THE CHANGING WORLD OF ANDY GIBSON: RESTRUCTURING FORESTRY ON NEWFOUNDLAND’S GREAT NORTHERN PENINSULA

Peter R. Sinclair, Martha MacDonald, and Barbara Neis

Introduction This paper is about restructuring as a human process. Andy Gibson was a logger whose life changed a great deal over four decades of labour in the forests of western Newfoundland. Andy’s story provides an introduction to the processes of restructuring within the logging portion of the pulp and paper industry in which he and many others participated. We also introduce other local participants and set their actions in the broader context of the international newsprint industry. That is, we recognize the constraints of regional, even global, relationships on what local actors can do, or even consider as a possibility.

Our paper adds to the literature on restructuring, which is highly varied and directs attention to different industries, whole economies, communities, provision of services, and geographical scales. Here, we focus on interactions between industrial policy and social change, and concentrate on the power dynamics and human face of restructuring.1 This paper also complements recent work on global-local interactions in the restructuring process,2 while it adds a focus on logging to existing research on restructuring in the Canadian pulp and paper sector.3

If we conceptualize the macro level of an industry as a network of interconnected nodes in which products are created and distributed, the micro, or local, level is constituted by the individual nodes where particular activities take place. In newsprint production, all input links are relevant to what happens, but our focus is on the raw material — how wood moves from the forest to the mills, and why, how, and with what consequences social and
economic restructuring have taken place in recent years. We argue that macro
caracteristics of the network limit the powers of local actors, especially those
like Andy who have no direct voice in how restructuring is planned; we also
note that change creates opportunity for some, and does not deprive the
least powerful of all influence over their own life experience — another illus-
tration of the basic Foucauldian premise that no actor is completely powerless.4

Andy Gibson is one of millions of workers at the end of an industrial
power chain, an ordinary worker who sells his labour and supervises no one
else. Andy’s story shows one person undergoing change in a system he cannot
control and may not fully understand. At the same time, it will be evident
that Andy makes some choices; his actions are not fully determined from
outside. Other people, like top managers, union leaders, investment bankers,
and state regulators make choices that have more impact on others and on
the system than does Andy. Yet none is unconstrained, and all contribute
to making the system what it is at any moment and what it will become in
the future.

In developing our argument, we begin by summarizing key character-
istics of the global newsprint industry since 1960 and the place of western
Newfoundland’s mills and forests in that context. To capture restructuring
as a human process, we present Andy’s story, which cannot be told without
also introducing the mill company and contractors who worked the forests.
Next we bring other participants — the state, the mill companies, and the
logging contractors — into sharper focus. This leads to a concluding
overview of where power rests in the system and what pressures are pushing
Towards a different future. Apart from documentary sources, the paper is
based on 27 interviews, conducted in 2001 and 2002, with entrepreneurs,
loggers, company managers, government officials, and other key infor-
mants. The persons interviewed were located in numerous places on the
peninsula and in Corner Brook. Selection was based on our evaluation of
who would likely be knowledgeable informants, based on our prior experi-
ence in the area. We then conducted additional interviews based on these
informants’ recommendations. To protect anonymity, all names, including
Andy Gibson, are pseudonyms. No individual is identified as living in a
particular place, and potentially identifying personal characteristics have
been excluded.
The Newsprint Industry: Global and Local  Like participants in other industrial sectors, newsprint manufacturers, as part of a capitalist economic system, can be successful only by generating profit from their investments. How this process works out is vitally important to companies, individuals, and communities of all areas because systemic pressures impinge on the autonomy of all parts. While restructuring is global in scope, we contend that it must be appreciated in part by attention to detail at the local level in order to understand how people construct action within the constraints of this broader process.

World production of newsprint increased from 14.4 million tons in 1961 to 38.0 million tons in 2001 (Table 1), but this growth does not approach the rate for fine papers. Thus newsprint may be considered a laggard among the main categories of paper manufacturing, although it remains central to Canadian production. However, Canada’s position became much less dominant over this time span, falling sharply from 42.4 percent to 22.1 percent of world production. For the period 1984 to 2003, Figure 1 illustrates Canada’s weakened position (along with the United States) relative to the rise of production in the European Union and developing countries. In the last decade, Canadian newsprint volume decreased by 6.7 percent, while world production increased by 16.8 percent. This change reflects the rise of Asian consumption on the one hand and Canada’s dependence on producing for a declining North American market on the other.

