

**The Chain of Destruction**  
**From Canada's Ancient Temperate Rainforest to the Japanese Market**

**March 2001**

**Greenpeace Japan**

Research: Greenpeace Japan & Greenpeace International  
(Mikiko Fukuda, Yumiko Uryu, Greg Higgs, Tamara Stark, Phil Aikman)

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Appendix 1: The list of Japanese companies implicated ( or highly possible to be implicated ) in the destruction of Canada's pristine temperate rainforests by purchasing wood products directly or indirectly from Interfor.

Appendix 2: Press release dated 15<sup>th</sup> March, 2001.

Appendix 3: Responses from the listed companies and GPJ analysis.

Greenpeace Japan  
Yoyogi Kaikan 4F, 1-35-1 Yoyogi, Shibuya-ku Tokyo 151-0053 Japan  
Tel: +81-3-5351-5400 (Main) Fax: +81-3-5351-5417  
[www.greenpeace.or.jp](http://www.greenpeace.or.jp)

Greenpeace International  
Keizersgracht 176, 1016 DW Amsterdam, Netherlands  
Tel: +31-20-523-6222 Fax: +31-20-523-6200  
[www.greenpeace.org](http://www.greenpeace.org)

## INTRODUCTION

The world's ancient forests are home to much of the Earth's land-based species of plants, insects, birds and animals. These forests regulate weather patterns and help stabilise the Earth's climate. By storing carbon, ancient forests play a critical role in reducing global warming. Approximately 433-billion tonnes 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.<sup>1</sup>

Only 20% of the world's original forest cover remains as large undisturbed areas of ancient forests.<sup>2</sup> The temperate rainforest on the West Coast of Canada (see page 4) is one of these areas, and it is also one of the most threatened. The threat comes primarily from the logging giant International Forest Products (Interfor).

A number of companies worldwide have taken steps to help protect this and other endangered ancient forests, including the US home improvement chain Lowe's, which ended all purchases from the intact rainforest, and Swedish furniture giant Ikea, which has gone ancient-forest-destruction-free. Dozens of other companies worldwide have cancelled contracts with Interfor and other companies actively destroying the temperate rainforest.

One of the main aims of publishing this report is to provide Japanese companies and the public with the information to make them aware of the possibility that they could be involved in the destruction of ancient forests due to the complicated chain of custody, even if they do not wish to participate. Companies and consumers who buy forest products have the power to choose which products to buy. There is no doubt that companies in Japan, which is a big consumer country of foreign timber, can have a big impact on remaining ancient forests by their policies and measures they take against the ancient forest destruction in the future.

Although a few companies in Japan are beginning to reject Interfor products, in the most part, Interfor's destructive forest products are sold without being noticed by Japanese forest consumer companies. In this report, Greenpeace exposes the close ties between the destruction of Canada's ancient forests by Interfor and the Japanese market, and asks confirmed customers to stop buying directly or indirectly from Interfor. The information was collected from Greenpeace Japan's questionnaire in 1999, by research conducted at ports, Internet search and other methods.

While West Fraser is another temperate rainforest destroyer, this report focuses specifically on Interfor and its Japanese customers. We divide these customers into five business categories, for example, trading firms or housing companies and provide a section on each category. In each section, we first give summary of our findings, then we highlight a few companies with particularly close relationships with Interfor.

Before publication, Greenpeace Japan sent the final draft to all the Japanese companies identified as customers by the research to ask them to confirm, deny or cancel their contracts with Interfor. For the replies of companies, please refer to Appendix 2 and 3. More than 70 companies identified in this report have already committed to cancel their contract with Interfor. Full responses from companies are available at Greenpeace Japan's web site. ( <http://www.greenpeace.or.jp> ) ( Japanese only )

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<sup>1</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 Climatic 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>2</sup> Dirk, Bryant, Daniel Nielson and Laura Tanglely, *The Last Frontier Forests: Ecosystems & Economies on the Edge* (Washington, D.C: World Resources Institute, 1997).

## **MAJOR FINDINGS**

Interfor's products are deeply entrenched in the Japanese market. These include logs and timber, as well as pulp, newsprint, and other items produced by third party companies using Interfor fibre.

Investigations conducted by Greenpeace have found over 200 companies in Japan that buys products along the chain of supply that starts with Interfor. These companies and their products include:

- Trading firms such as Itochu, Mitsubishi, Emachu, Tomen, Nissho Iwai, and Toyota Tsusho
- Housing companies such as Sumitomo Forestry, SxL, and Chuo Jutaku
- Exterior companies such as Toyo Exterior and Xyence
- Wholesalers such as Shimizuko Mokuzai Sangyo Kyodo Kumiai and Tanizake Mokuzai
- Distributors of mouldings and other remanufactured items
- Newspapers such as Yomiuri, Mainichi and Asahi
- Paper companies such as Oji Paper, Marusumi Paper, Kami Shoji, and Nisshinbo
- Paper products such as toilet paper, tissue, shopping bags, books and magazines

By purchasing wood, chips, pulp, newsprint and paper either directly or indirectly from Interfor, all the companies listed (except those listed as taking positive steps) in this report are or could be helping to fuel the destruction of the temperate rainforest. The confirmed customers are written in bold within the text.

This report also reveals companies who refused to or did not answer the questionnaire distributed by Greenpeace Japan in 1999.

## **GREENPEACE'S DEMANDS**

(Please refer Greenpeace's demand for protecting world ancient forest in 'Buying destruction: a Greenpeace report for corporate consumers of forest products 1999', and a description of alternatives in 'Re-Source: market alternatives to ancient forest destruction 1999').

### **Demands to customers of International Forest Products**

1) Demand that Interfor comply with the measures outlined below. Should Interfor fail to or refuse to comply with these measures, customers of British Columbia (BC) forest products should refuse to continue doing business with Interfor, and suspend all purchasing of Interfor products and Interfor-related fibre.

### **Demands to International Forest Products**

1) Place a long-term moratorium on logging of all intact valleys and key ecological areas within their tenure until the completion and adoption of a meaningful conservation and ecosystem-based management plan for the coastal rainforest.

2) Commit to constructive engagement in the development of a meaningful conservation and ecosystem-based management plan for the coastal rainforest.

3) Introduce an alternative harvesting programme that ends the practice of clearcut logging and introduces variable retention logging, which reduces the volume of overall logging, as outlined in the Clayoquot Sound Scientific Panel.

## **THE COASTAL TEMPERATE RAINFOREST OF CANADA**

On the West Coast of Canada, nestled between high alpine reaches and the Pacific Ocean, lies a thin stretch of temperate rainforest. This ancient forest is home to thousands of species of plants, birds, animals, 1000-year-old cedar trees and 90-metre high Sitka spruce. Rich salmon streams weave through valley bottoms providing food for magnificent creatures such as orcas, black bears, grizzlies and eagles.

Already over half of the world's temperate rainforests have been destroyed. More than a quarter of what remains is found on the west coast of British Columbia.

'Half of the world's temperate rainforests have been destroyed. One quarter of what remains is in British Columbia' – World Resources Institute, 1997

'Uncovering insects and arachnids previously unknown in North America ... has scientists speculating not only about what else might be out there in the temperate and tropical rainforests of the world, but also what may have been lost and what remains to be saved.' – Canadian Forest Service, Pacific Forestry Centre, 1995. *Applying the lessons from the top of Carmanah: ancient temperate rainforest canopy research*

### **Interfor: the World's Worst Destroyer of Temperate Rainforest**

Despite growing international concern about the fate of the world's remaining ancient forests, some logging companies continue to destroy these ancient trees. International Forest Products, also known as Interfor, is one of the worst offenders, logging over three million cubic metres of wood each year.

In the past year, new information has emerged that reveal Interfor as one of the most intransigent logging companies operating in the world's ancient forests. This includes: Interfor's apparent tolerance for its employees having assaulted peaceful activists; Interfor becoming one of BC's largest exporters of raw logs out of the province, which dramatically curtails local employment; and Interfor having manipulated the stumpage system to pay as little as \$.25 per cubic metre of wood cut back to the government as a fee for logging on publicly-owned land ("Stumpage Sellout", Sierra Legal Defence Fund, January 2001). If Interfor is serious about becoming an environmentally responsible logging company, as a corporation it must act immediately to address these issues in a substantive manner.

### **Logging Intact Rainforest Valleys**

Fifty-three per cent of Canada's ancient rainforest has already been logged,<sup>3</sup> and less than a quarter of Canada's large rainforest valleys remain intact. Over 400 scientists have called for an immediate end to industrial clearcut logging in these valleys,<sup>4</sup> and the federal government's Pacific Fisheries Resource Conservation Council has recommended that logging be suspended throughout much of the area, in order to protect wild salmon spawning grounds.

