

THE TLA: 75 YEARS OF INNOVATION AND ADVOCACY

By Jim Girvan

The TLA would like to thank Rick Jeffery, David Browstein and all those TLA members and directors who contributed their insight to the writing of this document. Special thanks to the late Ken Drushka; his article "50 Years of Achievement" published in the December/January 1993 issue of *Truck Logger* magazine was drawn upon greatly to inform this expanded history.



The founders of the Truck Loggers Association (TLA) never intended to create one of the most enduring and influential organizations in the BC forest industry. The primary concerns of the handful of small, independent loggers that first met on Vancouver Island more than 75 years ago were far more modest than the major forest policy issues that have preoccupied the TLA ever since.

Although the organization celebrates its 75th anniversary this year, its birth dates to the summer of 1939 when a politically astute Qualicum Beach logger, Bert Welch, sent a letter to 30 small operators working between Nanaimo and Campbell River, inviting them to a meeting at Qualicum. In most respects Welch was typical of those who received invitations. Where he differed from his contemporaries was in his broad political interests, made possible by his willingness to rely on good logging managers.

At the time, the coastal logging industry was in a state of rapid and drastic transition. The industry was dominated by about 40 large logging companies, several with mills that worked with steam-powered yarders and loaders feeding railways that hauled logs to saltwater.

for the railway operators in locations the latter could not get to. Being relatively inexpensive, the trucks and gas donkeys were quickly acquired by enterprising loggers with a disinclination to work for wages in the big company camps.

During the economic recovery that oc-

Over the next two years, the world was plunged into war and it became increasingly difficult for loggers, especially small contractors, to obtain equipment and supplies.

In the 1920s, the first trucks began to appear, and with the introduction in the 1930s of Caterpillars and dozers that could build roads, their numbers multiplied. They were used to haul logs yarded by relatively inexpensive gas donkeys, a stump-to-dump combination ideally suited to long strands of timber too small

current during the last half of the 1930s, the independent sector grew quickly, particularly on the east coast of Vancouver Island, up the Fraser Valley and along the Sunshine Coast. The larger railway companies were represented by the BC Loggers Association, a third of which supplied their own mills. While a



few members of this organization were also owner-operators who had begun as hand loggers, the majority were larger companies with powerful and, usually, distant owners. The BC Loggers Association had little to offer the emerging truck-logging sector.

In 1939, with war looming, the major problems facing truck loggers were snag-falling and slash-burning regulations introduced by the Forest Branch in the wake of the 1938 Campbell River fire. At this time, the railway loggers were creating huge clearcuts, littered with heavy slash. Their steam boilers and trains were notorious for starting fires. While the new regulations may have made sense in the context of railway logging, they were an onerous and unnecessary burden on truck loggers and, as it's recognized now, silviculturally and ecologically destructive.

Only two loggers responded to Welch's

first invitation. They talked for a few hours and that was that. Over the next two years, the world was plunged into war and it became increasingly difficult

were operating under the same regulations, the larger companies were more adept at dealing with them, and when they encountered problems, the BC Log-

As the largest proportion of output of logs in BC is handled by the small operators, those present felt that they should have some voice in legislation pertaining to the industry.

for loggers, especially small operators, to obtain equipment and supplies. A vast, distant bureaucracy developed that the average truck logger had neither the time nor the resources to penetrate. Tires, gasoline and trucks were particularly hard to buy, even though they might be stockpiled in warehouses and garages in every town on the coast. Workers were hard to find, and the log market was strictly controlled, as were prices. Although they

gers Association was able to lobby on their behalf.

Welch's second invitation in 1941, met with a better response. A dozen companies were represented at this gathering to discuss the "feasibility of the Truck Loggers of British Columbia becoming organized." Those present agreed unanimously to form an association and appointed a committee of Bert Welch, Frank Parker, and W.F. Clark, to come up

with a plan to present at another meeting two weeks later.

On October 17, 1941, the original group, along with another nine loggers, elected a slate of officers and directors, with Bert Welch winning the election. The initiation fee was set at \$5, with the first receipt for that amount issued to Welch's Olympic Logging. No business was conducted at this meeting, but on adjournment someone discovered that BC's Forests Minister, A. Wells Gray, was addressing an election campaign meeting upstairs. He was invited to meet the group, which at this point was calling itself the BC Truck Loggers Association.

A few days later, in response to an inquiry from the editor of the *BC Lumberman*, Welch described the organization as a group of "some 30 truck loggers, who felt it would be desirable to have a body of men, joined together, whose interests were practically identical and whose wide experience in the industry gave them a standing worthy of consideration by our Legislators when modeling laws affecting the industry." As the largest proportion of output of logs in BC is handled by the small operators, those present felt that they should have some voice in legislation pertaining to this industry.

In October of that year, the Association passed a resolution and wrote to the National War Services asking that Norman Madill be exempt from military service. "Mr. Sam Madill," the letter explained, "whose plant is in Nanaimo, takes care of the bulk of the logging truck, trailer and woods equipment repair work for the loggers in the district between Duncan and Courtenay, and as the greater por-

Credit: Gary Kingman



In the beginning. The TLA had four presidents during its early years in the 1940s. Left to right: Bert Welch, Clair Smith, Harold Clarke and A.P. Allison. Welch served for two terms as president during that decade.

For several years the Association was based in Nanaimo and held its first annual meeting there on October 25, 1942, but only eight members attended. It was rescheduled for November 8 and, following an urgent appeal from Bert Welch, a large turnout was accomplished. The financial statement revealed expenditures during that past year amounting to \$11.25, and a cash balance of \$99.10. Membership fees were set at one cent per thousand board feet logged and Bert Welch was re-elected president. Two representatives of the government tire rationing office attended, along with a manager from Goodyear Tire who showed a film, "Wings for Victory." This first annual meeting cost the Association a total of \$31.50—\$9 for ho-

- (a) To obtain, prepare and disseminate information as to better logging and operating methods among its members.
- (b) To educate its members in better logging practices.
- (c) To assist the Forest Branch and Other Departments of the Government to carry out better logging practices.
- (d) To educate the general public as to the position and efforts of logging operators.
- (e) To assist the members to cooperate among themselves for the better protection of the national resources of the country and the interests of the operators, and to enable the members to set up the necessary machinery to assist each other with their logging and operating problems.
- (f) To do all things necessary, or incidental to, the carrying out of the above objectives.

