

# THE CHAIN OF DESTRUCTION

From Canada's Ancient Rainforests  
to the United States Market

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**GREENPEACE**

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# I. EXECUTIVE SUMMARY

The world's ancient forests provide us with clean air and water, and places to hike, camp, fish and swim. They are home to the majority of the Earth's terrestrial species of plants, insects, birds and animals. They regulate weather patterns and help stabilize the Earth's climate. By storing carbon, ancient forests play a critical role in reducing global warming. Approximately 433 billion tons of carbon — more carbon than will be released from the burning of fossil fuels over the next 69 years — are stored in ancient forests. Ancient forests are home to as many as 200 million indigenous and tribal people worldwide.

Protection of the world's remaining ancient forests requires an immediate end to destructive activities. First and foremost, this means stopping the biggest threat to the remaining ancient forests: industrial logging.

While most Americans oppose the destruction of the last ancient forests, we see little relationship between ourselves and this destruction. In fact, our personal and professional decisions, and the decisions of the businesses we work for or choose to patronize, will be the deciding factors in whether the Earth's remaining ancient forests last beyond our lifetime.

In Europe, Greenpeace launched an intensive campaign to stop corporate consumers from purchasing wood from Canada's ancient forests. Greenpeace blocked shipments of timber, challenged companies at their headquarters and raised public awareness about the devastation of ancient forests.

As a result, major companies such as B&Q and Do It All, the two largest "do it yourself" chains in England, and Otto, the largest mail order company in the world, canceled their contracts with Canadian rainforest timber companies or decided to stop using ancient forest wood altogether.

In the United States, the efforts of Greenpeace, Rainforest Action Network, National Resources Defense Council and other environmental groups resulted in many companies such as Kinko's, 3M, Bristol-Myers Squibb, Levi-Strauss, Nike and others committing to stop buying ancient forest products.

Unfortunately, the majority of American corporations, including The Home Depot, Proctor and Gamble, Times-Mirror and Hercules refuse to take this stand.

*"Any fool can destroy trees. They cannot run away; and if they could, they would still be destroyed, chased and hunted down as long as fun or a dollar could be got out of their bark hides, branching horns, or magnificent bole backbones. Few that fell trees plant them; nor would planting avail much towards getting back anything like the noble primeval forests. During a man's life only saplings can be grown, in place of old trees -- tens of centuries old -- that have been destroyed."*

*"Through all the wonderful, eventful centuries since Christ's time -- and long before that -- God has cared for these trees, saved them from drought, disease, avalanches, and a thousand straining, leveling tempests and floods, but he cannot save them from fools."*

*-John Muir*

## Ancient Forest Facts

- Nearly 80 percent of the Earth's original ancient forests have been degraded or destroyed.<sup>1</sup>
- Only 22 percent of the Earth's original ancient forests remain in areas large enough to support their full range of native wildlife and ecosystem processes.<sup>2</sup>
- Seventy-six countries have already lost all of their large areas of ancient forest.<sup>3</sup>
- The United States has destroyed over 90 percent of its ancient forests.
- The United States is now the largest importer of forest products from other countries.
- The United States consumes approximately 9.5 billion board feet of lumber alone per year — enough wood to make a board one foot wide by one inch thick that would wrap around the world more than seven and a half times.
- Industrial logging is the single greatest threat to the remaining ancient forests.
- An area of ancient forest the size of a football field is logged, burned or flooded every two seconds.

The U.S. remains the largest single consumer of forest products worldwide, consuming approximately 9.5 billion board feet of lumber alone per year — enough wood to make a board one foot wide by one inch thick that would wrap around the world more than seven and a half times. If the Earth's last ancient forests are to be saved, U.S. companies must live up to their responsibility. It is now time for corporate consumers in the U.S. to join this trend and stop buying timber from ancient forests before these forests disappear forever.

Through its consumption, the United States, which has already destroyed most of its own ancient forests, plays the biggest role in the destruction of ancient forests worldwide. Every day, somewhere in the United States marketplace products manufactured from old-growth trees are bought and sold in a wide assortment of forms that would shock the average consumer.

Irreplaceable ancient forests are being destroyed to produce such disposable products as plywood, phone books, and toilet paper — and even toothpaste and shampoo. In almost all cases these products can be manufactured with environmentally appropriate alternatives.

Consumers are rarely aware that the products they buy implicate them in the destruction of ancient forests. Worse yet, many companies actively seek to hide this fact. In addition, many companies do not take the time to understand the environmental and social consequences behind their procurement of forest products.

*“Our living systems and social stability are at risk. But the solutions are profitable, creative, and eminently possible.”*

*-Paul Hawken,  
Ecology of Commerce*

<sup>1</sup> Dirk Bryant, Daniel Nielson and Laura Tangley, *The Last Frontier Forests: Ecosystems & Economies on the Edge*, (Washington, D.C.: World Resources Institute, 1997).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

## Defining Ancient Forests

Ancient forests are forest areas that are relatively undisturbed by human activity. The term refers to forest ecosystems as a whole, rather than to the individual trees within them. Natural disturbance such as storm damage, insect infestation and natural mortality will be present, as will regeneration from such disturbance. Human impact is characterized by low level hunting, fishing and harvesting of forest products, and in some cases, low density shifting agriculture.

Ancient forests are made up of frontier forests, primary forest fragments and old-growth forests. These forests are home to the majority of plant and animal species found on land. Frontier forests are the world's few remaining large areas of natural forest that have not been significantly altered by human activity. Roughly 20 percent of the world's original forest cover remains as frontier. Primary forest fragments are forest areas that have only been subjected to minimal human disturbance, and are smaller than frontier forests and therefore cannot always support healthy populations of large predators. Old-growth forests are stands of old trees, some of which may be regrowth from intensive logging or clearance in the distant past.

As the world's largest consumer of forest products, the U.S. has the potential to have the most impact in choosing to protect the planet's remaining ancient forests. If all the members of the U.S. marketplace choose to seek non-wood and recycled sources where appropriate and buy from well-managed secondary forests instead of from sources that destroy ancient forests, there will be no incentive to continue destructive logging practices.

### **The Last Temperate Ancient Rainforests In Jeopardy**

Of the three major forest types — tropical, temperate, and boreal — temperate forests are the most threatened. Historically, these forests have been the most heavily disturbed, particularly ancient temperate rainforests. Today, ancient temperate rainforests comprise less than .1 percent of the Earth's landmass. The largest unprotected temperate rainforest is found in British Columbia, Canada, where groups and individuals are struggling to prevent the clearcutting of the last pristine valleys.<sup>4</sup> The United States is the single largest consumer of forest products cut from this region.

### **Tracing The Chain Of Custody**

This report provides concrete examples of the largely hidden chain of custody from forest to consumer, tracing the links of the destruction of one of the Earth's most threatened forests — Canada's Great Bear Rainforest — through processing, manufacturing, distribution and sale in the United States. Although this report focuses on the traffic of products originating from the Great Bear Rainforest, it provides an overview of what is happening on a wider scale to the Earth's last ancient forests.

<sup>4</sup> Clearcutting is a destructive industrial logging practice that removes all trees from the area and destroys vital habitat.

## II. STATE OF THE WORLD'S ANCIENT FORESTS

Half of the world's forests have been completely destroyed, and most of the remaining forests have been intensively logged. Only 22 percent of the world's original forests remain as "frontier forests" — large, intact areas able to provide habitat for the full range of forest species.<sup>5</sup>

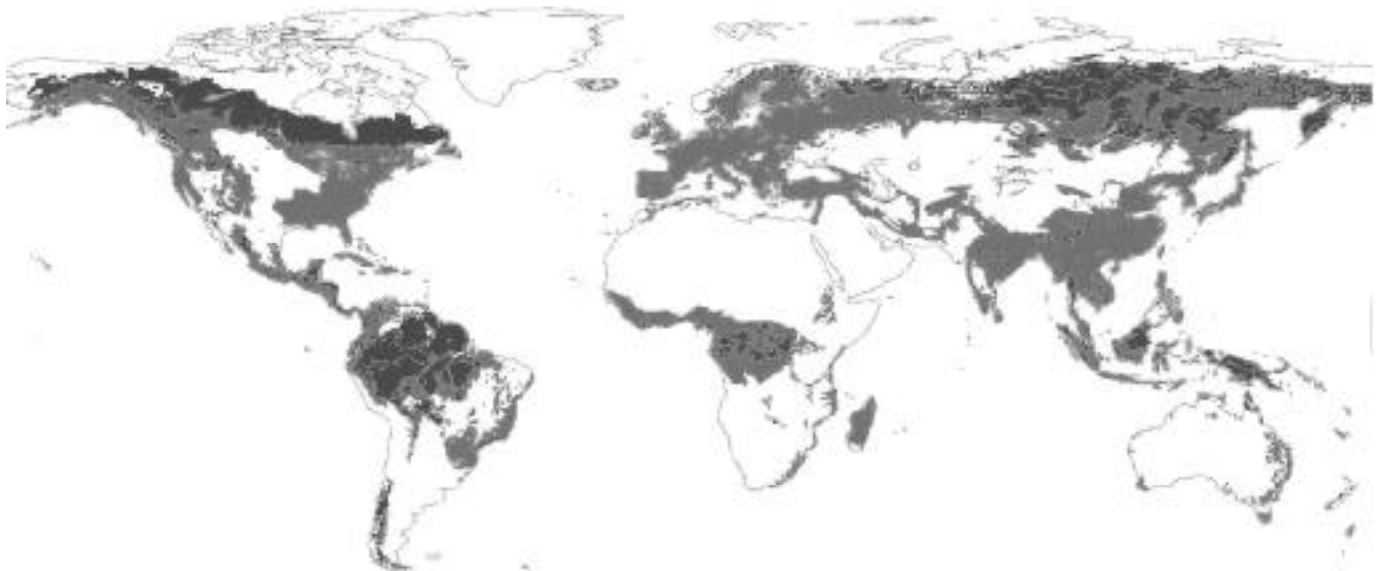
These frontier forests, together with the remaining fragments of primary forests and old-growth stands, make up the world's ancient forests.