As a result, some British Columbian forestry companies began working with Greenpeace to place a moratorium on logging in and around 100 intact valleys and other key ecological areas. They took an important step towards finding a long-term solution to historical conflicts. Seventy-seven per of British Columbians support this process.<sup>5</sup>

Interfor and West Fraser were both part of this process, but both companies walked away from the negotiations in 2000. Interfor resumed logging in a number of critically important rainforest valleys. One valley, Ista, lies within the traditional territories of the Nuxalk First Nation, whose elders and head

<sup>3</sup> Sierra Club of British Columbia, 'Half of British Columbia's Ancient Temperate Rainforest Gone', March 19, 1997.

<sup>4</sup> Dr. David Suzuki et al., *Scientists' Declaration to Conserve Canada's Coastal Temperate Rainforests*, 2000, <http://www.davidsuzuki.org/scientists>

<sup>5</sup> Viewpoints Research, poll conducted April 11 to 18, 2000, as reported in The Vancouver Sun, April 29, 2000.

hereditary chief Nuximlayc have gone to jail for their peaceful attempts to stop the logging of this sacred site. Other valleys being clearcut by Interfor are home to species at risk of extinction, such as grizzly bears, and contain endangered salmon runs. Interfor also plans to log other areas sacred to First Nations. In addition, the company recently began blasting logging roads into the habitat of the Kermode Bear (a rare white bear found nowhere else on earth) and areas densely populated by wolves.

In total, Interfor plans to log 18 intact valleys and other key ecological areas in upcoming years. Further, Interfor is currently logging the habitat of endangered species on the border of a national park in the world-renowned Clayoquot Sound and is blasting roads and cutting down 1000 year-old cedar trees in the Elaho Valley.

### **Climate Change**

Harvesting mature trees in British Columbia increases greenhouse gas emissions. Conversion of primary forests to secondary forest or plantations in BC and around the world results in very large releases of carbon to the atmosphere. Ninety per cent of forest harvesting in BC is in primary old-growth forests.

A German Advisory Council on Global Change review of scientific literature found 12 different studies across boreal, temperate and tropical forests showing that conversion of primary forests to secondary managed forests or plantations consistently results in large reductions in stored carbon and also emissions to the atmosphere. The reductions in stored carbon in secondary forests and plantations ranged from 25-67% compared to primary forests.<sup>6</sup>

A study in Pacific Northwest Douglas Fir forests – the area most comparable to coastal temperate rainforests in BC where Interfor logs – found that ‘the amount of carbon stored in Pacific Northwest old-growth is huge and that harvesting old growth results in a net release of carbon dioxide to the atmosphere for at least two centuries.’<sup>7</sup> The logging of 5.4 million hectares of old-growth in the US Pacific Northwest since 1890 is estimated to have resulted in the release of 1.6-2.0 billion tonnes of carbon to the atmosphere.<sup>8</sup>

### **Forest Certification**

Companies around the world are demanding that forestry companies do not log in the world’s endangered forest areas. They also want non-pristine areas to be sustainably logged to Forest Stewardship Council (FSC) standards. This list includes US home improvement giant Lowe’s, Swedish furniture giant Ikea, and companies such as Mitsubishi Electric of America and the Body Shop. Sixteen FSC buyers groups have been established worldwide, including in the UK, Netherlands, Belgium, Austria, Switzerland, Germany, Brazil. The UK buyers group alone represents over £2 billion per year in wood products, and have been called ‘one of the widest reaching environmental initiatives by a charity of all time.’<sup>9</sup> To date, the only wood certification model enjoying widespread support from both environmental groups as well as in the marketplace is that of the Forest Stewardship Council, with its balanced multiple stakeholder representation and performance-based standards, globally endorsed by environmental, social and economic interests.

While two British Columbia logging operations have recently achieved FSC-certification and the endorsement of environmental groups, Interfor shows no signs of reforming its logging practices in order to receive FSC certification. Instead, Interfor has chosen to be certified by the inferior ISO 14001 system. Unlike the FSC, the ISO and other certification systems have no performance standards and do not have balanced stakeholder representation.<sup>10</sup> The British Columbia government writes that ‘the ISO standard

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<sup>6</sup> German Advisory Council on Global Change, ‘The Accounting of Biological Sinks and Sources Under the Kyoto Protocol: A Step Forwards or Backwards for Global Environmental Protection?’, 1998, WBGU, Bremerhaven, [http://www.wbgu.de/wbgu\\_sn1998\\_engl.html](http://www.wbgu.de/wbgu_sn1998_engl.html)

<sup>7</sup> Harmon et al, 1990, ‘Effects on Carbon Storage of Conversion of Old-Growth Forests to Young Forests’, *Science* 247:699-702, cited in ‘Minding the Carbon Store’, 1991. MC Trexler, WRI, WDC.

<sup>8</sup> Ibid.

<sup>9</sup> Bendell and Sullivan, 1996, p 10.

<sup>10</sup> [http://www.forestworld.com/certif/initiatives/cert\\_systems/cs\\_iso.html](http://www.forestworld.com/certif/initiatives/cert_systems/cs_iso.html)

does not set specific environmental performance criteria nor does it establish absolute requirements for environmental performance'.<sup>11</sup> Even the ISO itself admits that 'ISO 14001 does not establish performance requirements or specific criteria and indicators for defining sustainable forestry.' It further states that 'among misleading practices that ISO wants to put an end to are ... giving the false impression that ISO 9000 is a product quality label, or that ISO 14000 is a label signifying a "green" or "environmentally friendly" product. This is not so. They are not product standards.'<sup>12</sup>

'The ISO standard does not set specific environmental performance criteria nor does it establish absolute requirements for environmental performance.'" – International Standards Organization

### **The Forest Practices Code**

From June 1995 to June 1997, Interfor was charged and penalized 136 times for violations of provincial legislation. This includes 57 infractions of the Forest Practices Code and 66 infractions of the Forest Act. Interfor has also failed to comply with the Forest Practices Code on an additional 414 occasions. The company has been responsible for logging inside the boundaries of parks and for causing landslides by logging on steep slopes.

In early 1998, after intense lobbying by Interfor and other logging companies, the government of British Columbia weakened environmental protection by introducing more than 500 changes to existing legislation. Changes include giving logging companies permission to conduct even larger clearcuts, and reducing the public's opportunities to comment on logging plans.

Given this, it is not surprising that most logging companies in British Columbia, including Interfor, have high compliance with the Code. However, in no way is this an indication of sustainable logging practices.

In May 2000, the labour union representing Ministries of Forests and Environment staff issued a scathing report about lack of compliance. The report states that, as a result of sweeping government budget and staff cuts, 'the largest forest companies operating in the province are not properly inspected or monitored.'<sup>13</sup>

A government-appointed independent watchdog in British Columbia recently issued a report stating that 'basic compliance with Code requirements is not sufficient to protect environmental values.'<sup>14</sup>

The federal Department of Fisheries and Oceans, and the BC Ministry of Environment, Lands and Parks have come out with similar critiques of the Code, and a legal complaint has been lodged on the grounds that the Code's weak standards violates Canada's commitment under NAFTA. Even Canadian Forest Products (Canfor) president David Emerson recently stated that the Code has not worked, and that BC is not a model of sound forest policy.<sup>15</sup>

### **Clearcutting**

Clearcutting remains Interfor's dominant logging method in the coastal temperate rainforest. This is despite the fact that competitors such as Weyerhaeuser have committed to ending all clearcutting in the temperate rainforest. Weyerhaeuser has been open with Greenpeace and other environmental groups and has asked for input on its transition.

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<sup>11</sup> Ministry of forests, <http://www.for.gov.bc.ca/het/certification/ISO14001overview.htm>

<sup>12</sup> International Standards Organisation, <http://www.iso.ch/9000e/publiciz.htm>

<sup>13</sup> British Columbia Government and Service Employees' Union, *The inside story of BC's great outdoors: Why workers in the Ministry of Forests believe the public is not getting full value for its timber*, 2000.

<sup>14</sup> Forest Practices Board, 1999 Annual Report

<sup>15</sup> David Emerson, presentation at the 58th annual meeting of the Truck Loggers Association, as reported in *The Vancouver Sun*, 18 January 2001.

Interfor is also promoting helicopter logging as an environmentally friendly alternative; in fact, it can be more destructive. Heli-logging makes it possible for Interfor to access trees located in highly inaccessible areas of ancient forest, which are often located on steep providing de facto wildlife refuges. In addition, the helicopters themselves can use up to 700 litres of fuel an hour – significantly more energy than conventional logging methods.