Like other paper products, newsprint is highly cyclical because it follows the demand for advertising according to which newspapers and flyers expand and shrink. Since 1980, newsprint prices fluctuated widely in short periods of time and exhibited a price decline in real dollars. For North American producers, the pressure on profits has been severe, in part because newsprint producers face a highly concentrated market of buyers and have had difficulty enforcing price increases. In general, the result has been increasing industrial concentration, determination to cut costs, and some diversification away from newsprint i.e., the industry has been pressured to restructure.

“Economic restructuring” is a term that captures the changes that take place in economic activity as a result of different investment decisions, marketing strategies, and ways of organizing labour. In the private sector,
Table 1: Production of Paper and Paperboard (thousands of metric tons)

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Percent of World Total

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Figure 1


this process is driven by the pursuit of profit, which requires lowering costs of production and maximizing market share. State policy, resource availability, labour costs, technological innovation, and the actions of competitors are key aspects of the corporate environment. When they change, companies must respond. For example, in forestry, excessive cutting without adequate regeneration of the forest in the area from which wood normally is acquired may force a plant to reduce production, alter its technology, buy more expensive wood from further away, or even close down. Changes in tax policy may affect investment decisions. New employment insurance rules influence hiring and retention of seasonal and part-time workers and the resources available to family enterprises. Requirements to use recycled raw materials may result in new investment and different production processes, or perhaps the closure of an old plant. Competitors who adopt more productive technology that uses less labour may push others to adopt the same technology. The point is that changes take place because economic organizations function in a physical and social environment that is never
static and that managers must consider when deciding how their businesses should operate.

Western Newfoundland has certainly not been insulated from the general pressures on the industry. Abitibi-Consolidated, now the world’s largest newsprint producer, owns mills in Stephenville (closed in 2005) and Grand Falls-Windsor. In 1984, Bowater, the world’s second-largest producer, sold its Corner Brook mill to Kruger of Montreal, which remains a private company. These companies continue making newsprint in mills that date from the first quarter of the twentieth century (although they have been modernized) on the basis of highly favourable land concessions and leases that ensure access to cheap wood.

Lands linked to building the Corner Brook mill included the watersheds of the Humber and Main Rivers at the base of the Great Northern Peninsula, as well as the northern and western slopes of the Long Range Mountains. Apart from white birch, which is common in some areas, the commercial forest is composed of balsam fir and black spruce, which are softwoods. The short growing season on the peninsula lends itself to conifers with dense fibre content, ideal for high-quality newsprint. Most accessible areas of the peninsula had been logged by the 1990s, but the east coast watersheds of the Main and Soufflets rivers survived as the last old growth forests on the island.

Much of the wood cut in Newfoundland for sale ends up in the island’s two newsprint mills, which then market the final product in a diverse range of countries. However, the mills increasingly oriented their production in the last decade to the eastern seaboard of the United States. Figure 2 shows a sharp increase in the value of sales to the United States, in conjunction with declines for the United Kingdom and most other important destinations. The United States’ share of exports from Newfoundland and Labrador jumped from 27.4 percent to 56.7 percent by 2001, while the United Kingdom’s share fell to 7.6 percent. The volume of shipments over this time shows considerable annual fluctuation with an upward trend, in contrast to the Canadian industry as a whole. In the following sections of the paper, we explore the processes of restructuring initiated by the mill companies, especially Kruger, which is most active on the Great Northern Peninsula where we conducted most of our research.
To capture the impact restructuring has had on local forestry workers, we present the experience of Andy Gibson. Andy’s story makes it clear that the life of the employed logger changed significantly with the introduction of new technologies and corporate reorganization of production. His life also changed as he aged and as his body carried the cumulative effects of logging work. Andy may not be typical of all loggers, but his life gives insight into the effects of broader changes on local people and what they could reasonably do to earn a living.

Andy Gibson grew up in an isolated village on the Great Northern Peninsula where almost all men worked in the forests or the fishery. By the time Andy entered the woods in the early 1970s, power saws had long taken over from handsaws. Bowater and Price (forerunners of Kruger and Abitibi-Consolidated) were the economic powerhouses. Even before leaving school, Andy worked in the woods with his dad (a common arrangement) for a local contractor who sold pulpwood to a European company. This contractor
employed about 20 loggers on piece rates (payment was by the cord) and a similar number of hourly wage workers who operated all of the machinery. Logging was labour intensive, physically demanding work in which the logger felled trees with a slow power saw and debarked them before other crew members hauled them to the landing for pick up. Debarking was normally done with an axe. Subject to weather conditions, the logging season generally lasted from May to late November, after which the workers depended on unemployment insurance benefits. Of course, many cut birch for firewood in the winter and hauled it out with horses as part of an extensive subsistence economy.

