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## **BC Forest Industry**

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## BC Forest Industry

# The Need to Resolve the Crisis in a Manner that Favours the People

The big companies that dominate most of the BC forest industry, especially those taking timber from public land, are laying off workers and even permanently shutting sawmills in both the Interior and Coastal regions. The social forces in control have refused to deal with the problems in that sector of the economy in a manner that favours the people. They show no concern for finding a new direction for the forest industry that brings stability for working people and their communities and that humanizes the natural and social environment.

The big forest companies have long relied on the U.S. market as the main consumer of BC lumber commodities but that direction has proven to be insecure and crisis ridden. The aggressive trade agenda of the U.S. imperialists in collusion with big companies in Canada are using U.S. softwood lumber tariffs to raise prices and profits in the U.S. and drive smaller competitors out of business. The situation in Canada has worsened with the big companies using the social wealth workers produce to eliminate workers through technological change and to expand forestry operations in the United States. Interfor, Canfor, and West Fraser now own more mills in the U.S. than in Canada. Some point out that the BC government itself has provided these companies with extra revenue to accomplish that through pay-the-rich schemes such as incentives to harvest pine beetle damaged timber.



The *Globe and Mail* writes, "In recent years, the province [BC] incentivized companies to ramp up production and revamp mills to clear forest ravaged by the devastating pine beetle infestation. That work is pretty much done now, with the amount of timber that companies are allowed to cut annually reduced along with it. The market in the United States, meantime, which had helped BC companies reap record returns last year, has fallen dramatically .... For years now, forest companies have been shipping two-by-fours out the door and getting the best price possible for them. That was being done, however, against the advice of many who saw the writing on the wall and believed the industry needed to be transitioning from a volume-based model to one favouring value instead."

The *Globe* then quotes BC Premier Horgan as objecting to what the forest companies have been doing: "'Some companies have taken decisions recently that are going to be devastating for some communities and we need to be prepared for that. There is no magic solution to overcut and under supply of fibre. We need to find ways to take the fibre we have and do more with it. On the coast, we've been exporting logs at an unprecedented rate which is insane.' The Premier said people he talks to in the industry think that strategy is 'criminal.' He added: 'Those logs belong to British Columbia and they're being sent off as quickly as possible for shareholder profits.'"



Should one not say as well that the decisions "devastating to some communities" for the benefit of "shareholder profits" arise from an outdated economic aim bereft of any social responsibility, and an economic form that no longer conforms to the modern socialized conditions.

How those "record returns" and "shareholder profits" are invested is integral to solving problems both in the sector and in the broad economy, and charting a new economic direction without recurring crises. For that to happen the working people are striving for economic and political empowerment in various ways so they can establish control over their lives and

introduce a direction for the economy that favours them and guarantees their well-being and security. As a first step, they are laying claim to what belongs to them by right and opposing the empty rhetoric of those who govern in their name. Only the working class through its own institutions, its own thinking and organized efforts can chart and bring about a new direction.

(Photos: WF, PPWC)

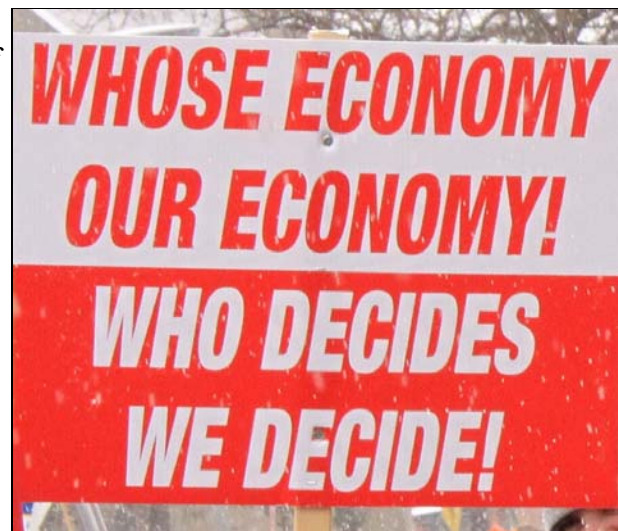


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## Clash of Rights

The serious problems and issues facing forestry workers and their communities represent a clash of rights: the human rights of the people to control their work, means of production, forests and the social wealth they produce and its distribution versus the property rights of the big forestry companies and their oligarchs and political representatives to defend and expand their private social wealth and class privilege through the control of the work of the working class, means of production, forests and the social wealth workers produce and its distribution.

