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Nanaimo Daily News.

HOPE FADES FOR MILL'S WORKERS

Harmac employee Ray Bicknell packs up some of his belongings on Tuesday afternoon. The mill is expected to shut down indefinitely today. [JEFF BOYCE/DAILY NEWS]

New buyers have not come knocking for Harmac

ROBERT BARRON DAILY NEWS

The Supreme Court of B.C. in Vancouver will determine the fate of Nanaimo's Harmac pulp mill this morning.

But Bob Smiley, treasurer of the Pulp Paper and Woodworkers of Canada, Local 8, representing Harmac's 530 workers, said unless a new company with an interest in buying the mill comes forward, or an arrangement to extend debt financing comes into play by the time the meeting begins at 9:30 a.m., it's expected Harmac will shut down indefinitely.

Smiley said, as of press time Tuesday, there didn't appear to be any new developments that would see Harmac continue operations beyond today.

Calls to Harmac's bankrupt owner, Oregon-based Pope & Talbot, were not returned.

"It looks like there may be some interest from a company in Pope & Talbot's pulp mill in Halsey, Ore., but it doesn't look like there's anyone showing much interest in Harmac or the company's pulp mill in Mackenzie (B.C.) at this time," Smiley said Tuesday afternoon as he and other union executives made their way to Harmac to discuss shutdown plans with management.

"Production has already stopped at Harmac and most of the staff spent the day clearing out their lockers and preparing to take their personal belongings home."

Pope & Talbot's court-ordered creditor protection, and the bridge financing that has kept the company operating since the forestry company declared bankruptcy last October, expired on Monday and its secured creditors authorized the company to operate on cash collateral until today when the parties return to the Supreme Court of B.C. for an update.

Indonesian forest giant Asia Pulp & Paper pulled out of the deal to acquire the mills in Halsey, Mackenzie, and Nanaimo's Harmac for about $261 million last Friday.

"There's not much doubt in anyone's mind that Harmac is shutting down today, at least for a period of time and it's good that the creditors gave us the last two days to shut it down in an orderly fashion so the mill can be dressed up as best we can for the next four to six weeks in case other interested parties want to take a look at it," Smiley said.

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The city has purchased this former nightclub on Victoria Road for $460,000. It will be renovated and turned into a small theatre. [DARRELL BELLAART/DAILY NEWS]

Conflict erupts over building purchase

Council's theatre plan is 'a complete waste of money,' says Mayor Korpan

DARRELL BELLAART DAILY NEWS

What could have been a crowning moment for small theatre groups turned into a conflict between Nanaimo Mayor Gary Korpan and city council Tuesday.

Korpan criticized council for supporting the purchase of the old Wichita North building. He issued a letter to the press calling it a "complete waste of money," less than an hour after dignitaries announced the purchase, to create a new community centre for the performing arts.

"I don't think we should buy this decrepit old building and it should be left to the private sector to deal with," Korpan said.

"I want to alert Nanaimo's taxpayers to what a total waste of their money this would be."

He's urging taxpayers to let council know how they feel before the May 12 council meeting. He identifies councillors Larry McNabb, Merv Unger and Jeet Manhas as "swing votes" to contact, in order to rescind the sale.

The building, at 25 Victoria Rd., has been used as a church for several years and was a nightclub in the 1990s.

Previous councils, as far back as six years, tried to broker a deal for a location for small theatre groups, and when the site became available early this year, Coun. Merv Unger drew up a business plan for the purchase on behalf the Downtown Nanaimo Partnership, which supports the project.

"From a business standpoint, I looked at it and said if nothing else, the real estate investment is worthy anytime," Unger said. "It's not like we're pouring money into it."

He said it's ideal for organizations like Western Edge Theatre, which has been pleading for a new home.

Korpan said Nanaimo has plenty of venues that would be cheaper than the city buying and renovating 25 Victoria Rd. "The last time I checked, the Port Theatre, which has very reasonable rates, had 110 available days this year," he said. "If organizations find the Port Theatre too expensive, there are other locations they could use as I've mentioned in the letter. If they are still too expensive, then they can apply for city grants."

Unger said he doubts Korpan can stop the deal now. "I don't know how that would be possible — as far as I know, the sale has been completed," Unger said.

The 3,600-square-foot building sold for $460,000, with downtown merchants contributing $100,000, through the DNP. Eagle Mountain Church, the current owner, has to be out of the building by the end of the month. Then the city plans to start renovating. Those costs are included in the sale price.

— WITH FILES FROM ROBERT BARRON

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»» Our View, A10

WHAT'S news

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SPORTS

Canada defeats U.S. at world hockey event

It took the stellar netminding of Cam Ward and the late-game heroics of, you guessed it, sniper Dany Heatley, to send Halifax fans home happy on the heels of a gripping 5-4 Canadian win over the United States at the IIHF world hockey championship on Tuesday night.

»» MORE ON THIS STORY, B3

NATION

Security threats elude border cops, says AG

The Canadian border police have lost track of more than 40,000 people who have been ordered deported, and the military has lost supplies for the war in Afghanistan, said Auditor General Sheila Fraser charges, who added, a lack of information sharing on disease is putting peoples' health at risk.

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