

**Fort St. James Community Report:**  
**A media analysis of recent events associated with forest industry mill closures**

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# Community Report: Fort St. James

## Overview

In 2007, the forestry dependent District of Fort St. James experienced a spate of mill closures. The indefinite shutdowns of the Pope and Talbot and Stuart Lake lumber mills, combined with shift reductions at Apollo Forest Products, resulted in the loss of a significant number of jobs in the community. These events have presented considerable challenges to Fort St. James' economic sustainability and vitality. Beginning with a brief overview of the community's history, this report utilizes news media reports, census data (2001, 2006 Community Profiles), and other secondary sources to describe the context and timeline of events leading up to and following the mill closures. A selection of quotations from community members, officials, and concerned parties is also included.

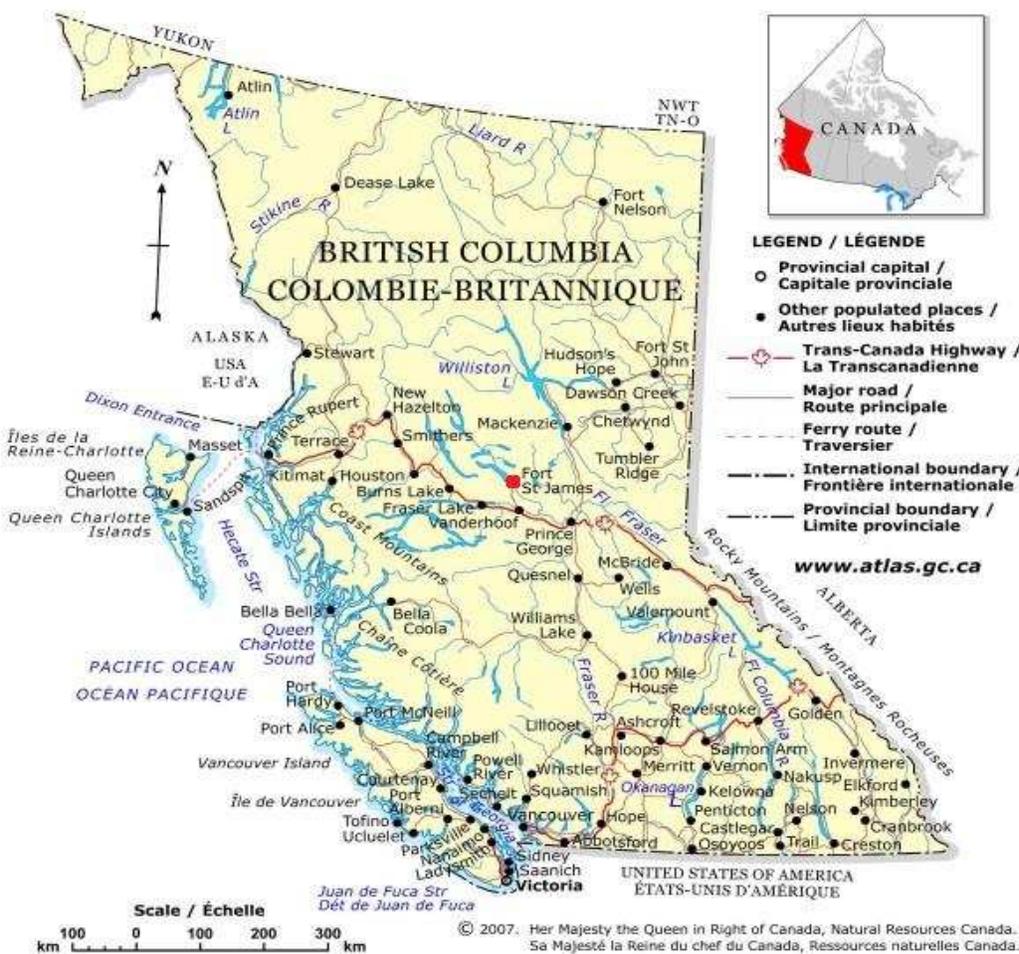


Figure 1 Map of British Columbia. Credit: [www.atlas.gc.ca](http://www.atlas.gc.ca)



