



# 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:** JUNE 15, 1999  
**TIME:** 9:30AM  
**LOCATION:** Stanley Park Pavilion  
**SPEAKER:** M.P. John Reynolds  
**TOPIC:** Reform - plus or minus United  
Alternative

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Minutes from May 18, 1999

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**Attendance:** 108  
**Guests:** 6 were introduced by their sponsors.

**CALL TO ORDER:** Pidge McBride opened the meeting at 9:59AM and announced plans to attend a meeting in Saanich of executives of several Probus clubs which should be very informative.

**FINANCES:** Commenting that the Treasurer was tired of dividend demands Pidge reported for him, that the club's bank balance is \$9,316.00.

**MEMBERSHIP:** The President advised that current membership is 207 and John Hopkins will be contacting members to obtain information on their background.

**SPEAKERS:** Brice Macdougall announced that the next speaker will be Reform Party M.P. John Reynolds. The topic will be "Reform plus or minus United Alternative" and the formal debate and vote on the proposal will be June 11 - a few days before the Probus meeting.

**ENTERTAINMENT:** Jim McPherson and Bill Manson reported on the golf tournament and the day at the harness races. Both were well attended and enjoyed by the participants.

**INTRODUCTION:** Don Moir introduced Les Reed, providing details of the experience which has resulted in his expert knowledge of the world timber situation.

**B.C. TIMBER SUPPLY OUTLOOK** Despite a steady yearly increase in global demand for manufactured forest products and a 20% decrease in supply of industrial Timber since 1990, the B.C. forest industry has been in a steady decline since 1992. This was not caused by the "Asian Flu" which started in late '97, but is due to a series of NDP policy moves - some outright blunders.

### TEN FOREST POLICY DISASTERS

1. **PROTECTED AREAS** - '92 NDP targets of 12% of B.C. area for parks and protected areas. Pressure from environmental groups caused disproportionate removal of prime timber lands scheduled for harvest while 2nd growth maturing. Designated areas have reached 11.2%, but because of constraints near boundaries defacto reserves are more like 15%-20%. Greenpeace et al are trying to stop all mid-coast logging and to establish Y2Y - a corridor from Yellowstone Park to Yukon - 1/3 of B.C. Canada leads all northern hemisphere countries in share of industry protected lands and B.C. leads all the provinces by a wide margin.
2. **FOREST RENEWAL B.C.** - An agency created in '94 with annual budget of \$550 million, funded by "super stumpage" of \$12/m<sup>3</sup> on annual harvest. About 1/2 budget to be spent on increasing and improving managed forest land and intensive silviculture. To date, silviculture has received less than 5 cents on the dollar instead of 50 cents. The fund has been plundered by politicians - no details are available from F.R.B.C. and the 6 outside directors account to no one. A good concept smothered in infancy.

