



ur Own Worst Enemy

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Germany-based Homag, through its U.S. distributor Stiles Machinery, in 2009 participated in an attack on the North American secondary wood-processing industry, in the form of a boycott of the recession-weakened Association of Woodworking and Furnishings Suppliers (AWFS) trade show in Las Vegas. Homag and its associates in the boycott, including Weinig and Biesse, were uniform in their claim that

they were impoverished by the recession. However, unlike a more typical decision not to exhibit, this initiative was preceded by a strong media campaign, complete with press releases announcing the action.

The effect on the show was devastating, and Homag and its associates, in the spring of 2010, turned their boycott on Italy's Xylexpo show in Milan, with

similar results, and then boycotted the International Woodworking Fair (IWF) in 2010 in Atlanta, now joined by SCM and C.R. Onsrud. In the case of Italy and Atlanta, however, each show under alleged boycott was attended by the boycotting groups, and each group had off-site exhibits that were put on as competing events by some or all of the boycotters. Canada did not escape.

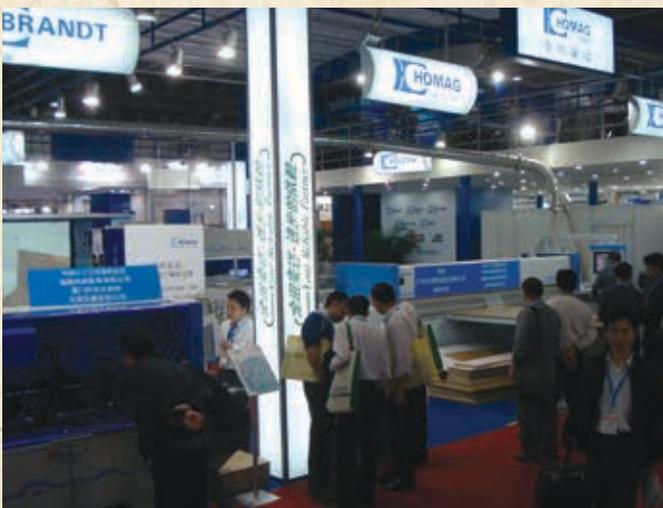
In Canada, much of the push from the machinery side to attack the shows was led by Ontario-based Taurus Craco and the Canadian Woodworking Machinery Dealers' Association (CWMDA). In January of 2010, Blair Tullis, chairman of the then-seven-member CWMDA, acting as its public relations agent, issued a news release on behalf of the association declaring it would not "support" Canada's Salon

Industriel du Bois Ouvré (SIBO) or Woodworking Machinery & Supply Expo (WMS) shows, and the CWMDA as a group pulled out from exhibiting, killing SIBO, and devastating WMS: “The Board of the Canadian Woodworking Machinery Dealers Association (CWMDA) have decided not to renew their sponsorship of the Salon Industriel du Bois Ouvré (SIBO) and Woodworking Machinery and Supply Expo (WMS) trade shows, owned by Vance Publishing,” Tullis wrote. “The member companies of the CWMDA also announced that they will not be exhibiting at SIBO in 2010, allowing them to focus their resources in areas that they believe will more directly benefit their customers during the current economic downturn. Member companies are Akhurst Machinery Limited, Giben America Inc., Holz-Her Canada Inc., Homag Canada Inc., SCM Group Canada, Normand Machinery and Taurus Craco Woodworking Machinery Inc.”

The 2011 WMS took place, complete with competing events held off-site by boycotting members Homag, SCM and recent CWMDA member Biesse, but the effect of the boycott was evident. It was a small show.

Concurrent with the boycott, the boycotting distributors and dealers announced that trade shows are too expensive, and that the industry does not need shows, since the large suppliers already know the market and can court high-value customers in a direct-sales model. However, while the boycotters were claiming cost constraints in North America, they were investing heavily in booths at the machinery show in Guangzhou, China.

Critics of the idea of killing shows have observed two main problems with a coordinated



CIFM / Interzum Guangzhou (China) 2012, five months after SCM, Biesse and Homag boycotted Canada's WMS.

plan of boycotting trade shows. First, if the suppliers boycott the shows but the shows are left intact, it allows small, upstart companies unchallenged access to the attendees (market), which defeats the purpose intended by the boycott. Second, if the boycott is successful in killing the shows, it leaves the entire industry in the hands of a few, unchallenged, cooperating suppliers, likely looking to narrow the field yet more, leading to in-fighting. This raises serious concerns about whether such tactics are against the best interests of the industry, or even whether they are legal.