Figure 2 Satellite Map of Fort St. James Area. Credit-Google Maps

### ***Community Description***

The community of Fort St. James is located in north-central British Columbia, on the south-eastern shore of Stuart Lake. Adjacent to several First Nations communities and reserves, the town occupies land in the heart of Dalkeh First Nation traditional territory. Formerly a fur-trading post, Fort St. James was founded in 1806 by explorer and fur-trader Simon Fraser making it the oldest, continuously-inhabited, European settlement in the province of British Columbia.

Following the decline of the fur-trade in the 1880's and 90's, the economy of Fort St. James experienced little growth until the introduction of the BC Railway in the late 1960's. The railway proved to be a boon, helping to develop the local economy through construction, mineral exploration, and a burgeoning forest industry. A mercury mine provided significant employment throughout the late 1960's and early 70's, but it would be forestry that would consistently form the backbone of the Fort St. James economy.

Today, Fort St. James remains a resource dependent community, although diversification efforts have met with some success. A burgeoning tourism sector provides an alternative to the forestry, mining, and ranching industries. The service and supply sectors rely heavily on local primary industry, but community leaders have plans to expand Fort St. James' role as a commercial centre servicing residents, visitors, and companies. Recent adversity in the forestry industry—including several mill closures—has helped to spur diversification efforts.

## Selected Characteristics

### Population Decline

While British Columbia as a whole has seen a small but steady population increase, the situation in Fort St. James has been the opposite, as population levels have been trending downward significantly and at a rapid pace. A 5.8% population decrease in the five year census period between 1996 and 2001 was followed by an additional population decrease of 29.7% in the 2001 to 2006 census period, a net loss of almost 700 residents. However, the fact that this decline took place before the mill closures occurred coupled with the lack of media reportage of such a staggering population loss raises questions about the accuracy of the reported population change.