**President:**  
Pidge McBride  
274-0446

**Past President:**  
Fred Cotton  
266-7060

**Vice-president:**  
Roy E. Williams  
926-4727

**Secretary:**  
Don Farquhar  
948-9908

**Treasurer:**  
Bill Wallace  
222-2365

**Speakers  
Committee:**  
Brice Macdougall  
922-5321

**Membership  
Committee:**  
John Hopkins  
985-8422

**Visits and  
Entertainment:**  
Jim McPherson  
922-2742

Bill Manson  
988-2365

**House  
Committee:**  
Doug Lambert  
266-2422

**Greeters  
Committee:**  
Norm Weitzel  
925-3574

**Rotary Liaison:**  
John Hoyle  
926-2667

3. **STUMPAGE** - Government finally concedes stumpage rates unbearable. '98 reduction of \$6/m3 inadequate. Other provinces much lower. B.C. needs a new, simple system, responsive to market prices.
4. **FOREST PRACTICES CODE** - "Cook book forestry" - codification of all forest practices into detailed "do's and don'ts" instead of mandating results, has created a bureaucratic nightmare. Guidelines and regulations exceed 2 meters thick. In '97 a report to government showed 92-96 logging costs - before stumpage - increased by more than 50% on the coast and in the interior.
5. **JOBS AND TIMBER ACCORD** - In '97 another bureaucracy, New Forest Opportunity was to create 37,800 direct and indirect jobs. Newfo was to utilize displaced IWA workers for silviculture tasks. About 15,000 jobs have been lost since implementation. Many of the 300 plus silviculture contractors and their 18,000 employees have been displaced. Newfo costs are double the contractor costs, so 1/2 the area is treated for the same budget.
6. **TENURE REFORM** - Concern over license concentration in few companies. In '98 top 10 licenses had only 56% and the next 10 only 17%. Forget this and focus on restoring industry competitiveness. Privatization won't work because no buyers in face of aboriginal claims. Reforestation of timber supply area - Ministry of Forests responsibility - is very delinquent and funding of intensive silviculture is a must.
7. **CLEAR CUTTING** - Allowed under F.P.C. with reduced cut blocks. It is safe, cost efficient with proven reforestation results. In '98 M&B bowed to environmental pressures, announcing 5 year phase out in favour of "Variable retention logging" - a curious unproven mix of small clearcuts with patches, strip cuts, selection cuts and other variations. It will reduce available timber by 10% and increase costs, another blow to local communities. WFP actually proposed this earlier and others are being pressured. Critics claim regeneration is uncertain, blow down and disease will proliferate and loggers injuries will be prohibitive. Greenpeace et al may not like the results - a dangerous gamble!
8. **COMPENSATION** - NDP has not enacted legislation promised in '92 to fairly compensate industries for resources taken. Our challenges are growing, further eroding investment climate. There is no free park, just as there is no free lunch.
9. **NISGA'A TREATY** - Ownership or control 2.6 million hectares (1/3 size of N.B.). Potential annual cut 500,000 m3. B.C. cost estimate \$486 million. Independent conservative estimate is \$1.3 billion. This precedent applied to 60 pending treaties results in native control of 56 million hectares of land - more than 1/5 annual timber harvest - possible taxpayer cost of \$40 billion. Implications: dislocation of existing supply - higher wood costs - increased log exports, etc. - claim settlements over 15 years - Natives control forestry and land use policies - investor uncertainty compounded by Nisga'a treaty.
10. **FOREST STRATEGY** - No current supply target in Victoria. Last reduced target (50-60 million m3 - '94) set before F.P.C. and other constraints in place. No other province targets below current harvest. NDP policies implemented without considering cumulative negative impact. If you don't know or care where you are going, any old road will get you there!

## TRENDS -

- 1946-1987 B.C. harvest moved from 20% Canadian total to over 50%.
- 1988 - 1998 steady decline - 44% on the coast
- Log size and grade mix (sawlogs vs pulplogs) also suffered.
- 1998 industry new loss \$1 billion - British Columbians want trends reversed.

**FUTURE** - industry unrest imminent under current policies. **Reed's recipe for trend reversal**, improved annual harvest and a robust forest industry will follow:

- **INTENSIVE SILVICULTURE** - thinning and fertilizing immature stands hugely beneficial.
- **PROTECTED AREAS** - No new parks, redefine existing boundaries and buffer zones.
- **FOREST RENEWAL B.C.** - Shut it down. Put silviculture funds in trust, out of hands of politicians. Confine research to urgent questions like growth and yield. Return other programs to appropriate ministries.
- **STUMPAGE** - Transport Alberta formula - simple and responsible to market prices. Reduce stumpage immediately, to reflect FRBC closure.
- **FOREST PRACTICES CODE** - Return to a regulatory system of management for results by professional foresters and eliminate bureaucratic red tape.
- **JOBS AND TIMBER ACCORD** - It and Newfo are thoroughly discredited, shut them down.
- **TENURE REFORM** - Urgent problems of timber supply and wood costs can be solved without changing licenses or privatizing public forests.
- **CLEARCUTTING** - Encourage experimental harvesting systems but don't force unproven methods which increase costs and reduce volumes.
- **COMPENSATION** - Prompt, fair compensation for lost timber is essential to restore investor confidence.