By definition, an “industry” is an *organized economic* activity connected with the production, manufacture, or construction of a particular product or range of products, and has become *standardized*. The terms *organized*, *economic* and *standardized* are crucial, since any plan to control an industry would address those areas.

Typically, any industry is *organized* around one or more organizing systems. These include media, trade shows and associations. The interrelationship of these three is symbiotic. The media's audience is the trade show's attendance is the association's membership, and the media's advertisers are the trade show's exhibitors are the association's associate (supporting) members.

Canada's wood industry comprises owners and managers of the secondary sector's manufacturing plants, i.e., the *industry*. Secondary, in this case, means people that make such things out of wood as cabinets, furniture and store fixtures – not boards, dimension lumber or board products. Because the industry is identified by its owners, not self-proclaimed

leaders, any hypothetical plan to limit competition would necessarily involve separating owners and managers from shows, associations and the press. In Canada, the effect, assuming the presence of a plan, would be doubly hurtful, as it would single out and punish the country's minority-language population by first killing the French-language show. If not a part of a proposed, hypothetical plan, it was certainly part of the plan published by the CWMDA, and it worked. SIBO is dead.

As of press time, Homag and Biesse are boycotting next month's WMS, and Homag has taken the liberty to mount WMS-owner Vance Publishing's Facebook page with an invitation to all WMS attendees to ditch Vance's show and come to its open-house. This is analogous to a knock-off cabinet seller setting up in the parking lot of a Canadian cabinetmaker's showroom. The Canadian gets to shoulder all the costs of marketing, infrastructure, branding and standards. It has been a long day since we heard Homag marketing in terms of its value. Whatever happened to "German engineering" as a reason to buy?

What else might be involved in such a plan? *Wood Industry* readers will recall the CWMDA's members, led by Taurus Craco and Akhurst, began a boycott of this magazine, *Wood Industry*, and dropped their advertising around March, 2011, announcing a move to competitor *Woodworking*. In January of that year, the CWMDA hired Toronto lawyer and Tullis counsel Karl Veldkamp to threaten *Wood Industry*'s parent, W.I. Media Inc., with legal action, should *Wood Industry* report the association's actions. As Veldkamp was told at the time: "In addition, [our] readers have a right to know that

a group of advertisers is trying to punish [*Wood Industry*] for not complying with their demands. The precedent for CWMDA's punitive actions and [our] response is long both in law and in practice. [Our] position is neither unique nor unwarranted. Quite the contrary, it is [our] duty. Free societies don't like gangs of advertisers punishing publishers. You can advise your clients accordingly."

Part of the issue was that *Wood Industry* tried to warn the CWMDA of an initiative by Canada's Competition Bureau, reported in the *National Post*, to scrutinize the relationships between trade associations and trade shows to see if they were acting as a cartel. That was the *National Post*'s language. *Wood Industry* had never said the CWMDA was a cartel, but the lawyer letter put a different colour on that. As "an alliance of business companies formed to control production, competition, and price," the CWMDA seemed to meet the definition in spirit, if not in law, complete with strong-arm tactics from hired guns. Not seeing a reasonable alternative, it now appeared to be a cartel.

During one of the attempts by *Wood Industry* to communicate the gravity of the evolving situation to individuals that may not have been advised, the president of Homag Canada, Christian Vollmers, was emphatically sensitive to the word cartel, and insisted it not be used in relation to Homag, although he would not explain why. He was, however, fully aware of Homag's role in the CWMDA and the show boycott.

Part of Homag's role is that the CWMDA, of which Homag is and was a member, had, for a period of years, been receiving a kickback payment from the SIBO and WMS shows (Reed Exhibitions). In 2007 the kickback reached

\$265,792.46, of which \$97,286.72 went to Homag, \$60,294.88 went to Akhurst, \$43,543.89 went to SCM, \$1,415.07 went to Giben, \$28,566.70 went to Holz-Her, and \$34,685.20 went to Normand. Another \$2,000 went to the "association." Each member also received his booth space.