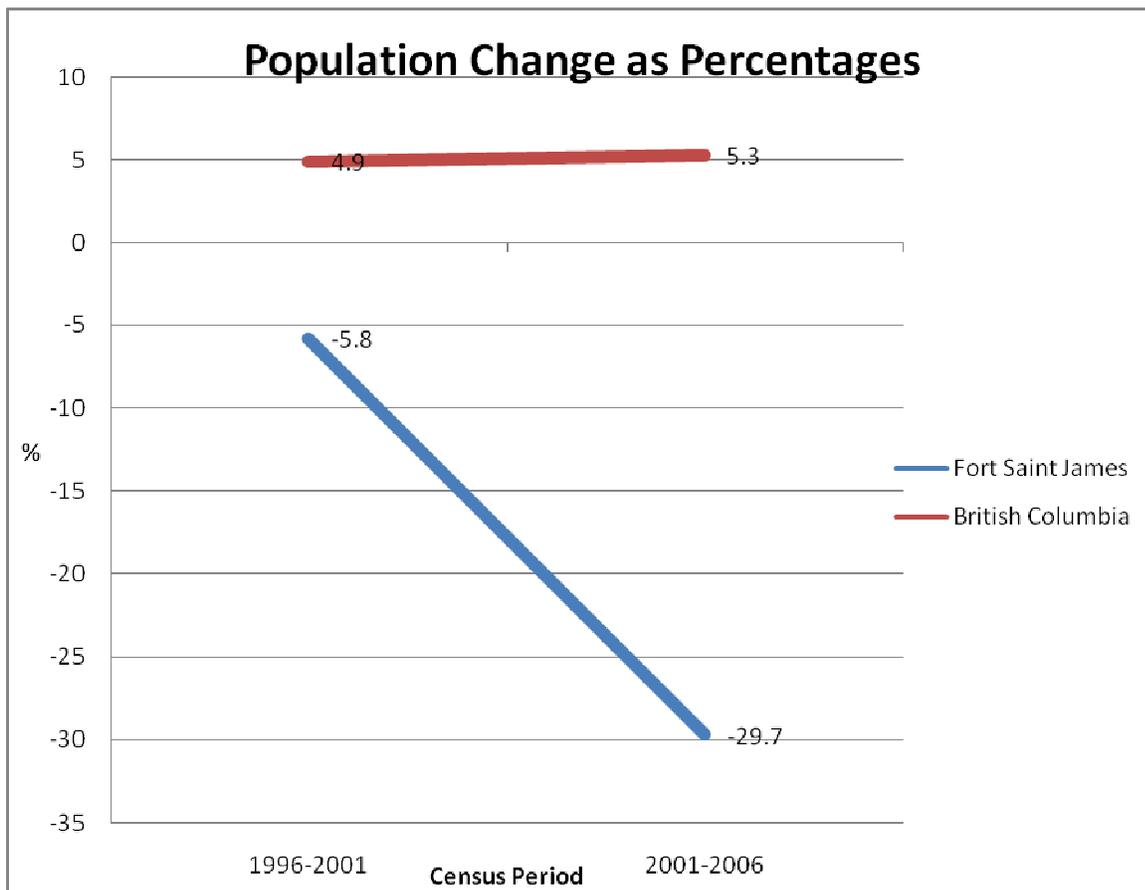


Figure 3 Population Change in Fort St. James and British Columbia as Percentages

## Unemployment

Total unemployment rates in Fort St. James show an increase between the 2001 and 2006 census periods. Although Fort St. James enjoyed a lower unemployment rate in 2001 (7.2%) than that of B.C. as a whole (8.5%), its rate has since increased (7.9%) while B.C.'s rate has decreased (6%). Notably, during the same time period the unemployment rate for men in Fort St. James doubled, while the men's rate for B.C. declined. If not for the substantial decrease in the women's unemployment rate in Fort St. James compared to the B.C. average, the total unemployment rate in Fort St. James would be much higher.

