



NEWSLETTER

PROBUS CLUB VANCOUVER

#252-2025 West 42nd Avenue, Vancouver B.C. V6M 2B5 (604) 261-6818

Clubs for retired and semi-retired professional and business persons, former executives and others

NEXT MEETING: Tuesday July 17, 2001

TIME: 9:30 AM

LOCATION: Stanley Park Pavilion

**SPEAKER: Captain Gordon Houston,
President, CEO, Vancouver Port Authority**

TOPIC: The Vancouver Harbour

Minutes from June 19, 2001

Attendance: 136 and 6 guests

President John Hopkins opened the meeting at 0954. We have received thanks from Mary O'Neil, wife of the late **Peter O'Neil** for our donation to the Lions Gate Hospital in his memory. **Pidge McBride** was welcomed back after his recent surgery. **Doug Lambert** received our grateful thanks for organizing the enormously successful Tar Sands trip. He in turn thanked **Don Codville** and **Brent Scott** for their assistance. This was a large undertaking and a lot of information was brought back for the membership. **Dick Matthews** announced that the membership list is once again wait listed. **Tom McCusker** announced the Cariboo Prospector train trip is almost sold out. 60 people in a Budd car, breakfast and dinner served. Lunch on your own in Lillooet. Leaves North Vancouver, September 11th, at 0630, Lillooet at 1200, return North Vancouver 2115. Special meals require two weeks notice. No refunds unless there is someone willing to take your place.

Jimmy Robinson introduced the guest speaker, Mr. Peter Bentley, whose extensive CV is in the May NEWSLETTER. His topic, - "**Forestry in BC**" focused on the changes that have happened in the past 50 years in the industry. The global trend to "bulking up" of companies has occurred. As an example he

listed 23 lumber companies that no longer exist in BC:

Bay Lumber, Canadian Western, Robertson & Hackett, The Powell River Co., Rustad, BC Forest Products, Jacobson Bros., Fort St. John Lumber, Tahsis, Columbia Cellulose, Evans Products, McDonald Cedar, MB King, Alaska Pine, Crown Zellerbach Bloedel, Stuart & Welsh, Elk River, Lloyd Brothers, Balfour Guthrie, Cattermole Tretheway, Flavelle, Pinette & Therrian, MacMillan Bloedel, and there are others. Similar consolidations have taken place in the Pulp and Paper industry. Attracting capital and the deregulation of US railroads are the primary reason. To start a sawmill, capital of \$36-72M as opposed to \$10M in the 70's, is required. This will produce 1.8M FBM per day as opposed to <0.8M FBM per day in the 70's, using a smaller log and producing a 100% kiln dried and planed product. Consolidation began in Scandinavia, then moved to the USA and now Japan.

Canfor as an example has a capacity of 3.0 Billion FBM annually and is the chief supplier to Lowe's and Home Depot who are growing 20% annually. The bar code information on every sold item is transmitted directly to Canfor who then replenish the shelves weekly with a truck load from a railroad reload centre. Invoicing occurs weekly with no middle-man involved.

The US softwood struggle is currently restraining increasing capacity and thus restraining cost improvement. Canfor's operations were curtailed 480 M FBM last year by the countervailing and will be curtailed another 275 M this year.

President:
John Hopkins
985-8422

Director,
Probus Canada
Pidge McBride
274-0446

Past President:
Roy E. Williams
926-4727

Vice-president:
Norm Weitzel
925-3574

Secretary:
Don Farquhar
948-9908

Treasurer:
Bill Wallace
947-0340

Speakers
Committee:
Fred Cotton
266-7060

Membership
Committee:
Dick Matthews
922-0358

Visits and
Entertainment:
Tom McCusker
261-4763

House Committee:
Doug Lambert
266-2422

Greeters
Committee:
Leo Sauve
925-2702

Rotary Liaison:
John Hoyle
926-2667

Historian and
Archivist
Peter McCabe
224-4870

Deregulation of the US railroad industry has changed rates from being a set point A to point B rate. Now negotiating rates are a private matter between the shipper and the railroad. To obtain lower rates one of two criteria have to be met - be a large volume shipper in total or guarantee delivery of not less than 50M FBM to a single destination. Therefore a big shipper such as Canfor which has 20 reload centres in the States and can commit 50M FBM to each of these destinations obtains significantly lower rates than a small shipper.

Surviving the ten years of NDP government has been a difficult task. Costs, stumpage, and new taxes have been imposed significantly in excess of that negotiated and discussed and agreed to by government. The only government official who dealt with the industry with integrity was Dan Miller.

QUESTIONS: There were a large number of questions ranging over future markets, relations with the new BC government, US countervail duties, environmental concerns, pine beetle devastation, Pulp and Paper Plant pollution in Howe Sound, log export, etc.

Doug Bajus thanked Mr. Bentley for his interesting and informative presentation.

Don Farquhar,
Secretary

PRESIDENT'S MESSAGE



Trust everyone is having a great summer and enjoying this great Province of ours.

In this regard Tom McCusker and the Visits & Entertainment Committee continue to be active. On June 7th, fifty (50) members arose early to catch a 6:00 a.m. charter flight for a visit to the Fort McMurray Tar Sands operation in Northern Alberta.

This world class mining operation, which has developed an economical method of extracting oil from the tar sands, is HUGE and difficult to comprehend unless seen. The proven reserves are greater than those of Saudi Arabia and as you can imagine are most important to Canada as well as the United States.

Sincere thanks go to Doug Lambert and Don Codville for a super job of making all the arrangements. Special thanks also go to member Brent Scott (former Syncrude CEO) who helped open a few doors!

The next event is a rail trip to Lillooet & return on Tuesday September 11th, and tickets are going quickly. Cheques are required at the July meeting - cost \$115.00 per person.

As mentioned work is proceeding on a Roster, which may not be available until the fall. In the meantime several copies of a temporary roster will be available at the July meeting. Look forward to seeing you then.

John Hopkins
President

NOTICES AND ENTERTAINMENT:

ALL ABOARD, DON'T DELAY, BOOK TODAY! There are 10 seats left on the return BC Rail trip to Lillooet on September 11, 2001. \$115.00 per person, includes breakfast and dinner. Leave at 6:30am and return 9:15pm. Sign up at next meeting.



ROSTER:

We are in the process of updating our roster. If there is any error in your address label please advise the office at 261-6818 to correct. Thank you!

JULY GREETERS:



**LAURIE MARANDA
NEIL GRAY**

VANCOUVER PORT AUTHORITY

Captain J.G. (Gordon) Houston

Captain Houston was born and raised on the Isle of Bute, close to the west coast of Scotland. His career at sea spanned 24 years during which time he traded worldwide in bulk carriers up to 85,000 tonnes and was in command for 10 years.

In 1988 he became the Harbor Master for Prince Rupert and in 1991 took a position with the Vancouver Port Authority as Harbour Master. In November 1996 he assumed the position of Vice-president, Operations with responsibility for Port Development, Environment, Engineering and Maintenance, Security and the Harbour Master's office. March 1, 2001 he became President & CEO of the Vancouver Port Authority.

Captain Houston is a graduate of Liverpool and Glasgow Universities, and of the Emergency Preparedness College in Canada. He currently holds executive positions on a variety of professional, industry, community and charity boards.