On leaving school, Andy took the only other option for a local logger — working for Bowater, the company that operated the pulp and paper mill in Corner Brook, over 100 km away. His dad, who had previously worked for Bowater, arranged this job. In Newfoundland, many believe that such informal connections are vital to obtaining employment.

Andy now had to stay in a camp created by Bowater in the woods near Corner Brook. These camps were established because the loggers moved from area to area, usually beyond daily commuting distance even from the closest communities; effectively there was no other option. The length of time that workers spent in any particular forest location did not justify the formation of new permanent settlements. Life in the camps was crowded at first, with four to a room and no bedding provided. Later, conditions improved with two to a room and some personal storage space. Showers were communal and the company provided meals. During the cutting season, Andy lived in the camp from Monday to Friday, returning home each weekend. Allowing for some annual variation connected to the weather, he worked from late May to March with a short Christmas break, in contrast to the much shorter season with the contractor in his home area. Both married and single loggers alike had little choice but to work in the camps, separated from their families and communities.

In these early years, Andy was part of a five-man crew cutting pallets of four-foot wood, about four per day (26 cords in total). Andy and a partner cut up the wood that had been felled by other team members and dragged to the edge of the logging area. Bowater provided powerful saws and also
maintained them. These teams, which might be stable for two or three years, involved men from all over the Northern and Baie Verte peninsulas as well as from other parts of the west coast of the island.

In the 1970s, Andy was one of 1,200 to 1,300 unionized loggers. He considered his income and benefits to be good at this time. Once they started cutting eight-foot logs, around 1980, the system of payment changed from one that was time-based with a productivity bonus to straight piecework. Instead of working as part of a team, Andy and the other loggers were on their own, although not isolated in the forest. “It was a big change to you.” Gradually, all four-foot cutting was eliminated because eight-foot logs were well suited to mechanical harvesters and were easier to transport. Under the new system, a logger would be assigned to a particular area for cutting. Some locations were naturally more productive than others, but Andy indicated that it was normal to receive a mix of areas over the season, so that all loggers were treated equitably in this important matter. In fact, it seems that Andy and many other loggers preferred this piecework system because they could make more money.

In 1984, Bowater sold the mill to Kruger of Montreal, but this had no immediate effect on Andy as there were no layoffs for loggers. However, Kruger soon began a process of reorganizing work by transferring responsibility for supplying raw material as part of a strategy to reduce costs. About 1990, Kruger turned to contractors to obtain their wood supply and shut down the camps, although the company was able to maintain tight control over the whole process. This change coincided with more logging close to Andy’s village. Andy was now able to work within driving distance of home; camp life was over for him. With other company loggers, he was picked up at a neighbouring village by the contractor’s bus and returned late in the day. Because he remained a union member, he was still covered by the wage agreement and benefit package that included pension, dental, eye, and general medical coverage. The union agreement required contractors for Kruger to employ loggers under the same conditions that would have applied to Kruger, and Kruger continued to determine where and when cutting would take place. This also meant that Andy could not choose to work for a contractor who supplied the alternative company, Abitibi-Consolidated,
because Abitibi men made up a different union local.

Safety at work became a more important issue, but loggers had to supply their own safety equipment (hard hats, boots, and safety pants) from an inadequate annual allowance of $200, hardly enough to buy a pair of boots. In recent years, loggers also purchased their own saws at a cost of about $900. A saw might last two years at the most. At the same time, it was getting harder for Andy to make a living because he was growing older and it was becoming more difficult to find suitable trees. As he put it, “The wood is getting scarcer and you are getting into more bad woods, limby woods [trees with more limbs].” To add to the problem, loggers were working in rougher areas. “All easy wood is gone.”