## **Violence**

In 1999, almost 100 Interfor workers and friends took the law into their own hands, and confronted local environmentalists in the Stoltmann Wilderness. They vandalized a camp and assaulted several individuals, three of whom were hospitalized. Subsequently, one Interfor worker has been convicted of assault and four workers have been convicted of mischief. The employees traveled to the camp using Interfor logging trucks. A company vice-president and three directors were in the region at the time but did nothing to stop the vigilante attack. Interfor trucks and radios were used to co-ordinate the violence. A senior Interfor official at the attack referred to the incident as ‘ethnic cleansing’.



### **Some Facts about Logging in British Columbia**

- In 2000, the British Columbia Ministry of the Environment stated that one-in-ten plants and vertebrate animals in British Columbia are vulnerable to extinction. Logging is cited as one of the major threats.<sup>16</sup>
- BC has no Endangered Species legislation.
- The Forest Practice Code's guidelines state that in up to half the areas logged, 'the risk of some native species being unable to survive in the area will be relatively high.'<sup>17</sup>
- Ninety-two per cent of logging in BC is done by clearcutting. In the fragile temperate rainforest areas, 97% of the logging is done by clearcutting. This is what the forest industry calls 'world class forest practices'.<sup>18</sup>
- The BC Ministry of Forests' own analysis concludes that current rates of harvest are averaging almost 40% above the government's own definition of a 'sustainable' rate. In one rainforest region, Interfor and other companies are logging at a rate 47% above what the government calculates to be sustainable over the long-term.
- BC's Forest Practices Code is often referred to by the BC government as 'the toughest forest standard in the world'. In reality, the Code does not even apply to logging on private lands, it allows clearcutting right down to the banks of small streams sheltering endangered salmon, and in 1998 the government 'rolled back' over 500 provisions of the Code, gutting environmental standards even further.
- In BC and the Yukon, 764 salmon stocks are extinct or at risk of becoming extinct.<sup>19</sup> Investigations in the late 1990s revealed that 83% of audited streams in selected logging areas were cut right down to their banks.<sup>20</sup>
- Researchers from the University of Victoria announced in June 1998 the discovery of over 300 new insect species living in the canopy (treetop vegetation) of the ancient rainforests of BC's Carmanah valley. These are insect species previously unknown to scientists anywhere else on earth and are found only in old-growth forests.<sup>21</sup>
- Seventy-seven per cent of British Columbia residents polled believe that logging in BC's old-growth forests should be stopped immediately or phased-out.<sup>22</sup>

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<sup>16</sup> Ministry of Environment, Lands and Parks Environmental Trends Report 2000

<sup>17</sup> Ministry of Forests, Forest Practices Code Biodiversity Guidebook, p.7

<sup>18</sup> Sierra Legal Defence Fund, *British Columbia's Clear Cut Code*, November 1996. In 1998, Greenpeace reconfirmed that 97% of logging is done through clearcutting.

<sup>19</sup> *Status of Anadromous Salmon and Trout in BC and the Yukon*, American Fisheries Society, Vol 21, Number 10, p. 20-35.

<sup>20</sup> Sierra Legal Defence Fund, *Stream Protection under the Code: The Destruction Continues*, February 1997.

<sup>21</sup> Times Colonist, Victoria, June 21, 1998

<sup>22</sup> Ministry of Forests Public Affairs Branch, FOI Response, March 20, 1997.

## The Japanese Connection to Canada's Temperate Rainforest

Japan is the second largest importer of forest products from BC after the USA. Canadian wood is strongly promoted in the Japanese market, and several Canadian agencies have offices in Japan (see box below). In 1999, Japan imported US\$ 1,310 million of logs and lumber, US\$ 319 million of pulp, and US\$ 119 million of paper.<sup>23</sup>

Interfor sold Can\$ 132 million (approximately US\$ 90 million) to Japan in 1998 – about 22% of their overall sales revenue.<sup>24</sup> As many Interfor customers in Europe and the US have stopped buying from Interfor over the last few years,<sup>25</sup> Interfor's intention to enlarge their market in Japan seems to be hardening.

To expose the relationship between the Japanese market and Canadian logging companies which were destroying the ancient temperate rainforest at the time (Interfor, West Fraser, Doman/WFP), Greenpeace Japan sent questionnaires to 119 companies in May 1999 and received answers from 69 companies. Twenty-two of these companies confessed that they were buying directly or indirectly from at least one of these three ancient forest destroyers.<sup>26</sup>

In February 2000, Greenpeace Japan launched a postcard campaign asking Japanese customers of these three logging companies to stop buying their products. Four companies then committed to make no further purchases from Interfor or WFP. As a result of these and other contract cancellations, WFP has agreed to place much of their logging under a moratorium, and is engaged in a solutions process with environmental groups.

However, contrary to WFP, Interfor continues to be part of the problem.<sup>27</sup>

### Canadian PR

The British Columbian forest industry associations Council of Forest Industries (COFI, [www.cofi.org/japan](http://www.cofi.org/japan)) and the Canadian Plywood Association (CANPLY, [www.canply.or.jp](http://www.canply.or.jp)) share the same office in Toranomon, Tokyo. An industry promotion group called 'Zairai Partnership – Japan' was established exclusively for the Japanese market, and shares the office of the BC Government Tokyo Representative in Akasaka, Tokyo.<sup>28</sup> A joint government-industry partnership, the BC Wood Specialities Group, has an office in Osaka. This is in addition to countless delegation visits organised by the BC forest industry, BC provincial government and the Canadian government. For example, the 'International forestry partnerships program Japan to Canada tour' hosted by Canadian government from 10-18 July 1999, invited delegations from the forestry agency, newspapers, paper association, and universities. This included tours of 'decent' logging operations in BC.<sup>29</sup> A similar tour was also held in 2000.

'Zairai Partnership – Japan' is a project of five major Canadian forestry companies: Interfor, Weyerhaeuser, TimberWest, Doman-Western Lumber Ltd, and Primex Forest Products Ltd. Its specific purpose is to promote BC Western Hemlock to the Japanese market. Most major logging companies in BC are members of the Canadian Council of Forest Industries (COFI), and additional funding for Zairai Partnership is provided by the BC government through Forest Renewal of British Columbia. The body produces Hemlock timber with the logo of 'Canada Tsuga' and Japanese dealers of the timber are also supplied with the display board<sup>30</sup>

<sup>23</sup> Statistics Canada, 1999

<sup>24</sup> Interfor Statutory reports 1998 and 1999, <http://www.forestsources.com>

<sup>25</sup> see Greenpeace report 'Re-Source', 1999, page 14

<sup>26</sup> Greenpeace Japan analysis and full answers from all 69 companies are available at [http://www.greenpeace.or.jp/Greenpeace/library/99af/canada/7\\_summ.html](http://www.greenpeace.or.jp/Greenpeace/library/99af/canada/7_summ.html), and [/7\\_sum/0\\_list.html](http://www.greenpeace.or.jp/Greenpeace/library/99af/canada/7_sum/0_list.html)

<sup>27</sup> see page 7; see also Greenpeace press release, 'Greenpeace excluded from forest industry talks'

<http://www.greenpeace.or.jp/Greenpeace/library/99af/release/20001124.html>

<sup>28</sup> <http://www.canadatsuga.or.jp/top.html>

<sup>29</sup> tour brochure

<sup>30</sup> Zairai Partnership brochures and website

## PRODUCTS MADE OF ANCIENT TEMPERATE RAINFOREST DESTRUCTION TO THE JAPANESE MARKET

### Trading Firms

There are eight 'Sogo Shosha' (general trading firms) in Japan: **Mitsui & Co., Ltd., Mitsubishi Corporation, Sumitomo Corporation, Itochu Corporation, Marubeni Corporation, Nissho Iwai Corporation, Tomen Corporation** and **Nichimen Corporation**. Using their ample funds, human power and extensive global networks, these huge companies support international commodities trade either through direct bulk imports into Japan or by working as a trade agent for Japanese/foreign manufacturers. Their business also includes provision of financial and investment services, planning and co-ordination of industrial projects, consulting, manufacturing and retailing of products.<sup>31</sup> In addition, there are 'Senmon Shosha' (specialised trading firms) – these are smaller scale companies that trade in more specialised items.<sup>32</sup> Examples of timber specialised firms include companies such as **Emachu Corporation, Nice Corporation, and Sumisho Building Materials Co. Ltd.**

Through Greenpeace Japan's research, all of the eight general and several specialised trading firms were found to purchase lumber or raw logs directly from Interfor. **Tomen Corporation**, a general trading firm, was found to be one of the top Interfor lumber customers in the world. Tomen is partly owned by **Toyota Tsusho Corporation**, a major customer of Norske Skog (see Paper Products section).