However, the original name of the group, the BC Truck Loggers Association, was not accepted by the provincial registrar because of its similarity to the BC Loggers Association, so it was changed to The Truck Loggers Association. Thus, the 2018 annual meeting is the 75th gathering of the organization that met in Nanaimo in May 1943. There were almost 50 members, all but one from Vancouver Island. The directors had earlier announced their decision to seek members from the Interior but, with a few exceptions, this intention was never vigorously pursued.

The basic policy position the TLA has supported ever since: support of proper forest management and opposition to the corporate and state monopolies that he predicted the forest management licences would create.

tion of this work requires attention of an experienced electric welder and lathe man, which is the type of work handled by his son, the above mentioned Norman Madill, we feel it is essential to the logging industry that Norman be classified as in an essential industry or occupation." A few days later the Association was granted the request and so it became the TLA's first formal advocacy success.

tel rooms for three guests and \$22.50 for dinner for 30.

Another general meeting was held in May 1943 as was required by the recently approved articles of incorporation. The incorporation papers were signed by Bert Welch, Parker Belyea, Ole Buck, John Braten and Ted Robson and included the following objectives of the Association:



Credit: Gary Kingman

The 1950s. Presidents of this decade included, left to right: Don Mackenzie, Larry Ekhardt, L.S. McQuillan, J. Fletcher and Jack Baikie.

Unknown to any of the TLA members at this time, a plan had been hatched in Victoria that would drastically affect their futures and alter the focus of TLA members. In July 1942, BC's Chief Forester, sent a confidential memo to Forests Minister A. Wells Gray that, among other things, advocated the adoption of sustained yield forest legislation, that in-

cluded the creation of public and private working circles, policies that favoured large corporate forest companies. Wells Gray passed the memo, along with draft legislation, along to Premier Hart, who discussed it with his friends in the industry—none of whom it appears were members of the TLA.

The Premier, Mr. Hart, was "sold" on the proposals but thought they couldn't hope to get such a radical change of policy through the legislature if it were introduced "cold." He, therefore, proposed to appoint a Royal Commission, headed by Chief Justice, Hon. Gordon Sloan, to canvas the proposition, both for the value of his findings and as a measure of public education.

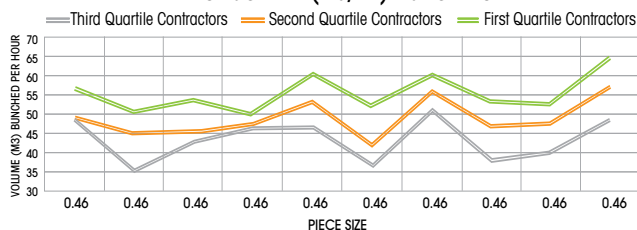
The primary concerns of TLA members during the first phase of its existence related to the practical issues of supplies, equipment and Forest Branch regulations. But an omen of the future was revealed at a directors' meeting in late 1943 when Gerry Wellburn, a Duncan logger and sawmiller, was appointed chairman of a committee to prepare a response to the Sloan Royal Commission on forestry.

Unaware of the government's hidden agenda, Wellburn's committee prepared the TLA's brief that was presented to Sloan by Bert Welch in mid-1944. It was mostly concerned with refuting suggestions that truck loggers were inefficient and incompetent compared to railway loggers. The TLA also made a joint submission with the BC Loggers Association and the six companies then comprising the pulp and

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paper industry. It gave strong support to the idea of forest management, but made no mention of the concept of sustained yield management units.

Sloan's report, issued in December 1945, advocated a program of sustained yield forestry, but he studiously avoided any guidance as to just how it might be applied to the BC forest milieu. This was when the concept of a public-private partnership through the medium of the newly conceived forest management licence (or FML) was first proposed and draft legislation was prepared.

The following year was a tumultuous one. The war ended, and the peacetime economy slowly gained momentum. The International Woodworkers of America staged the industry's biggest ever strike, which ended after 36 days and the arbitration of Chief Justice Sloan.

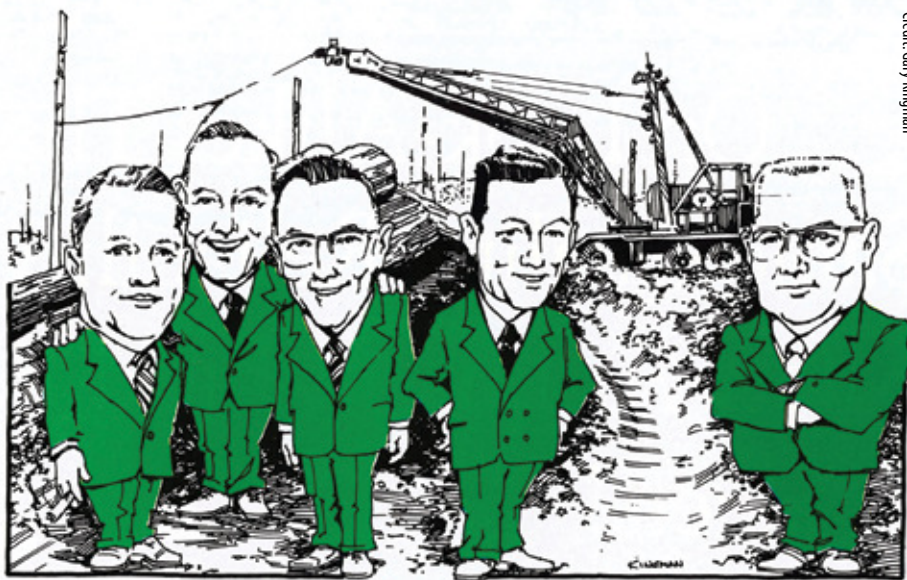
In 1946, Bert Welch was elected as an independent MLA for Comox, with Ole Buck taking over as president. In Victoria, the government was busy preparing new forest legislation in the wake of the Sloan report. By early 1947, the TLA membership had grown to well over 100 companies, including Bloedel, Stewart & Welch and the Powell River Company. It was a hectic time, as the new president, A.P. Allison, died shortly after being elected to office. The organization was gaining in status and concerned itself with a variety of practical issues.