After eight-foot logs became the norm, weeks of work dropped to the range of 20–24, and the labour force declined, with no places for young recruits. These changes were also associated with the introduction of mechanical harvesters, which were owned or hired by the contractor, not by Kruger. In 1993, the Communications, Energy and Paperworkers Union concluded an agreement with the mill companies that structured employment over the next decade. Harvesters would replace loggers only through attrition, and loggers were also guaranteed 18–22 weeks of work (depending on local circumstances). To speed up the process, a special package permitted retirement at 58.11 Andy noted that there were no layoffs involved and that older workers were given the opportunity to learn to work with the harvesters. Younger workers who quit to spend some time on the mainland, an old pattern in the area, found that they could not be rehired. The only logging option for them was to work for a nonunion, private contractor who paid much lower wages and no benefits. Andy felt this was unfair:

[They pay] a lot less. No benefits. Use your own machine …. Us fellows, we got a bus to go back and forth on; the other fellows would have to go in over the roughest kind of road, probably in their car. We should all be getting the same. One man should be no different from the other.

This alternative was possible only because the paper companies were allowed to purchase 35 percent of their wood supply from nonunion sources. In other words, the strategy of outsourcing was designed to cut production
costs and was achieved by allowing protection for existing union members, resulting in a two-tiered logging labour force in the pulp and paper sector.

Andy clearly disliked mechanical harvesters, believing that they were unsuited to many rough areas and caused excessive damage to the land. He felt that the loggers should have fought to keep them out of the area. He suggested that Kruger forced the introduction of these harvesters by insisting that its contractors had to use them. Andy had opportunities to train to operate a harvester but “never bothered” to do it, although harvester operators worked on a wage system year-round, in contrast to seasonal piece rates for other workers. So Andy continued to cut with his power saw in areas that were unsuited to the harvesters. Some others were employed in the hard work of thinning out existing stands of trees.

In recent years, Andy had to stop logging due to a work-related injury. After an operation and 18 months of lost working time, Andy was hoping, when interviewed, to be well enough to return to work soon. During this time, his wife worked at a fish plant, although she had never done so in the past because Andy’s income was enough to meet their needs. There were children to care for at home and Andy had to be absent for much of the time. When interviewed, his health was uncertain and his future was cloudy.

Andy’s story brings out many of the key events in forestry over the last 30 years: logging camps run by mills were replaced by locally based, mobile crews hired by logging contractors; unionization of the labour force decreased; piecework became predominant; mechanical harvesters replaced many loggers, changed the labour process, and reduced demand for labour; servicing personnel became more important; loggers increasingly bore the costs of their equipment, and wood supply became a vital issue. Nonetheless, one man’s life history cannot capture all we should know about restructuring in forestry and its social impact. The next step is to introduce other key actors in the social relations of production in the local industry.

Social Relations in the Logging Industry In this section, we examine social relations and interaction on the Great Northern Peninsula, focusing on institutional (state, corporate, union) and individual actors who were prominent during the ten years prior to 2002. Kruger (following Bowater)
has been the most powerful actor in the regional forest economy. Although Kruger has long-term access (until 2037) to much of the Northern Peninsula’s forests, the company does not directly control all Crown land, either by freehold or leasehold tenure. Apart from Kruger and Abitibi-Consolidated, the key actors in a complicated network are the contractors (both for logging and transportation), unionized and nonunion workers, sawmill operators, domestic or household cutters, and the provincial state as represented by the Forest Service. These relationships are a source of ongoing tension. The federal state also has a presence, most notably through Employment Insurance (EI) policies that influence employment relationships and support or frustrate the strategies of the industry participants.

The province is responsible for public management of the forests. Until the 1980s, this involved little more than fire protection service with no attention to silviculture. The key to management now is the 1990 Forestry Act, which formally committed the government to practices based on the concepts of ecosystem and forest management for sustainable yield. To administer policy, the provincial government established forest management districts, 18 on the island and six in Labrador. For each district on the island, the Forest Resources Branch calculates an annual allowable cut (AAC), which is supposed to be consistent with long-term sustainable use of the forest. Approved logging plans must then be in agreement with the AAC. Cutting permits from the province are retained from year to year within a five-year planning period. In February 2002, the government reduced the allowable cut in easy access areas by 15 percent (compared with 1996) in what was called a base allocation, and pushed forestry operators to cut timber in less accessible stands (the Partition AAC) where they could make up for most of the wood “lost” in the base areas.