Trading firms have played a huge role in importing construction timber from Canada.<sup>33</sup> More recently, housing companies have taken to importing considerable amounts directly from Canada (see Housing Companies section). In addition to construction timber, trading firms also import pulp (e.g. **Toyota Tsusho, Itochu, and Nissho Iwai** – see Paper Products section) and western red cedar for decking (e.g. **Toyo Exterior Co., Ltd.** – see Other Wood Products section) – all derived from ancient forest destruction perpetrated by Interfor.

Confirmed customers buying directly/ indirectly from Interfor: **Tomen Corporation, Hanwa Corporation, Emachu Corporation, Nichimen Corporation\*, Marubeni Corporation\*, Mitsubishi Corporation, Itochu Corporation\*, Sumitomo Corporation\*, Mitsui & Co., Ltd.\*, Mitsui Bussan Forestry Co. Ltd., Sumisho Building Materials Co. Ltd., Yuasa Trading Co. Ltd., Toyota Tsusho Corporation\*, Nissho Iwai Corporation\*, Shintaku Trading Co. Ltd., Nice Corporation, Kawasho Corporation, S.L. World Co. Ltd., San-Mic Chiyoda Corporation\*, PR International Corporation\*, Honda Yoko\* and Japan Pulp & Paper Corporation\*** (companies with \* trade both lumber and pulp or only pulp – refer to Paper Products section).

Companies that refused to answer or did not answer the questionnaire: **Emachu Corporation and Nice Corporation**

Below, we highlight some of the companies with particularly close relationships with Interfor.

#### **Itochu Corporation**

Kita Aoyama 2-5-1, Minato-ku, Tokyo 107-8077 Japan

Phone: +81-3-3497-2121

Fax: +81-3-3497-4141

Home Page: [www.itochu.co.jp](http://www.itochu.co.jp)

Annual Sales: 12,144 billion yen (US\$107.72 billion) (March 2000) (source: Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue)

<sup>31</sup> Career Development Centre, 2000. Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue.

<sup>32</sup> Career Development Centre, 2000. Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue.

<sup>33</sup> Y. Iwai 1990

*President & CEO:* Uichiro Niwa

*Relevant offices and subsidiaries:* **Itochu Canada Ltd., CIPA Lumber Co. Ltd., Itochu Lumber Co., Ltd. and Itochu Kenzai Co., Ltd.**

#### *Company Profile*

**Itochu Corporation** is one of Japan's major general trading firms and owns 848 subsidiaries worldwide.<sup>34</sup> Examples of its high-profile projects include a petrochemical project in Indonesia, the US building products distribution chain Itochu Building Products/Prime Source Building Products and media sales representation for Excite Japan, Co. Ltd.<sup>35</sup>

The division trading in wood products (log, lumber, chip, paper and pulp) is called 'Chemical, Forest Products & General Merchandise Company' (President: Junichi Taniyama) and its trade accounted for 16% of the total sales between April and September 2000.<sup>36</sup>

#### *Relationship with Interfor*

This company has strong links with Interfor's ancient forest destruction. First of all, **Itochu Corporation** buys lumber from Interfor via **Itochu Canada Ltd., CIPA Lumber Co. Ltd.** is downsizing in 2001.<sup>37</sup> Itochu answered in the questionnaire that they source 35,000 m<sup>3</sup>/year total of construction lumber either from Interfor, WFP/Doman, or WF, but did not specify from which company (source: questionnaire). According to Itochu's letter to Greenpeace Japan (dated 6 March 2001), they bought about 15,000 m<sup>3</sup> of lumber for construction from Interfor in 2000. Itochu also buys **Sauder** mouldings (see Other Wood Products section), which are produced in part using Interfor wood. Furthermore, Itochu trades pulp from both Canfor and Norske Skog Canada, produced in part using Interfor fibre (see Paper Products section) – none of which Itochu reported on when it responded to Greenpeace's questionnaire.

Since the summer 1999, Interfor Japan has leased the planer facilities at **Itochu Lumber Co., Ltd.** processing mill, Sodegaura, Chiba, with the aim to recover Japanese demand of Hemlock lumber from the BC coast. Interfor Japan imports oversized rough lumber produced by Interfor's Fraser and Mackenzie mills in BC, planes them at Itochu Lumber mill to produce Moya, Keta, Hashirakaku and sells them to Japanese customers.<sup>38</sup>

The premises of Itochu Lumber Sodegaura mill incorporate its own wharf, receiving 150,000 m<sup>3</sup> of wood/year including raw logs, and lumber yard of 58,876 m<sup>2</sup>.<sup>39</sup> Itochu Lumber sells foreign lumber and raw logs to around 500 clients mainly in Kanto area, but also re-manufactures lumber for both traditional houses and 2x4 housing companies.<sup>40</sup> **Polus-Tec Co., Ltd.**'s biggest pre-cut factory in Japan gets lumber from both Interfor Japan and Itochu Lumber (see Housing Companies section).

**Itochu Kenzai Co., Ltd.** trades products of **Itochu Lumber, Polus-Tec, Lumbertec, Weyerhaeuser Company and Sauder.**<sup>41</sup>

In June 2000, Itochu Corporation wrote to Greenpeace Japan stating that it regards the global environmental problem as one of the most important items in its management policy and that it received ISO14001 certification in 1997.<sup>42</sup> The Environmental Report of Itochu states that its principle is "to promote trades with as less environmental impact as possible", and in order to carry out "the environmental risk management in the handling of products", they "use the 'Life Cycle Analysis Method'

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<sup>34</sup> Letter from Itochu to Greenpeace Japan (6 March 2001)

<sup>35</sup> 'Indonesian Government Assigned Auditor to Review Tuban Project', Asia Pulse, October 12, 2000; 'Draft Report on Chip Mills Does Little to Silence Critics', St. Louis Post-Dispatch, July 31, 2000, Pg.A1; 'Distributors Scoreboard', National Home Center News, July 3, 2000, Pg. 15; 'Excite, Inc. Launches Internet Company in Japan With Itochu Corporation', PR Newswire, October 17, 1997

<sup>36</sup> company website, accessed 24/12/00. Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue.

<sup>37</sup> Japan Forest Products Journal 19/01/01

<sup>38</sup> Japan Forest Products Journal 13/07/00

<sup>39</sup> company website, accessed 24/12/00

<sup>40</sup> company website, accessed 24/12/00

<sup>41</sup> Itochu Kenzai Corporation website, accessed 24/12/00

<sup>42</sup> letter to Greenpeace Japan, 19 June 2000

to identify the ‘environmental elements’ and ‘environmental impacts’ during all the steps from extracting raw materials until the final product is discarded’.<sup>43</sup> However, despite its so-called commitments, Itochu continues to trade with Interfor.

### **Mitsubishi Corporation**

6-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8086 Japan

*Phone:* +81-3-3210-2121

*Fax:* +81-3-3210-8935

*Home Page:* www.mitsubishi.co.jp

*Annual Sales:* 13,109 billion yen (US\$116.28 billion) (March 2000) (source: Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue)

*President & CEO:* Mikio Sasaki

*Relevant offices and subsidiaries:* **Mitsubishi Canada Ltd.**

#### *Company Profile*

**Mitsubishi Corporation** is another major general trading firm with 481 consolidated subsidiaries worldwide. The division trading wood products is Living Essentials Group and its sales accounted for 26% of the company’s total between April and September 2000.<sup>44</sup>

#### *Relationship with Interfor*

Mitsubishi told Greenpeace Japan that it imports 10,000 m<sup>3</sup> from Interfor.<sup>45</sup> This figure is much higher than the 3000 m<sup>3</sup> total from Interfor and Doman the corporation originally reported in the questionnaire. It trades Interfor Western Red Cedar for **Toyo Exterior Co., Ltd.** (see Other Wood Products section), but it also sources Douglas Fir and Hemlock for traditional housing. The company has said that it is committed to phasing out unsustainable wood from BC, which includes Interfor, but has not as yet either taken any concrete steps or specified a timeline for action.<sup>46</sup>

### **Emachu Corporation**

Harumi 3-3-3, Chuo-ku, Tokyo 104-8551 Japan

*Phone:* +81-3--3533-8214

*Home Page:* www.emachu.co.jp

*Annual Sales:* 28 billion yen (US\$248.4 million) (March 2000) (source: company home page, accessed 30 December 2000)

*President & CEO:* Ryoza Ema

*Relevant offices and subsidiaries:* Emachu has an office in Vancouver and subsidiary Elk Trading Co. Ltd.<sup>47</sup>

#### *Company Profile*

Established as lumber wholesaler, **Emachu Corporation** now imports, wholesales and re-manufactures lumber for housing, manage real estates and lease pre-cut factory facilities. The group includes Emachu Plywood Co., Ltd, Emachu Home Components Co., Ltd, Sorecs Corporation, Emachu Wood Base Co., Ltd, Emachu Real Estate Co., Ltd, Keiyo Wharf & Log Yard Co., Ltd, Tokai Wharf & Log Yard Co., Ltd, Emachu (U.S.A.) Inc.