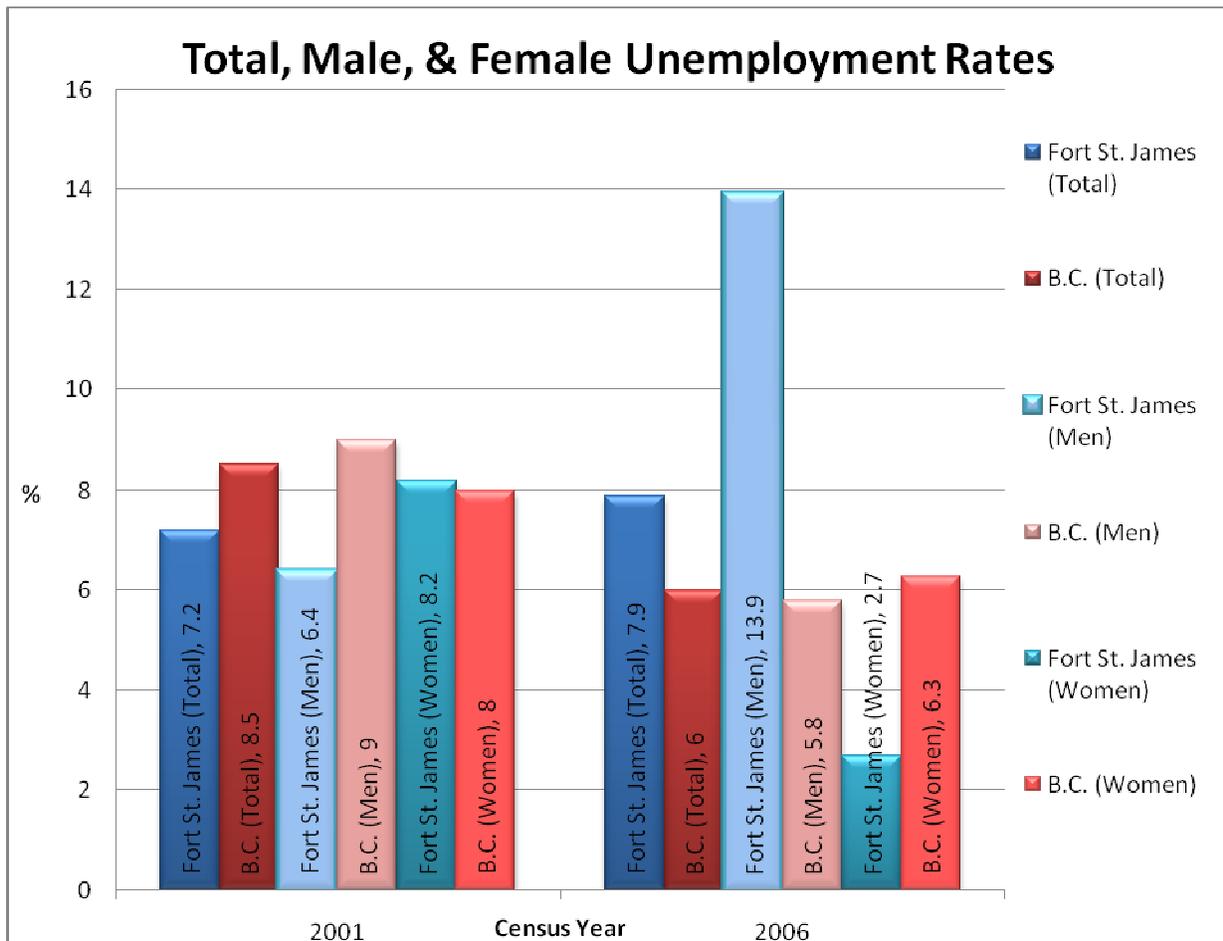


Figure 4 Unemployment Rates in Fort St. James and British Columbia- 2001 & 2006

## Employment By Industry

A comparison of employment by industry in Fort St. James between 2001 and 2006 reveals significant decreases in the number of people employed in manufacturing and construction, wholesale and retail trade, and other services. These decreases likely reflect the effects of decline in the forest industry and the ripple effect on supporting sales and services. Despite the decline, manufacturing and construction industries remain the largest employers in Fort St. James