*"In short, there has been a marked shift away from perceptions of old growth forests as potential sources of wood (especially bulk fiber), and towards perceptions of these forests as attractive environments. . . this shift is projected to accelerate."*

*-Industry analyst Alexander Mather speaking at The Globalization of Wood Conference, 1997*

Russia, Canada and Brazil are home to almost 70 percent of the remaining ancient forests. In these three countries, industrial logging is expanding into the ancient forests at an unprecedented rate. Unless this expansion of industrial logging can be stopped, most of the remaining ancient forest areas will be fragmented or lost within a few decades. The following map shows the locations of ancient forests that have already been destroyed, as well as the locations of the remaining large areas of ancient forests.

Ancient forests provide us with clean air and water, and places to hike, camp, fish and swim. They are home to the majority of the Earth's terrestrial species of plants, insects, birds and animals. They regulate weather patterns, and help to stabilize the Earth's climate. It is estimated that 433 billion tons of carbon — more carbon than will be released from the burning of fossil fuels over the next 69 years — are stored in



- Ancient forests already destroyed or degraded
- Only about 20% of the world's large areas of ancient forests remain intact

Source: World Resources Institute, Washington, D.C. 1997

<sup>5</sup> Unless otherwise specified, statistics in this section are taken from: Dirk, Bryant, Daniel Nielson and Laura Tangley, *The Last Frontier Forests: Ecosystems & Economies on the Edge* (Washington, D.C.: World Resources Institute, 1997).

ancient forests. Ancient forests are home to as many as 200 million indigenous and tribal peoples worldwide.<sup>6</sup>

An area of ancient forest the size of a football field is logged, burned or flooded every two seconds.<sup>7</sup> Protection of the world's remaining ancient forests requires an immediate end to destructive activities. First and foremost, this means stopping the biggest threat to the remaining ancient forests: industrial logging.

Consumption of forest products in developed countries is increasing dramatically and is one of the driving forces behind the destruction of the world's ancient forests. Eighty percent of the world's wood consumption is in developed countries. The world trade in forest products is worth over \$100 billion dollars and is growing quickly.<sup>8</sup> In the last 25 years, lumber and pulp consumption has doubled, and paper and paperboard consumption has tripled. In the next fifteen years, demand for paper is expected to nearly double again.

*“The world uses more than five times as much paper today as it did in 1950, and consumption is expected to double again by 2010. About two thirds of the paper produced worldwide is made from virgin logs. ... Soon paper production is expected to account for more than half of the global industrial wood harvest.”*

*-Janet Abramovitz, Worldwatch Institute*



Greenpeace activists hang a banner off the Prospect Point observation tower above Niagara Falls.

<sup>6</sup> John Spears and Edward S. Ayensu, *Resources, Development, and the New Century* (New Haven: Yale University Press, 1985), p.304. And Norman Myers, *Deforestation Rates in Tropical Forests and their Climactic Implications* (London: Friends of the Earth, 1989), p.68. And Nels Johnson and Bruce Cabarle, *Surviving the Cut: Natural Forest Management in the Humid Tropics* (Washington, D.C.: World Resources Institute, 1993), p.7.

<sup>7</sup> The reduction in forest cover is about 16 million hectares/yr which equals one hectare every two seconds. This translates to 38.4 million acres/yr or 1.2 acres every second. Bryant et al, 1997.

<sup>8</sup> Food and Agriculture Organization of the United Nations (FAO), *The FAO Yearbook of Forest Products* (1997). In 1996 world trade in forest products was worth \$138.7 billion.

# III. THE GREAT BEAR RAIN- FOREST

**R**ainforests, most commonly associated with tropical regions, can also be found in temperate regions. Rainforests are the most species-rich of all forest ecosystems... and the most threatened. The World Resources Institute reports that ancient temperate forests are the most endangered forest type worldwide. Over half of the Earth's temperate rainforests, only ever comprising 0.2 percent of the Earth's land surface, have already been degraded or destroyed.<sup>9</sup>

The Great Bear Rainforest, on the west coast of British Columbia, Canada, is the largest unprotected temperate rainforest left in the world. The Great Bear Rainforest is home to one of the largest populations of grizzly bears left on Earth, as well as black bears and the rare white Kermode or "Spirit" bear. This lush region is the result of over 10,000 years of postglacial development. It contains some of the oldest and largest trees on Earth. The ancient western red cedar, Douglas fir, Sitka spruce and hemlock trees grow as tall as two to three hundred feet and can live up to 1500 years. Ancient temperate rainforests have the greatest amount of biomass, living and dead material, of any ecosystem on Earth.

Indigenous peoples, known in Canada as "First Nations," have occupied these forests for millennia, and 16 different language groups are spread along the coast. No treaty has ever been agreed between these First Nations and the Canadian government, nor have the First Nations ever formally ceded their rights over their traditional territories. Nonetheless, their rights are neither being adequately recognized or respected by the logging companies, which largely depend on clearcutting the ancient temperate rainforests in First Nations' traditional territories for their timber supply.

Forest products have the third highest volume in internationally traded goods, after oil and gas. British Columbia supplies 35 percent of the world's internationally traded industrial forest products. Companies in British Columbia are logging approximately 30 billion board feet (lumber one foot wide, one foot long, and one inch thick) per year, one-third of which is cut from the coastal rainforests.<sup>10</sup>

More than half of British Columbia's ancient temperate rainforests have already been destroyed. The first areas logged were the productive low elevation valley bottoms. Of the original 353 coastal rainforest valleys in British Columbia only 69 remain unlogged. Logging is scheduled to begin in almost all remaining valleys within the next five to ten years.<sup>11</sup>



<sup>9</sup> Bryant et al, p. 12.

<sup>10</sup> British Columbia Ministry of Forests Annual Allowable Cut Determinations, 1996. 35% figure taken from an interview with Bill Dumont, Chief Forester of Western Forest Products in *Timber Trades Journal* (July 1998).

<sup>11</sup> Sierra Club of British Columbia, *Half of British Columbia's Ancient Temperate Rainforest Gone* (March 19, 1997).



## Logging Practices

The forest industry in British Columbia, Canada claims that, “no other forest producing region in the world has higher environmental standards for its forest practices and operations than British Columbia (B.C.). Destructive clearcutting is not allowed.”<sup>12</sup> In reality, over 90 percent of the logging in B.C. is in ancient forests, and over 97 percent of the logging in the Great Bear Rainforest is done by clearcutting.<sup>13</sup> Dr. C. Pielou, an eminent B.C. scientist, has noted that “clearcutting causes two kinds of fundamental damage, one long-lasting, the other permanent. The long-lasting damage is to the soil, the permanent damage is to biological diversity.”<sup>14</sup>

### B.C. Government Fails to Prevent Destruction

In 1994, the British Columbia government appointed a blue-ribbon panel of scientists and First Nations elders to assess logging practices in one area of the B.C. rainforest. The panel concluded that, “Collectively [B.C. forest laws and standards] do not prevent loss of biodiversity, degradation of terrestrial and aquatic environments, and damage to First Nations heritage sites and areas.”<sup>15</sup>



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Roderick Island.

In 1995, the government introduced the Forest Practices Code and promised a ‘new era’ in forest management. Despite this promise, the Code continues to allow conventional clearcutting and does little to protect wildlife or biodiversity. There is no endangered species law in Canada. Although there are some mechanisms for protection under the Forest Practices Code, the majority of all logging in British Columbia is done under the “lower biodiversity option.” According to the Code’s Biodiversity Guidebook, the effects of the “lower biodiversity option” will be that, “the pattern of natural biodiversity will be significantly altered and the risk of some native species being unable to survive in the area will be relatively high.”