Further defining the role of the CWMDA during a 1998 interview, Al Clarke, then Akhurst vice president and president of the CWMDA, said, "The only purpose of the CWMDA is to receive a cheque from the shows," an assertion repeated several times by Tullis over time.

Because of the seven-way kickback split prior to 2010, such industry players as Ima, Biesse, CNC Automation and others, although either technically or practically Canadian woodworking machinery dealers, were excluded from membership because it would reduce the value per share. That changed when the kickbacks evaporated in 2009, and CNC Automation joined, as did Biesse and Ima, both in the association and in the boycott of *Wood Industry*.

Professional standards

Since most or all of the members of the CWMDA moved their advertising business to *Woodworking* magazine, as did dealers the boycotters influenced, it is necessary to take a look at *Woodworking*. *Woodworking* was founded in 1987 by the then-future chair of the CWMDA, Blair Tullis (also, later on, chairman of the Wood Manufacturing Council (WMC) and board member of the Canadian Kitchen Cabinet Association (CKCA)).

Reviewing *Woodworking*'s operations, every recent issue of *Woodworking* has an ad on its

cover for Planit software. Some issues, such as this year's March issue and the WMS 2011 issue, also had cover stickers promoting outside events.

According to the standards set by Magazines Canada, "No advertisement may be promoted on the cover of the magazine . . ." According to the Magazine Publishers' Association (MPA), "The cover and spine should not be used to advertise products other than the magazine itself. . . ." and, "To prevent the appearance of editorial endorsement, cover stickers should not be used to advertise products." This does not require interpretation. Either the ad is allowable under published industry standards, or it is not; either the ad is on the cover, or it is not. Although *Woodworking* has been asked several times about this violation, it has not replied.

One of the universal rules of publishing is that a magazine (or a professor or a student or anybody) should never plagiarize. According to the Canadian Association of Journalists (CAJ): "While news and ideas are there for the taking, the words used to convey them are not. If we borrow a story or even a paragraph from another source we either credit the source or rewrite it before publication or broadcast. Using another's analysis or interpretation may constitute plagiarism, even if the words are rewritten, unless it is attributed." *Woodworking* plagiarized no fewer than 10 stories in one recent calendar year, those being seven lifted from the website of the Business Development Bank of Canada, one being from FPIinnovations, one being from the Great Woodworking Ideas website, and one from an Architectural Woodwork Manufacturers Association of Canada newsletter.

In an interview between

Wood Industry and the Wood Manufacturing Council's (WMC's) vice president, Mike McClements, also executive dean of the School of Engineering and Information Technology at Ontario's Conestoga College Institute of Technology and Advanced Learning, in January of 2013, *Wood Industry* raised the issue of the WMC's advertising with a medium so heavily involved in plagiarism, especially since the WMC otherwise promotes standards.

During the interview, *Wood Industry* said, "Mike, you knew we wrote letters, both to you and to the president [of Conestoga College], and we were ignored. Why?" To which McClements was silent, looked down, shrugged his shoulders and tossed his hands in the universal, "I don't know" sign.

According to McClements, none of the WMC ads in *Woodworking* for the previous year were paid, although *Woodworking* has promoted its advertising "relationship" with the WMC with other prospective advertisers as evidence of its approval in the industry. In many cases, selling below the cost of production is viewed as anti-competitive. It also raises the question of whether the rest of the advertisers were aware of the practice, and, if so, what they would gain. Some, if not all, have to know, since *Wood Industry* has told them.

As readers recall, in *Wood Industry*'s November Readers' Survey, 95 percent of respondents said they want *Wood Industry* to investigate and report further on the actions of the WMC, leaving *Woodworking*'s claims of approval in doubt. Its claims of advertising also may be misleading in a legal sense. In any event, this is simply not done.