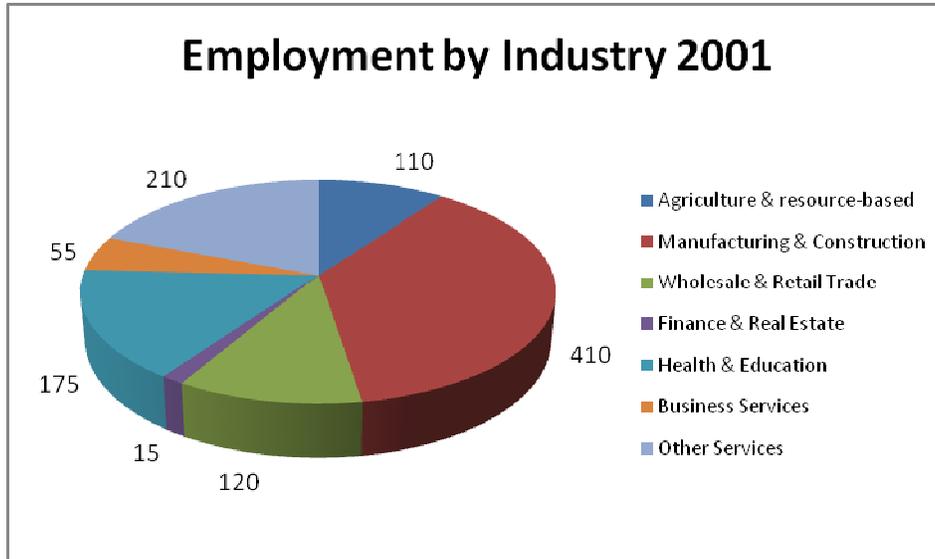


Figure 5 Employment by Industry in Fort St. James- 2001 by number of people

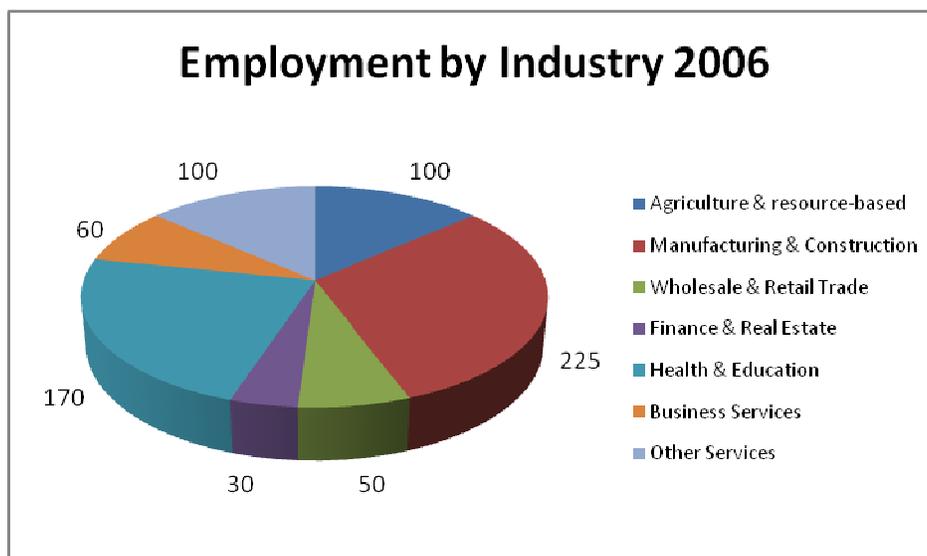


Figure 6 Employment by Industry in Fort St. James- 2006 by number of people

## ***Media Analysis 2007 Mill Closures***

### **Stuart Lake Lumber**

In early May 2007, it was reported that the Stuart Lake Lumber mill would close its doors indefinitely by the end of the month. A total of 85 employees—representing more than 10 percent of Fort St. James’ labour force by 2006 numbers—would be affected by the closure. Low lumber prices linked to a sagging U.S. housing market, a rising Canadian dollar, and a U.S. imposed 15% export tax on Canadian softwood shipments combined to create a situation in which operating the mill was no longer financially viable for the family owned and operated company.

Media reports following the closure suggested that many Fort St. James residents were concerned about the future of their community. One commentator likened the closure of the locally owned mill to “a knife being plunged into the very soul of the community”. The local mayor expressed disappointment at the loss of a local business and worry about the effects that the significant job losses would have on the local economy. An opinion piece in the local paper urged Fort St. James residents to maintain a positive outlook regarding their community by pointing out that Fort St. James had been through economic troubles before and survived.



Figure 7 Northern Interior Forest Products Mill, Fort St. James. Credit. [www.for.gov.bc.ca](http://www.for.gov.bc.ca)

### **Pope and Talbot Ltd.**

Fort St. James residents would soon have more cause to be concerned as reports began appearing in Aug. 2007 detailing the financial difficulties of U.S. based forestry company Pope and Talbot. With over 300 workers at their Fort St. James sawmill operation, and another 100 as loggers and suppliers, Pope and Talbot was the community’s single largest employer; over a third of the available labour force was directly and indirectly employed by Pope and Talbot.

After being delisted from the New York Stock Exchange and filing for bankruptcy protection, Pope and Talbot eventually announced it would be shutting down its Fort St. James lumber mill indefinitely.

News of the closure was not well received. Fort St. James mayor Rob MacDougall described the news as “devastating, to say the least”. NDP forestry critic Bob Simpson warned that B.C. forestry communities like Fort St. James were “facing a disaster”. One Fort St. James resident predicted that “this town is going to die”. Various sources reported that the Pope and Talbot closure, combined with the earlier Stuart Lake closure, represented a significant economic hit to the community, affecting over half of the district’s work force.