In March 1998, the government of British Columbia enacted over 550 changes to the Forest Practices Code. These changes, drafted by the government and logging industry with no input from the public, First Nations, or scientists, served to weaken already inadequate legislation. The Vancouver-based Sierra Legal Defense Fund reports that these rollbacks will result in an increased size of clearcuts, damage to wildlife habitat, including salmon streams, and risk of landslides. Keith Moore, chairman of the government-appointed Forest Practices Boards, states, “the regulatory streamlining may lead to environmental damage that won’t show up for several years and by then it may be too late to avoid problems.”<sup>16</sup>

<sup>12</sup> British Columbia Forest Alliance (industry lobby group) advertisement in Germany, cited in Forest Alliance News Release “Greenpeace Told to Tell the Truth in Germany” (February 4, 1994).

<sup>13</sup> Sierra Legal Defense Fund. *British Columbia’s Clear Cut Code* (Vancouver: November, 1996) p.3.

<sup>14</sup> Chris, Pielou, “A Clearcut Decision: A Scientist Takes a Closer Look at the Ecological Effects of Clearcutting,” *Nature Canada* (1996), 25:2.

<sup>15</sup> Clayoquot Sound Science Panel, *Progress Report 2* (Victoria, British Columbia 1995).

<sup>16</sup> *Globe and Mail*, April 8, 1998, p. B6.

## IV. THE CANADIAN LOGGING COMPANY

In British Columbia, the logging industry worked with the government to establish a system of long-term forest tenure leases that enable a handful of companies to reap huge revenues from logging public and First Nation lands. Through this system, the rights to log almost all of the remaining intact valleys in Canada's rainforests lie with three companies: International Forest Products (Interfor), Doman Industries and West Fraser Timber Company. The following sections profile each of these companies in more detail.<sup>17</sup>



### International Forest Products (Interfor)

P.O. Box 49114, Four Bentall Centre  
3500-1055 Dunsmuir Street  
Vancouver, B.C., Canada V7X 1H7

Phone: (604) 689-6804  
Fax: (604) 688-0313  
<http://www.interfor.com>

President and COO: Duncan Davies

Annual Allowable Cut: 3.7 million cubic meters (1,500 million board feet)

Total sales (1997): \$760 million Canadian dollars (\$550 million U.S.)

U.S. sales (1997): \$160 million Canadian dollars (\$110 million U.S.)

### Logging Activity

Interfor is one of the largest logging companies operating in Canada's ancient temperate rainforest. Interfor plans to log 25 pristine valleys and key ecological areas including critical habitat of the rare Kermode or "Spirit" bear, and the ancient forests of Johnston Creek.

Interfor is currently logging in the valley of Ista, a place sacred to the Nuxalk people. The logging continues despite repeated requests of the head hereditary chief Nuximlayc to stop. Other hereditary chiefs of the Nuxalk Nation have similarly requested Interfor to stop clearcutting throughout their lands to no avail.<sup>18</sup>

#### Interfor's Infractions of Provincial Law, June 95 - June 97

1 infraction of the Waste Management Act  
1 infraction of the Pesticide Control Act  
11 infractions of the Litter Act  
57 infractions of the Forest Practices Code  
66 infractions of the Forest Act

Further north, Interfor has been logging at Kumealon Lake, where requests by the Kitkatla people to leave the valley intact were ignored. If these ancient forests continue to be logged, cultural heritage sites will be lost, prime grizzly and wolf habitat will be destroyed, and the future of already damaged salmon runs will be further jeopardized.

<sup>17</sup> All sales figures and Annual Allowable Cut statistics for Interfor, Doman and West Fraser are public information and are taken from each company's annual report for 1997, or from Hoovers Online, <http://www.hoovers.com>.

<sup>18</sup> Nuxalk Nation House of Smayusta Web site (<http://www.nuxalk.org>).

## Environmental and Legal Record

Government and industry documents such as the Michael Jantzi Research Associates report (1995) and the Tripp report (1994) identify Interfor's environmental record as a major concern.<sup>19</sup> Interfor has repeatedly violated Canadian law; harming the forest and its dependent species. Between June 1995 and June 1997, Interfor has been charged and penalized 136 times for breaking provincial legislation.<sup>20</sup> Examples of Interfor's major infractions include causing landslides into the fishbearing Clowhorn Creek, logging illegally inside Garibaldi Park, and breaching an order to stop work in Clayoquot Sound. In addition to these 136 infractions, Interfor has failed to comply with the Forest Practices Code on an additional 414 occasions for more minor incidences.

## Major Markets

Interfor's business consists of logging, milling and selling lumber, primarily for construction. It operates nine lumber mills. In addition, it sells wood chips to pulp and paper mills in British Columbia and occasionally Washington State. Interfor's sales to the U.S. rely mostly on western red cedar, which is used to produce decking, bevel siding and other building materials. Interfor also exports hemlock and other species to the U.S. Interfor provides its corporate affiliate Sauder Industries with materials for its U.S. line of molding.



## Doman Industries

### Includes Western Forest Products, Western Pulp, and Eacom Timber Sales

Doman Industries Ltd.

Phone: (604) 662-8808

435 Trunk Road

Fax: (604) 669-8803

Duncan, B.C., Canada V9L 2PN

<http://www.westernforest.com>

CEO: Herb Doman

Annual Allowable Cut : 4.2 million cubic meters (1,800 million board feet)

Total sales (1997): \$740 million Canadian dollars (\$530 million U.S.)

U.S. sales (1997): \$290 million Canadian dollars (\$210 million U.S.)<sup>21</sup>

## Logging Activity

Western Forest Products, a Doman subsidiary, plans to log 22 pristine valleys and key ecological areas in the Great Bear Rainforest including critical habitat of the rare Kermode bear, and the ancient forests surrounding the Ingram-Mooto Lakes. The company is currently logging the pristine upper reaches of the Stafford River, and the rainforests of Pooley Island, home to one of the largest wolf populations in the rainforest. Cultural heritage sites are also under threat.

<sup>19</sup> D. Tripp, *The Use and Effectiveness of the Coastal Fisheries Forestry Guidelines in Selected Forest Districts of Coastal British Columbia* (January, 1994), Prepared for the Ministry of Forests.

<sup>20</sup> Ministry of Forests, and Ministry of Environment, Lands and Parks. Information obtained through the Freedom of Information and Protection of Privacy Act, including: *Charges and Penalty Summary for Identified Companies, January 1985 to February 1996* (Ministry of Environment, Lands and Parks, Enforcement, Emergencies and Corporate Services, Victoria, February 11, 1997); *Enforcement Action, Administrative Review and Appeals Tracking System* (Ministry of Forests, Compliance and Enforcement Branch, Victoria, March 26, 1997); *Enforcement Detail Sheets* (Ministry of Forests, Port Alberni, March 8, 1996).

<sup>21</sup> Figure includes annual harvest on private land.

### Environmental and Legal Record

Doman has been fined over \$330,000 Canadian dollars in environmental penalties. In 1994, the B.C. Ministry of Forests found that Doman's subsidiary Western Forest Products failed to comply with fish and forestry guidelines in more than 80 percent of their evaluated areas.<sup>22</sup> Between October 1995 and October 1996, Doman failed to comply with the law almost 100 times.<sup>23</sup>

Greenpeace, Sierra Legal Defense Fund and the hereditary chiefs of the Heiltsuk Hemas Council have recently documented violations in the Ingram and Mooto watersheds, traditional Heiltsuk Territory that is currently under logging license to Western Forest Products.<sup>24</sup>

In 1996, CEO Herb Doman was convicted of insider trading along with former B.C. Premier William Bennett. The men were ordered to pay \$1 million Canadian dollars in court costs and are currently banned from trading on the stock exchange and from directing or being an officer in any publicly traded companies. The B.C. Securities Commission characterized their activities as "deceit and greed and. . . conspiracy." Despite these rulings, Herb Doman continues to oversee the destruction of large tracts of intact rainforest and globally important wildlife habitat.

### Major Markets

Doman's business consists of logging (Western Forest Products), milling and selling lumber (both Doman and Eacom). In addition, Doman produces and sells dissolving sulphite pulp and paper pulp through its subsidiary Western Pulp. It operates nine lumber mills and two pulp and paper mills. Doman's lumber is used in building materials, windows, and various other products around the world. Its paper pulp is used to produce magazine-quality paper as well as other paper types and tissues. Its dissolving pulp is used by the chemical industry and ends up in a wide variety of consumer items such as cosmetics and food.



## West Fraser Timber Co. Ltd.

1000-1100 Melville Street  
Vancouver, B.C., Canada V6E 4A6

Phone: (604) 895-2700  
Fax: (604) 681-6061  
<http://www.westfrasertimber.com>

CEO: Henry H. Ketchum III

Annual Allowable Cut (British Columbia): 4.2 million cubic meters (1,800,000 thousand board feet)

Annual Allowable Cut (Alberta): 1.5 million cubic meters (600,000 thousand board feet)

Total sales (1997): \$1.9 billion Canadian dollars (\$1.4 billion U.S.)

U.S. sales (1997): \$740 million Canadian dollars (\$530 million U.S.)

### Logging Activity

West Fraser Timber holds extensive logging rights in the ancient forests of British Columbia and the neighboring province of Alberta. West Fraser plans to log a total of 17 pristine valleys and four key ecological areas within the Great Bear Rainforest. The company has

<sup>22</sup> D. Tripp, 1994.

