

Employers seek salary concessions from interior forest workers

BY GORDON HAMILTON, VANCOUVER SUN JULY 7, 2009

Interior forest workers face employers determined to get wage concessions from them when both sides meet next week in their first attempt to hammer out a new labour contract.

But the union representing them said that markets, not worker wages, are at the heart of the crisis in the B.C. forest industry. Cutting wages won't bring back jobs, said Bob Matters of the wood council of the United Steelworkers.

"There is virtually nothing we can do from our end, apart from busting our butts at work, to help things. If all of our guys at sawmills in British Columbia went to work tomorrow for free — for free — we wouldn't sell more lumber. That's the bottom line," he said.

The Interior labour contract expired July 1 and both sides face the task of working out a new deal in the midst of the worst industry downturn in memory.

The union represents 12,000 Interior workers and has picked one of four employer groups, the Council on Northern Interior Forest Employer Relations, to negotiate a new contract, which it is hoping will be the pattern for the region. Talks begin Tuesday, said Matters.

All four employer groups have exchanged proposals with the union and all are seeking wage concessions, Matters, said. The other three groups are the Interior Forest Labour Relations Association and lumber giants West Fraser Timber and Canfor Corp.

The Prince George Citizen has reported that Canfor is seeking a 10-per-cent wage rollback. Matters said the other employers have given the union similar proposals.

Matters said workers are concerned over job security issues.

Of the 12,000 workers, about 3,000 to 4,000 are laid off and many of the remaining 8,000 to 9,000 are working part-time.

Further, many of those who are laid off have been out of work for more than two years, he said. Their employment insurance benefits have run out long ago and now they risk losing their seniority rights at the mills where they used to work.

Russ Taylor, of the consulting firm International Wood Markets Group, said the stakes are high for both sides. Mills could likely save money in the current depressed market by shutting down, he said. But they would then risk losing the only things they have going for them: their customer base, their chip contracts with pulp mills and their staff.

"They would lose less money, but they would lose more in the long term," he said.

Lumber production in North America is currently only 50 per cent of capacity and that means if mills in B.C. go down, others will quickly start up to fill the void.

However, even given those risks, Taylor believes mills have no option but to seek wage concessions.

“A 10-per-cent rollback would help. Everything helps you to get closer to break-even. That’s probably the issue,” he said.

“This is a time when industry hasn’t got the capital to figure out ways around higher labour costs so their only option really is to cut costs everywhere they can, including their own salaried staff and hourly staff.”

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