Figure 8 P & T Mill Sign. Credit: [www.poptal.com](http://www.poptal.com)

### **Fallout and Community Response**

Based on media reports immediately following the closures, community responses were present but appeared to be somewhat limited. One source suggested that residents were upset with a perceived lack of action by the mayor and council on the issue, calling them “quiet” in comparison to the “noise” made by their counterparts experiencing similar circumstances in Mckenzie, B.C. Mayor and council responded by publishing an article in the local news detailing a number of actions being taken to address the closures including: requesting assistance from the Ministry of Community Services, arranging meetings with officials from similarly affected communities in an effort to coordinate responses, and attempting to ensure that timber rights would remain tied to the Fort St. James mill in the event of a sale (despite recent legislative changes to this requirement).

Other community members also began to take preliminary action in the early months following the closures. Vice president of Steelworkers Local 1424 Francois Hamel suggested in a letter to the local newspaper that the community should consider partial or full ownership of the struggling mill. An article in the same newspaper encouraged Fort St. James residents to

write letters to provincial and federal politicians in order to garner attention to the community's plight. A local reporter promised to make the Caledonia Courier the voice of the community and encouraged residents to work together to overcome the difficulties facing Fort St. James.

Momentum and support for community action began to gather rapidly in the early part of 2008 with the news that Asia Pulp and Paper had missed an agreed upon deadline to purchase the Fort St. James pulp mill from insolvent Pope and Talbot. The Steelworkers Local 1424 developed a Rapid Response program to assist and provide information to forest workers affected by curtailments. A diverse group of community members including union and non-union mill workers, contractors, business people, Nak'azdli Band members, and concerned residents rallied outside the provincial roundtable on forestry meeting in Vanderhoof, B.C. One former mill worker decried the provincial government's \$2 million aid package as "not enough" and, further, called for the government to step in and operate the idled mill.

### **Infighting**

In late May 2008, media reports again indicated the presence of tensions between Fort St. James community residents and officials. Upset with a perceived lack of media attention for Fort St. James' plight, a local resident expressed frustration with district officials, challenging them to explain what they had been doing to address the situation. An editorial in the Caledonia Courier called on both sides to open the lines of communication and work together to put an end to rumours and infighting. Mayor and council again responded with a description of ongoing dialogues and initiatives that they had been developing.

Renewed community efforts were soon apparent. In early June 2008, Nak'Azdli Band, Tl'Azt'en Nation, and Fort St. James issued two joint statements providing reasons for the continued operation of the former Pope and Talbot mill along with a warning that any attempt to remove logs from the Fort St. James Forest District would not be tolerated. Media reports called the move "a step in the right direction". Later in the month, it was reported that Fort St. James businesses had banded together to form an association to represent their interests to local and provincial government. A Concerned Citizens of Fort St. James Committee was formed and, with the aid of the Stand Up For the North group, a Save Our Community rally and meeting was held which resulted in the drafting of a set of resolutions that were then forwarded to members of both provincial and federal government.

### **Light at the end of the tunnel**

Fort St. James received some good news in early July 2008 when it was announced that B.C. based forestry company Conifex Inc. had purchased the idled Pope and Talbot mill and its associated forest license. Reports of community attitudes concerning the purchase were

decidedly positive due to Conifex officials expressed interests in keeping the mill operating; one report compared Conifex senior financial executive Ken Shields to cavalry poised to “ride to the rescue of Fort St. James”. Conifex executives were invited to a community breakfast which helped to create a dialogue between the company and Fort St. James residents and officials. As of March 2009, the mill had reopened—albeit not yet at full capacity—with employees wages being tied to market conditions.