On April 3, 1947, amendments to the *Forest Act* were passed in the legislature. Eight days later Bert Welch attended a TLA directors meeting and spoke on the new *Forest Act*. Welch explained the implications of the new legislation, particularly the provisions for FMLs.

From that point on, the focus of the TLA shifted from a preoccupation with practical matters to the broader field of provincial forest policy. The agenda of the 1948 TLA convention was changed to accommodate an open forum on FMLs. Minister of Lands and Forests, E. T. Kenney chaired the afternoon session, with the government defending the concept, and John Mottishaw of Bloedel, Stewart & Welch backing him. Bill Keate, speaking on behalf of the independent loggers, articulated the basic policy position that the TLA has supported ever since: support of proper forest management and opposition to the corporate and state monopolies that he predicted the FML system would create.

The following year, 1949, delegates listened to H.R. MacMillan, Prime Minister-to-be John Diefenbaker and several others lambaste the socialists. The exception was Leif Erickson, a former Montana Supreme Court judge and active opponent of similar monopolistic forestry legislation in the US, who told the convention "I am one of those who fears for private enterprise as much from all-encompassing monopolies, which will destroy the competition that makes free enterprise work, as I am of the schemes of the Socialists or the Communists or anyone else."

The TLA made its first formal objection to the new tenure scheme in a brief submitted to the government by staff members, Dumaresq Brothers and Smith & Osberg, protesting the imminent allocation of FML #2 to Canadian Western Lumber for an area of the Johnstone Strait previously considered a public working forest. At that point Clair Smith was TLA president, and Sam Dumaresq was a director. "The principles expressed herein are those principles believed and agreed upon by the Truck Loggers Association... (Which) comprises at present 114 operating members in the Coast Forest



The 1960s. Presidents during this difficult era were, left to right, Bob Malpass, John Drenka, Wallace Baikie, Bill Moore and Bruce Welch.

District, with an approximate combined annual log production of 700 Million feet or 28 percent of the log production of the Coastal District." The brief, which contained several far-sighted predictions, warned of the dangers inherent in allowing the forest minister to allocate FMLs. It went on to argue that FMLs would become monopolies and predicted that

the owners of these licences would then move into the public working circles.

The growing TLA opposition to the FML system created a split in the organization. The larger companies, such as Bloedel, Stewart & Welch, which planned to acquire FMLs, pulled out and soon the coastal industry was divided into two camps, with the TLA

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opposed to FMLs and the BC Loggers Association and its members supporting them.

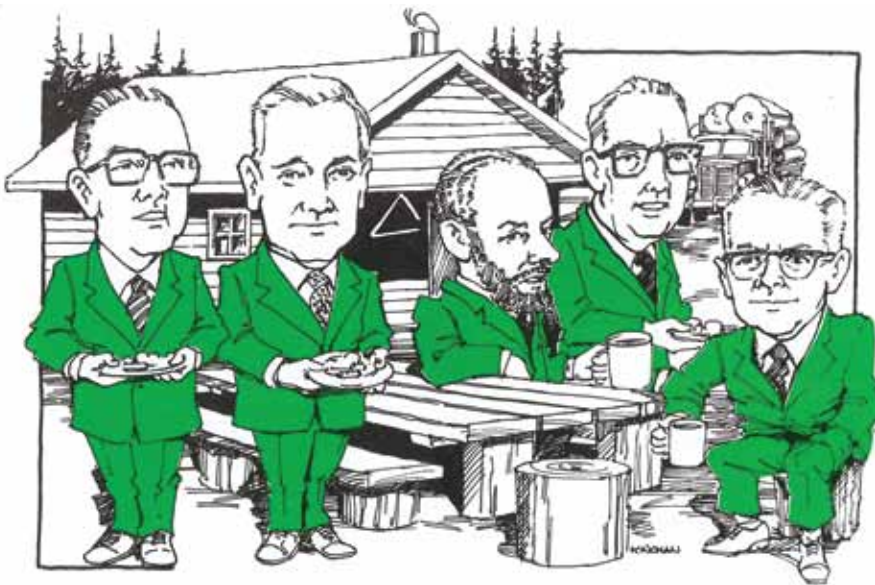
Over the next few years the worst predictions of the TLA were more than realized. Instead of modest-sized FMLs operated by established firms, the early ones awarded were enormous. The first, in Forest Minister Kenney's riding, was for two million acres and went to a New York company that had no previous interests in BC. Word spread fast throughout the industry that the licences could be bought under the table.

With the election of the Social Credit government in 1952, and the appointment of Forest Minister Robert Sommers, the system of FML corruption established by the previous administration of politicians became semi-formalized. Under-the-table payments were made to C.D. Shultz's consulting company, which passed them on to another company, Pacific Coast Services, which in turn paid off Sommers and, possibly, others in the Socred government.

Several TLA members were offered FMLs, usually in exchange for cash paid through Shultz. Only two TLA members obtained the controversial licences. The remainder, and the Association itself, remained steadfast in their opposition. As the corruption became more blatant, the TLA led the cry for another Royal Commission.

In 1955, Justice Sloan conducted his second public inquiry into forest policy, this one consisting mostly of a review of FMLs. During its hearings, lawyer David Sturdy appeared to say he had evidence the Minister accepted a bribe to issue a FML. By the time the dust settled, Forest Minister Sommers was in jail, the president of one of the companies that had paid the bribe, BC Forest Products, had shot himself, and the industry was in an uproar. Gordon Gibson Sr., whose company was a long-time TLA member, had been elected to the legislature and attacked the government steadily. But by this point—the late 1950s—almost 30 FMLs had been issued and the vested interests represented by them wielded enormous power in the corridors of the legislature and the inner sanctums of the province's legal and judicial institutions.