Wildly fluctuating market prices and supply and demand seemingly out of control, the recurring downturns, the aggressive U.S. tariffs that block Canadian softwood lumber from the U.S. market, automation that only favours the rich oligarchs and others in control, the removal of the produced social wealth from the local economy leaving it bereft of strength and any hope of extended reproduction into other sectors to guarantee the well-being and security of the people, and the environmental damage from modern production methods are all problems related to the system which vests decision-making power in the hands of what is called a person of state which is controlled by narrow private interests. This is why the people's striving for empowerment is all about speaking in their own name, not handing over the right to speak in their name to others who,





in fact, are beholden to that person of state. In the 21st century, how to provide the problems which plague the economy with solutions is not rocket science. Solutions exist, but the ruling elite are just interested in making a killing in any way they can. Their class privilege and the domination of property right over human rights must be challenged because they no longer provide society with a nation-building aim and the productive forces and their communities are targeted for destruction on a mass scale.

For example, the problems of pollution and climate change do not arise from any inevitable conflict between the economy and the environment or something innately wrong with the modern productive forces. These and other unresolved social and natural problems arise from an absence in the aim of the economy of social responsibility and active suppression on the part of the ruling elite of the human factor/social consciousness and a modern aim for society which guarantees the well-being and rights of the people and humanizes the social and natural environment. The lack of politics of social responsibility in the aim for society and the current suppression of the human factor/social consciousness that favour only the ruling elite and their power, class privilege and property right must be challenged in the court of public opinion.

Political renewal strives to bring the modern socialized conditions of production in conformity with the rights that people have by virtue of being human. The working people must discuss these matters without preconceived notions and lead the way in finding solutions and a way forward in a new direction. This discussion empowers them by becoming decision-makers on all issues that affect their individual and collective lives and the social and natural environment.

*(Photos: WF)*



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## **Return of the Forestry Sector Downturn**

The Council of Forest Industries (COFI) representing the forest oligarchs has publicly stated that between eight and 10 BC mills could close this summer resulting in hundreds of layoffs and seriously damaging the economic well-being of many communities across the province. BMO calculates that the combined reduction of lumber production to date this year adds up to about 500 million board feet. A report commissioned by Forest Economic Advisors Canada concurs saying the province will likely lose 12 mills in the next decade.

These shutdowns are occurring at a time the big companies are adding two to three new mills every year in the United States in part because of the aggressive U.S. softwood lumber tariffs that block Canadian production from entering the U.S. market but also to take advantage of the terrible exploitation and anti-worker terms of employment for workers in the southern United States.

Control of the industry in fewer hands means decision-making is concentrated in the headquarters of a handful of oligarchs such as those of the Jim Pattison Group (Canfor) that operate globally in multiple sectors. Forest workers' unions report that the big companies are using the recurring crises and unresolved problems to attack workers and demand concessions in their terms of employment in BC.

## Tolko



**Workers at Tolko Mill in Williams Lake stage one-day strike, October 16, 2018.**

Tolko reported in mid-May the complete shutdown of its mill in Quesnel resulting in a loss of 150 jobs. It also has eliminated a shift at its Kelowna mill for another 90 jobs gone. More than 150 employees at Tolko's Armstrong sawmill thought they would be going back to work on June 3 after two weeks laid off. However, the company informed workers that the sawmill would be taking another two weeks of downtime.