<sup>23</sup> Ministry of Forests, and Ministry of Environment (see footnote 18).

<sup>24</sup> The violations concern the burying of felled wood in the permanent road being constructed, a violation under the Forest Practices Code. Also cited are violations under the Fisheries Act concerning the deposition of deleterious material, in the form of siltation, into fish-bearing streams.

currently started logging one pristine valley (Chambers Creek), and plans to log in six more in the next five years. The Nanakila Institute, a Haisla First Nation-run organization, has been struggling to protect the Kowesas valley and neighboring areas from being logged by West Fraser. West Fraser is also logging large tracts of ancient forests outside the Great Bear Rainforest, in British Columbia and Alberta.

### **Environmental and Legal Record**

West Fraser has broken provincial legislation on 77 occasions in a two-year period from June 1995 to June 1997, and has been fined a total of 34 times.<sup>25</sup> West Fraser's mills in Quesnel, Smithers and Kitimat have consistently been found to be in noncompliance with pollution regulations. In a January 1994 report produced for the B.C. Ministry of Forests, West Fraser's Terrace Division was found to be one of the worst offenders in B.C. The report rated West Fraser seventh out of eight forest companies with respect to overall compliance with the Coastal Fisheries and Forestry Guidelines.<sup>26</sup>

### **Major Markets**

West Fraser Timber is an integrated logging and forest products company that produces lumber, pulp, paper, newsprint, wood chips, specialty wood products, fiberboard and packaging material. It operates ten lumber mills, three pulp and paper mills, and one newsprint mill. West Fraser also owns two chains of retail home improvement stores in Canada, Revy and Lansing Buildall.

<sup>25</sup> Ministry of Forests, and Ministry of Environment, op cit.

<sup>26</sup> D. Tripp, 1994.

# V. THE U.S. CONNECTION TO CANADA'S RAINFORESTS

**U**.S. companies are linked to the destruction of ancient rainforests. Some companies, including processors such as Sauder Moldings and wholesalers such as Furman Lumber, buy directly from Interfor, Doman, and West Fraser. Others purchase products further down the chain. But every purchase at every link helps to finance the destruction of these ancient forests. Canadian logging companies are so heavily dependent on U.S. sales that U.S. consumption is fueling the chainsaws in the Great Bear Rainforest.

## From Forest to Market: Links in The Chain of Custody

The United States imports about half of B.C.'s rainforest products in the form of lumber, pulp, and paper.<sup>27</sup> The U.S. consumes approximately 9.5 billion board feet of lumber alone per year — enough wood to make a board one foot wide, by one inch thick that would wrap around the world more than seven and a half times. U.S. imports from Canada in 1995 were worth over U.S. \$20 billion.<sup>28</sup>

### Lumber

Canadian logging companies Interfor, Doman and West Fraser all own and operate their own lumber mills. Most of the lumber is pre-sold to wholesalers in the U.S. such as Universal Forest Products or to processors such as Sauder Moldings. These American companies then sell their products, often repackaged with their own label, to retailers or to the building and construction industry. By the time the products get to a home improvement or “do it yourself” (DIY) retailer, they have gone through many hands and are rarely marked with their place of origin. Most consumers are shocked to learn that they buy products that contribute to the destruction of the last ancient forests.

### Pulp and Paper

Doman and West Fraser also own and operate pulp and paper mills; Interfor does not produce wood pulp directly, but it does have a long-term contract with Fletcher Challenge Ltd., a New Zealand company with pulp mills in British Columbia. About half of the volume logged in British Columbia's ancient forests ends up as pulp and paper through a combination of whole logs, wood chips and sawdust.

Pulp and paper is sold in the U.S. to a wide range of printers such as R. R. Donnelley and Sons or paper products manufacturers such as Proctor & Gamble. Dissolving grades of pulp used in food additives, adhesives, and other items are normally purchased directly from Doman in British Columbia and then transported to processing companies such as Hercules, who in turn sell their chemicals to various manufacturers that produce the final products.

### The U.S. Consumer

The final link in the chain of custody is the U.S. consumer. Ancient forest lumber and wood products are also sold at lumber yards and “do-it-yourself” stores such as The Home Depot. In addition, consumers purchase products derived from ancient forests at nearly all major retail chains including Wal-Mart and Sears. Sears, for example, sells Proctor & Gamble products containing materials from ancient forests, and prints its catalog on Fletcher Challenge paper.

### Taking Responsibility

Along with consumers, U.S. corporations have both the responsibility and the leverage to help protect these ancient, globally significant, and irreplaceable ecosystems, as well as the communities that depend on them.

The following chart presents a visual representation of the links between U.S. consumers and the destruction of B.C.'s ancient forests.

<sup>27</sup> Council of Forest Industries, *British Columbia Forest Industry Fact Book* (1996).

<sup>28</sup> Ibid.

# Chain of Custody



ANCIENT FORESTS

LOGGING COMPANIES

Interfor, Doman, West Fraser



LUMBER MILL

WOOD CHIPS & SAWDUST

PULP & PAPER MILL

LUMBER WHOLESALER

e.g. Furman Lumber,  
Universal Forest Products

LUMBER PROCESSOR

e.g. Sauder  
Mouldings

PRINTER

e.g. Times Mirror,  
R.R. Donnelley  
and Sons

PAPER PRODUCTS MANUFACTURER

e.g. Proctor  
& Gamble

DISSOLVING PULP PROCESSOR

e.g. Hercules

LUMBER

MOLDINGS

DOORS

WINDOW FRAMES

FURNITURE

CEDAR PRODUCTS

BOOKS  
BIBLES  
MAGAZINES  
NEWSPAPERS  
CATALOGS  
TELEPHONE  
DIRECTORIES  
RETAIL INSERTS

TOILET PAPER  
PAPER TOWELS  
TISSUE PAPER  
DIAPERS  
FEMININE HYGIENE  
WRITING PAPER

PRODUCTS MANUFACTURER

FOODS  
TOOTHPASTE  
COSMETICS  
PHARMACEUTICALS  
PAINT  
INK  
ADHESIVES  
CLOTHING

BUILDER

e.g. Oakwood Homes

DO IT  
YOURSELF  
STORE

e.g. The Home Depot

RETAILER

e.g. Walmart

CONSUMER



# The Lumber Wholesaler

Wholesale distributors in America buy lumber directly from the B.C. producer and have it shipped to large warehouses and holding yards. American wholesalers buy large quantities of lumber directly from the B.C. producer, and then market and sell smaller quantities to retail lumber yards, large developers, "do-it-yourself" stores, and manufacturers. Wholesalers distributing ancient rainforest products include Universal Forest Products and Furman Lumber. These companies are profiled in the following sections.

The following lumber wholesalers have agreed not to place any new orders from the logging companies Interfor or Doman:

**Jewson (U.K.)**

**Harcros (U.K.)**

**Wickes (U.K.)**

## Universal Forest Products

Universal Forest Products, Inc.  
(NASDAQ: UFPI)  
2801 East Beltline N.E.  
Grand Rapids, MI 49525

Phone: (616) 364-6161  
Fax: (616) 361-5558  
<http://www.ufpinc.com>

CEO: William G. Currie

1997 Sales: \$1.1 billion

In total, Universal Forest Products manufactures and distributes lumber products to the home improvement/Do-It-Yourself (DIY), manufactured housing, conventional site-built housing, and industrial markets. Universal Forest Products operates 71 facilities in 64 locations throughout the North America.

### Destruction of the Great Bear Rainforest

Universal distributes Doman lumber, and also buys from West Fraser. Both of these companies are involved in clearcutting the ancient forests of the Great Bear Rainforest.



Doman lumber  
at a wholesaler  
lumberyard.

### Products

Universal is the nation's largest producer of pressure-treated wood and is North America's largest manufacturer of engineered roof trusses for both the manufactured housing market and the conventional site-built housing market. The company's other principal products are dimension lumber, and finished goods such as fence panels, deck components, and kits for various outdoor products. It also makes pallets and crates for industrial use.

### Customers

Fifty percent of sales are to retail outlets such as Home Depot, HomeBase, Lowe's and Builders Square. Home Depot alone accounts for eighteen percent of Universal's total sales.



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## Furman Lumber

Furman Lumber, Inc.  
32 Manning Rd.  
Billerica, MA 01821

Phone: (978) 670-3800  
Fax: (978) 670-3999  
<http://www.furmanlumber.com>

CEO: Barry Kronick

1997 Sales: \$500 million

Furman Lumber is a distributor of lumber products and building materials. Furman operates twelve distribution centers nationally as well as a sales office in Portland, Oregon that services retail lumberyards, home centers, and industrial customers.

### **Destruction of the Great Bear Rainforest**

Interfor's Internet site contains a direct link to the Furman Lumber site and states that Furman offers tips on the best way to use Interfor's wood products.<sup>29</sup> Interfor is one of the three largest companies clearcutting the ancient forests of the Great Bear Rainforest.