With the revelations of the Sommers affair bringing into the open what every logger on the coast knew to be the case—that the tenure system was corrupt—the



The 1970s. With the contracting era in full swing, TLA presidents were, left to right, Ken MacKenzie, Ian Mahood, Dave O'Connor, Jack Sexton and Viv Williams.

struggle shifted from the political to the legal front. Gordon Gibson's explanation for failing to wage a full-scale fight at the Lord Commission, set up to investigate his charges of corruption in government

they began moving in on cutting rights in the public working circles.

By the early 1960s, the TLA was reluctantly forced to face new grim facts, which took it into the third phase of its

In retrospect, it is likely that if the major companies...had played it straight with the contractors, an amicable relationship could have prevailed. But this was not to be...

was that "The big companies hired every lawyer in town and we only had \$12 million—it wasn't enough." As a consequence, the TLA lawyer through this turbulent period, Larry Ekhardt, was elected TLA president during 1959 and 1960.

Following the introduction of the FML system the industry underwent an enormous structural change. Most of the 40 firms that made up the BC Loggers Association in 1945 had been taken over by a much smaller group of larger corporations, most of them controlled in distant cities. A typical example was BC Forest Products, cobbled together by E.P. Taylor of Toronto, who bought up several existing mills and logging operations, paid Shultz and was allocated an FML. According to Gibson, the award of that licence alone, Number 22, at Tofino, increased the value of BC Forest Products' shares by \$22 million—a measure of the economic power confronting the TLA. It was these corporations that controlled the new tenures, and from there,

existence. In spite of the evidence submitted to the Sloan Commission and the jailing of Forests Minister Sommers for bribery, the FML system remained intact. It was clear the big companies were too powerful to oppose given they had bought control of the industry and the government, and that they rented the legal profession whenever an independent logger began making noises about the legalities of what was going on. The system of administering the province's forest had been corrupted and no one, except a few small loggers, seemed to care. At the same time, a growing number of TLA members were moving from the ranks of independent loggers into the contract sector. Others, who logged private timber on Vancouver Island, found their access to public timber cut off when the quota system was introduced in 1960, leaving them with the choice of either buying quota or becoming full-time contractors.

In 1963, the convention theme was "Let's Work Together," which pretty much described the official policy of the TLA for the next 20 years. A few members bowed to the inevitable and pulled out of the TLA to join the newly created Council of Forest Industries (COFI). Right here, the BC Loggers Association becomes COFI, the voice of big forest firms. The focus of the TLA shifted from representing the interests of small independent loggers to dealing with the concerns of logging contractors.

As the programs and proceedings of the conventions reveal—and the minutes of meetings and recollections of the directors attest—through the 1960s and 70s, the TLA members made a serious attempt to make the contracting system work. As a concession to the independents, the second Sloan report included the so-called "contractor clause," stating that a certain portion of the FMLs (now called Tree Farm Licences—TFLs) had to be logged by contractors. Unfortunately for the contractors, the regulations did not require written contracts, a pricing mechanism or arbitration procedures. These matters became of paramount concern to the TLA during this period.

By the late 1960s, the tensions in the TLA wrought by the change in agenda were complicated by a financial crisis that almost destroyed the organization. Essentially, it was broke, surviving on loans and outright gifts from some member companies. This situation ended with the appointment in 1967 of the first general manager with a background in logging, Don Mackenzie, who spent the next 14 years building a solid financial foundation.

In retrospect, it is likely that if the major companies, which by the late 70s also controlled most of the cutting rights outside the TFLs, had played it straight with the contractors, an amicable relationship could have prevailed. But this was not to be and the working together phase came to an end in the market decline of the early 1980s when many of the large companies tried to ride out the recession on the backs of contractors. The stage for this scene had been set after 1975 with the cozy relationship that developed between Bill Bennett's Socred government and some major companies, represented by COFI. When the major companies failed to pass on to contractors the benefits obtained from

the behind-the-scenes implementation of a selective program of “sympathetic administration,” the split between the small independent companies and the major corporations widened.

Relations were further strained with the eruption of the Shoal Island scaling scandal involving BC Forest Products and five contractors, all members of the TLA. *The Hopwood Report*, commissioned by the TLA, revealed, among other things, that some of the big licensees were paying their contractors substantially less than they were reporting to the Forest Service for stumpage appraisal purposes. These, and other events, ushered in the fourth phase in the TLA's evolution.

In 1986, the incestuous relationship between many of the big forest corporations and the provincial government ended with the election of a Social Credit government headed by Bill Vander Zalm. He spoke to the 1987 convention, which for the first time in decades featured a panel discussing basic policy issues, and he promised a major shakeup for the industry. Although Vander Zalm was never able to implement his promised changes, some significant measures were brought



The 1980s. The decade of “sympathetic administration” had the following presidents, left to right, Bruce Russell, Norm Jacobsen, Pat Martin, Dan Hanuse and Cliff Coulson.

about before he was chased from office. One of these was the revival of the Legislature's Select Standing Committee on Forestry, which had been mothballed under the Bennett regime. Its first task was to consider the need for written logging contracts that include an arbitration clause, a long sought-after goal of

the TLA that was strenuously resisted by most of the larger companies. Legislation granting these provisions marked the first significant victory of the independent sector in many years.

Vander Zalm's first Forests Minister, Jack Kempf, was forced to resign and his replacement, Dave Parker, attempted to