The Vernon-based company has announced a series of temporary and permanent cutbacks in BC. Troy Connolly, Tolko's vice president of solid wood attempted to explain the situation in a media release: "As the recent rash of curtailments and closure announcements indicates, current market and cost conditions are making it difficult to operate in BC."

Taylor said the price of 2×4 lumber is currently less than half of what it was a year ago, and below its price of production. Taylor did not explain why prices could fluctuate so wildly in such a short period or offer any solution to this dilemma. He gave the standard answer of a conflict between supply and demand in a market out of his company's control or the control of anyone for that matter. Taylor said supply in the U.S., Chinese and Japanese markets currently outstrips demand.

At the same time as Tolko announced the extended downtime at the Armstrong mill, the company also said another two weeks of downtime would occur at its Soda Creek mill in the Williams Lake area.

## Canfor

Canfor began permanent closure of its sawmill in Vavenby, BC on June 4, with 172 job layoffs. Vavenby, located 150 kilometres northeast of Kamloops, is a community of just 700 people. The closure will decimate the entire community. The Canfor press release said nothing of how the people in the community will manage without their main source of livelihood. One assumes the standard imperialist "fend for yourself" is the dictum even when the socialized economy is not under the control of the working people. The mill has an annual production capacity of approximately 250 million board feet. Canfor is looking to sell its forest tenure associated with the sawmill to Interfor for \$60 million. The Jim Pattison Group owns and controls Canfor.

Regarding the transfer of the forest tenure for \$60 million, Interfor argues this deal will be in the public interest as the supply of wood fibre in the tenure will go to its non-union mill in Adams Lake.

Canfor surprised many workers on June 11, with the announcement of a curtailment of production at 12 of its 13 BC sawmills. The only exception is the WynnWood mill in Wynndel. The majority of mills will be down for two weeks with extended curtailments of four weeks at Houston and Plateau, and six weeks at Mackenzie.

## **Teal Jones**

BIV.com reports, "Teal Jones is shutting down second growth logging operations in its Honeymoon Bay operations on Vancouver Island, citing high stumpage prices. And that will inevitably translate into more curtailments at the company's sawmills, said Teal Jones CFO Haniff Karmally. 'It's very significant for the mills,' Karmally said.

"Like most other forestry companies in BC, Teal Jones has already taken several curtailments at its lumber mills in recent months, due to both falling lumber prices in the U.S. and rising stumpage costs, resulting in temporary layoffs.

"'We have taken more curtailment this year and over the last 12 months than we can recall ever taking,' Karmally said. 'Our mills have been down for one month to the end of April already. So we've taken 25 per cent curtailment this year in the mills.'

"About half of Teal Jones' tree farm licence on Vancouver Island (TFL46) is old growth. Logging will continue on the old growth, Karmally said, which accounts for about half of the company's annual allowable cut of 368,000 cubic metres per year. But it will cease all logging on its second growth. The immediate impact will be on logging contractors. 'They will have to create some layoffs,' Karmally said. 'They have no choice. This is impacting about half the operation. The old growth is profitable, just because of its value,' Karmally said. 'Second growth, by its very nature is of much less value.'

"Stumpage is what the provincial government charges companies to harvest timber on Crown land. The market value of logs affects stumpage prices. Karmally said the higher premiums from log exports (especially last year) have boosted stumpage costs. He added the company believes there has also been speculative bidding on BC Timber Sales, which could also be driving stumpage rates up."

## **Western Forest Products**

Western Forest Products plans to cut shifts at three Vancouver Island sawmills, where organized workers in USW Local 1-1937 are in the midst of bargaining for a new collective agreement and strike votes at all units are underway. Western Forest Products will curtail its Duke Point sawmill for two weeks and its Saltair sawmill for one week in June. The company will also reduce operating levels from 120 hours per week to 80 hours per week at its Chemainus sawmill.

## **Norbord Inc.**

Norbord Inc. announced on June 11 the indefinite cessation of production at its mill in 100 Mile House, BC beginning this August. One hundred and sixty workers are affected by the shutdown.