#### *Relationship with Interfor*

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<sup>43</sup> Itochu Environmental Report, May 2000

<sup>44</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue. Wright Investor’s Service and the company’s homepage, accessed 25/12/00

<sup>45</sup> letter to Greenpeace Japan, 17 April 2000

<sup>46</sup> questionnaire and personal communication with Mitsubishi

<sup>47</sup> 515-1112 West Pender St., Vancouver, BC V6E 2S1 Canada, *Phone:* 604-684-6688, from company website, accessed 30/12/00

Emachu is a big consumer of Interfor lumber. It receives foreign logs and lumber at 42 Japanese ports, owns its own timber terminals and warehouses, including Raw Log Centre in Sodegaura, Chiba, adjacent to Itochu Lumber Sodegaura mill. Emachu also has a subsidiary in Vancouver, **Elk Trading Co. Ltd.**, which buys directly from Interfor. Emachu refused to answer the questionnaire.

## Housing Companies

Lumber sales account for about 70% of Interfor's total sales. The US and Japan consume almost all of Interfor's lumber. In Japan, most of this wood is destined for housing constructions.<sup>48</sup>

In 1999, 1,214,601 new houses were built in Japan: Traditional post & beam houses accounted for 81% (458,146) of the 565,544 timber frame houses constructed. The 2x4 housing method, which was introduced into Japan from North America in 1974, has been appreciated for its reliability and strength against earthquakes and fire – it accounted for 13% (65,864) of the timber houses built in 1999.<sup>49</sup> Some wood arrives at housing companies via trading firms such as **Itochu Corporation**, or other trading firms that specialise in housing, such as **Nice Corporation**, **Sumisho Building Materials Co. Ltd.** and **Emachu Corporation** (see Trading Firm sections), but increasingly, major housing companies are buying lumber directly from BC.

Greenpeace Japan found that at least four housing companies are directly buying Interfor wood. They are: **Sumitomo Forestry Co. Ltd.** (see below for more information), which ranks second in Japan in terms of the number of wood houses supplied, **SxL Corporation**, ranked 7<sup>th</sup>, **Chuo Jutaku**, ranked 22<sup>nd</sup> and **Mitsui Norin Co., Ltd.**<sup>50</sup>

Greenpeace Japan found that **Mitsui Norin's** lumber section buys lumber directly from Interfor.

**Chuo Jutaku** belongs to the Polus Group ([www.polus.co.jp](http://www.polus.co.jp)) with the annual sales of 95.5 billion yen for 1999,<sup>51</sup> which consists of 24 companies engaged in different housing related businesses from sourcing, processing and distribution of lumber to construction, trade and maintenance of houses.<sup>52</sup> **Chuo Jutaku** buys 2x4 lumber indirectly from Interfor via Interfor Japan, Nissho Iwai, Nichimen, etc.<sup>53</sup> Although the company says it does not stipulate Canadian lumber specifically and is willing to phase out its products from BC ancient temperate rainforest and/or from ancient forests in general,<sup>54</sup> so far, the company has done nothing and continues to buy from Interfor. Another company in this group, **Polus-Tec Co., Ltd.** (see below), owns Japan's biggest pre-cut factory in Iwai-shi, Ibaragi-ken.

**SxL Corporation** did not answer the questionnaire.

*Housing companies taking positive steps: Higashi Nihon House Co. Ltd (Japan) (see page 21), the builders of Sydney Olympics (Australia); Matsuzaki Architects (Canada), 140 building corporations in the Netherlands (Netherlands), Centex Homes (US), Kaufman & Broad (US), Ryland Homes (US)*

Confirmed customers buying directly/ indirectly from Interfor: **Sumitomo Forestry Co. Ltd., SxL Corporation, Chuo Jutaku, Mitsui Norin Co., Ltd.** and **Polus-Tec Co., Ltd.**

Companies that refused to answer or did not answer the questionnaire: **Sumitomo Forestry Co. Ltd.** and **SxL Corporation**

Below, we highlight some of the companies with particularly close relationships with Interfor.

<sup>48</sup> Interfor Annual Report

<sup>49</sup> Japan Wood Information Centre website

<sup>50</sup> ranking from Japan Forest Products Journal 2000

<sup>51</sup> Chuo Jutaku's flyer, 2000

<sup>52</sup> <http://www.polus.co.jp/company/group04.html>, accessed 12/12/00

<sup>53</sup> questionnaire

<sup>54</sup> questionnaire

### **Sumitomo Forestry Co. Ltd.**

Shinjuku Green Tower Building, Nishi Shinjuku 6-14-1, Shinjuku-ku, Tokyo 160-8360, Japan

Phone: +81-3-3349-7521

Home Page: [www.sfc.co.jp](http://www.sfc.co.jp)

Annual Sales: 700 billion yen (US\$6.2 billion) (March 2000) (source: Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue)

President & CEO: Ryu Yano

#### *Company Profile*

**Sumitomo Forestry** belongs to the Sumitomo Group, together with **Sumitomo Corporation** and **Sumisho Building Materials Co. Ltd.** (see Trading Firms section). Sumitomo Corporation is 2.5% shareholder of Sumitomo Forestry.<sup>55</sup> It is famous for building high quality houses by post & beam method. 'Sumirin Two by Four' is a 100% Sumitomo Forestry owned company that makes 2x4 houses.<sup>56</sup> It uses both Japanese and foreign lumber (from USA, Canada, Europe, Indonesia and New Zealand). The company has offices in Vancouver, Seattle, Amsterdam, New Zealand, PNG, etc., and owns production bases in New Zealand and Indonesia. Sumitomo Forestry is very proud of its "houses made of 'wood' which are kind to people and the environment".<sup>57</sup>

#### *Relationship with Interfor*

Sumitomo Forestry is one of Interfor's top direct customers in the world. The company uses Hemlock, Douglas Fir, Western Red Cedar and Yellow Cedar from Canada, some of which it gets directly from Interfor. Sumitomo Forestry operates also as a lumber trading firm and supplies lumber warehouses, sawing companies, paper and plywood manufacturers and other housing companies with wood products.<sup>58</sup> These businesses generated 41% of the total sales for the first half of 1999 (as opposed to 55% by housing business).<sup>59</sup>

Sumitomo Forestry refused to answer the questionnaire.

### **Polus-Tec Co., Ltd.**

Main Office: Minami Koshigaya 1-21-2, Koshigaya-shi, Saitama 343-0845 Japan

Phone: +81-489-89-9121

Fax: +81-489-89-9098

Pre-cut Factory: Nakanodai 1281, Madate, Iwai-shi, Ibaragi 306-0605 Japan

Phone: +81-297-35-7100

Fax: +81-297-35-7103

Home Page: [www.polus.co.jp](http://www.polus.co.jp)

Annual Sales: 21.7 billion yen (US\$192.5 million) (fiscal year 1999 forecast) (source: company home page, accessed 12 December 2000)

President & CEO: Toshimi Nakauchi

#### *Company Profile*

**Polus-Tec's** pre-cut factory is the biggest in Japan, out of approximately 800 pre-cut factories nation wide.<sup>60</sup> It processes lumber primarily for post & beam houses. Sources of lumber are North America 50%, Europe 30%, Japan 20%.

#### *Relationship with Interfor*

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<sup>55</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue

<sup>56</sup> company website, accessed 17/11/00

<sup>57</sup> advertisement in Asahi Shimbun 25/11/00

<sup>58</sup> company literature - Sumitomo Forestry and the company website, accessed 17/11/00

<sup>59</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue

<sup>60</sup> <http://www.polus.co.jp/factory/kojo/index.html>, accessed 12/12/00

Itochu Group, Interfor Canada and Interfor Japan (Hem-Fir and Hemlock) supply most of Polus-Tec's North American timber.

Polus-Tec is switching some of its supply from Canadian to European wood. There are two reasons: (1) Hemlock has defects from shrinking because it is not kiln-dried (note: the BC Ministry of Forest is trying to encourage more kiln drying in BC as a result), (2) European wood is cheaper because the Euro is weak.