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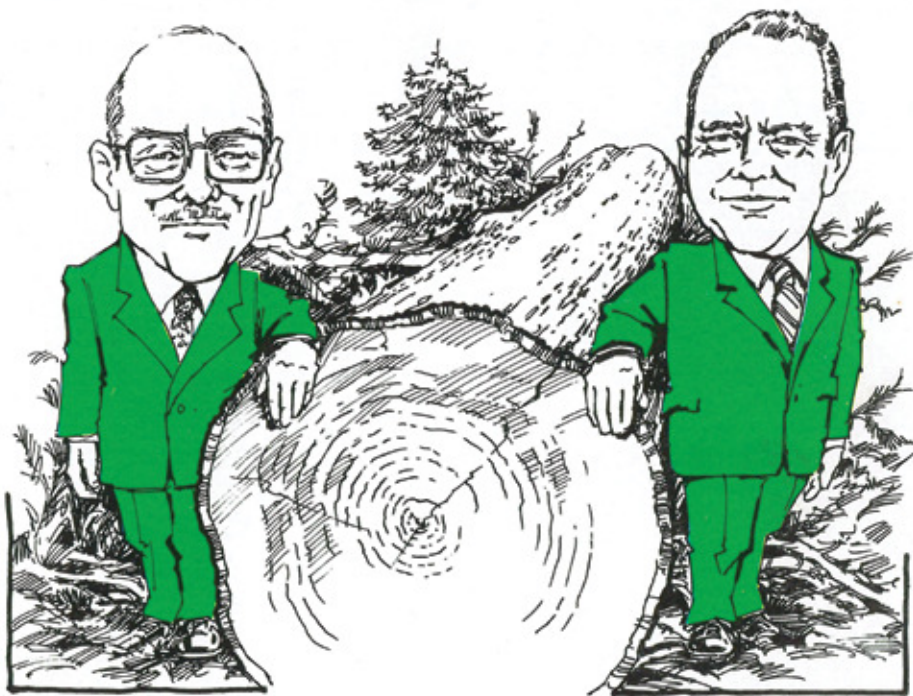
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The early 1990s. The two Dons of the early nineties, Don Williams (left) and Don Edwards, were at the helm of the TLA during a number of significant legislative changes.

revive a Bennett-era plan to create more TFLs. This plan was met with widespread opposition from the public and the non-COFI sectors of the industry, including the TLA. In the end, Parker was forced to set up a Forest Resources Commission to

widespread public support and its basic arguments formed the core of Peel's Commission report, *The Future of Our Forests*, issued in 1991. Among other things, this process revealed that, while there was widespread public opposition

"The stability of many families and, indeed, many communities are dependent of contractors maintaining secure and fair contracts with the holders of timber rights in their vicinity."

consider, among other matters, the question of the tenure.

Never before in the history of the province had forest policy been such a burning public issue. In part this was due to the concerns of other forest users, as well as the new appearance of a widespread, urban-based environmental movement. But it was also fuelled by growing alarm over the economic deterioration of the industry and the closing of mills by some of the large, integrated companies. More than 1,700 briefs were submitted to the Commission, headed by A.L. (Sandy) Peel, including one by the TLA calling for a drastic revision of the tenure system.

In its basic principles, this brief restated the same points the organization had articulated in the 1940s—the need for proper forest management and the opposition to monopoly control of the forest resources. The TLA brief received

to some of the big companies and COFI, which purported to speak for the entire industry, the public generally, supported the locally based sector of the industry, including the TLA.

On the heels of the Peel report, then Forests Minister Claude Richmond introduced the original Bill 13 legislation in 1991 giving contractors the right of replaceability to their logging contracts. Although not comprehensive in nature, it was the start to what would become Bill 13 today. As stated by Richmond on the introduction of the bill: "the purpose of Bill 13 is to address logging contractors' security in British Columbia. Independent contractors and subcontractors who harvest timber for larger forest companies are extremely important to British Columbia's forest sector. The stability of many families and, indeed, many communities are dependent on

contractors maintaining secure and fair contracts with the holders of timber rights in their vicinity. This amendment will enable us to improve the balance in these contractual relationships. It will also provide a quick and inexpensive system for resolving contract disputes. This will ensure security and fairness for all parties involved in timber harvesting in British Columbia."

Bill 13 did not, however, level the playing field as hoped, and abuse of contractors and rumours of extortion against contractors by the majors continued despite the legislation to protect them. TLA policy advisor, Rick Jeffery under direction from former NDP MLA and then TLA President (now called executive director) Graham Lee, researched the cut control position and contractor compliance record on TFL 19 and found that the contractors were still being treated unfairly, despite Bill 13. With data in hand, the TLA went back to the government demanding improvements to the legislation. In 1992, the Act was updated by the new NDP government to clarify amount of work provisions, and in 1996 it was again updated to become the legislation that endured until 2003.

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During this period, the TLA recognized the increasing scrutiny that was being brought to changing forest management policy by both the public and the burgeoning environmental movement and that it may, in the long run, be detrimental to the members. It was then that the TLA allowed Association resources to be spent addressing the grow-

(CORE), where the TLA was again invited to participate as a stakeholder.

CORE was a collaborative planning model whereby participating stakeholders were to negotiate a consensus-based agreement on regional and local resource use goals. CORE's commissioner was Stephen Owen. As a stakeholder, the TLA hired consultant economist John DeWolf

to influence a land use plan that survives today was significant.

The 1990s were also a busy time for the newly elected NDP government wanting to create more value and jobs from BC's forest resource. In April 1991, the Forest Resources Commission (FRC) recommended, in a report on the state of forest management in BC, a "single, all-encompassing code of forest practices." The code would consolidate the existing legislation, regulations and guidelines governing forest practices in BC. In July 1994, Bill 40—*The Forest Practices Code of British Columbia Act* was passed in the Legislature. On its heels, the Forest and Jobs Commission was established with a goal to create more jobs from forest resources. This then led to the creation of Forest Renewal BC and the implementation of "super-stumpage" to pay for it. The Jobs and Timber Accord promised to create an additional 20,000 jobs in the forest industry (which it didn't) and Forest Renewal BC was unionized with disastrous consequences. Finally, the provincial stumpage system was changed to

Throughout these tumultuous times, the TLA had seats at all the tables, having established itself as a vested stakeholder with valued insight into the industry.

ing issues. They created the Old-Growth Committee within the organization to address the pressure to save old-growth forests and made recommendations to the Socreds to balance forest policy. In response, the government created a stakeholder-populated "Values Committee" and the TLA gained a seat at the table. The report that followed became the template for the province-wide Commission on Resources and Environment

to prepare a position paper that outlined the concept of land base zonation as a means to address resource conflicts and made the economic case for how it could be implemented. The perspective was presented to CORE, and while it was not adopted directly, the concept of zonation survived to form the basic outline of the eventual Vancouver Island Land Use Plan finalized in 1996. That forest contractors could mobilize



The presidents who took us into the new millennium were, left to right, Jack McKay, Ralph Torney, Ken Dyson and Monty Mosher.

the so-called “Comparative Value Pricing System.” Throughout these tumultuous times, the TLA had seats at all the tables, having established itself as a vested stakeholder with valued insight into the industry. Consistent in their approach was continued support for protection of the working forest land base and their contractor members as policy evolved.