## West Fraser Timber Co. Ltd.

West Fraser says all mill activities will be curtailed temporarily for a week in June at five BC sawmills. West Fraser says cutbacks and layoffs will take place at sawmills in Chetwynd, Quesnel, Williams Lake, Smithers and Fraser Lake.

## Interfor

Interfor recently announced it would also cut back on operations this June.

(Photos: M. Lamb)



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## Organized Forestry Workers Defend Their Rights



**One-day strike at the Canfor Mill in Prince George, October 25, 2018 to back contract demands of mill workers. (T. Tate)**

The USW forestry unions in BC accuse the big forest companies of using the downturn in the sector to intimidate their members. Many are in negotiations for new contracts, as most expire this year with only a few resolved.

USW Local 1-1937 (coast forest industry) has meetings and strike votes scheduled throughout June and into July for its locals of Western Forest Products. The bargaining committee is asking members for a strong strike mandate to be used if necessary. (For strike vote meetings, [click here](#).)

The Local's Update #5 reads, "Since our last update Western Forest Products has dug in and maintained all of its massive concessions from workers while at the same time not agreeing to any of the Unions proposals."

Brian Butler, President of USW Local 1-1937 writes in the update, "The company is betting the farm that workers will accept massive concessions including the elimination of their pension plan, erosion of seniority rights, reducing rights in contracting out language, cutting benefits, reducing vacation entitlement and many more .... All the while outright rejecting any of the Unions proposals, including appropriate wage and benefit improvements and addressing onerous alternate shifts which



members have overwhelmingly labeled as unsafe and negatively impacting their health and family life as well as their ill-conceived and ill-managed drug & alcohol policy that drives safety underground and targets and demeans workers." (See [Update 5](#) and [Update 6](#).)

USW Locals 1-405, 1-417 and 1-423 representing forest workers in the BC southern interior are in negotiations with the Interior Forest Labour Relations Association (IFLRA). The USW Bargaining Update #31 writes:

#### **"IFLRA Chooses to Final Offer USW Committee Instead of Negotiate**

"USW Locals 1-417, 1-423 and 1-405 spent May 15th and May 16th at the bargaining table attempting to negotiate in good faith with the IFLRA to conclude a collective agreement for the Southern Interior forest industry. Regrettably the IFLRA refused to negotiate, choosing instead to table a 'Final Offer' that the USW Negotiating Committee cannot support. The IFLRA's final offer is similar to the deal that was agreed to in the North, however, contains language not in the North agreement. Due to the IFLRA's refusal to compromise or move on those differences, the USW Southern Interior Locals will be giving the affected members an opportunity to vote on the final offer. Your USW bargaining committee consisting of the presidents of Locals 1-417, 1-423 and 1-405 will be taking the IFLRA final offer to the membership for a vote of the affected operations."



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### **Challenging State-Organized Repression of Workers' Rights**

## **Government's Use of Heavy-Handed Tactics to Strip Workers of Their Rights**

**- Interview, Daniel Légère, President, New Brunswick Federation of Labour -**



**Demonstration by nursing home workers, organized in CUPE, in Fredericton April 12, 2019, as part of their fight against the violation of their right to strike.**

Workers'Forum recently talked with Daniel Légère, newly elected President of the New Brunswick Federation of Labour. Daniel was President of the Canadian Union of Public Employees (CUPE) New Brunswick for the past 14 years. On behalf of CUPE New Brunswick, he spearheaded, among other things, the "Breaking the Mandate" campaign to fight for public sector wage increases. Successive provincial governments, Progressive Conservative and Liberals, have imposed a



*mandate to suppress wage increases. The attacks against wages and living and working conditions come with state-organized repression against the workers' struggles that is seen both in the private and the public sector. Légère shares his views about this problem.*

**Workers' Forum:** You were elected President of the New Brunswick Federation of Labour at the end of May. Congratulations! Best wishes for success in your important work.