Because both Conestoga College and the University of

British Columbia have members on the board of the WMC (Mike McClements and Iain MacDonald, Managing Director, UBC's Centre for Advanced Wood Processing, respectively), and because all requests to WMC for information, including one request under Canada's Access to Information Act, have been ignored or denied, and because both the WMC's column and unpaid advertising are being promoted



Salon Industriel du Bois Ouvré 2008 – the last SIBO. SIBO 2010 was the direct target of the CWMDA and was Canada's only French-language show for the secondary wood sector.

through a publication that has multiple and flagrant clashes with known industry standards, and because plagiarism is such a drastic offence that it typically costs professors their jobs, and because both Conestoga College and the University of British Columbia are directly involved in playing favourites with the cartel, *Wood Industry* has notified the presidents of both institutions with its concerns, but has received no response.

There are further reports of unsolicited and unpaid advertising in *Woodworking* from trade shows and suppliers, rate cuts to two-for-one and three-for-one, as well as serious concerns about its

circulation claims. For example, *Woodworking* was suspended from membership in its circulation-auditing company in 2010, resigned the next day, then reapplied as "new," apparently circumventing whatever challenge had caused its suspension two days earlier.

What appears, then, is *Woodworking* presenting itself as a magazine, yet violating the

Canadians with the intent to influence their choice, opinion or behaviour, is advertising. Therefore, so-called columns by the president of Homag Canada, Planit, WMC or others cannot summarily be presented as editorial content. They qualify as ads under the *Canadian Code of Advertising Standards* because their content is controlled, directly or indirectly, by an advertiser.

In every set of publishing standards, as well as federal rules, advertising is to be separated identifiably and clearly from editorial. According to Canada Post's rules for publications mail, Section 2.1, "advertising and editorial content must be distinguishable from one another." Canada Post and Heritage Canada rules (under which *Woodworking* receives or received a grant) require that advertising comprise no more than 70 percent of a given set of issues. Again from Canada Post: "A Publications Mail item, including all enclosures (inserts and outserts), must be produced with less than 70 percent space devoted to advertising in more than 50 percent of the issues in any 12-month period."

Since suppliers tell us *Woodworking* promises new product release publication as part of an ad package, along with in-content editorial stories and free columns for major advertisers, the actual ad content of recent issues appears to be over 83 percent, and therefore may not qualify for magazine mail rates or Heritage Canada subsidies.

Unlike some standards that are created to block competition, journalism standards are mankind's best attempt to provide self-regulation in information. People do not want the government regulating media. On the other hand, when a media

above-mentioned known and published magazine industry standards, among others. Magazine and marketing standards forbid offering editorial favours for ads, providing free ads, up-sizing ads, offering control over editorial content as a columnist or any other device that gives marketers hidden, deceptive or unfair access to readers. When a reader sees an ad, he assumes it is there for fair value.

For clarity, the *Canadian Code of Advertising Standards* says **every** message, controlled **directly or indirectly** by an advertiser, expressed in **any** language and communicated in **any** medium, delivered to

property goes rogue, there has to be a check, and the check is the market, assuming the market is able to receive truthful information about infractions. If the market does not know, it cannot act.

Most instances of standards' violations revolve around either ignoring the boundary between commercial and individual speech, or are outright lies. As a counterpoint, *Wood Industry's* policy on columnists has always been a rule against self-promotion, and when columnists have violated this rule after one warning, they have been fired. You may read a good selection of national and international publishing standards at www.woodindustry.ca.

For those interested in finer points of law, the United States and Canada, both adamant protectors of free expression, have identified at their Supreme Courts a difference between commercial and individual (editorial) speech. Both courts provide a lower level of protection for commercial speech than for editorial speech. Generally, both governments protect commercial speech that is not false or misleading and that does not advertise illegal or harmful activity. However, the "false and misleading" clause is a test that **must** be met. When an advertiser deliberately disguises commercial messages as editorial or disguises free ad space as an "endorsement" representing payment, the test, in the opinion of *Wood Industry*, surely fails.

Arguably, by disguising commercial control over editorial, unprincipled advertisers and publishers cause the issue to become one of deception for the purpose of revenue. In that case, the issue may be not only one of standards, but of law.

As commercial interests continue to rush headlong toward exclusive control of all forms of public communication, *Wood Industry* predicts this issue will become ripe for both adjudication and enforcement. Supporting this idea, the U.S. Federal Trade Commission recently issued a clear warning to content manipulators that failure to self-regulate will result in federal regulation. Naturally, any such regulation in the States would immediately affect Canadian media that do business in the U.S.