Furman is well aware of the problem of diminishing forest cover. Ed Bouverat, a national product design manager at Furman, states in an article published in *The Southface Journal of Energy and Building Technology* (February 1997): "Industrial society is destroying the world's forests at an astonishing rate. It is estimated that of 6.2 billion hectares of undisturbed primary forest that existed in the world before settled agriculture began, less than 25 percent remains. In the United States, of 438 million hectares of original forest cover, less than 15 percent remains."

His conclusion is to switch to engineered wood products, which he states are "environmentally smart" because they avoid price increases "resulting from the protectionism of our remaining old growth forests." Bouverat adds, "Trees used to produce EWP (environmentally wise products) are not the trees of environmental concerns. Because the logs used for EWP manufacturing are first reduced to smaller pieces of wood fiber, the original log size is not important. Smaller and younger trees can be used. These trees are farmed and raised as a crop. Forests are managed, planted and harvested."<sup>30</sup> However, Furman continues to buy wood from ancient forests.

### **Products**

Furman sells dimension lumber, studs, boards, pattern stock, timbers, siding, shingles, panel products, shakes, flooring, stepping, decking, fencing, treated wood products, landscape products, engineered wood products, and selected building materials. A detailed product list is available from the company's Web site.<sup>31</sup>

### **Customers**

Forty-five percent of Furman's sales are to retail outlets such as Home Depot, Lowe's, and Carolina Builders.<sup>32</sup>

<sup>29</sup> Interfor Web site (<http://www.interfor.com/products/links/links.html>).

<sup>30</sup> Southface Energy Institute Web site (<http://southface.org/home/sfpubs/sfjv297/sfjv297.html>).

<sup>31</sup> Furman Lumber Web site (<http://www.furmanlumber.com/products.htm>).

<sup>32</sup> Forbes Web site (<http://www.forbes.com/tool/toolbox/private500/1997/9951.htm>).

# The Lumber Processor

Lumber processors, otherwise known as “remanufacturers” or “secondary manufacturers,” buy directly from logging companies, or from a broker or wholesaler, and sell their finished product directly to other companies or to retail outlets. They produce window and door components, furniture, floor and roof trusses, modular components for the home construction industry, moldings, flooring and cedar garden products. Many remanufacturers process lumber in great enough quantities to purchase it directly from the producer, including such processors as Sauder or Premdor.

The following  
lumber processors  
have either restricted  
or agreed not to  
place new orders  
from Interfor and/or  
Doman:

**Rugby (U.K.)**

**Larch-Lap (U.K.)**

## Sauder Moldings, Inc.

Sauder Moldings, Inc.  
5575 Nordic Pl.  
Ferndale, WA 98248-9138

Phone: (360) 384-4774  
Fax: (360) 384-4943  
<http://www.mouldingsinc.com>

General Manager: Paul Douglas  
President, Sauder Industries: William Sauder

Sales: under \$20 million

### Destruction of the Great Bear Rainforest

Sauder is a corporate affiliate of Interfor, one of the companies clearcutting the Great Bear Rainforest, from which it receives the majority of its lumber. Both Sauder and Interfor are fully controlled by the Sauder family. William Sauder, the president of Sauder, is the single largest shareholder of Interfor.



Sauder hemlock moldings at  
The Home Depot.

### Products

Sauder specializes in the production of 80 types of door, window and baseboard hemlock moldings at various sawmills in the United States as well as Canada.

### Customers

Sauder's manufacturing centers and warehouses in Ferndale, WA, Renton, WA and Taigard, OR supply customers throughout the Pacific Northwest. One of the biggest, if not the biggest, customer of Sauder hemlock moldings in the U.S. is The Home Depot, accounting for several million dollars per year. Another major customer is Dunn Lumber, which sells Sauder moldings at all of its 10 retail stores in the Pacific Northwest.

# The Builder

The term "builder" refers to construction companies, building contractors, and sometimes architects. The construction sector is the largest single consumer of wood in the U.S. In fact, seasonal house-building is what drives the logging industry in the Great Bear Rainforest. One and a half million houses are built each year in the U.S., over 90 percent of which are wood framed. One fifth of the \$280 billion domestic residential construction industry is controlled by a handful of large builders such as Oakwood Homes. The rest is conducted by small local contractors.

## Oakwood Homes

Oakwood Homes (NYSE: OH)  
7800 McCloud Rd.  
Greensboro, NC 27409-9634

Phone: (336) 664-2400  
Fax: (336) 664-2370  
<http://www.oakwoodhomes.com>

CEO: Nicholas J. St. George

1998 Sales: \$1.5 billion

Oakwood Homes claims to be the largest retailer of manufactured homes in the world, with 350 company-owned retail centers, and about 700 independent retailers. It is the third largest overall manufactured housing company in the U.S., behind Fleetwood and Champion, with 32 manufacturing plants.

Oakwood was founded in 1946, and after steady growth in the 1970s and 80s, it began merging with several other housing companies such as Golden West, Destiny Industries and Schult Homes. Sales revenue has doubled in the last three years, and it is now one of the fastest growing companies on the New York Stock Exchange.

### Destruction of the Great Bear Rainforest

Oakwood Homes and its subsidiary, Schult Homes, have used commodity grade lumber from West Fraser, one of the primary companies logging in the Great Bear Rainforest and other ancient forests in Canada.

### Products

Oakwood builds and sells both single- and multi-section homes, ranging from 765 to 2,500 square feet, starting at about \$15,000. Brands include Freedom, Golden West, Villa West, and Peachtree. Oakwood also sells "modular homes" which are delivered in pieces and assembled on-site, in as little as 24 hours.

The following builders qualify as innovative leaders in the industry for switching to FSC-certified lumber and/or using only salvaged wood:

**The builders of the Olympic Games in 2000**

**Matsuzaki Architects**

**140 building corporations in the Netherlands**



© Joe Fay / Greenpeace 1999

**1.5 million houses are built each year in the U.S.**

# The “Do It Yourself” (DIY) Store

Lumber is distributed in the U.S. by thousands of small firms that sell to residential building contractors, homeowners and small manufacturing concerns. A significant amount of lumber and wood products are sold by DIY retailers (between 15-50 percent of DIY stores' total sales is lumber).<sup>33</sup> The Home Improvement Research Institute projects that annual sales for the DIY industry will jump from \$134 billion in 1996 to \$170 billion by the year 2000.<sup>34</sup> The Home Depot dominates the DIY market and is now the largest retailer of wood products in the world.

The following DIY retailers have agreed not to place any new orders for timber products from British Columbia:

**B&Q (U.K.)**

**Do It All (U.K.)**

**Sainsbury's  
Homebase (U.K.)**

**OBI (Germany,  
Austria, Italy)**

## The Home Depot, Inc.

The Home Depot, Inc. (NYSE: HD)  
2455 Paces Ferry Rd.  
Atlanta, GA 30339-4024

Phone: (770) 433-8211  
Fax: (770) 431-2685  
<http://www.homedepot.com>

CEO: Arthur Blank

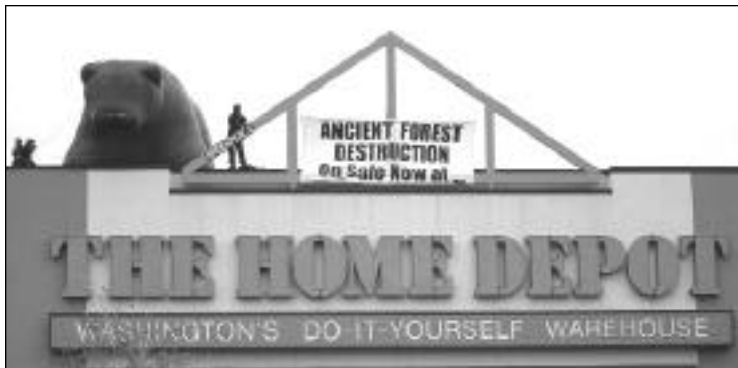
1998 Sales: \$24 billion

With over 750 retail outlets in North America and South America, as well as over \$20 billion in sales annually, The Home Depot is the largest DIY, and the largest retailer of wood products in the world.

In fiscal year 1998,<sup>35</sup> The Home Depot had a consolidated turnover of \$24 billion (up from \$19.5 billion in 1997). The Home Depot is one of the top ten retail businesses in the U.S. with an approximate market share of seven percent for home products.

### Destruction of the Great Bear Rainforest

The Home Depot sells wood products derived from ancient forests in British Columbia, especially products from Sauder Moldings, which are clearcut from the Great Bear Rainforest. The Home Depot also purchases wood from Universal and Furman distribution firms, both of which buy ancient rainforest lumber.



**Greenpeace activists  
inflate a 40-foot  
bear atop The  
Home Depot in Tuk-  
wila, Washington.**

Surveys of The Home Depot's stores and distribution centers throughout the U.S. have also found that The Home Depot carries products that contribute to ancient forest destruction in other parts of the world, including the U.S., South America, Indonesia and Malaysia.