By the end of the 1990s, the industry was suffering under the weight of the Code and wanted a change from the dampening economic policies of the NDP. The Liberal party was gaining pub-

luc support would be needed to ensure its success.

In 1999, Graham Lee left the executive director role and was replaced by Tony Toth, who, after a short stint, was replaced in 2000 by long-time Vice President of Forestry and Policy Rick Jeffery, under a contract arrangement. The TLA hired professional communications and event planning support staff, engaged communications consultants and outsourced the quarterly magazine to a professional publishing house. This all resulted in a more fo-

“...we are concerned that these acquisitions will essentially allow Western Forest Products to dominate, if not control, the coastal log market.”

lic support. The TLA recognized that to remain a respected stakeholder in policy discussions, it needed to innovate and become more sophisticated in its approach. With an annual convention that was drawing close to a thousand participants annually, professional administra-

cated communications effort.

While the TLA innovated, so too did COFI. In 2001, COFI was split, and Coast Forest Products Association became the voice of the coastal majors with Brian Zak at the helm. COFI represented the bulk of the Interior majors and the Interior Lum-

ber Manufacturers’ Association spoke on behalf of southern Interior mills.

NDP Minister of Forests Gordon Wilson attended the 2001 TLA convention, where he suggested they would consider establishing a Working Forest in legislation. Wilson also warned TLA members that if the province elected a Liberal government, it would rekindle confrontation with both environmentalists and First Nations. By sticking with the NDP, Wilson intoned, citizens would get a moderate policy that protected both the forest industry and environmental goals.

Opposition leader Gordon Campbell and Premier Ujjal Dosanjh both addressed the TLA convention as well. Both parties had committed to market BC wood products abroad, zone a portion of lands as “working forest,” and reform the tenure system. However, Campbell also promised that forestry would be his government’s top priority, with a new market-based stumpage system and the reduction of regulatory burdens. Dosanjh championed both strict rules regarding logging via the
(Continued on page 85)



The presidents of the early 2000s were, left to right, Rob Wood, Ted Arkell and Mike Hamilton.

Forest Practices Code and treaties with First Nations as being good for the long-term health of the industry.

Campbell's Liberals won the election and he assumed office in June 2001. And so, began a round of discussions with industry stakeholders to develop consensus on a restructuring position in

the underlying objective was to address the union's growing strength and get rid of the "1986 snapshot" in return for promised industry investment.

At the same time, in an effort to end the "war in the woods" that erupted in the late 80s, a group of coastal licence holders, First Nations, pulp and paper

The provincial government created the Coast Sustainability Trust since it was clear that the AACs (allowable annual cut) were to be reduced or deferred indefinitely and many lost jobs and contracts. Ken Dyson represented the TLA in the negotiations to establish the claim and payment framework for both employees and contractors. He convinced the group that establishing a common framework for paying "damages" to contractors should be based on the size of the contract, rate and type of work. This approach simplified the compensation process and allowed displaced contractors to move on.

At the restructure table, the TLA was caught between a rock and a hard place. Everybody had to give up something to create a market-based system. The TLA fought to minimize the impacts to Bill 13 and to regain access to the work they stood to lose with the proposed tenure restructure, while the majors fought to hold on to their tenure and get rid of Bill 13 completely. This is when the change to

For contractors, however, the belt tightening done to survive the recession would have to continue as rates and working conditions did not change despite improvements in corporate profitability.

the face of a failed softwood lumber deal and the need to bring a new "market-based approach" to the industry and the stumpage system. At the restructure table was industry, the union, government and the TLA.

Restructure talks endured for over two years. While stakeholders worked towards a market-based approach, for the three CEOs of the major companies (euphemistically called the three amigos),

companies and the government agreed to defer harvesting and development in the north and central coast (eventually to become the Great Bear Rainforest). Environmental groups agreed to suspend their market campaigns to start what would become a decade-long negotiation to find an economic environmental solution to harvesting the area via the Coast Forest Conservation Initiative.



The presidents from 2007-2011, left to right, Graham Lasure, Thomas Olsen and Don Bendickson.

a market-based rate dispute mechanism was first introduced.

By 2002, the stakeholders had reached consensus on a restructure plan. The “three amigos,” however, could not support it since it did not address their underlying union agenda and the plan was thrown out. As Rob Wood assumed the presidency in 2003 for the final stages of talks, Executive Director Rick Jeffery departed, and Wood welcomed replacement Jim Girvan as executive director.

On the eve of the 2003 TLA convention, Premier Gordon Campbell was charged with impaired driving while on a Hawaiian holiday and the TLA coordinated with the Premier’s Office to improve Campbell’s public reputation. As Campbell entered the convention hall, he received three standing ovations from the assembled 600 delegates. Most attendees drank only water in an act of solidarity. Calling 2003 the Year of the Forests, Campbell then told the throng that under the Working Forest initiative, 48 per cent of the province would be declared open for industrial logging.

In March, Forest Minister Mike de Jong introduced Bill 28, the *Forestry Revitalization Act*. Major licensees were to lose 20 per cent of logging rights to make wood available to First Nations and the new BC Timber Sales organization. At the time, Jessica Clogg of West Coast Environmental Law ominously predicted that the policy changes would further reduce competition in BC forests and that the reforms would lead to greater corporate concentration.

A land claim was then settled between the Nisga’a, the government of British Columbia, and the Canadian federal government. As part of the settlement in the Nass River valley, nearly 2,000 square kilometres of land was officially recognized

as Nisga’a. By 2003, several contractors were displaced from the area and the TLA was asked to help with the negotiation of compensation for contractors who lost assets and contracts, some of whom were TLA members. Building on the formulas created as part of the Coast Sustainability Trust, the TLA worked with northern contractors and spoke on their behalf to solidify a 2004 compensation deal that was accepted by government.