Figure 9 Conifex CEO Ken Shields speaks at Northern Development Initiative conference. Credit: [www.northerndevelopment.bc.ca](http://www.northerndevelopment.bc.ca)

Less well received was the news that the Stuart Lake Lumber mill and the accompanying forest license had been purchased by West Fraser. Reports suggested that Fort St. James community members were wary of the purchase by a large company with no local interests or expressed intentions to keep the mill operating. Community groups in Fort St. James and other forestry dependent communities continued and continue to lobby government for a new form of appurtenancy—the former policy which tied logging rights to specific mills or communities—shaped by the needs and interests of local communities.

## Moving Forward

All things considered, it seems that Fort St. James is well-positioned to recover from the crisis in the forest industry. With all of Apollo Forest Products, Northern Interior Forest Products, and Conifex continuing to operate despite unfavourable market conditions, Fort St. James has been so far been able to avoid the hardship associated with permanent closures. Additionally, the Mt. Milligan copper and gold mine project has recently passed environmental assessment. The project would provide 370 jobs during the 30 month construction phase and 400 permanent full time positions annually for the 15 year lifespan of the mine.

Community officials realize that this type of development would imply only short term benefits, and as such are working hard to diversify the economy in order to ensure a sustainable future for one of B.C.'s oldest communities.



Figure 10 Kayaker on Stuart Lake. Credit: [www.stuartnechako.ca/fort-st-james](http://www.stuartnechako.ca/fort-st-james)

### ***Selected Quotations***

*"We as a council will do everything we can and exhaust every avenue to insure that, if in the long term if they cease to operate, then that was the only decision they could make."* Former Fort St. James mayor Rob MacDougall, on the indefinite shutdown of Stuart Lake Lumber. (05/02/07) Lamb, S. Caledonia Courier. Fort St. James, B.C.

*"...it's very difficult, but I've asked the public to roll up their sleeves and get at it, and let's remain positive and let's find a solution moving forward."* Former Fort St. James mayor Rob MacDougall, on the indefinite shutdown of Pope and Talbot's mill. (11/28/07) Hoekstra, G. Prince George Citizen. Prince George, B.C.

*"This town is going to die."* Fort St. James truck shop owner Ross Dirnback, on Fort St. James' prospects following the mill closures. (11/15/07) Hoekstra, G. Prince George Citizen. Prince George, B.C.

*"When a sale of this facility is proposed, the option of processing the timber volume elsewhere is not an option, the mill must operate."* Position of the former Fort St. John mayor and council regarding the Pope and Talbot mill and forest license. (19/12/07) Anonymous. Caledonia Courier. Fort St. James, B.C.

*"To me it has been proved that the future of this community is not a forefront priority on these corporations' minds... We need to start taking care of our own destiny and ourselves."* Steel Workers Union Local 1424 Vice-President Francois Hamel, on the possibility of community ownership of the Pope and Talbot mill. (19/12/07)

*"...the key is going to be that we work together as a community and stand as one. We have to put away those things that separate us and stand united."* From an editorial in the Caledonia

Courier, on the challenges facing Fort St. James. (13/02/08) Anonymous. Caledonia Courier. Fort St. James, B.C.

*"Fort St. James has been around for 200 years and has faced adversity before and will get through this."* Fort St. James business owner speaking anonymously, on uncertainty following mill closures. (07/05/08) Playfair, R. Caledonia Courier. Fort St. James, B.C.

*"The injury to one community is an injury to everyone...We have to have people coming together to show the politicians that we aren't going to let our communities go in this circumstance."* Stand Up For the North Committee leader Peter Ewart, at a rally in Vanderhoof attended by Fort St. James concerned parties. (28/05/08) Playfair, R. Caledonia Courier. Fort St. James, B.C.

*"We have to work together as a community, and as has been said often, we have to speak face to face, and frankly and leave the rumours at the door."* From an editorial in the Caledonia Courier, encouraging open communication between Fort St. James officials and community members. (28/05/08) Anonymous. Caledonia Courier. Fort St. James, B.C.