Regardless of the type of land tenure, companies intending to log in any forest management district must register a five-year operating plan with the Department of Environment after undertaking public consultations. Additionally, annual operating plans must identify the exact location and timing of forestry activity, which cannot begin until it receives government support. Although now under review, the province introduced a regulation to maximize timber use by requiring that larger logs be reserved for sawmills.
Despite selling some of its timber leases back to the province, Kruger retained a dominant position on the peninsula. In addition to retaining some long-term leases, the company enjoys first right of purchase on any wood in the northern part of the peninsula, although Abitibi-Consolidated is an alternative buyer and this improves the prospects for the logging contractor. Abitibi-Consolidated gave up its leases in this area and has to pay more than Kruger is willing to for any wood it obtains.

The paper companies are powerful regional actors, but they are constrained by the volatile, insecure nature of the pulp and paper industry in general. In the last decade, returns on capital employed have been as low as 2.9 percent, while indebtedness has been high. Net earnings were negative in three of five years between 1997 and 2001. Thus the resources of the companies are certainly not unlimited and they are under severe pressure to produce efficiently. This means cheapening the cost of raw materials and reducing labour. Consequently, restructuring that involved technological innovation and new forms of working relationships took place in the 1990s when Kruger reduced its core labour force and introduced extensive contracting relationships.

When the paper companies decided to subcontract logging and transportation, this created opportunities for local entrepreneurs to become independent contractors, hiring their own labour and purchasing their own equipment. The contractors, despite being a small group, are quite diverse. Four or five out of about 20 on the peninsula operate on a sufficiently large scale to be successful, but the majority have inadequate access to timber. The largest contractors include several who cut exclusively for Kruger and several who also sell to other buyers. The latter can do this because they acquire their own permits on Crown land. The key to success is to have access to sufficient wood, either by cutting Kruger permits or by obtaining their own. Other differences include whether they have employees or subcontractors working for them, and whether they are unionized.

Logging contractors face common pressures around mechanization and the increasing scale of production, and all contractors keep a close eye on EI regulations. Some contractors are closely tied to Kruger, sell only to that
company, and are required to employ unionized workers like Andy Gibson. We interviewed one person in this position, George Adams, who employed as many as 70 men at a time. Unlike some contractors, he claimed to follow the pattern of Kruger by subcontracting for harvesters, porters (machines that transport wood), and trucks, which kept his investment overhead to a minimum. His unionized employees were guaranteed at least 22 weeks of work per annum through the contract with Kruger, which George saw as an advantage for him in that it effectively provided him with a similar guarantee.

Other contractors might hire nonunion workers and might focus as much on saw logs (lumber) as on pulpwood (for paper products). Tom Jackson employed about 25 men in 2001 and cut 7,000 to 8,000 metres per annum. (A metre refers to a cubic metre of solid wood with no spaces.) In his area, there was roughly an equal split between construction-grade lumber and pulpwood. This contractor also extracted a small amount of birch and specialty woods for an integrated mill and a flooring manufacturer. He was thus engaged in a dense network of marketing arrangements.

When we talked to him, Bill Smith had been logging independently for several years on a cutting allocation he inherited. Bill also leased two permits from other permit-holders, which illustrates how expansion can take place and effectively concentrate the industry at the level of the logging entrepreneur. He was among the first to introduce computerized mechanical harvesting to the area. One factor was that the harvesters made it much easier to separate saw and pulp logs:

Even today I wouldn’t be without a harvester because the days for the logging industry for human beings is not there anymore. It’s too hard. There’s no way in God’s world that … human beings can separate saw logs from pulpwood. There is no way they can do it.

Bill also argued that harvesters became necessary because they were the only way contractors could reach company production targets, which had risen dramatically. He still hires older loggers like Andy Gibson and has them work in areas unsuited to the harvester or where the timber is smaller and easier to cut. Meanwhile, the harvester works 24 hours per day with an operator and mechanic on site. In addition to the harvester, Bill owns a
skidder, porters, and trucks. He keeps all his equipment in use as much as possible, for example by providing trucking services to other contractors and mills. In some areas, he has even built his own access roads.

Charlie Robertson is a contractor and sawmill operator who got his start in the 1970s. His story reflects the problems of the small-scale operators. Initially, he supplied saw logs to a large mill that eventually went out of business in the early 1980s. If the logs were unsuitable for lumber, the mill sold them to Bowater for pulp. Charlie later sold pulpwood directly to Bowater. In the 1980s, although any wood suitable for lumber should have been separated, all was sold for pulping until a local company began to purchase saw logs in this area and transport them out of the area.

