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PROBE AXES GIVE-AWAYS TO PULP AND PAPER INDUSTRY

The Ontario Forest Products Industry is on the receiving end of recently announced federal and provincial give-away programs worth more than $200 million. Pollution Probe believes that, in most cases, environmental quality would be better protected by the strict enforcement of the existing legislation. "Further economic handouts are both unwarranted and unnecessary," said researcher, Bill Glenn.

For those few mills financially unable to meet the emission standards and criteria needed for environmental protection, economic assistance should be tied to strict conditions. Priority should be given those companies that will purchase equipment with high "Canadian content", that have shown rigid compliance with the deadlines in their outstanding Control Orders and that will submit projects to complete voluntary environmental assessment when applicable.

On January 31st Ontario Treasurer Frank Miller revealed the province's gift to the pulp and paper industry -- at least $100 million in direct grants for 25 per cent of the cost of approved industry modernization and pollution abatement capital expenditures.

Federal DREE officials announced a $71 million incentive program primarily for logging construction.

Most recently, the Board of Economic Development added another $46 million for cost reducing improvements and forest management.

In addition, the present tax system already shifts about half of the financial burden of abatement costs to the provincial and federal governments.

This largesse comes in the midst of a strong financial upswing in the forest products industry. Abitibi has announced a 100 per cent increase over 1977 profits, and Domtar showed more than a two-fold growth in share earnings. Pulp and paper shipments are up ten per cent to a record of 22.1 million tons.

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Pollution Probe seriously questions the further unconditional granting of public monies to an industry in which some members have a history of blatant disregard for environmental concerns and exhibit a continued unwillingness to meet the terms of their abatement Control Orders.

A 1976 Ministry of the Environment report concluded that most mills can afford to control their pollution to a much greater extent than they are presently doing, but will not while fines remain low and prosecution rare.

The report went on to state that more financial assistance is unlikely to induce additional pollution control. "If pollution abatement still costs the company money after the assistance is provided and the expenditure gives the firm no return, then the company still has an economic incentive to resist installing the pollution control equipment. If on the other hand, a mill intended to put in the equipment anyway, extra financial assistance would only be a windfall".

"Absolutely no government money should be granted until we have set firm guidelines and conditions for its distribution in an open public forum," said Mr. Glenn.

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