of the last few years where the feeling has been that the government and citizens of New Brunswick are at the service of large forestry companies. **It is more than ever time to set the record straight and to remind these companies that they enjoy a privilege by being in business with the province of New Brunswick and its wood. We are not at their service.** We have a right to insist on a mature business relationship between us, which deals with the requirements of the various parties. We have a right to insist that these companies, given the high profits that they continue to accumulate, respect our rules intended to ensure that New Brunswickers enjoy the pride and assurance of owning our forests, for our citizens today and for all generations tomorrow.

References

CEP - National Forest Policy for a Sustainable Economy (Montreal, November 2000) – See www.cep.ca

CLC Policy on Just transition for Workers during Environmental Change -1999

Assessment of the Status and Future Opportunities of Ontario's Solid Wood Value Added Sector" – June 2001).