

# Economic and Social Crisis: Olympic Flame Parades Through Ravaged Northern British Columbia

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The Vancouver Winter Olympic torch relay is winding its way across northern British Columbia this week. It arrived in the coastal town of Kitimat yesterday, February 1. The celebration was subdued. Like most towns on the relay's route, Kitimat is suffering huge economic blows from the barons of the natural resource industries that are the mainstay of the province's economy.

Eurocan paper mill, the second largest industrial employer in Kitimat, announced in late October that its doors would close permanently. The torch relay arrived on the first day of that closure. Five hundred and fifty direct jobs are gone, and several hundred indirect ones. The town loses a huge piece of its industrial tax base.

Several tens of thousands of forest industry jobs have been lost across British Columbia in recent years. Compounding the closures of paper mills and sawmills are deepening cuts to government services. Recently, the closings of 14 schools in Prince George were announced, most in rural areas surrounding the city. That's more than one third of the schools in the regional school district. Prince George is an industrial city of 80,000 located in the geographic center of the province.

These closings have sparked the most significant protests in recent years to provincial government cuts to social programs. Several hundred students and parents from the Prince George Traditional School marched to the offices of provincial education minister Pat Bell on January 25. Two days later, the first protest in the province to greet the torch relay occurred when scores of parents and students brought their concerns over school closings to its route through the city.

## A Town Under Corporate Siege

Kitimat is a town of 9,000 under siege by the resource industries on which it was founded. West Fraser Timber Mills closed the Eurocan paper mill because it said the mill was not earning "enough" profit.

Townsppeople fear that a similar fate awaits the largest employer in the town, the Rio Tinto (formerly Alcan) aluminum smelter. For years, that company has sought to reduce, or shut down altogether, aluminum production while continuing to run its hydro-electric facilities and earning fantastic profits. The aluminum smelter is busy for now, but its 1300 employees are pressured or obliged to work loads of overtime. An estimated 200 people could be hired at the smelter if the frenetic pace of overtime was curtailed.

Barry Pankhurst, chairperson of the surrounding Coast Mountain School District, says the Olympics Games (the “Vancouver” Games, he stresses) are leaving people in the district with very mixed feelings. “Many people are saying, ‘We support the athletes, but not the Games’.”

The town is under great pressure, he says, from the combination of factory closings and government spending cuts. The school district recently closed three schools. Five others were closed earlier. “The province has loads of money for a big party in Vancouver, but no money for schools. There’s something wrong here.”

“We Have Nothing Left to Cut”

Pankhurst says the town feels abandoned by the provincial government. “We’ve been deserted. The simple reality is that people feel the government is not here to help us.”

He is worried for the future of the aluminum smelter. “Rio Tinto is not doing the maintenance and upgrades needed to keep the smelter efficient and competitive. It’s a rerun of what happened at Eurocan.”

What’s needed, he says, is a government like Newfoundland’s that is willing to stand up to corporate interests. Last year, the government of premier Danny Williams blocked the paper giant Abitibi Bowater from continuing to use its public license to produce and sell electricity after the company closed the paper mill for which electrical production rights were originally granted, way back in 1912. The government obliged the company to sell its electrical facilities to the province under terms it laid down. (For more on this, see “[Confronting Industry Shutdowns: Multinational’s Assets Seized in Newfoundland](#)2.”)

Mad Scramble for Resource Industry Profits

The forest industry in British Columbia is being hammered by a combination of the collapse of the U.S. housing industry and the infestation of its pine forests by a native pine beetle.

Rising average winter temperatures and bad tree cutting practices have caused an epidemic of pine tree destruction by the beetle. Clear cutting has degraded the mix of tree species that helped keep the beetle in harmony with forest ecology, while winter temperatures are no longer cold enough to kill off larvae (several weeks of continuous temperatures of minus 20 or colder are required). The pine forests, a vital source for the sawmilling industry, have all but disappeared in the province.

The beetle has recently leaped over its traditional geographic barrier to the east, the Rocky Mountains, and is now spreading inexorably eastward across the vast northern Canadian forests.

Since it was first elected in 2001, the Liberal Party government in BC has offered the natural resources of the province to the highest bidders. A mad scramble has opened – drilling for oil and gas in the north, damming or channelling of hundreds of rivers for ‘green’ electrical production, plans for yet more coal and hard rock mines, regardless of environmental impact, and relentless clear cutting of the forests.

Coastal ocean waters have not escaped the pillage. Vastly increased numbers of salmon farms in coastal inlets as well as urban and industrial development threaten wild stocks of salmon. The salmon are also threatened by rising ocean temperatures. This year saw a

catastrophic drop in the numbers of certain species of salmon returning to the spawning grounds of the Fraser River, the world's largest salmon-spawning river.

The provincial and federal governments are quietly hinting at lifting the decades-old ban on oil and gas drilling and oil tanker traffic along BC's coast, one of the richest and most diverse marine ecologies in the world. U.S. oil and natural gas company Apache has applied to build a \$3-billion natural gas terminal in Kitimat that would service the rapidly expanding natural gas fields in northern BC and the tar sands projects in Alberta.

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