In 1992, Kruger announced an indefinite closure on logging its holding in the area. Kruger’s decision was a severe blow “that was going to slaughter us,” and led Charlie to start a sawmill to absorb the production from his permit on Crown land. In 2001, Charlie was concerned that wood shortages and reduced competition for logs were driving his remaining logging enterprise out of business. The ratio of pulp to saw logs increased and his financial situation had been harmed by regulations against “butt junking.” All cut wood had to be removed from the forest, but Kruger would charge contractors a culling fee if the wood contained too much rot. However, a contractor who cut out the rotten sections was liable to be fined by the forest service for excessive butt junking. With costs rising and prices low, Charlie found it impossible to pay workers enough to retain them and at the same time be able to compete with mechanical harvesting, which he estimated accounted for 80 percent of cutting. He noted that small contractors (“5,000 cubic feet is very small”) had been squeezed out of business in recent years. His own future lay in working with his porter machine for a larger contractor.

For small contractors, EI regulations contribute to the problem of retaining workers. The issue is that the formula for calculating average earnings (and hence benefits) penalizes workers who have intermittent earnings. Earnings are averaged over the number of weeks worked in the last 26, with a minimum divisor of 14 in an area such as the Northern Peninsula where 420 hours are usually needed to qualify for benefits. Workers thus need to get 14 weeks of work to avoid being affected by the minimum
divisor rule (if one had 420 hours of work in 10 weeks, total earnings would be divided by 14 weeks, not 10). Steady work will yield a higher benefit than the same number of hours scattered over a longer season. A contractor like Charlie could have three weeks work in one spot, then the market might close for three weeks before he could offer more work. Charlie blames EI and mechanical harvesters equally for the decline in loggers.

Another aspect of EI that impinges on contractors is the “arm’s length” issue, which concerns who can be counted as an employee and thus covered by EI. Many contractors incorporate companies that then employ them, to avoid being categorized as self-employed (ineligible for EI). Some have been challenged on this and turned down for EI. The most common kind of arm’s length challenge occurs when the earnings of a wife who works in the business are ruled uninsurable. Most contractors depend on their wives to handle all the administrative aspects of the enterprise. Both large and small contractors have had the work of their wives disqualified. This is an important issue not only in forestry, but also in fishing and tourism, where wives are often actively working in the enterprises. In a resource-dependent industry area where seasonal work is the norm, access to EI is crucial and the arm’s length challenges are an important gender issue.

Evidently, the small contractors have difficult relationships with both the state regulators and private buyers. One argued that the policy to ensure full use of timber contributes to waste because the rotten wood is no good to anyone. It ends up as a disposal problem and a cost for the contractor. He also believed that the policy might be enforced to encourage a new particle board factory. Two people reported serious problems in receiving payment for their logs, and several contractors felt that they are penalized by regulations that make no sense. The problem of butt junking has been noted. Another example is that forestry regulations require that a 15-inch log, once cut, must be taken out of the forest and used as a saw log, but this size of log will be rejected by the mills because it is too large for studs. Yet, a contractor selling it for pulpwood will be fined. Contractors felt they were caught in a squeeze between the requirements of wood processors and the state. In this situation, Bill Smith felt that open discussion was essential:
They all should be coming to the same table and … if the sawmill says, ‘That is not acceptable to us; no, we don’t want no centre rot butt; that’s not acceptable; that must go for pulpwood,’ well, at the end of the day, we know what’s good and not good. We can’t have the Forestry saying one thing, the sawmillers saying something else, and we’re the ones that’s caught in the middle.

In 2001, several people tried to organize the logging contractors who “have been victimized on an individual basis,” as one contractor put it. Another informant felt contractors would be much better off if they were a group because they would get more for their wood, but he also observed that they were independent, suspicious of each other, and reluctant to share information. Partially separate from their marketing situation was the problem of scale. In this person’s opinion, some contractors had permits that were too small to sustain a family business because 3,000 metres could only generate about $20,000 net per annum. In this connection, another benefit from cooperation could be sharing equipment such as harvesters, porters, and trucks.

