



## Energy Subsidy Falls Short of the Mark

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Toronto – The province is being criticized over its newly announced subsidies to the forest industry. In light of mill closures throughout the north, Ontario has decided to subsidize electrical power rates for the industry instead of taking more comprehensive steps to secure jobs and stabilize the sector.

"We recognize the plight of northern forest dependent communities. However, simply throwing public dollars at the mills will not keep them from closing," says Trevor Hesselink, the Forest Program director for CPAWS Wildlands League, "It hasn't yet." Over \$900 million in subsidies had already been designated for forest companies with no stemming of mill closures and no satisfaction for northern communities. "When do we have to acknowledge that the strategy is not working?"

On Monday, Premier Dalton McGuinty announced \$ 140 million in economic support for Ontario's forest industry in the form of rebates to offset energy costs. Recipients need to purchase a minimum of 50,000 megawatt hours and commit to increased energy efficiency. In total, the government will have promised the forest industry more than \$1 billion in assistance while tying less than 1% explicitly to value added endeavours.

"We applaud promoting energy conservation. Right now our forest industry is at the back of the pack in energy efficiency. We need to be able to compete with countries that are at the front, where mills use much less energy " says Hesselink, "However, it does not appear that this government is pursuing a coherent vision for bringing longer term stability to the sector"

"The forest sector continues to consider Ontario as a primary producer of raw materials. This mindset is completely unsustainable in the world market. We are trying to compete on price with countries that pay their forest workers peanuts and don't consider ecological impacts. These countries will bury us with cheap wood and pulp", Hesselink continued. "We need to be innovative in building a healthier economic model for our northern communities and forests."

The organization believes that instead of pumping a billion dollars into short term bailouts to benefit the big players, Ontario should be adequately funding its natural heritage caretakers, inspiring innovation through value added manufacturing, and expanding Forest Stewardship Council (FSC) certification. FSC certification provides consumers confidence that products come from well managed forests and is a powerful marketing advantage for Ontario.

"Ontario needs to take advantage of its unique position. We already have an example set by industry leaders who have pursued FSC here. If we add leading edge energy conservation, responsible oversight and more value-added manufacturing, the province has the opportunity to build a forestry sector second to none, without compromising our natural legacy." Hesselink concludes.

CPAWS Wildlands League is committed to its long-standing work with leaders in industry, with First Nations and northern communities, and with the custodians of Ontario's public forests to ensure that conservation-first thinking has a fertile place in Ontario's forests.

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