#### *Customers*

Polus-Tec builds about 100 houses per month.<sup>61</sup> In addition to its own houses, the remaining 80% of its wood is sold to more than 100 other house construction companies. **Mitsui Norin** is one of its customers, but most of the customers are small companies who could be getting Interfor lumber without being informed of the damage it causes to the environment.

## **Other Wood Products**

This section provides an overview of other uses and users of Interfor wood in Japan.

Exterior: Western Red Cedar has characteristics suitable for outdoor use. At least two Japanese exterior companies use Interfor lumber. **Xyence Corporation** produces playing facilities, decking, benches, bridges, etc. to be used in parks. A profile of **Toyo Exterior Co., Ltd.** is provided below.

Wholesalers/distributors and other wood related business companies: Greenpeace Japan found many companies buying Interfor lumber directly. These companies are importers, lumber wholesalers, distributors, remanufacturers, etc., and sometimes their operations cover multiple areas. Companies found include: **Shimizuko Mokuzai Sangyo Kyodo Kumiai, Tanizake Mokuzai, Shinkiba Yuso Center, and Tokyo Kiba Seizai Kyodo Kumiai.** Seven of Interfor's customers are recommended as sources of WRC by COFI: **Rinyu Co. Ltd., Lumbertec Company, Shingu Shoko, Sanyo Lumber Co., Ltd., Nagai Co. Ltd., Musha and Co. Ltd., M. Hasegawa & Co. Ltd.**<sup>62</sup> **Rinyu Co. Ltd.** buys 1200 m<sup>3</sup>/year from Interfor,<sup>63</sup> acts as a wholesaler of lumber or housing materials, a retailer of furniture and DIY items and also as a housing company.<sup>64</sup>

Foreign remanufacturers: There are some Canadian or American companies such as **Sauder** and **Orepac** that export housing materials and resawn lumber, such as, moulding, doors, flooring and decking made from Interfor wood to various companies in Japan (see below for highlights).

Other: Joyful Honda has bought Western Red Cedar from BC, though it has not specified whether or not it is from Interfor.<sup>65</sup> Some companies took positive steps to end their involvement in ancient forest destruction as Fuji Sankei Living Service did (find out what they have done in Page 21, List of Companies Taking Positive Steps).

*Other wood trading companies taking positive steps: Lowe's (US), Menards (US), 84 Lumber (US), HomeBase (US), Meyer International (UK), Richard Burbidge Ltd (UK), Larch-Lap (UK), OBI (Germany), B&Q (UK), Focus Do It All (UK), Sainsbury's Homebase (UK), Magnet (UK), Belgium Timber Trade Federation (Belgium), Ikea (Sweden), Leiner/Kika/Michelfeit (Austria), Otto/Eddie Bauer (Germany), Fuji Sankei Living Service (Japan) (see page 21), and 16 Forest Stewardship Council (FSC) buyers groups worldwide.*

Confirmed customers buying directly/ indirectly from Interfor: **Toyo Exterior Co., Ltd., Tostem Corporation, Toyo Tex Co., Ltd., Xyence Corporation, Rinyu Co., Ltd., Lumbertec Company,**

<sup>61</sup> <http://www.polus.co.jp/factory/kojo/index.html>, accessed 12/12/00

<sup>62</sup> COFI Japan website

<sup>63</sup> questionnaire

<sup>64</sup> company website

<sup>65</sup> questionnaire



**Shimizuko Mokuzai Sangyo Kyodo Kumiai, Tanizake Mokuzai, Shinkiba Yuso Center, Tokyo Kiba Seizai Kyodo Kumiai, Shingu Shoko, Sanyo Lumber Co., Ltd., Nagai Co. Ltd., Musha and Co. Ltd., M. Hasegawa & Co. Ltd., Rikkyo International Corporation, Santa Tsusho, First Trading Co. Ltd., Tsujii Home Depot, Japan Seahurst Group, Doorcraft Japan, Sekisui Exterior, Sumitomo Exterior, Matsuo Exterior, Emu Jey Kobo, Pure Garden Kaneyoshi, Tobu Ryokuchi Kensetsu, Terayama Kensetsu, Yudou, Eiwa Kensho, Taiyo Green Life, Nitto Juki, Kimura Shokubutsuen Garden Club, Comfort Housing, CHC, Okazaki Seizai, Rocktail and Kaneichi Sinei Kensetsu and more (see Appendix 1 for the full list).**

Below, we highlight some of the companies with particularly close relationships with Interfor.

#### **Toyo Exterior Co., Ltd.**

Tostem Shinjuku Building, Shinjuku 1-4-12, Shinjuku-ku, Tokyo 162-0022 Japan

Phone: +81-3-3354-3211

Home Page: [www.toex.co.jp](http://www.toex.co.jp)

Annual Sales: 60.2 billion yen (US\$ 534.2 million) (source: company home page, accessed 30 December 2000)

President & CEO: Hidenori Sugimoto

#### *Company Profile*

This exterior company is 100% owned by **Tostem Corporation**,<sup>66</sup> which also buys lumber from Interfor.

#### *Relationship with Interfor*

Toyo Exterior buys 3776 m<sup>3</sup>/year lumber from Interfor via Mitsubishi Corporation<sup>67</sup>. Toyo Exterior's decking is made of Western Red Cedar and Hemlock (for the structure). It's produced by Toyo Exterior's own factories and by **Toyo Tex**, an affiliated factory of Toyo Exterior.<sup>68</sup> The public can choose any builder to assemble their decking, however, in Kanto area, there are some builders/retailers handling Toyo's decking, including **Sekisui Exterior, Sumitomo Exterior, Matsuo Exterior, Emu Jey Kobo, Pure Garden Kaneyoshi, Tobu Ryokuchi Kensetsu, Terayama Kensetsu, Yudou, Eiwa Kensho, Taiyo Green Life, Nitto Juki, and Kimura Shokubutsuen Garden Club**. There are numerous other companies certified as "TOEX Exsior" shops by Toyo.

#### **Orepac**

30160 SW Orepac Ave., Wilsonville, OR, USA 97070

Phone: (503) 682-5050

Fax: (503) 570-1120

Home Page: [www.orepac.com](http://www.orepac.com)

Orepac is one of Interfor's top 20 lumber buyers worldwide. About 95% of **Orepac's** export shipments since 1997 were to Japan. Products include mouldings, doors, floors, lumber, and other building supplies. Its customers include **Comfort Housing, CHC, Okazaki Seizai, Rocktail and Kaneichi Sinei Kensetsu**.

#### **Sauder**

19950 – 101 Ave., Langley, BC, Canada V1M 3G5

Phone: (604) 882-5500

Fax: (604) 882-3892

Home Page: [www.sauder.ca](http://www.sauder.ca)

<sup>66</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue, questionnaire

<sup>67</sup> questionnaire

<sup>68</sup> <http://www.toyo-tex.co.jp>, accessed 11/12/00

Sauder is very closely linked with Interfor: it is owned by Interfor's former CEO and main shareholder in Interfor, and the company has shared offices with Interfor in the past. Interfor lumber is a significant part of its supply, which it uses to produce doors, mouldings and building materials.

**Itochu Corporation** and other companies including **Rikkyo International**,<sup>69</sup> **Santa Tsusho**,<sup>70</sup> **First Trading**, **Tsujii Home Depot**, **Japan Seahurst Group** and **Doorcraft Japan** trade Sauder products in Japan.

## Newspapers

Japan is the world's second largest consumer of newsprint. In 1999, Japan consumed 3.6 million tonnes of newsprint, or 10% of the world's total.<sup>71</sup>

Newspapers are highly regarded in Japan and 93% of households and offices subscribe to newspapers and get them delivered daily.<sup>72</sup> As a result, the circulation number is very high. In 1998, for example, the number of newspaper circulation per 1000 people in Japan was 576, this was the second largest circulation in the world after Norway.<sup>73</sup>

Although almost all used newspapers are collected, the recycled content of Japanese newspapers is still low (said to be 55%).<sup>74</sup>

While there is only one mill in Japan that produces 100% recycled newsprint (Daio Paper's Iwaki mill produces 8,500 tonnes/month),<sup>75</sup> the national average recycled content of newsprint produced in Germany is almost 100%, proving it is possible to dramatically increase recycled content.<sup>76</sup>

In Japan, newspaper companies source newsprint from a variety of newsprint providers: **Oji Paper Co., Ltd.**, Nippon Paper Industries Co., Ltd. and Daishowa Paper Mfg. Co., Ltd. (these two will merge to form the Nippon Unipac Holding in March 2001<sup>77</sup>), Daio Paper Corporation, **Marusumi Paper Co., Ltd.**, plus a few smaller companies and imports.