Sawmills have become more important on the peninsula in the last decade and lumber products have increased rapidly since 1992 in the province as a whole. Commercial production is highly concentrated in 11 large, integrated sawmills, which now produce for export to the eastern United States as well as meeting local demand. These mills are called integrated in the sense that they make use of all parts of the wood to produce lumber, chips, and even sawdust. The integrated mills account for about 75 percent of total production. They do not compete for wood with the newsprint mills and thus arrangements to exchange wood of different sizes, pushed by government policy, are compatible with the interests of both large sawmillers and paper companies. Having two mills owned by outside capital from New Brunswick and Austria, Roddickton emerged as the regional centre for lumber and fared better than other forest-dependent villages as measured by population decline. By the summer of 2003, however, the outlook was much bleaker. Canada Bay Lumber is now owned by an Austrian entrepreneur. In 2003, this company was planning a particle board factory, 50 percent of which would be financed by the federal government. If
successful, it was expected to employ 75 people. But in June 2003, the older lumber mill, which was uninsured, burned to the ground, taking with it 130 jobs.\textsuperscript{21}

The other sawmill in Roddickton had a short, intriguing history. In 1988, the Great Northern Peninsula Development Corporation negotiated an alliance with small regional sawmills to establish a joint marketing and production company called Northchip. After some initial success, the company needed financial help and MacNutt, a New Brunswick lumber company, took a 25 percent share in 1997 that was later expanded to 90 percent in order to pay for a kiln. Thirty people worked at Northchip's mill, which functioned as a conventional private company until it closed, bankrupt, in 2002.

In one part of the peninsula, an integrated mill tried to become firmly established, in part by cooperating with Kruger. The mill purchased wood from a local contractor and also cut logs with its own workers on Kruger's leases on the understanding that sawdust and chips would be sold back to Kruger. The operator felt that this type of arrangement allowed the area's sawmills to survive. Were they unable to access logs from Kruger's land, they could not find enough from other sources to be profitable. The provincial government's policy to make use of all cut wood in some way was also partly responsible for the local arrangements that emerged. Nevertheless, this integrated mill could not obtain sufficient wood to operate a second shift that would have allowed more complete use of its equipment and a greater chance of turning a profit. When interviewed in 2002, the operator was optimistic that the mill would be successful, provided that permission was given to log a local contested area.

Unionized workers like Andy Gibson are much better off than the nonunion workers elsewhere in the industry who lack contractual benefits and receive much lower incomes. Jim represents this nonunion group. He worked for a local contractor who supplied Abitibi-Consolidated and paid his workers about 25 percent less than union rates. Jim was only employed for about 18 weeks per year and had no option of switching to Abitibi-Consolidated, which was not hiring any young men to replace unionized workers (according to Jim). Like the local mill owner, Jim was in favour of
logging the local contested area and angry at environmentalists who had opposed and delayed this plan. “Men shouldn’t have to leave the area to find work when there’s work to be done here.” It is not surprising that people like Jim worry about the future of logging when they see the exodus of people from the area or when they remember that Kruger’s bus, which picked up 10 loggers in 2002, used to collect as many as 200.

**Interpretation** What happened to Andy Gibson, other forest industry participants, and communities centrally involved in forestry on the Great Northern Peninsula is an example of locally constructed action in a regional and even global context. Their experiences cannot be understood without attention to external political and economic forces. For example, Kruger and Abitibi-Consolidated produce a desirable quality of newsprint, but they cannot sell it if the price is too high compared with their competitors. The companies drive local change as they respond to external pressures. Apart from renewal of the plant technology with faster, less labour-intensive machines and computerized control, these companies also divested themselves of most of the tasks connected with logging and transportation. However, Kruger maintained effective control through its contracting system, as described earlier.

As restructuring proceeds, local people may discover ways in which they can take advantage of new opportunities e.g., by entering a new line of production or by filling the need of corporate producers to contract for supplies and services. This pattern is evident in the lives of logging contractors, both successful and struggling. While this restructuring of newsprint operations created space for local entrepreneurs, they had little chance to determine prices and were soon compelled to mechanize harvesting as much as possible in order to be more productive. A factor in the mechanization process was the provincial government’s insistence that all logs capable of being used for lumber be separated and sold for that purpose. The computer-controlled harvester was reported to sort cut wood into pulp and saw logs far more effectively than loggers working with power saws.

Workers who learned to operate harvesters and other motorized equipment retained good jobs by local standards for manual labour, but the
industry was shedding workers. In the unionized sectors, workforce reduction was based on attrition accompanied by no hiring of young workers. For the time being, older workers like Andy Gibson continued at tasks unsuited to mechanical harvesting. Andy’s experience points to the health problems that long-term workers can endure, while safety issues were of concern to some contractors.