For most of the next three years, the TLA, alongside the other three logging associations, was at the table with government, represented by Lee Doney (who would go on to become the chairman of the board of Western Forest Products), licensees and the union in what was a very difficult negotiation to implement Bill 28. The BC Forestry Revitalization Trust Fund (BCFRT) was established by government to aid workers and contractors through the transition. Bill 13 contracts were grandfathered, but no new Bill 13 contracts were allowed. The *Timber Harvesting Contract and Subcontract Regulation* was re-written, and a new market-based rate dispute mechanism was adopted.

The TLA quickly recognized, however, that the money set aside to compensate contractors for lost Bill 13 rights fell far short of what was required to implement the government plan. The TLA continued to support the plan under the proviso that the Trust Fund had to be topped up. After two years of advocacy, at the 2005 TLA convention Premier Gordon Campbell announced legislation to increase the BC Forestry Revitalization Trust Fund by \$50 million, to a total of \$125 million.


As the restructure of tenure was implemented and BC Timber Sales emerged as the seller of 20 per cent of provincial timber via auction, it became clear to the

TLA that the rules established to ensure a fair and equitable auction system needed to be addressed for the benefit of its members. Through 2004 and 2005 pressure was put on government to ensure that those who bid had the financial capacity to ensure completion of their harvest. The TLA put forward the view that bonding was required for all BC Timber Sales participants, something the government felt would limit the bidder pool to the detriment of bid prices. While bonding was never implemented in the system, the TLA did persuade government to increase financial scrutiny of bidders, verify third-party relationships and limit those from bidding who did not pay their stumpage.

In response to the government’s 20 per cent take-back of tenure, a significant consolidation of the major tenure holders took place across BC, as was ominously predicted by Clogg just years before. Canfor took over Slocan Forest Products, Riverside acquired Lignum, which was then taken over by Tolko and West Fraser took over Weldwood. On the coast, Western Forest Products (ex-Doman Industries), Cascadia Timber (ex-MacMillan Bloedel) and Canfor’s TFL 37 were all merged to form today’s Western Forest Products (WFP).

The concerns of contractors were echoed in a letter from the Central Interior Logging Association to government in 2006 that noted: “These sequential mergers of companies, part of escalating consolidation in the BC forest industry, will result in less competition for timber in the so-called open market. Less competition by forest companies to buy timber will lead to reduced prices and lower profits for those who harvest and/or sell it.” The TLA wrote: “While the TLA recognizes the need to reduce manufacturing costs by creating economies of scale in manufacturing companies together with the optimization of sawmill assets, we are concerned that these acquisitions will essentially allow WFP to dominate, if not control, the coastal log market.”

In response to the concerns, the provincial government called for a review of the proposed merger by the federal Competition Bureau. They undertook interviews with a significant number of coastal stakeholders, including the TLA, many of whom expressed concern for the effects that the WFP consolidation



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would have on the coastal log market and on contractors. When no report was issued by the Competition Bureau, the TLA inquired at the Competition Bureau about the status of their investigation, only to be told that the request for the investigation was withdrawn by the petitioner and that no report would be released. The merger proceeded, and the marketplace contracted significantly.

The 2001 bankruptcy of Skeena Cellulose prompted the TLA to act on behalf of Bill 13 contractors province-wide; when in bankruptcy protection, three Bill 13 contracts were cancelled as attempts were made to restructure the company. The TLA applied for and received "intervener status" in the 2003 Skeena case and again in 2005 in the New Skeena bankruptcy proceeding. While the contractors argued the validity of their contracts that were ingrained in regulation, TLA legal counsel Stephen Ross questioned if, as new tenure holders (following restructuring), they were exempt from compliance with statutory and regulatory requirements as currently written given the contracts were being terminated.

Ross argued that the *Forest Act* requires 50 per cent of all harvesting to be done by contractors on a TFL and that the *Timber Harvesting Contract and Sub-contract Regulation* says that for Interior TFLs (only), any contract that is being relied upon to support the compliance with the contractor clause prescribed in the *Forest Act* (above) must be a replaceable contract. If successful, the TLA had hoped that the three contracts would survive since if they did not, it opened the door for anyone to entertain the notion that compliance with regulatory requirements is optional. The TLA was not successful in either case, however, and the contract terminations were held given that we now know federal bankruptcy law trumps provincial law. This initiative, however, demonstrated the lengths to which the TLA was willing to go and the resources it was willing to spend to protect contractor rights province-wide.

The Canada Revenue Agency (CRA) then came knocking on the doors of all contractors who lost their Bill 13 contracts and were compensated via the BCFRT. CRA's position was to treat the receipts from the BCFRT as taxable income based on their interpretation of the *Income Tax Act*, contrary to what the contractors were led to believe when the

restructure and the Trust Fund were created. The TLA formed an ad-hoc committee of contractors from across the province, the Loggers for Fair Taxation, headed by TLA member Monty Hussey. The committee's position was that since the capital distributions received by contractors from the BCFRT were from a "personal trust" as defined by the *Income Tax Act*, they were non-taxable to the recipients. And so, started an eight-year battle with the CRA, including a plethora of meetings with federal MPs, provincial MLAs and even meetings in Ottawa with CRA. At the 2013 convention, Premier Christy Clark announced the completion of the eight-year TLA lobby and contractors compensated through the BCFRT were granted tax relief both provincially and federally.

The good economic times ended in 2007 with the implosion of the US housing market. Jim Girvan left the TLA and was replaced by ex-Gold River Mayor Dave Lewis as TLA executive director. The coastal forest industry difficulties were reflected by the bankruptcy of the

iconic Madill Equipment. Coastal workers and employers endured a 12-week United Steelworkers strike before 51 per cent of members ratified a three-year labour agreement. 2008 represented a continuation of the downturn, made worse by government reforms five years previous. TLA President Don Bendickson chastised Minister of Forests Rich Coleman for the government having seemingly forgotten the industry's significance when it no longer listed the forest industry as one of its top-three priorities.