Newsprint containing Interfor fibre comes to Japan from three primary sources: **Oji Paper's Howe Sound Pulp and Paper** mill (BC, Canada), Norske Skog Canada, and **Marusumi Paper** (headquartered in Ehime, Japan) (see Paper Products section). Greenpeace is working to encourage these pulp and paper companies to shift their purchasing policies away from using Interfor fibre towards less environmentally-damaging sources of wood fibre. Greenpeace Japan found that four major national newspapers use newsprint containing Interfor fibre: **The Yomiuri Shimbun** buys newsprint from all three of these sources (see below). **Asahi Shimbun Publishing Co.** and **The Mainichi Newspapers Co., Ltd.** get HSPP and Marusumi newsprint. **Nihon Keizai Shimbun Inc.** buys Marusumi newsprint. A religious newspaper, **Seikyo Shimbunsha**, was also found to use HSPP and Marusumi. Around the world, a few other newspapers buy fibre contaminated with Interfor, such as Los Angeles Times (US), Seattle Times (US), and Oriental Daily News (Hong Kong), but in general, Japanese newspapers stand out internationally in terms of ancient forest destruction.

*Newspaper companies paper manufacturers taking positive steps: Daio Paper's Iwaki mill, Blick (Switzerland), New York Times (US), Aylesford Newsprint (UK), German newspaper industry (Germany)*

<sup>69</sup> <http://www.rikkyo.co.jp>

<sup>70</sup> [http://www2.gol.com/users/afpajpn/links/www\\_link\\_eng.htm](http://www2.gol.com/users/afpajpn/links/www_link_eng.htm)

<sup>71</sup> Nippon Paper website, <http://www.npaper.co.jp/main/department/newspaper/newsprint/index.html>, accessed 11/11/00

<sup>72</sup> Nihon Shimbun Kyokai, The Japanese Press 2000

<sup>73</sup> Nihon Shimbun Kyokai website, <http://www.pressnet.or.jp/data/0103.htm>, accessed 29/12/00

<sup>74</sup> Nihon Shimbun Kyokai, The Japanese Press 2000

<sup>75</sup> <http://www.daio-paper.co.jp/company/point2.htm>, accessed on 18/01/01; Daio Paper company brochure

<sup>76</sup> German Pulp and Paper Association

<sup>77</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue

Confirmed customers buying directly/ indirectly from Interfor: **Oji Paper Co., Ltd., Marusumi Paper Co., Ltd., The Yomiuri Shimbun, Asahi Shimbun Publishing Co., The Mainichi Newspapers Co., Ltd., Nihon Keizai Shimbun, Inc. and Seikyo Shimbunsha**

Below, we highlight some of the companies with particularly close relationships with Interfor.

### **Oji Paper Co., Ltd.**

Ginza 4-7-5, Chuo-ku, Tokyo 104-0061 Japan

Phone: +81-3-3563-1111

Fax: +81-3-3563-1135

Home Page: [www.ojipaper.co.jp/english](http://www.ojipaper.co.jp/english)

Annual Sales: 1,205 billion yen (US\$ 10.7 billion) (March 2000) (source: Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue)

President & CEO: Masahiko Ohkuni

Relevant offices and subsidiaries: **Howe Sound Pulp and Paper** (50% Oji owned)

#### *Company Profile*

**Oji Paper** is the fourth largest paper manufacturing company in the world, measured in tonnes/year. It has offices worldwide, including Düsseldorf, Hong Kong, Shanghai, Seattle, and Atlanta (source: Oji Paper Annual Report).

In terms of newsprint, Oji Paper is the ninth largest producer (in weight) in the world in 2001,<sup>78</sup> and currently supplies about 30% of the newsprint used for Japanese newspaper production.<sup>79</sup> Oji owns three newsprint mills. Two are in Hokkaido, Japan, capable of producing recycled newsprint, and Howe Sound Pulp and Paper (HSPP) in BC, Canada.<sup>80</sup>

#### *Relationship with Interfor*

Oji Paper's mill in BC is one of Interfor's top customers for logs and chips; in fact, it is within Interfor's top 10 customers worldwide. HSPP produces 210,000 tonnes of newsprint/year, none of which is post-consumer recycled.<sup>81</sup> This is approximately 15% of Oji Paper's total newsprint production.<sup>82</sup> Three major newspapers in Japan, **Yomiuri**, **Asahi**, and **Mainichi** and a religious newspaper, **Seikyo**, all use this newsprint.

Oji Paper claims that paper production in general is environmentally friendly because it uses only woodchips, a by-product of the lumber industry. This is incredibly misleading: not only are the wood chips a primary product of the lumber industry (i.e. lumber mills are designed to produce both lumber and woodchips), but Oji's mill in BC is also the largest user of Interfor raw logs of any pulp and paper producer in the world. In total, about half of all ancient forests logged in British Columbia are turned into paper products.<sup>83</sup>

### **The Yomiuri Shimbun**

1-7-1, Ohtemachi, Chiyoda-ku, Tokyo 100-8055 Japan

Phone: +81-3-3242-1111

Home Page: [www.yomiuri.co.jp](http://www.yomiuri.co.jp)

<sup>78</sup> Nippon Paper website, <http://www.npaper.co.jp/main/department/newspaper/newsprint/>, accessed 11/11/00

<sup>79</sup> Oji Paper website, <http://www.ojipaper.co.jp/busguide.nsd.html>, accessed 11/11/00

<sup>80</sup> Port Mellon, BC V0N 2S0 Canada, Phone: 604-884-5223, Fax: 604-884-2170, Website: [www.sunshine.net/hssp](http://www.sunshine.net/hssp), Email: [hssp@sunshine.net](mailto:hssp@sunshine.net)). Howe Sound Pulp and Paper is half owned by Oji Paper and half by Canfor.

<sup>81</sup> Canfor website

<sup>82</sup> calculation based on data from Pulp & Paper International, International Pulp & Paper Directory 1999, Brussels, Belgium.

<sup>83</sup> Council of Forest Industries and British Columbia Ministry of Forests

*Annual Sales:* 492.6 billion yen (US\$4.4 billion) (March 1999) (source: company home page, accessed 19 January 2001)

*President & CEO:* Tsuneo Watanabe

#### *Company Profile*

With a circulation of around 10.3 million, **Yomiuri** is one of the largest newspaper in the world.<sup>84</sup> It published 37.4% of morning edition newspapers sold in Japan in 1995.<sup>85</sup>

#### *Relationship with Interfor*

Yomiuri uses Oji Paper's Howe Sound newsprint, Marusumi newsprint, and has used Norske Skog's Crofton newsprint on a trial basis – all of which contain fibre from ancient forest destruction.

Other newspapers around the world have taken positive steps to end their part in forest destruction. For example, Switzerland's Blick newspaper increased its recycling content to 85%, and the New York Times reduced its paper usage by changing its margins and layout. This shows that newspaper production in Japan should be possible without using fibre from ancient forest destruction.

## **Paper Products**

About half of the trees logged in British Columbia's ancient forests end up as pulp and paper.<sup>86</sup> Japan is the second largest buyer of pulp from BC after USA and bought US\$ 319-million worth of pulp in 1999.<sup>87</sup> Japanese paper mills, concentrated in Shikoku and the Fuji areas, use this pulp to produce thousands of products ranging from books and shopping bags to tissue and toilet paper.

Interfor's two largest customers that buy chips and logs to produce market pulp are Norwegian-owned Norske Skog Canada and Canadian-owned Canfor. Both have sales offices in Japan (Tokyo): Fletcher Challenge Pulp Sales (Japan) Ltd, Fletcher Challenge Paper Sales, and Canfor-Georgia Pacific Japan. As with lumber, Japanese trading firms play an important role as importers of pulp containing trees from pristine valleys and ecologically important areas logged by Interfor. Eleven firms were found to buy either from Norske Skog and/or Canfor's coastal mills to supply around 30 Japanese paper manufacturers. Six of these 11 firms (**Itochu Corporation, Nissho Iwai Corporation, Nichimen Corporation, Marubeni Corporation, Sumitomo Corporation, and Mitsui & Co., Ltd.**) are also implicated in the direct trade of Interfor lumber and/or raw logs (see Trading Firms section). Some of them, such as **Sumitomo**, buy from West Fraser, another ancient forest destroyer in BC. The biggest traders are (1) **Toyota Tsusho Corporation** (22.8% owned by Toyota Motor Corporation<sup>88</sup>) whose past and current customers include **Marusumi Paper Co., Ltd.** and (2) **Nissho Iwai**, whose past and current customers include **Kami Shoji, Nisshinbo Industries, Inc.** and **Hayashi Shoji**.