Andy was in a subordinate position in the web of the forestry sector. A poorly educated manual worker in an industry that he did not control, he has suffered some serious consequences in terms of his health and his income. However, he still made some key decisions that affected his life. For example, he chose to stop working with his father and join Bowater. Given limited options for men in a similar situation who did not wish to migrate, this was a sound economic choice. Years later, Andy opted not to train as a harvester operator. Instead he remained one of the last power-saw loggers with no other prospect for work in the industry. His membership in the relatively powerful CEPW union\(^2\) has given him protection that is not available to the younger loggers coming up behind in terms of employment, income, and access to occupational health and safety benefits.

The state plays an important part in restructuring the forest products industry in Canada generally, including, as demonstrated in this paper, in Newfoundland and Labrador.\(^3\) Over the course of Andy’s life and that of the contractors and others we interviewed, state policies have interacted with industrial restructuring to shape the options of local people. Public policies and their implementation are frequently targets of protest from those who see their interests threatened. Employment insurance is an important component of the annual income of most workers and influences the functioning of the regional labour market. Moreover, because state regulations determine who can cut wood, how much they can cut, and what procedures they must follow, the state plays a substantial part in how the process of restructuring unfolds. But state actors are open to influence from interested parties who help shape the rules, and the process of policy implementation is inevitably limited by the practices of officers at the local level, partly because they are few in number and partly because they exercise discretion in many situations. Tension around public policy, as reported
here, shows the importance of the state in how action is unfolding, but the state does not fully determine what happens. It helps shape conditions for local action, but is also reactive to economic decisions and environmental processes that it cannot control.

The future is murky. If we make the major assumption that demand for Newfoundland newsprint will continue, access to sufficient wood will be vital. We heard conflicting opinions about how difficult this will be. Some say there is an adequate supply of wood at the present and no need to consider importing more from Labrador. Others see a medium-term problem, but hope that supply will improve in 15 to 20 years, and that more attention to silviculture and conservation can ensure future supply.

Conflicts over how to manage and use (or conserve) the forest resources remain unresolved. Aware of these issues, contractor Bill Smith urged that everyone with an interest, including the government, should get together “across a table” and work out a policy that everyone could live with. It is perhaps too optimistic to think that there would be no losers in such a process, but many with interests in the environment want an opportunity to work out local solutions. It is also in the interest of the state to provide a framework for decentralized planning because it is extremely difficult to enforce regulations and make policy effective when local actors feel ignored. People on the Great Northern Peninsula cannot control the external forces that bring about restructuring (including new opportunities), but they should have a voice and can have an impact on how restructuring works in their locality.
Notes

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1. For a similar position, see Anthony Winson and Belinda Leach, Contingent Work, Disrupted Lives: Labour and Community in the New Rural Economy (Toronto: University of Toronto Press, 2002).


12. Another interviewee suggested that the skill requirements to operate a mechanical harvester made it difficult for the older workers to retrain because they lacked the necessary coordination and could seldom attain the highest levels of efficiency. Perhaps Andy also felt this way.
13. A recent review of compensation claims from loggers in Newfoundland and Labrador found there were 1,412 claims for compensation between 1990 and 2002, or claims from approximately 4.6 percent of loggers each year over this period. The number of claims per year followed an overall downward trend from 1990 to 2002, probably reflecting the decline in the number of active loggers in the province. The average number of claims per employer in Newfoundland’s west coast for this period was 8.07, the highest in the province. The average lost time in weeks for loggers in the province was 13 over this period. Loggers had the highest accident rate for the sector. See P. Navarro, B. Neis, M. Macdonald, and J. Lawson, Newfoundland and Labrador Forestry Occupational Health and Safety Project (St. John’s: Coasts Under Stress Project, Memorial University, 2004). Newfoundland’s accident rate is reported to be much higher than in other Atlantic provinces (Rickards, personal communication, February 2004).


18. Skidders and porters are heavy machines used to collect and transport logs from the woods to logging roads, where they are loaded onto trucks.

19. Butt junking involves cutting two-foot lengths from the butt end of the wood until it is no longer red. Kruger accepted wood with one-third or less rot at the butt end.


22. Winson and Leach, Contingent Work.