Some of the largest DIY chains in Europe have canceled contracts with firms that clearcut in the Great Bear Rainforest and other ancient forests. They have committed to purchase only wood from secondary forests and/or independently certified sources as supplies become available. B&Q (which will be part of the third largest “do it yourself” chain in the world as it merges with Castorama) has ceased purchasing all timber products from British Columbia. Approximately 90 percent of the products currently on B&Q's shelves are independently certified and/or from second-growth sources. German DIY chain, OBI, the sixth largest in the world, has begun to take steps to remove all ancient forest lumber from its shelves.

<sup>33</sup> According to Peter Caruso, Merrill Lynch, home improvement retail analyst.

<sup>34</sup> The Home Depot *Annual Report* (1996).

<sup>35</sup> ending Jan 31, 1998.

Despite the fact that The Home Depot was alerted to the ramifications of its purchasing policies more than two years ago, it has failed to take steps to end purchases from companies clearcutting the Great Bear Rainforest. Nor has it agreed to address a phase-out of ancient forest products.

In 1992, The Home Depot promised to phase out all unsustainably produced tropical rainforest products. As of 1999, it has failed implement any such policy. On occasion, The Home Depot has made efforts to provide its consumers with some options for buying certified forest products. However, the company has refused to address issues pertaining to its procurement of vast quantities of ancient forest products or toward phasing out these and other forest supplies.

The Home Depot plans to more than double its number of stores over the next three years,<sup>36</sup> increasing its overall purchase of forest products at a corresponding rate. Until The Home Depot begins to phase out products derived from the destruction of ancient forests, laudatory steps to phase in certified wood, such as joining of the Certified Forest Products Council will continue to be outpaced by the damage caused by its increasing ancient forest consumption.

### **Products**

Building materials, which made up 34 percent of The Home Depot's sales in 1998, include such items as Sauder Moldings, whitewood mill products and western red cedar decking and fencing — all of which are derived from the clearcutting of ancient temperate rainforests. Other products often derived from ancient forests include plywood and hollow-core doors manufactured from "lauan" (also called "meranti" or "Asian mahogany"); dowels, tools and wheelbarrow handles from Ramin and other Southeast Asian hardwoods; mahogany doors from Central or South America; and siding and decking material from Northern California's last remaining ancient redwoods.

<sup>36</sup> Home Depot Web site (<http://www.homedepot.com>).

## The Publisher / Printer

Paper from the Great Bear Rainforest reaches almost every corner of the United States printing industry in one form or another. For example, Fletcher Challenge newsprint and telephone directory paper, which is produced with Interfor wood chips, has been used by both of the two largest printers in North America: R. R. Donnelley and Sons, and Quebecor. World Color, another major American printer, uses Fletcher Challenge paper to print the Sears Catalog, and Times Mirror uses it to print the *L.A. Times*.

The following U.S. magazines and publications have committed to going ancient forest free, and will be requiring ancient forest free fibers from their printers:

**National Geographic**

**Mother Jones**

**Utne Reader**

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### Times Mirror

Includes Los Angeles Times

Time Mirror (NYSE: TMC)  
Times Mirror Square  
Los Angeles, CA 90053

Phone: (213) 237-3700  
Fax: (213) 237-5000  
<http://www.tm.com>

CEO: Mark H. Willes

1997 Sales: \$3.3 billion

Times Mirror publishes and prints the *L.A. Times* and other newspapers, special-interest magazines, and has a "Professional Information" segment which owns companies involved in flight information, training and consulting, and the health industry.

The *L.A. Times*, one of the largest users of both recycled and virgin fiber newsprint in North America, is one of Fletcher Challenge's largest customers.

### Destruction of the Great Bear Rainforest

In 1994 the *L.A. Times* was alerted to the fact that its newsprint was derived from ancient forest destruction. After being targeted for protest, company officials agreed in 1998 to investigate the issue and act responsibly. To date, the *L.A. Times* has taken no positive steps on the issue. On January 6, 1999, the *L.A. Times* announced that it would not stop buying ancient forest newsprint.

### Products

Times Mirror publishes and prints seven newspapers including the *L.A. Times*, *Newsday*, *The Baltimore Sun* and the *Hartford Courant*, and numerous special-interest magazines including *Golf*, *Popular Science*, *The Sporting News*, *Field & Stream*, and *Yachting*.

### Customers

The Times Mirror's seven newspapers have a circulation of 2.3 million, and its magazines reach another 40 million people per month. In addition to serving members of the general public, its subsidiary AchieveGlobal is the largest provider of skills training and consulting services in the world, serving 453 of the Fortune 500 companies.



# R. R. Donnelley and Sons

R. R. Donnelley and Sons (NYSE: DNY)  
77 W. Wacker Dr.  
Chicago, IL 60601-1696

Phone: (312) 326-8000  
Fax: (312) 326-8543  
<http://www.rrdonnelley.com>

CEO: William L. Davis

Sales: \$4.9 billion

R. R. Donnelley is the second largest commercial printer in the world, tied with Quebecor Printing. It prints a diversity of paper products and claims to be "the leading printer of book in North America," serving publishers such as Fodors and Viking.

## **Destruction of the Great Bear Rainforest**

R. R. Donnelley & Sons buys paper from Fletcher Challenge, logged by Interfor. In 1997, R.R. Donnelley & Sons was alerted to the fact that its paper was derived from ancient forest destruction. To date, the company has not changed its purchasing policy to address these issues.

## **Products**

Primary sales are catalogs, retail inserts, magazines, books, telephone directories, and financial services publishing.

## **Customers**

R. R. Donnelley & Sons has long-term telephone directory printing contracts with four of the five Regional Bell Operating Companies in the U.S. It also serves eight of the top ten magazine publishers in the U.S., printing leading magazines such as Time, Sports Illustrated, People and TV Guide. It prints catalogs for JC Penny, Toys R Us, and many other companies.

<sup>37</sup> R.R. Donnelley & Sons Web site (<http://www.rrdonnelley.com>).

# The Paper Products Manufacturer

Between 1961 and 1994, per capita consumption of paper increased by 86 percent globally and by 350 percent in industrialized countries such as the U.S.<sup>38</sup> American paper products manufacturers such as Proctor & Gamble commonly buy paper directly from British Columbia companies, and more often than not, the paper is then converted into disposable products such as diapers or paper towels. This is the most wasteful of all the sectors outlined in this report.

## Proctor & Gamble

The Proctor & Gamble Company  
(NYSE: PG)  
One Proctor & Gamble Plaza  
Cincinnati, OH 45202

Phone: (513) 983-1100  
Fax: (513) 983-9369  
<http://www.pg.com>

CEO: John Pepper

Sales: \$36 billion

Proctor & Gamble (P&G) is the world's largest manufacturer of household products, and is ranked by Forbes magazine as the 33<sup>rd</sup> largest company in the world. It is also the world's largest advertiser.<sup>39</sup> P&G's paper product sales are approximately \$10 billion per year. P&G dominates the diaper and feminine products market worldwide. The company is a major producer of tissue paper and other household paper items, along with competitors Scott Paper and Kimberly Clark.

The company's acquisitions reached record levels last year, with total spending in excess of \$3 billion. Recent acquisitions include paper companies in Mexico and Korea, as well as Tambrand, Inc. and its leading brand Tampax.

### Destruction of the Great Bear Rainforest

Proctor & Gamble purchases paper from West Fraser and cellulose compounds from Doman (via Hercules chemical company). West Fraser and Doman are two of the three largest companies logging the ancient forests of the Great Bear Rainforest.

### Products

Major paper products available in the U.S. include Pampers, Luvs, Always, Tampax, Royale, Bounty and Charmin. Additional brands are available in Europe, Asia and Latin America.<sup>40</sup>

Cellulose compounds, frequently derived from ancient forest trees, are commonly used in cosmetics and pharmaceuticals, and may very well be present in any number of such products manufactured by the company. Products that contain cellulose gum include Crest toothpaste and Sunny Delight drink. Other Proctor & Gamble products range from Max Factor cosmetics to Tide laundry detergent.<sup>41</sup>

<sup>38</sup> World Resources Institute, 1997.

<sup>39</sup> Hoovers Online Web site (<http://www.hoovers.com>).

<sup>40</sup> Proctor and Gamble Web site (<http://www.pg.com/about/products/paper.htm>).

<sup>41</sup> A complete product list can be found at <http://www.pg.com/about/products/products.htm>.





# The Dissolving Pulp Processor

Doman is one of two dissolving pulp producers in Canada (Tembec in Quebec is the second). As of 1997 there were only eleven dissolving pulp producers in the world, each one with its particular grades of pulp, often tailored to exact specifications of the purchaser. American companies such as Hercules buy dissolving sulphite pulp from Doman's Port Alice mill; from there, it is transported by ship and then by train or truck directly to the processing plant. The final product can be practically anything from toothpaste to ballistics.

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## Hercules Inc.