The 2009 Westin Bayshore convention had 15 per cent fewer attendees than in previous years and the traditional equipment show was absent. Had it been any other year, Premier Gordon Campbell's annual address would have been cheered when he announced that coastal stumpage rates would drop by 50 per cent. Regrettably, with almost two-thirds of coastal loggers not working, the news elicited only a muted response. The policy change did attract the immediate attention of the Americans, however, and the US lobby group Coalition for Fair

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Lumber Imports called the reduction an “egregious” violation of the 2006 *Softwood Lumber Agreement*.

Campbell also signaled his intention to bring in lien legislation to protect logging contractors in response to past catastrophic licensee failures where contractors were left exposed as unsecured creditors in receivership proceedings. Referred to as the *Forestry Contractor Security Act*, at the time, this was a government effort to generate stability in the contractor sector and something that provincial logging associations had advocated for since 2002. The eventual *Forestry Service Providers Protection Act* which guaranteed contractors money owed from bankrupt licensees, received royal assent in June 2010, with a \$5-million contribution by the provincial government, and set the stage for successive negotiations on how the account would secure perpetual funding.

The 2011 convention, held at the Victoria Conference Centre for the first time, was a political “who’s who” and was one of the final public appearances by the somewhat emotional outgoing premier Gordon Campbell, who drew a sold-out crowd. Three of the

six candidates vying for the premiership took part in a Natural Resources Forum, while other candidates made appearances on the trade show floor, including winner Christy Clark, who was sworn in as BC’s 35th premier in March.

As the global economy clawed its way out of the recession, forest industry fortunes improved as major forest companies began to report record earnings in successive quarters. For contractors, however, the belt tightening done to survive the recession would have to continue as rates and working conditions did not change despite improvements in corporate profitability.

In 2013, the TLA produced a report entitled “Tired Iron” that characterized the current challenges within the forest harvesting sector in the coast region. Researched and written by UBC professor Harry Nelson, the report, supported by a broad survey of contractors’ coast-wide, prefaced what would become the next major push in TLA advocacy: contractor sustainability.

The report stated: “Most noted that the current rates are insufficient to justify investing in new equipment or to even sustain the business into the future. All

of the respondents indicated that while they were still maintaining their equipment, they were not reinvesting capital in their businesses at the level they thought necessary to sustain operations going forward. Several of the respondents noted that they were running machines well past their usual life span, with the expectation at some point that this would no longer become sustainable as the equipment started to breakdown.”

On its heels in the fall of 2014, the *Truck LoggerBC* magazine published the iconic article, “Logging Rate Negotiations: When David Meets Goliath.” This editorial detailed the divergence of corporate profitability and research, showing that more than 25 logging contractors had to seek insolvency protection and/or were forced into bankruptcy in the last few years and more than 10 companies faced rate mediation or arbitration because of an inability to negotiate improved rates for work with their employers. Ironically, this record of struggling contractors came at a time when the *BC Forest Sector Labour Market & Training Needs Analysis* completed by the TLA in October 2013, projected 4,700 job openings due to the aging workforce between 2014 and 2022 in the coastal industry alone.

Also in 2014, the Supreme Court of Canada made its landmark decision after three decades of litigation in the case of *Tsilhqot’in v British Columbia* which established Aboriginal land title for the Tsilhqot’in First Nation for the first time in Canada. The TLA has long recognized the ongoing need to work with First Nations in order to ensure ongoing natural resource use in BC. On the heels of the court decision, the TLA was the first to acknowledge the decision and encouraged the provincial government to weave this decision into the fabric of BC’s forest industry in a public position statement.

In 2015, the TLA strategic plan identified contractor sustainability as its key issue, and in 2016, the issue came to a head as the provincial government agreed to conduct an independent review of licensee contractor relationships. In its terms of reference, the government noted: “This disparity (between the success of the major forest tenure holders and that of the independent contractors) is not only detrimental to the forest industry’s contractors which harvest 95
(Continued on page 92)

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per cent of the timber in the province, but to the communities across the province where contractors live and work, as well as their network of supporting businesses. In other words, the supply chain of the forest industry is showing critical signs of stress.”

In her January 2017 speech, her last TLA event as premier, Christy Clark noted: “...we will ask an independent facilitator, to explore and recommend common areas for action. His work is going to include individual interviews with members of the TLA so that he can really understand the relationships that are being built. Understand how we can make sure our goals are aligned between government, between licensees and between contractors. It is time that we made sure the relationships that are so profoundly important to making sure that this industry continues to work for British Columbia, that those relationships are strengthened and durable as we move into the next many decades of change the forest industry is going to face.”

So, as we await the report from independent facilitator George Abbott, the TLA enters its next 75 years of advocacy

on behalf of its members and for the industry as a whole. The TLA and its more than 480 members are now positioned as the largest and most broadly-based Association in the industry. However, to remain influential and ensure our voice is heard in the crowd, we must continue to innovate. In Victoria, the Greens and the NDP formed a partnership that we must work with over the next three years. The International Woodworkers Association (IWA) and the United Steelworkers have already merged to strengthen their voice and now the Council of Forest Industries has emerged once again as the single voice of the major manufacturers in BC. What is next for the TLA?

However, the TLA's real strength does not depend on the number of its members, but on their nature and character. The companies that make up the TLA are community-based businesses. The people who own them and work for them live in the communities where they work and are in virtually every community, large and small, on the coast and in many places in the Interior.

From the beginning it has been people like Bert Welch, Gerry Wellburn,

the Baikies, Wood, Hamilton, Arkell and finally Beban—the organization's first female president and evidence of the continued evolution of the Association—who have contributed their time and effort to make the industry better for all. Most of them were born on the BC coast. Their families are entrenched in BC's coastal communities. They have roots and they are all in it for the long haul.

The TLA has constantly innovated and grown by drawing upon the naturally competing interests of its members. They have worked together, through thick and thin, for three-quarters of a century. Today, with David Elstone at the helm supported by a board of directors to be headed by incoming President Mike Richardson, the issues have not changed much from when Bill Keate, spoke on behalf of independent loggers at the 1948 convention. There he articulated the basic policy position that the TLA has supported ever since: support of proper forest management and opposition to the corporate and state monopolies that he predicted the forest management licence system would create.▲



The presidents leading up to the TLA's 75th anniversary, left to right, Bill Markvoort, Jacqui Beban and Don Banasky.