This, of course, is what accredited media professionals have been hoping to avoid by both self-regulation and standards. Governments have a long and unhappy history of failure when trying to manage free expression fairly.

The crucial value of a magazine or newspaper is who reads it, and why. In *Wood Industry's* November 2012 Readers' Survey, we discovered that over 63 percent of the market either does not open *Woodworking*, or only flips the pages, as opposed to *Wood Industry*. *Wood Industry's* readers are over 55 percent business owners and over 70 percent read it more than 15 minutes, compared to 28 percent for *Woodworking*. In addition, 86.18 percent of the market says *Wood Industry's* original content is more important than the cut-and-paste, special-interest-driven content in other media. This makes standards-driven content not a moral issue, but one of pure business. If you want to speak to the market, address it where they are watching.

From the perspective of adherence to standards, a competent marketer would find little to recommend *Woodworking*. From *Wood*

Industry's survey, and the circulation irregularities, there is reason for concern about its claims. However, for its "supporters," *Woodworking* is the visible, **exclusive** preference for advertising. This begs the question: why would that be? Also, since shows and the press seem affected by the same small gang, does that group attempt to control associations, as well?

Associations

The role of a few involved associations actually followed a similar track to that described above. Back in the '90s, the chairman (Tullis) and some members of the CWMDA (itself an association) and others founded a governmental sector council, the National Education Initiative (NEI), ostensibly with the goal of supplying trained employees to the industry. That initiative resulted in the building of the Centre for Advanced Wood Processing at the University of British Columbia (UBC) and supplying the perennial chairman of the Wood Manufacturing Council (WMC), once the NEI concluded fund-raising and morphed into a sector council. This is the council noted above.

Concurrently, some of the same individuals secured board positions with the Canadian Kitchen Cabinet Association (CKCA). With a budget of over \$600k, the WMC took the CKCA under its wing, helping to provide a set of *standards* to identify Canadian products as superior to and separate from competitors, and the WMC took over secondary-school program WoodLinks and its budget, also created to develop *standards* in training.

Standards is an important word if you plan to get federal funding. When one group of

people or one man is involved in a governmental association, a trade association and a supplier association, all in the same industry, the meaning of the word association becomes slippery. It is even possible the "chairman" of a requesting group is also the "chairman" of a providing group, which, in theory, could make it difficult for any outside requesting group.

Following the March 2011 editorial in *Wood Industry*, in which the magazine discussed attorney Veldkamp's strong-arm tactics, then-chairman of the WMC, Gary Williams, sent *Wood Industry* a letter demanding: "we were hoping that we could count on our long-standing relationships with *Wood Industry* to continue to work with us and cooperate in the manner proposed *should the on-going editorial approach avoid the content we found to be awkward.*" (Emphasis added.) The "long-standing relationship" was an annual advertising agreement, plus a non-aligned column, both of which were then moved over to *Woodworking*. A similar set of events led to the transfer to *Woodworking* of the freely offered, one-page column for the CKCA formerly appearing in *Wood Industry*. *Wood Industry's* long-standing policy is that we provide original content. The CKCA demanded shared content.

In each case, *Wood Industry* was confronted with a demand by these associations that it subordinate the rights of the readers (standards) to the rights of the cartel, members of the cartel or associates of the cartel. This was in the face of the facts that the WMC had been defunded by the government, the CKCA had fewer than three percent of Canada's cabinet manufacturers as members, and WoodLinks appears not even to exist in

any legal sense, although *Wood Industry* has asked repeatedly for its business registration or any evidence that it exists, beyond its activities in soliciting funds.

This raises an interesting question. Would the CWMDA members sell machinery that was not in compliance with published standards? Would the CKCA encourage cabinetmakers to use board products or adhesives that were not in compliance with published standards? Would the WMC endorse certifying students in WoodLinks, Conestoga or UBC that could not meet the required standards? Since one can hope the answer to each question is no, then it becomes the duty of each party to the promotion of *Woodworking* magazine to explain why, when they have been notified and advised repeatedly, do they persist in supporting only that publication with its profile relating to standards?

