probe
Pollution Probe at the University of Toronto, Toronto, Ontario M5S 1A1

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Statement

The "new" set of pollution abatement instructions for Ontario pulp and paper mills are of three types -- Control Orders, Program Approvals, and Requirements & Directions. Various mills are being placed under one or more of these regulatory mechanisms.

Control Orders fall under the Environmental Protection Act, with failure to comply potentially resulting in fines of up to $10,000 per day. Requirements & Directions fall under the Ontario Water Resources Act, and offer a $200 per day wrist-slapping. Therefore, it is advantageous for a polluting company to negotiate with the Ministry for an R & D rather than a Control Order because of the smaller fine under the former. Program Approvals are schedules for compliance under the Environmental Protection Act that are initiated by the industry and submitted to the Ministry for approval. The Ministry cannot prosecute a company whose clean-up program has been approved, even if the company is violating its own promises to comply, given in the Program Approval. Clearly, both the Environmental Protection Act and the Ontario Water Resources Act require major revisions.

Over the past three years, only three of the thirty-one pulp and paper mills in Ontario have been charged for pollution offences [1]. These are Abitibi (Iroquois Falls), Reed (Dryden), and American Can (Marathon). In the Abitibi case, the company was granted a stay of proceedings from twenty charges of polluting under the Environmental Protection Act and two charges of polluting under the Ontario Water Resources Act. The Ministry has appealed the stay of proceedings and the appeal date has been set for March 1978.

Reed was charged under the Environmental Protection Act with ten counts of pollution of the English-Wabigoon river system. Five of the charges against Reed were dropped because of Ministry fumbling. The

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[1] All thirty-one mills are exceeding Ministry effluent guidelines for at least one environmental quality parameter; only three have been charged.

Ministry allowed a clean-up order on Reed to lapse and could not prosecute. Reed walked away from the case with a measly $5,000 fine. Justice was done -- on Reed's behalf.

Pollution from American Can was finally halted not by the provincial Ministry, but by the Federal Government, which stepped in and laid charges under the federal Fisheries Act, resulting in convictions and a fine of $64,000 against the company. In the meantime, the litigation costs to the public for bringing these polluters to court are staggering,[2] only to have the majority of companies either let off the hook entirely or let go with outrageously small fines.

Although the discharge from the pulp and paper industry constitutes only 22% of all industrial pollution in Ontario, the same is not true for the damage that specific components of the industry's discharges have been shown to cause.

The pulp and paper industry discharges 1.7 million pounds per day of biochemical oxygen demand -- 87% of the total industrial BOD discharge. It discharges 540,000 pounds per day of suspended solids -- fully 60% of the total industrial SS discharge.[3] One does not have to look too far for examples of water pollution in the Great Lakes.

The pulp and paper industry has long used a "cannot-afford-to-pay" argument as a basic reason for its failure to come to terms with pollution abatement. The estimated cost to the industry of meeting the Ministry's pollution control objectives over a ten-year period is about $230 million. This would be reduced by 50% through tax concessions from the federal and provincial governments (deduction of interest payments on borrowed funds, accelerated depreciation allowances, expenditures for pollution control deducted from taxable income). The cost of pollution abatement equipment itself carries further tax concessions.

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[2] Facts presented by NDP research staff concerning industrial pollution from the Dow Chemical Company in the St. Clair River found that $150,000 of public monies have been spent in bringing this polluter to court. The case continues. The company has yet to be convicted.

[3] J.A. Donnan and P.A. Victor, Alternative Policies for Pollution Abatement: The Ontario Pulp and Paper Industry, Ministry of the Environment, 1976.

Similar abatement programs being launched in the United States and Scandinavia involve long-run costs at least as great as those contemplated in Ontario. The Ministry's control programs are not placing the pulp and paper industry at a disadvantage in the face of its current competitors. Even during an acknowledged bad year, 1971, the before-tax profit margins for most mills were between $8.00 and $30.00 per ton of product. These margins are well above the pollution abatement costs which are estimated to amount to $5.00 per ton of product.[4]

In the case of pollution from suspended solids, it has been found that there is financial incentive to recover these since they contain fiber which can be used to make paper.

When the "costs for clean-up approach" has not worked, the pulp and paper industry has trotted out a series of loss-of-job scare tactics. But again, one has only to read the data collected by Donnan and Victor in the Ministry report quoted earlier to find that such claims are misleading and intended as threats. Mill closings are more likely to result from periods of low demand and falling prices than from costs associated with pollution abatement.

In fact, the Minister himself, George Kerr, admits to this in committee proceedings on Environmental Estimates (p S-3626), in conversation among Charles Godfrey (NDP-MPP, Durham West), Peter Victor, one of the authors of the Ministry report, and himself:

> Hon. Mr. Kerr: Dr. Victor, co-author of this report is here. Would you like to comment on it, sir, at all?
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> Dr. Godfrey: Before Dr. Victor does, can we just put in what he said? Page 36 quote: "There is no reason to believe that the cost of achieving pollution abatement levels specified by the Ministry of the Environment will seriously jeopardize the profitability of the paper companies in question or cause them to close specific mills."
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> Hon. Mr. Kerr: I would say that that statement is true.

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[4] D.H. Pimlott, Pollution from the Pulp and Paper Industry in Ontario, Nature Canada, April/June 1977 (Review of Alternative Policies report)

Dr. Godfrey: Then we can accept it that companies will not lose money. Can we accept it that there will not be unemployment as a result of enforcing the pollution controls?

Hon. Mr. Kerr: I think that can also be said . . . Also, as I am sure Dr. Victor is bound to say to you, when the company installs some of the type of equipment we require, that improves the production process of that company. It increases the efficiency -

Dr. Godfrey: And profitability.

Hon. Mr. Kerr: -and therefore it should increase the profitability.

Dr. Godfrey: I believe Dr. Donnan also said it would result in more employment if proper pollution controls were put in. Not ouly the employment from increased profitability but also the employment caused by putting in the controls. Is that not so?

Dr. Victor: Yes, it seems from a study undertaken by the federal government that expenditures on pollution control is quite a good job-creating activity, in fact, the reason being that much of the equipment that is used for pollution control is in fact produced in Canada.

Meanwhile, T.J. Bell, Chariman of Abitibi Paper Company Limited, the largest pulp and paper operation in Ontario, has been quoted in the Globe and Mail as saying that civil servants' comments on the industry's pollution control record are "silly" and that "most of the pollution is nature-made and not man-made". Obviously, we have a long way to go in successfully reasoning any further with the industry.

For more information, contact: Adele Hurley
978-5432