*"Tell the people, as well as the province. Let them know we will not quit, we will not go down without a fight."* Fort St. James resident Sarah Grill, urging mayor and council to follow the example of MacKenzie. (28/05/08) Grill, S. Caledonia Courier. Fort St. James, B.C.

*"We need a new model and a new vision, big companies and the government model (hasn't worked)... Vision doesn't start in Victoria, or New York. Forestry starts in the community with people who know the industry."* Stand Up For the North Committee leader Peter Ewart, on the importance of a new appurtenancy policy for B.C. (12/11/08) Anonymous. Caledonia Courier. Fort St. James, B.C.

### ***Community Statistical Profile 2006***

<u>Characteristics</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>
Population in 2006	1355		
Population in 2001	1927		
2001 to 2006 population change (%)	-29.7		
Median age of the population	37.4	38.4	36.6
% of the population aged 15 and over	77.5	76.1	78.7
Total private dwellings	756		
Number of owned dwellings	425		
Number of rented dwellings	135		
Average value of owned dwelling (\$)	126395		
Median income in 2005 - All census families (\$)	80483		
Median income in 2005 - All private households (\$)	67671		
Persons 15 years and over with income (counts)	1060	485	575
Median income - Persons 15 years and over (\$)	33649	51817	24598
Median monthly payments for rented dwellings (\$)	499		
Median monthly payments for owner-occupied dwellings (\$)	705		
Immigrants	240	125	120
Non-permanent residents	0	0	0
Aboriginal identity population	160	55	110
High school certificate or equivalent	250	105	150
University certificate; diploma or degree	165	55	105
Labour Participation rate	71	80.6	62.9
Employment rate	65.4	70.4	62.1
Unemployment rate	7.9	13.9	2.7

## Community Statistical Profile 2001

<u>Characteristics</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>
Population in 2001	1927		
Population in 1996	2046		
1996 to 2001 population change (%)	-5.8		
Median age of the population	32.2	32.4	31.9
% of the population aged 15 and over	78.2	77.4	78.6
Total private dwellings	725		
Number of owned dwellings	505		
Number of rented dwellings	225		
Average value of owned dwelling (\$)	119004		
Median income in 2005 - All census families (\$)	61709		
Median income in 2005 - All private households (\$)	60005		
Persons 15 years and over with income (counts)	1425		
Median income - Persons 15 years and over (\$)	27785		
Average monthly payments for rented dwellings (\$)	599		
Average monthly payments for owner-occupied dwellings (\$)	911		
Immigrants	185	105	80
Non-permanent residents	0	0	0
Aboriginal identity population	500	225	275
% of the population aged 20-34 with a high school graduation certificate and/or some postsecondary	20.9	18.8	23.3
% of the population aged 20-34 with a university certificate; diploma or degree	23.1	18.8	27.9
% of the population aged 35-44 with a high school graduation certificate and/or some post-secondary	38.2	36.1	39.4
% of the population aged 35-44 with a university certificate; diploma or degree	7.4	5.6	9.1
% of the population aged 45-64 with a high school graduation certificate and/or some post-secondary	17.6	9.8	27.5
% of the population aged 45-64 with a university certificate; diploma or degree	9.9	5.9	15
Labour Participation rate	73.1	79.6	66.2
Employment rate	67.9	74.5	60.8
Unemployment rate	7.2	6.4	8.2

Company	Mill or Machine & Product				Date Announced	Effective Date	Duration	Closure Type	Layoffs	Capacity Reduced	Unit
Apollo Products	Forest	Apollo Lumber	Forest	Products,	27/10/2007	27/10/2007	Indefinite	Shift Reduction	35	NA	NA
Pope & Talbot Ltd.	Talbot	Fort St. James Lumber	St. James	Division,	05/11/2007	05/11/2007	Indefinite	Full Mill	137	NA	NA
Stuart Lumber	Lake	Stuart Lake Lumber,	Lumber		16/05/2007	30/05/2007	Indefinite	Full Mill	85	50 000	MBF

Figure 11 Table of Mill Closures in Fort St. James

### Sources

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