In the press release of the Federation following the Convention, you write that the labour movement is facing challenging times, both in the public and the private sector. Can you tell us more about this?

**Daniel Légère:** What we are seeing is action by governments, employers, the courts, and legislation stripping the right of free collective bargaining away from workers. We have the bitter example of what happened with Canada Post. CUPW members were on a legal strike and the federal government legislated them back to work. Make no mistake about it, this came from the Trudeau government as Canada Post only has one shareholder, the federal government of Canada. It is the federal government that legislated them back and stripped the right to strike away from those workers.

Provincially here in New Brunswick, we are seeing this as well. Nursing home workers are facing legislation taking away their right to strike. The Labour Board declared at some point that it was unconstitutional to deprive these workers of their right to strike, and then the provincial government took it to the courts. The most blatant and the most upsetting example was that the workers had a victory at the Court of Queen's Bench when Justice Garnett ruled that to deny the nursing home workers their right to strike was causing irreparable harm to them. But within two hours of that decision, the provincial government had a hearing by the Court of Appeal. Now who can get in front of the Court of Appeal within two hours of a verdict being rendered by the Court of Queen's Bench? The judges of the Court of Appeal reserved their decision for a later date and meanwhile the nursing home workers cannot go on strike. This is a government using heavy-handed tactics, using legislation and the courts to strip the workers of their right to strike.

At the moment in New Brunswick we have a minority Conservative government. The Liberals brought forward a motion that government should go to unfettered binding arbitration to settle this. In our nursing homes there is a real crisis as there is across the country in the long-term care sector. The motion passed with all the opposition parties supporting it and still the government refuses to go to unfettered binding arbitration. They said they agree to binding arbitration but the arbitrator's hands will be tied and restricted so much that the outcome will have to be what the government wants. This is a sad day for democracy when the majority of the Legislative Assembly wants the government to fix this and says how to fix it and the government still refuses. I think that the Higgs government does not have the confidence of the Legislative Assembly.

If you look at what is happening in the private sector, in Belledune, Steelworkers took a strike vote and gave strike notice, but the employer locked them out instead, ran to the courts and had an order allowing only six picketers per picket line, and that is in totality. I have gone up a few times, and when I am on the line with the strikers, one member has to drop off. There is all kinds of other stuff. They are busing scabs in but the court ruled that Steelworkers are not allowed to demonstrate at the pickup spots for the scabs and are not allowed to take any photographs except for evidence purposes. Employers are using the courts to strip free collective bargaining rights away from workers, both in the private and the public sector.



**WF:** How do you see the development of this challenge to workers' rights being stripped away?

**DL:** The labour movement is at a crossroads. We have to challenge all these sorts of things, and at some point we have to be a little bit more militant I think. It is a level of militancy that seems to have gone away for the last decade or two.

We have to challenge this at every opportunity. We have to appeal these bad decisions. We have got to use every avenue at our disposal to take this on. It is time for the labour movement to start being a little more proactive.

They want to reduce the process to collective begging, not collective bargaining. Labour has to come together. One union cannot do it alone. We need the entire labour movement to come together and we need civil society to come together as well. We have to work beyond the union movement.



## The Fight in Quebec for Acceptable Working Conditions in Health Care

### Paramedics Demand Government Respect Commitments Made During Last Negotiations

**- Interview, Jean Gagnon, Representative, Pre-Hospital Sector of Health and Social Services' Federation -**

*Workers' Forum is posting below an interview with Jean Gagnon, who is the Representative of the Pre-Hospital Sector of the Health and Social Services' Federation (FSSS-CSN). The federation represents approximately 3,500 of the 5,000 paramedics across Quebec. After a protracted strike, these paramedics signed a collective agreement in 2017 in which the government of the day made specific binding commitments.*

**Workers' Forum:** The FSSS-CSN recently published the communiqué "Pre-hospital emergency services: the government must respect its commitments." What is the non-respect of the Quebec government's commitments to paramedics and the public?