Hercules Inc. (NYSE: HPC)  
1313 North Market Street  
Wilmington, DE 19894-0001

Phone: (302) 594-5000  
Fax: (302) 594-5400  
<http://www.herc.com>

CEO: R. Keith Elliott

Sales: \$1.9 billion

Having scaled back by divesting itself of several divisions, Hercules Incorporated has found its strength as a worldwide supplier of specialty chemical products. Hercules is a market-oriented, technology-based supplier of chemical additives to the world pulp and paper industry. Half of Hercules' total sales comes from food and functional products that are used in everyday items. Wood fiber compounds (cellulose) derived from dissolving sulphite pulp are used for everything from thickeners in latex paint to natural gum ingredients used to provide texture in foods, beverages and toothpaste. Hercules will nearly double in size if it completes its announced purchase of BetzDearborn, a company specializing in chemicals for paper production and wastewater treatment.

### Destruction of the Great Bear Rainforest

Hercules purchases large quantities of dissolving sulphite pulp derived directly from the ancient temperate rainforest by Western Pulp (Doman Industries).

In the past year, several consumers including Union Carbide and Courtaulds (U.K.), Lenzing (Austria) have stopped buying dissolving pulp from British Columbia and proved that it is not necessary to use ancient forest fibers for their products requiring dissolving pulp. Hercules Aqualon (Europe) currently produces its products without using pulp from Doman. Hercules U.S. should be able to do the same.

In September 1998 Hercules was alerted to the environmental consequences of its procurement policies. To date Hercules has not ended its purchases from Doman industries.

### Products

Hercules supplies food processors in 110 countries around the world.<sup>42</sup> It also supplies pulp and paper mills, and makers of packaging, tissue, beverage containers, adhesives, cigarette filters, chewing gum, wires, cables, fragrances, printing inks, paints, oral hygiene products, cosmetics, pharmaceuticals, clothing, beverages, dairy and bakery products. Hercules' brand-name chemicals include Culminol, Natrosol, Klucel, Aqualon and Parcell.

### Customers

Hercules' customers range from oil field service companies to manufacturers of oral hygiene products. Proctor & Gamble is one of Hercules' more well-known customers.

The following U.S. paper products manufacturers have committed to going ancient forest free:

**Seventh  
Generation**

**Hallmark Cards**

<sup>42</sup> Hercules Web site (<http://www.herc.com>).

## The Retailer

Nearly all retailers in the U.S. sell products derived or packaged from ancient forest products. Many of the products described in other sections of this report are sold in general retail outlets, such as Wal-Mart.

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### Wal-Mart

Wal-Mart (NYSE: WMT)  
702 SW Eighth St.  
Bentonville, AR 72716-8611

Phone: (501) 273-4000  
Fax: (501) 273-1917  
<http://www.wal-mart.com>

CEO: David D. Glass

1998 Sales: \$138 billion

Wal-Mart is the world's largest retailer, bigger than Sears, Kmart, and J. C. Penney combined. It is also one of the largest grocers in the U.S., and the third largest company in the Fortune 500. Wal-Mart has entered the global market, expanding into Mexico in 1992, into Canada in 1994, into Germany in 1997 by buying 21-store Wertkauf, and into Brazil in 1998 by buying 40 percent of Lojas Americanas. In 1999, Wal-mart further expanded in Germany by buying 74 Interspar stores. It has additional smaller chains in Argentina, China, Indonesia, and Korea.

The following retailers are committed to going ancient forest free:

**Otto (owns  
Eddie Bauer)**

**Patagonia**



**Proctor & Gamble products on the shelves of Wal-Mart.**

By stocking the shelves of over 3,600 stores with paper products, publications, and packaging, the company has a dramatic impact on the world's forests.

#### **Destruction of the Great Bear Rainforest**

Wal-Mart sells Proctor & Gamble products derived from the logging companies West Fraser and Doman, numerous household items made using dissolving sulphite pulp/cellulose gum from Doman or Hercules, and magazines and newspapers printed or published by R. R. Donnelley & Sons or Times Mirror. Additionally, many of its products are packaged in linerboard from West Fraser's Eurocan mill. All of these companies are clearcutting the Great Bear Rainforest.

#### **Products**

Wal-Mart sells almost everything consumed by the average homeowner, including housewares, domestic goods, groceries, and stationery.

## VI. THE GREENPEACE ANCIENT FORESTS CAMPAIGN

In order to end destructive logging practices and protect the Earth's last ancient forests, the Greenpeace Ancient Forests Campaign is working to:

- End the purchase of products from companies that destroy ancient forests
- Direct forest product consumption toward well-managed secondary sources, recycled or non-wood fiber and reclaimed wood
- Create consumer awareness of the threats to the last ancient forests

Changes in the marketplace will place pressure on logging companies and governments to act responsibly, and catalyze a shift toward responsible consumption. Consumers have the right to know whether the products they buy are fueling ancient forest destruction.

### Breaking the "Chain of Destruction"

The companies logging the Great Bear Rainforest export more than three-quarters of their pulp and timber to the United States, Europe and Japan.

In Europe, Greenpeace launched an intensive campaign to stop corporate consumers from purchasing wood from Canada's ancient forests. Greenpeace blocked shipments of timber, challenged companies at their headquarters and raised public awareness about the devastation of ancient forests.

As a result, major companies such as B&Q and Do It All, the two largest "do it yourself" chains in England, and Otto, the largest mail order company in the world, canceled their contracts with Canadian rainforest timber companies or decided to stop using ancient forest wood altogether.

In the United States, the efforts of Greenpeace, Rainforest Action Network, National Resources Defense Council and other environmental groups resulted in many companies such as Kinko's, 3M, Bristol-Myers Squibb, Levi-Strauss, Nike and others committing to stop buying ancient forest products. Unfortunately, others, such as The Home Depot, Proctor and Gamble, Times-Mirror, and Hercules, refuse to take this stand.

*"I wrote to you on August 14, 1997 expressing our concern about the clearcutting of intact virgin rainforest valleys in British Columbia, and urging you to actively pursue an alternative policy... We are committed as a business to move to wood pulp originating solely from existing secondary forests.... We strongly request that WFP reconsider their policy in relation to harvesting in these central coast watersheds."*

*-letter from Courtaulds UK to Western*

The U.S. remains the largest single consumer of forest products worldwide. If the Earth's last ancient forests are to be saved, U.S. companies must live up to their responsibility. It is now time for corporate consumers in the U.S. to join this trend and stop buying wood products contributing to ancient forest destruction, or the forests will disappear forever.

Ancient-forest-friendly companies have conducted extensive audits to determine where their forest products were coming from. Many, such as Courtaulds, Lenzing and Union Carbide, tested alternative supplies and in some cases developed new technologies to adapt to different fiber supplies. The companies also sought written guarantees that their suppliers would not purchase products derived from ancient forest destruction. Some, such as Kinkos, have introduced alternative tree-free paper. Others, such as B&Q, are buying forest products that have been independently certified through the Forest Stewardship Council.

## VII. ALTERNATIVES TO ANCIENT FOREST PRODUCTS

In the last 25 years, lumber and pulp consumption has doubled and consumption of paper and paperboard has tripled. In the next fifteen years demand for paper is expected to almost double again.<sup>43</sup> Unless alternatives are employed and consumption is reduced, we run the risk of destroying the last ancient forests in our lifetime.

### Consumption Reduction and Efficiency

Improving efficiency and reducing consumption are essential elements in ensuring the protection of the world's remaining ancient forests. Solutions include mill efficiency, reducing

waste at construction sites and improving design construction methods.<sup>44</sup> Over one trillion board feet of lumber has been milled in the U.S. this century, and much of it is ready to be reused as older buildings are torn down. In addition, some of the more than half a million buildings that are demolished each year could be refurbished or converted to other uses.

The first steps toward environmentally responsible procurement policies are increasing efficiency and reducing consumption. Eliminating wasteful use and redesigning construction will not only reduce consumption, it will also reduce costs.

*"I am initiating a review of our operations worldwide to identify any uses of paper, pulp or lumber from old growth rainforests. If any such uses are identified we will seek alternatives and construct a phase-out."*

*-Daryl Hugget, 3M letter to the Rainforest Action Network, 1997*

About 15 percent of the wood delivered to construction sites ends up in landfills, and an estimated 20 percent of the wood used in home construction could be saved by more efficient framing techniques. If measures to reduce this waste were adopted nationally in the U.S., the demand to cut hundreds of thousands of hectares of forests would be eliminated each year.<sup>45</sup>

In 1995, the *New York Times* reduced the size of its newspaper by eliminating part of the margin space around the text; this simple redesign reduced its costs for paper and helped to save thousands of acres of forests.

### Recycled or Reclaimed Forest Products

Recycled paper is now widely available. It is also possible to recycle or reclaim building materials. Building construction consumes 40 percent of the timber used in the U.S. each year. Modern wooden buildings not only use large amounts of timber, they are less energy efficient and more expensive to build. Alternatives are available and include a number of earth-based materials, a growing number of engineered products made from various organic materials, and recycled materials.

<sup>43</sup> Worldwatch Institute, *State of the World 1997* (New York: WW Norton and Company, 1997).

<sup>44</sup> See Natural Resources Defense Council (NRDC) Web site (<http://www.nrdc.org/nrdcpro/reports/lawoodus.html>).