The Canadian Association of Journalists, in its *Policy Paper on Editorial Independence*, cites a statement from the *British Medical Journal*, “Problems arise when editors publish material that offends powerful individuals or groups, but that’s exactly why editorial independence is needed. Journalists should be on the side of the powerless not the powerful, the governed not the governors. If readers once hear that important, relevant, and well-argued articles are being suppressed or that articles are published simply to fulfill hidden political agendas, then the credibility of the publication collapses — and everybody loses.”

Why the concern?

In 2008, W.I. Media secured a loan from the Business Development Bank of Canada (BDC). As a condition of the loan, W.I. Media submitted a business plan that specifically stated its adherence to known magazine-publishing standards. Among those standards was “no editorial content as a condition of advertising.”



Woodworking Machinery and Supply Expo (WMS) 2007. Below: Cavalier or aggressive? Homag staffer Carsten Gleis posts a promotion of Homag’s concurrent and competing event on WMS owner Vance Publishing’s Facebook page.



On May 11, 2010, Isabel Bernier, agent for BDC through Montreal ad agency Zoom Armada, wrote to W.I. salesman Mike Neeb: “As for BDC, are you certain there is no possibility to get editorial content? Because the client had been very clear on

this campaign. They will consider only publication able to give them editorial content.”

Neeb wrote back: “I am not able to include editorial in our advertising contract, but I believe we are already talking to and writing about BDC’s client base. *Wood Industry* is an editorially driven publication with over 4,000 more audited readers than our

Woodworking magazine, as they provide us with the requested added value”

As *Wood Industry* pursued an explanation, BDC Vice President for Legal Affairs Francois Rivest said on August 8, 2011, “In conclusion, we maintain and repeat that BDC has never required editorial content as a prerequisite for advertising.”

Finally, on April 24, 2013, following Rivest’s retirement, this response from Assistant Vice President for Legal Affairs Geneviève Desmarais, “BDC considers this matter to be closed and will not respond to your allegations or future communications related to this matter.”

In short, BDC got W.I. Media under contract, then took its money, tried to require it to violate its own registered business plan and spent the money supporting a competitor to the detriment of W.I. Media.

The question, here, is not whether W.I. Media was treated fairly, but who loses. If all communication is to be subordinated to the whims of small-but-powerful special interests, even in crown corporations, it is clear W.I. Media loses. But so do all the supplier-competitors that are not part of the “in” crowd, and so do the taxpayers/readers. One can assume that TD Bank or BMO would not get the same deal from *Woodworking* as did BDC, or, if they did, that BDC would get territorial and demand yet more from its pet media or threaten to pull its ads. After all . . . it had a deal.

Top marketers learned about standards and the role standards play in school. Many carrying the current in-content banners didn’t learn that. They washed out or had a beer. You don’t need a licence to be a marketer, but

nearest competitor. I truly hope that BDC be able to see the value in advertising in Canada’s largest and most-read [wood sector] magazine.”

Bernier replied on June 14: “The campaign has been booked. The client has decided to go with

you don't need a court case to define content. If folks didn't know in their hearts fake editorial is wrong, they would not have to make up new names for it and new rationalizations. They could just substitute native advertising with native intelligence.

The problem with the proponents of in-content, "native" advertisers and ad tracking is that being invasive has a downside. The market does not like it. As an enterprising pervert discovered some years ago in Ontario, you can install a spy camera in a wingtip shoe and use it to look up from the floor. It's legal, within limits. But when the people you are working on find you have gone outside the limits, they raise serious questions about your judgment. In publishing, standards are designed to prevent the anti-social action, not allow it.

The reason the CAJ, the *British Medical Journal* and all the standards associations in media warn against the damage of gang-controlled media is that the damage is real, and it is measurable. Gang control of an industry leads to top-heavy administration, heavy-handed dealing, increased costs, decreased quality and financial damages (loss) to the affected industry. Because freedom of information is so important to civilization, laws against the media are virtually non-existent. However, the tragedy of self-regulation is when it fails.

Consider this: if the media, for all its warts and failings, comes under the fist of a gang of controllers, we will see the end of democracy, the end of capitalism and the end of freedom. Democracy, capitalism and freedom depend on the will of the governed, and the will of the governed is dependent on accurate, free and fair information. The first targets of

political criminals worldwide are communication and assembly. The first duty of freedom is to defend them. *Wood Industry* is accepting that duty.

