



*Submission Regarding  
Hearings to Examine and Report on the Status of  
Sustainable Wood Supply from Crown Lands in New  
Brunswick*

Presentation to the Select Committee on Wood Supply

Saint John, NB

November 20, 2003

## Who we are

The Saint John Board of Trade traces its origins to 1819, when a group of merchants led by the Honourable William Black formed an association known as the St. John Chamber of Commerce. In a re-organization in 1872 it became the Saint John Board of Trade.

Today, the Saint John Board of Trade is dedicated to fostering an economic climate that enhances growth, prosperity, and an improved quality of life in the community. With more than, 1,000 members, representing 600 small, medium, and large businesses and organizations, the Board is a dynamic advocate and the principal voice for the business community of Greater Saint John. It offers a variety of programs, activities, services, and networking opportunities designed to enhance the business prospects of members and the overall business climate of the area.

The Board accomplishes its work primarily through committees, task forces and member forums; which deal with issues of importance to the business community and recommend what action should be taken. It deals with changes, trends, and issues under provincial and federal jurisdiction and monitors legislative and other developments of concern, which affect the business community.

Since the beginning, the Board has played a prominent role in establishing the Maritime Provinces Board of Trade, the Maritimes Transportation Commission and the Canadian Chamber of Commerce. In recent decades we have been instrumental in promoting and/or getting established:

- The United Fund, now known as the United Way of Greater Saint John.
- The Saint John Port and Industrial Commission.
- The Social Services Council.
- The Consumer Business Information Bureau.
- The Harbour Bridge and Throughway.
- The Saint John Campus of the University of New Brunswick.

In the early 90's the Board played an important role, through the Goals for Saint John, in establishing the Greater Saint John Economic Development Commission, now known as Enterprise Saint John. It was also instrumental in getting a number of economic development agencies in the city together under one roof – in the Business Resource Centre. The Board also worked diligently for the last several years to guide the transfer of the Saint John Airport to a local airport authority.

The Board has maintained a strong relationships with the City and other Saint John agencies to help focus the community on initiatives that will lead to the long-term growth of the region. Examples of this include the Saint John Waterfront Development Partnership, of which the Saint John Board of Trade is a funding partner, and the recently launched Growth Strategy for Greater Saint John.

As a volunteer organization we acknowledge that the issues of management of Crown lands and maintaining a sustainable wood supply is complex and involves economic and technical issues that are difficult for the average person or organization to fully evaluate. However, we have reviewed the JAAKKO POYRY report and believe we have the ability to provide relevant comments to the committee.

## Economic Considerations

The Saint John Board of Trade includes, as members, many members of the New Brunswick Forest Products Association and business organizations involved directly and indirectly in the forest products industry. A vibrant forest products industry is crucial to the economic, social and environmental well-being of the Greater Saint John region. Thousands of jobs, directly through production facilities and indirectly through private woodlots, suppliers, and the shipping and transportation industry, etc. are dependent upon the health of the industry. For example, more than 1,400 direct jobs (with a gross payroll in excess of \$120 million) are provided in Saint John and 2,300 independent private woodlot owners make their living by supplying mills in Saint John. These jobs tend to generate wages consistently higher than the Provincial average. In addition more than \$6 million of property taxes are generated annually direct from the industry.

The Port of Saint John is the primary direct ocean-going terminus for pulp, paper and lumber products and depends on the industry for a significant portion of its port fees. More than \$3 million of fees are paid to the Port of Saint John annually to ship forest markets to markets around the world. The forest products industry is also a major customer of the Saint John airport with more than \$3 million in airfares spent annually. Without the “anchor customers” both the Port and Airport would be adversely affected by a reduction in activity by the forest products industry potentially leading to a significant competitive disadvantage to the region in attracting and retaining other employers.

A key component of the Greater Saint John Growth Strategy is the encouragement of immigration to the area. It is anticipated that significant employee turnover is expected in the next five years in the industry given the current demographics. Significant investment has been incurred in recent years in training programs, including local community college programs, industry educational programs, etc. to ensure some certainty of a skilled labour supply. A healthy forest products industry provides ongoing opportunities for local and immigrant job seekers. Significant investment has been made in developing the skills and productivity of the present workforce including workplace literacy initiatives.

The nature of the industry requires significant capital investment to ensure the most efficient and effective processing procedures. For example, in the past ten years more than \$500 million has been invested in capital improvements to forest products operations in the Greater Saint John area. These

investments are required to remain competitive and employ hundreds of other New Brunswickers during construction and installation.

In addition to these direct economic benefits the industry also contributes to the social and environmental health of the region. The industry is a key contributor to many social causes and organizations that make a positive difference to the quality of life in Saint John. These efforts include the establishment of parks, including the provision of nature education programs, as well as contributions to our city's cultural and health institutions.

It is crucial to the Greater Saint John business community that the forest products industry continues to be financially healthy and competitive. The ability for the industry to continue financing its investments is directly contingent upon its ability to locate a reliable supply of raw material. **Continued reinvestment and sustained employment and economic impact cannot continue without a secure and growing wood supply.**

## **Environmental Considerations**

In addition to the economic issues there are legitimate concerns expressed by members of the Board of Trade relating to the environmental considerations of the use of Crown lands. These issues include the desire to maintain the biodiversity of the Provinces forests, continued access for recreational purposes, protection of wildlife habitats, etc.

Again, as a volunteer organization we acknowledge that the issues are complex and involve technical issues that are difficult for the average person or organization to fully evaluate. However, the Province currently has strict regulations relating to these matters including the Crown Lands and Forests Act. Industry participants are tested on a regular basis to ensure compliance with these standards and have a vested interest in maintaining sustainable practices. We also understand New Brunswick currently has a high level of protected areas and special management zones compared to international standards.

Licensing standards that are binding on the Government and the licensee with significant financial or other penalties for non-compliance can be established to ensure continued satisfaction of the environmental concerns. We encourage the continued enhancement of the accountability standards including the adoption of certification schemes that could reduce overlapping oversight responsibilities

and reduce costs. The forest products industry, in our opinion, has demonstrated its commitment to these issues in the past by its investment in improving air quality standards, implementing world first pollution prevention technology, forest certification procedures and independent audits, direct investment in environmental research and conservation programs, etc. In fact, Saint John based forest products operations have been nationally and internationally honoured for their environmental efforts.

In our opinion the forest products industry has demonstrated its desire to meet and exceed the community's expectations and believe this would continue to be the practice while meeting their future business needs. As documented in the report it may be necessary to significantly increase the annual spending on silviculture to meet the wood supply objectives. It is our understanding these practices can be conducted in an environmentally sound manner and that the industry is prepared to participate in this investment. Should these costs be incurred by the industry we recommend the management system include the ability of the industry to reap the related benefits (i.e. industry should be permitted to "re-harvest" replanted areas).

## Conclusion

To summarize:

- Significant ongoing capital investments are required by the industry on a regular basis.
- Certainty of wood supply is the key component to be addressed in making future industry investment.
- Rigorous management techniques are available to ensure the environmental sustainability of the Province's forests.

The Board of Trade supports the principles that a significant increase in the wood supply from Crown lands can be achieved while ensuring environmentally sound standards are maintained.

As outlined in Greater Saint John's Community Economic Growth Strategy, existing businesses will account for as much as 90% of economic growth in the community. As the forest industry is such a large portion of the Saint John economy, it is imperative to our community's growth that we maintain the critical mass of these professional and skilled workers.