

Your Opinion

Thunder Bay no longer looking down its nose at single industry towns

For decades, the city of Thunder Bay has been snobbish about the rest of northwestern Ontario. As well as taking the region's resource industries for granted, the City has never bothered to calculate the impact of the millions of out-shopping dollars that residents of smaller communities spend here every year. With the possible exception of former Mayor Jack Masters, Thunder Bay's mayors and councillors for the last two decades have looked down their noses at the "single industry towns" of the region, claiming that the city's supposedly diverse economic base protects us from the ravishes of mine closures or mill shut-downs.

That era of incomplete thinking is thankfully coming to an end. The City fathers and mothers haven't lost all their arrogance, but they have been humbled a bit. A study released Nov. 20 by the Thunder Bay Economic Development Corporation (EDC) proves, once and for all, that are quite dependant on the resource sector, particularly pulp and paper mills. The study predicts that if the Canadian Pacific Forest Products mill and the three remaining Abitibi-Price mills were to be closed or mothballed, the city's unemployment rate would rise to 22 per cent, and residential taxes would have to increase at least eight per cent to make up for the revenue lost from commercial assessment. In other words, we would be just like Atikokan or Ear Falls after they lost their mines, or like Red Rock after Domtar downsized. The only difference is that Thunder Bay will experience the same problems on a larger scale.

Mayor David Hamilton is using this study as part of his short-sighted campaign to support the industry's desire to avoid installing pollution control equipment that will meet "zero discharge" standards for chlorine regulations that are already the norm in Scandinavian and most European mills. He's arguing that a prolonged recession is not the right time to make the pulp and paper industry conform to tougher environmental standards, without asking how best to position the industry for the future.

The short-sighted nature of this argument is painfully obvious. Germany has already banned the import of pulp that contains chlorine, and the rest of the European Economic Community is expected to do the same before the end of the decade. Vice-president elect Al Gore's book on environmental issues includes a call for stricter standards for newsprint imports, such as increasing the recycled content requirements up to as high as 75 per cent, and phasing out chlorine within five years. The EDC study points out that "68 per cent of Canadian forestry exports are shipped to the United States,

approximately 15 per cent to the European Economic Community, and about nine per cent to Japan "but does not discuss what the standards of our customers are, or whether we are equipped to meet those standards.

I'm not alone in pointing out the pulp and paper industry's lack of long-range thinking. A study funded by FEDNOR, the federal government's economic initiative for Northern Ontario, was released in August of last year by Coopers & Lybrand study's most import conclusion was: "In the past,

Ontario firms played a leading role in the development of new techniques and products for the paper industry. This leading role has been lost at a critical time. Indeed, the evidence suggests that the weakness has spread beyond investment in research and development and Ontario plants are now unable to adopt new technology that would build competitiveness to global standards."

In other words, when the recession ends and pulp and paper markets improve, our mill might not recover as well as other countries' mills, where technological investments and environmental standards have been understood as a market-driven necessity, not as a troublesome expense.

The Coopers and Lybrand study concluded that the pulp and paper plants that will be still be around in five or ten years are those which:

- make more use of recycled fibre.
- are prepared to invest in the latest technology and efficient production methods, even at the expense of jobs in the short term.

•are owned by large, well-capitalized firms seriously committed to remaining as part of the Northern Ontario economic landscape over the long term, and thus make investment decisions not focused exclusively on immediate bottom line problems, but rather on visionary prospects for an environmentally-friendly paper industry in an information-based economy.

The EDC obviously chose not to take the FEDNOR findings into account. The credibility of the EDC's study can thus be questioned, but at least one good thing has come out of it: Thunder Bay can no longer be smug about northwestern Ontario's dependence on resource industries.

Perhaps we've moved on step closer to a collective understanding that all communities dependent on resource industries are in the same predicament: how best to modernize and anticipate future markets' demands at a time when those who control investment dollars seem very reluctant to look much beyond the next quarter's financial results.



NORTHERN INSIGHTS

by Larry Sanders



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