The conclusion from the *British Medical Journal* and the listed professional standards is that extreme violations of known *standards* will result in loss of *organization* and loss of *economics*, as noted in the definition, above, of an industry. In that prediction, if the secondary wood industry in Canada is suffering from supplier control of the media, it should be trying to follow Canada's current economic recovery and the building permits, but finding it harder than expected. It is. Worse, it could be collapsing.

On the other hand, *Coverings*, *Wood Industry's* sister magazine for the Canadian floor-covering market, occupies a market niche similar to *Wood Industry* in Canada's "occupied space" sector. That market is keeping pace with building permits and GDP growth, and the magazine provides the ROI to such companies as Beaulieu, Proma and Custom Building Products to inspire them buy double-page spreads in the current (September/October 2013) issue, along with the more normal one-page and fractional ads. The reason may be that flooring has a healthy association, media and show organizational structure.

Wood Industry magazine sees itself as having been offered the option of complying with CWMDA demands or dying. However, we have been serving the interests of the industry in Canada for over 15 years, and doing it well, if you believe the Readers' Surveys. *Wood Industry* does not see the avarice and temper of a small cadre of aging salesmen as sufficient reason to quit. We also disagree with their implication

that other advertisers will see our stand as a stand against advertising. We may be only a small, inconsequential publishing company in Canada, but we are a publishing company and not a pool secretary for the wandering interests of a few self-styled marketing experts that never outgrew the propaganda policies of the '50s.

In the absence of the current battle, *Wood Industry* could apply its substantial resources, ideas, files and contacts toward pathways to China, the Mideast and beyond. We could affect governmental regulations and costs of compliance, as you have seen us do for a decade and a half. Even more, we could help create a wave of demand for Canadian goods that would exceed that of the heyday of 2008 and before. Communication, if intelligently used, works.

Most importantly, as required by our profession, we have maintained a record of reader focus for 39 years, and are still willing to stand and defend it because it works. So must the gang defend its actions, if they will just answer a call, respond to an e-mail or communicate with the market in any honest way. *Woodworking* refused to endorse even one set of professional standards of its choosing when asked to do so by *Wood Industry* in January of this year. The cartel is mute on all issues. It is hard to misinterpret that.

Of critical importance, not every member of the CWMDA is necessarily part of the problem, and certainly not every supplier using those dealers. Some suppliers have a global policy of not engaging in local politics. Others have weighed their budgets and made their choices based on many variables, and have seen the value in *Wood Industry's* readers, either along with or instead of

the pay-to-play, value-destroying gambit of the cartel. Still other advertisers have applauded our firm position and asked us to continue. Nobody is hurt worse by anti-competitive shenanigans than are the honest suppliers – the ones that pride themselves on value, not intrigue.

Wood Industry has also had personal discussions with the FMC trade show in Shanghai this month (September), and with the Wood Machinery Manufacturers of America (WMMA), both of which are looking to find ways around the current distribution system in Canada, and both of which have members and lines very compatible with Canada's meat-and-potatoes, small shops. They need to hear whether Canada will be responsive before they invest in Canada. Also, we must not forget the value in our own domestic machinery manufacturers, including General, AXYZ, Drolet and Conception RP.

Arguably, the group damaged most heavily by cartels is the excluded, non-cartel group of suppliers. They are the target if the goal is to limit competition. In one case this month (September 2013), an American machinery supplier had received several leads from advertising in an earlier issue of *Wood Industry* magazine. Disillusioned a few months later, he said he was leaving the Canadian market. He said his Canadian distributors weren't doing anything for him, hadn't spoken with him in months and were not returning calls. He said coming to Canada personally to sell a machine costs him too much, and that the market is finally doing better for him in the U.S. As a result, he is concentrating more on the States and not wasting time and money on Canada.

He also never heard a thing back about the leads from his

advertising that he gave his Canadian distributors. It is almost stunning that a distributor would receive six leads from a client that pays for his own ads and never return a call or make a sale on the client's behalf.

In addition to sales irregularities by dealers, every time the unethical (or illegal) actions of an offending group of suppliers are exposed, customers are likely to react against the entire category. One rotten apple, they say, spoils the barrel. This means one, unethical regional supplier could get exposed and the market would think his competitor or the country is guilty, as well.