<sup>45</sup> NRDC, *Wood Use Efficiency: A Crucial Step for Protecting Our Forests*, 1996.

Wood entering landfills can also be recaptured and a growing number of mills are now being built to capture this wood stream and recycle it into medium density fiber (MDF) panel boards. As much as 12 percent of landfill space in the U.S. is consumed by waste wood.

## Non-Wood Construction Materials

Construction quality non-wood materials are becoming increasingly available. One example is agricultural straw panel boards. Currently, farmers are burning straw on large areas of wheat and rice fields following harvest, creating serious regional air pollution problems. A number of processing plants are springing up in Canada and the U.S. to take this straw and turn it into non-structural board panels as a replacement for medium density fiber board and particle boards from wood. In Manitoba, Canada, and in Texas farmers working with straw board plants have found that they make more money now from their straw than from the grain crop itself. Cabinet and furniture kit manufacturers have found that the straw board is better than the wood-based products it replaces as it is both lighter (saving on shipping costs), easier to work (saving on machining costs), has high water resistance characteristics (improving durability) and is formaldehyde free (reducing health risks to workers and the end consumer).

*“People are only now starting to understand the importance of ancient forests to biodiversity. In our opinion it is important also for the industry to respect the needs of the environment.”*

*-Reino Kotti, Deputy Chief, Forestry Department, Svetogorsk mill*

## Non-Wood Pulp and Paper Products

Paper and other pulp products account for 40 percent of the world's industrial wood use. Yet in China, as much as three-quarters of the paper is made from non-timber sources such as cereal straw. Today, paper and building material can be made from agricultural sources such as hemp, kenaf and crop residues (for example, rice and wheat straw residues) that result from grain production. In fact, there are currently 300 paper mills in the world that use tree-free fiber for paper production.<sup>46</sup>

This year Kinko's, as part of its commitment to eliminating ancient forest products, is introducing a new line of tree-free paper.

## Products from Secondary Forests

Well over half of the world's remaining forests are secondary; that is, already logged once and allowed to regrow or converted into plantation forests. If the alternatives listed above are implemented, and if secondary forests are well managed (see following section), there will be enough fiber supply to meet the world's demands. There are alternatives to logging ancient forests. For example, in December 1998, the Svetogorsk pulp and paper mill in Russia announced plans to completely phase out the use of ancient forest wood in its production. This announcement is the first of its kind in the world. Svetogorsk produces 180,000 tons of printing paper per year, 70 percent of which is exported to Europe and the Americas.

<sup>46</sup> A. Soltani & P. Whitney; *“Cut Waste, Not Trees”*, (Rainforest Action Network, 1995).

## Independently Certified Forest Products

What guarantees can a consumers have that the wood products they do buy come from well-managed forests and do not contribute to ancient-forest destruction? A number of certification and labeling systems for forests are coming into the market, but the quality of their standards vary considerably. Many do little more than certify "business as usual." The best certification and labeling system, and the most widely supported, is that of the Forest Stewardship Council (FSC). This independent, non-governmental system was established to support environmentally sound, socially beneficial and economically viable forestry management around the world, and the marketing of forest products from such forests. Its internationally-recognized principles and criteria of forest stewardship have received wide endorsement.

Support for the FSC label is running high among many major purchasers and retailers of forest products. In the United Kingdom, a group of companies with annual turnover of wood and wood products totaling more than 2.4 billion pounds sterling has agreed to preferentially purchase FSC certified products as they become available and eliminate purchases coming from forests which are not well managed. In November of 1997, the Certified Forest Products Council was launched in the U.S., representing 140 corporate members including the Turner Corporation, the nation's leading general builder, and Habitat for Humanity, one of the largest homebuilders in the country. Other groups of buyers supporting the FSC system have been established in the Netherlands, Belgium, Austria, Switzerland, Germany, Brazil and Japan.

*“Kinko’s Inc. is concerned about the protection of the world’s remaining old growth forests. We are committed to implementing policies that will help to insure these forests are permanently protected, and to insure that Kinko’s Inc. is in no way a participant in the loss of these irreplaceable natural resources.”*

*-Kinko’s Inc., Oct. 16, 1998*

*“BBC Magazines is extremely concerned about the current activities and future plans of Western Forest Products in the Great Bear Rainforest area of British Columbia...we require a written guarantee from you that in future none of the paper BBC Magazines buys from you will have been made from pulp originating from this area.”*

*-BBC Worldwide Publishing, U.K.,  
January 1998*

*“Our corporation is concerned about the protection of the world’s remaining ancient forests, including the Great Bear Rainforest in Canada.”*

*-Dell Computer Corporation, Oct. 19, 1998*

*“For many years choice was a value perception balancing quality and price, but over the last few years this has been widening by an environmental dimension. Growing numbers of consumers, and I think this is hardening with the new generations, now want to know “where from” and “how produced.”*

*-Ross MacLaren, Managing Director of  
Homebase U.K.*

*“Bristol-Myers Squibb Company is concerned about the protection of the world’s remaining ancient rainforests. Specifically, we agree that the Great Bear Rainforest in British Columbia should be preserved.”*

*-Bristol-Myers Squibb, Nov. 3, 1998*

# VIII. MOVING FORWARD

## Greenpeace is calling on companies to:

**Conduct an audit** of their suppliers to determine if any of their wood-based products (including lumber, paper, pulp, and cellulose) are derived from ancient forests.

**Immediately suspend contracts** for any materials that are derived from Interfor, Doman or West Fraser, all of whom are logging or planning to log in pristine areas of the Great Bear Rainforest.

**Inform suppliers** of all wood-based products that the company will be phasing out purchases from any sources engaged in logging ancient forests. (This policy excludes purchases from forest-dependent communities in ancient forest areas, who locally control and manage their resources in an ecologically responsible manner, and purchases certified by an independent organization, where appropriate.)

**Inform suppliers** that in the future, the company will give purchasing preference to the following types of products:

- recycled or reclaimed products
- products from well managed secondary forests
- products that are independently certified by the FSC or others with similar exacting standards
- products from community-based operations and
- products derived from appropriate alternative fibers

**Commit** to significantly reduce overall consumption of fiber through conservation and efficiency.

## Greenpeace is calling on individuals to:

**Refuse to buy** products that destroy ancient forests.

**Ask local hardware or lumber stores** not to sell products that destroy ancient forests. Ask them to carry alternatives that can reduce pressure on forests, such as recycled or reclaimed wood, FSC certified wood, wood from community-based operations, and environmentally sound non-wood alternatives such as ag-straw panels as they become available.

**Write a letter** to The Home Depot, Proctor & Gamble, Sears and other companies listed in this report and ask them to stop destroying the world's remaining ancient forests.

**Visit the Greenpeace Web site** at [www.greenpeaceusa.org](http://www.greenpeaceusa.org) to learn more about ancient forest issues and how to support Greenpeace's forest campaign.



# APPENDIX

## **1. U.S. companies committed to going ancient-forest-free:**

3M Corp.  
Advanced Micro Devices Inc.  
Bristol Myers Squibb Co.  
Dell Computer Corp.  
Estee Lauder Cos.  
Hallmark Cards Inc.  
IBM Corp.  
Johnson & Johnson  
Kinko's, Inc.  
Levi Strauss & Co.  
Liz Claiborne Inc.  
Lockheed Martin Corp.  
The McGraw-Hill Cos.  
Mitsubishi Electric of America  
Mitsubishi Motor Sales of America  
Mother Jones magazine  
Mutual of Omaha Insurance Co.  
National Geographic  
Nike Inc.  
Pacific Gas & Electric Co.  
Patagonia  
Quantum Corp.  
Seventh Generation  
Starbucks Coffee Co.  
United Stationers Supply Co.  
Utne Reader

## **2. Companies that have agreed to halt or suspend all new orders for wood, pulp, paper or cellulose products derived from the logging companies Interfor or Doman:**

3M (International)  
Arjo Wiggins Appleton (U.K., US, France)  
BBC Worldwide Publishing (U.K.)  
Courtaulds (U.K.)  
De Eendracht (Netherlands)  
Great Mills (U.K.)  
Harcros (part of Meyer Group)  
Jewson (part of Meyer Group)  
Larch-Lap (U.K.)  
Lenzing (Austria)  
Magnet (U.K.)

Meyer International (U.K.)  
Milne Fruit (US)  
Rugby (U.K.)  
Timbmet (U.K.)  
Union Carbide (International)  
VIBA (Netherlands)  
Wickes (U.K.)

## **3. European companies that have stopped buying from British Columbia altogether:**

Belgium Association of Lumber Importers (Belgium)  
B&Q (U.K.)  
Do It All (U.K.)  
Sainsbury's Homebase (U.K.)

## **4. German companies that have agreed not to purchase any products from the Great Bear Rainforest:**

Beiersdorf  
Haindl  
KNAUF  
MD Papier  
OBI  
Otto  
Schwenk  
Wybert

## **5. German companies committed to going ancient-forest-free:**

Otto (includes Eddie Bauer)  
Hipp  
OBI (6th largest DIY in the world)