Note that **Oji Paper Co., Ltd.** appears here again as an ancient forest destroyer. Not only does it buy fibre directly from Interfor as explained in the previous section, but also Oji Paper buys Norske Skog Canada pulp directly, as does **Japan Pulp & Paper Co., Ltd.**, which is 13.4% held by Oji and is the largest trading firm specialised in the trade of pulp and paper.<sup>89</sup> **Asahi Glass Co., Ltd.** also buys Norske Skog pulp for fibre cement to use in insulating material. Other paper manufacturers that have used Norske Skog pulp include **Daishowa Paper Mfg. Co., Ltd., Hokuetsu Paper Mills Ltd., Chuetsu Pulp & Paper Co., Ltd.** and **Rengo Co., Ltd.**

**Itochu, Nissho Iwai, Mitsui, Daishowa, Hokuetsu, and Rengo** were found to have relationships with Interfor via their purchases of pulp from Norske Skog and Canfor, however, they did not reveal these relationships in their questionnaire answers.

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<sup>84</sup> Nihon Shimbun Kyokai, *Databook Japanese Newspaper 2000*, circulation figure for October 1999.

<sup>85</sup> company brochure 1996

<sup>86</sup> Council of Forest Industries and British Columbia Ministry of Forests

<sup>87</sup> Statistics Canada

<sup>88</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue

<sup>89</sup> Nikkei Kaisha Jyoho [Quarterly] 2001-I Spring Issue

*Pulp and paper companies or brands taking positive steps: International Paper (US), Svetogorsk mill (Russia), Seventh Generation (US), National Geographic (US), Mother Jones (US), Utne Reader (US), BBC Worldwide Publishing (UK), Bühрман Ubbens (Netherlands), Union Carbide (Belgium), Crane Co. (US), Lenzing AG (Austria), UK Paper (UK), Danke (Germany), Hallmark Cards (US), Johnson & Johnson (US), 3M (US), United Stationery Supply Co. (US), Dutch Corrugated Cardboard Association (Netherlands), Kinko's (US) and Mitsubishi Rayon Co. Ltd (Japan) (see page 21).*

Confirmed customers buying directly/ indirectly from Interfor: **Itochu Corporation, Nissho Iwai Corporation, Nichimen Corporation, Marubeni Corporation, Mitsui & Co., Ltd., Sumitomo Corporation, Toyota Tsusho Corporation, PR International, San-Mic Chiyoda Corporation, Japan Pulp & Paper Co., Ltd., Honda Yoko, Oji Paper Co., Ltd., Marusumi Paper Co., Ltd., Daishowa Paper Mfg. Co., Ltd., Hokuetsu Paper Mills Ltd., Chuetsu Pulp & Paper Co., Ltd., Kami Shoji, Ellemoi, Nisshinbo Industries, Inc., Crecia Corporation, Asahi Glass Co., Ltd., Kinryu, Kokko, Masko, Molza, Shin Osaka Paperboard Co., Ltd., Lintec Corporation, Rengo Co., Ltd., Hayashi Shoji, Ide, Toyo, Meiji Seishi, Asahi Shimbun Publishing Co., The Mainichi Newspapers Co., Ltd., Nihon Keizai Shimbun, Inc., The Yomiuri Shimbun, Seikyo Shimbunsha, Kodak Japan Ltd., Cannon Inc., Kodansha, Shueisha, Shogakukan, Higashi Nihon Denshin Denwa (NTT), Pia Corporation, Tokuma Shoten, some governmental departments and many more. (see Appendix 1 for the full list)**

*Companies that refused to answer the questionnaire: Tokuma Shoten*

Below, we highlight some of the companies with particularly close relationships with Interfor.

#### **Marusumi Paper Co., Ltd.**

Kawanoe-cho 826, Kawanoe-shi, Ehime 799-0196 Japan

Phone: +81-896-57-2219

Fax: +81-896-59-1001

Home Page: [www.marusumi.co.jp](http://www.marusumi.co.jp)

Annual Sales: 63.0 billion yen (US\$559.0 million) (Nov. 1999) (source: Teikoku Databank)

President & CEO: Kazuya Hoshikawa

#### *Company Profile*

**Marusumi Paper** is a large Japanese paper company. Marusumi relies increasingly on imported chips and it ships them from Canada using its own vessels.<sup>90</sup>

#### *Relationship with Interfor*

Marusumi is probably the largest customer of Norske Skog Canada in Japan, having bought over 10,000 tonnes of Interfor-contaminated pulp in 2000 via **Toyota Tsusho Corporation** trading firm. The pulp, made of trees from the coastal temperate rainforest, can get mixed up with other pulp used by Marusumi for the production of 44,500 tonnes per month of paper, including newsprint, shopping bag paper, telephone directory or books/magazine paper.<sup>91</sup> Marusumi also gets chips containing interior ancient forests logged by Interfor and other companies, via the Fibreco facility in Vancouver. This means that paper produced by Marusumi is contaminated by ancient forest of interior BC, or in addition, by coastal rainforests logged by Interfor.

Marusumi's customers are wide ranging: newspaper customers have included **The Mainichi Newspapers Co., Ltd.**, **Asahi Shimbun Publishing Co.**, **Nihon Keizai Shimbun, Inc.**, **The Yomiuri Shimbun**, **Seikyo Shimbunsha** and many local newspapers; shopping bag customers have included **Kodak Japan Ltd.**, **Cannon Inc.**, **Fujiya Co., Ltd.**, **Ezaki Glico Co., Ltd.**; and books/magazines have

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<sup>90</sup> company brochure

<sup>91</sup> company brochure; personal communication.

included **Kodansha, Shueisha, Shogakukan, Fusosha, Hakusensha, Higashi Nihon Denshin Denwa (NTT), Recruit, Pia Corporation, Gakken Co., Ltd., Tokuma Shoten, Nihon Bungeisha** and some governmental departments, such as **National Personnel Authority, National Police Agency and Atomic Energy Commission**. It is highly probable that all of these companies and governmental departments are implicated in ancient forest destruction even without their will.

#### **Tissue Companies**

A number of tissue and toilet paper companies and brands in Japan have been found to contain fibres originating from ancient forest destruction in BC, including Norske Skog Canada's coastal mills.

**Kami Shoji** (Miyakawa 1-2-27, Iyo Mishima-shi, Ehime 799-0404 Japan, *Phone*: +81-896-23-5400, *Fax*: +81-896-23-5469, [www.ehime-inet.or.jp/ehime/corp/kami/hyoushi.htm](http://www.ehime-inet.or.jp/ehime/corp/kami/hyoushi.htm)) is the Norske Skog Canada's largest tissue customer in Japan. It acts also as a paper and pulp trading firm engaged in sourcing of materials, products development, production, wholesale and distribution. Kami Shoji Group has a company called **Ellemoi** that produces tissue and toilet paper using pulp from Norske Skog's coastal mills.

**Nisshinbo Industries, Inc.** (Tokyo Main office: Nihonbashi Ningyo-cho 2-31-11, Chuo-ku, Tokyo 103-8650 Japan, *Phone*: +81-3-5695-8833, [www.nisshinbo.co.jp](http://www.nisshinbo.co.jp)) is another customer of Norske Skog, which uses Norske Skog pulp to produce Peach toilet paper or kitchen towel at the Shimada mill.

**Crecia Corporation**, producer of Scottie brand toilet and tissue paper, has bought pulp from Norske Skog Canada.

There are other customers that have bought some pulp from Norske Skog on a spot basis in the past: **Hayashi Shoji** (producer of Hello Kitty toilet paper brand, plus other tissue products), as well as **Meiji Seishi**. Bounty brand paper towels produced in the U.S. by **Proctor & Gamble** using fibres of another BC ancient forest destroyer, West Fraser, are also available on the Japanese market.

## **JAPANESE COMPANIES TAKING POSITIVE STEPS**

As a result of Greenpeace Japan's postcard campaign in February 2000, five companies have taken positive steps to end their participation in ancient forest destruction. A housing company, Higashi Nihon House Co. Ltd used to buy Interfor lumber, but has either already switched or is looking for alternative sources. Fuji Sankei Living Service, a mail order company, has made a commitment not trade in furniture made of Interfor wood, and also plans to write to its suppliers to ask them to confirm the source of their wood, and not to supply any products made of Canadian ancient forest destruction. Mitsubishi Rayon Co. Ltd first replied to the questionnaire that it had made no purchase from the ancient temperate rainforest of British Columbia. However, although it was not targeted by the postcard campaign, Mitsubishi Rayon wrote to Greenpeace Japan that it had found such pulp in its supply, and would try to switch to alternatives.