Potential incoming suppliers have their own set of issues. Some feel the Canadian market has been closed to new suppliers that carry lines similar to those already represented by existing

dealers. Others feel they cannot control promotional budgets or react to service claims with their current distributors in Canada. Canadian provinces have varying regulations, from pre-start reviews to delivery requirements, and these can be intimidating to small suppliers from the States and elsewhere. People worry about who takes the hit if the currency changes, who will handle service and what brokerage options there are for duty – details that are supposed to be handled by the dealers. So far, for potential newcomers, asking a dealers' association with a closed membership and an over-60, inside-baseball marketing style won't work.

This attack from the machinery side was not altogether directed at *Wood Industry*. We got in the way. It started as an attack on the AWFS show, then the other

shows. The major magazines in the U.S. succumbed to machinery dealers' demands, and then to the financial losses that resulted. Associations, as well, are under pressure to provide a red-meat feeding frenzy for small groups of "supporting" members, rather than provide meaningful value for members.

Clearly, when a definable group of suppliers openly and repeatedly chooses to violate known, published standards and reject every attempt at education, there has to be a reason. To some degree there is the appearance of complicity. To some degree, there may be actual manipulation of markets. The industry has a right to know.

Canada's secondary wood-products industry deserves to thrive. Its manufacturers have the skill, the style, the raw materials and the incentive. It also has the character. As an industry, it needs *organization*, not a vendor dictatorship, and it needs an *economy* that is free to expand without permission. Most importantly, it needs *standards* to distinguish it from under-engineered, substandard, market-killing influences internally and from abroad.

The value-added wood sector in Canada does not need Homag; Homag needs to decide whether it needs the value-added sector in Canada. The value-added wood sector in Canada does not need Taurus Craco, Akhurst or SCM; Taurus Craco, Akhurst and SCM need to decide whether they need the value-added sector in Canada. The value-added wood sector of Canada does not need a gang of out-of-luck kickback artists deciding whether we need shows. Contrary to the record, trade

shows exist as a market for the market. Exhibitors should exhibit if they see value in the market, not a soft neck on a weak show manager.

The fat years are over, and little clubs of self-serving suppliers can no longer eat out on the industry's nickel without damaging the industry. Canada has made it this far in spite of outside interference, not because of it. In order to make it farther, we need to eliminate the corruption. It is not necessary that any one machinery dealer survive. It is not necessary that any one magazine survive. It is not necessary that fractured, supplier-dependent associations survive. It is, however, necessary that the industry survive. It must have survivable *standards*. It must survive *economically*. It must survive *organizationally*.

For this industry or any industry, the organizational aspect can only be met by credible, responsible and professional trade shows, associations and media. The idea these needs can be met by an organized gang of manipulators with one hand on your throat and one hand on your till must be rejected. The ball is in your court.

Watch for our annual Readers' Survey in our November issue. People will be looking for your opinion. 

Note: A media organization has an inescapable obligation to vigorously pursue comment from any person with a significant role in a story. The companies and individuals in this story have been offered chances to comment time after time, and have declined.

What to do

If you are concerned about this monograph, you have a chance to speak.

1. If you are going to WMS next month, stop by the *Wood Industry* booth (No. 5023), and pick up a button.
2. Stop by your suppliers' booths for a chat. It is especially helpful if you tell suppliers that are NOT participating in the attacks that you appreciate them.
3. Drop your suppliers a line and tell them you read this monograph. They will want to know your opinion.
4. If you speak with somebody you believe to be in the attacking group, ask them why they chose their position.
5. You could choose to boycott Homag, Akhurst and Taurus Craco for three months, and SCM and CNC Automation for two months. Send a note to appropriate companies that you have seen this monograph and have decided to boycott.
6. Contact FMC, WMMA, Allied Machinery, Canadian Woodworker, Golden Hill, Drolet or Masse Sales, as well as all of our domestic manufacturers and ask whether they can meet your needs for sales, service, repair, support and delivery.
7. Ask suppliers that run through existing dealers in Canada whether they are happy with the situation.
8. Consider buying equipment and hardware only from companies that advertise to the market or do not advertise.

Post comments or download this monograph in pdf format at www.woodindustry.ca.

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