**Jean Gagnon:** When we renewed our collective agreements in 2017, we had demands regarding the workload of the paramedics that work on hourly schedules and the transformation of around-the-clock on-call schedules into hourly schedules. These on-call schedules force paramedics to be available 24 hours a day for seven days. The government sent us a letter announcing these measures and the criteria with which it was monitoring the workforce year after year. When thresholds were reached, the government was to convert the on-call schedules into hourly schedules and to add more workers in the case of the hourly schedules. These thresholds are based on measuring the time spent answering calls for ambulances, and beyond a certain threshold, the on-call schedule becomes untenable. It becomes untenable because the paramedics stay at work far too long. We are forced to remove them from the road and replace them with another team. But if they were on 12-hour

schedules, they would finish their shift, perhaps a little late sometimes, but another team would take over. In other places, we are not able to answer the calls in the time that is required so vehicles must be added.

The fact is that since 2017, they have not provided us with any data other than what we used last time we were in negotiations. So the data we have are from 2015-16. We do not have data for 2016-17 and 2017-18. Yet we know that in many places we meet the criteria for adding vehicles and changing these around-the-clock on-call schedules. At the moment, the areas for which we want official data, the areas for which we know that the thresholds have been reached with respect to the on-call schedules, are Farnham, Cabano, Baie-Saint-Paul, La Malbaie, Amos, Malartic, Ville-Marie, La Tuque, Coaticook and Weedon. In regards to workloads for those working on hourly schedules, we have Quebec City, the Laurentides-Lanaudière region, Montérégie and Sherbrooke. In addition, with respect to Urgences-santé [*the public emergency medical service for Montreal and Laval -- WF Ed. Note*], there were 77,000 hours of service time put in, the equivalent of 70 full-time positions, and at the moment there are about 15 positions that have been created, with people put on the road. We know that when the workload is too high, paramedics face post-traumatic stress, burnout, problems retaining workers in the profession and all the problems that result from this.



**Sign during the paramedics' 2017 strike states that their schedules are inadequate to provide timely medical intervention.**

For the cities I just named, we do have our people collecting data, we can get data from the employer, we can see the hours our teams do, and we know the places where, in our opinion, the thresholds have been reached. It is up to the government to provide us with the official data.

**WF:** What work are paramedics and the union doing to force the government to honour its commitments?

**JG:** Right now, we are in the process of denouncing the situation and of course we are giving the government the opportunity to hear us and respect its commitments, otherwise other things will be organized. We do not see how we can start new negotiations if the government does not respect its commitments from the last round. You will hear from us again in the coming months, for sure, until the government respects its commitments.

We signed these collective agreements with employers, under the auspices of the Liberal government of the day, and the Ministry of Health committed to providing us with the data for each year and to implement the criteria.

Today we are addressing ourselves to the Coalition Avenir Québec government and we are asking how we are going to be able to operate if, when there is a change of party in power, it does not respect the agreements that were reached in good faith. We must not forget that if we did not have these commitments in writing, there would not have been a collective agreement, we would still be in a dispute and on strike. That is what settled the dispute and the strike. Although this commitment



is not part of the labour contract *per se*, it is still a written commitment from the Ministry that we have in our hands.

We are asking people to support us, to call the Ministry if they can to denounce the situation. Most importantly, if they face undue wait-times, we are asking them to file a complaint.

*To contact the Quebec Ministry of Health and Social Services regarding the unacceptable situation facing the paramedics and the people who require their services, call: 1-877-644-4545 (toll free line).*

*(Photo: CSN)*

## **FOR COVERAGE ON**

- **Aggressive Trade Agenda of the U.S.**
- **One Year of Resistance to the Anti-Social Offensive of the Ford Government**
- **Struggle of the Alberta Nurses Against Bill 9's Attack on Wage Arbitration**
- **Centenary of the Winnipeg General Strike**

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