- **LAND CLAIMS** - Put on hold until the full impact and cost of the Nisga'a settlement are known.
- **FOREST SECTOR STRATEGY** - Realistic targets are needed for forestry, mining, recreation and other public land uses, supported by cost/benefit analysis, in place of current reckless and irresponsible ad-hocery.

Implementation of these recommendations now would result in increase in volume, quality and value of available softwood timber at significantly reduced costs by 2010.

## QUESTION:

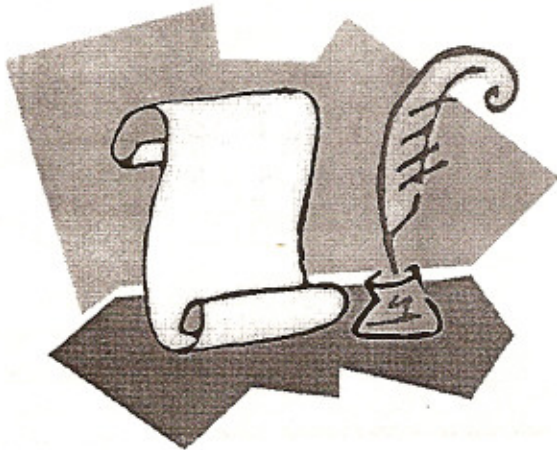
- Sweden has overtaken B.C. by intensive forest land management resulting in quality Swedish products.
- Move to Alberta stumpage system would cause problems with U.S. but we must scrap the U.S. agreement.
- B.C. is harassed by Greenpeace and other environmentalists while Sweden and other European countries are not. They have no old growth, only managed forests. Greenpeace leaves Europe alone.
- Liberals vs NDP - Liberals listen carefully - take copious notes - ask good questions - expect they would do 10 times as well as NDP over last 7 years for the forest industry.
- Gary Bowell stated that until 1990 the forest industry had been Canada's strongest engine - B.C.'s present decline is the direct result of bad government policies - what is needed now is strong leadership to rebuild the industry.

John Southcott, with some wry comments about forest industry investments, thanked Les Reed for his very thought-provoking presentation.

The meeting terminated at 11:20am.  
Dick Matthews, meeting secretary.

## JOHN REYNOLDS

John Reynolds (West Vancouver-Sunshine Coast) born January 19, 1942 in Toronto, Ontario. Son of Thomas Douglas Reynolds (dec.) and Helen Alberta Martindale. Educated at Ross H.S., Montreal. Married to Yvonne. Seven children: Paul, Mike, Rob, Kelly, Katie, Neil and Christopher. Six grandchildren. **POLITICAL CAREER:** **Provincial:** First elected to the B.C. legislature, general election 1983. Re-elected general election 1986, Speaker 1986-89. Minister of the Environment, 1989-91. **Federal:** First elected to the House of Commons general election 1972 (P.C.Party). Re-elected general election 1974 and 1997 (reform Party.) Caucus chair for Supply and Services. Member of Standing Committees: Justice and Legal Affairs, Sports and Fitness, Health and Welfare, (1972-77). Appointed Official opposition Critic for Citizenship and Immigration, 1997. Appointed Justice Critic, 1998. **PRIVATE CAREER:** Sales and marketing, 1958-72; Manager Ethicon Suture, 1962-72; Director International Corona Resources, 1981-82; Talk show host CJOR, 1977-81. Founder and chair, Gordie Howe foundation for Disabled Athletes. 1984, Board of Governors, 1994 Victoria Commonwealth Games Society, member International Churchill Society, 1995. Party address:Legislature office, Rm. 763 Confederation Building, House of Commons, Ottawa, Ontario K1A 0A6 Phone(613)947-4617, Fax:(613)947-4620



### **PRESIDENT'S MESSAGE:**

Roy William's and I have just attended a meeting with all the other 16 Probus Clubs in B.C. The meeting was sponsored by the Saanich Probus Club and was held at the Laurel Point Hotel. It was a very interesting meeting, with all the clubs outlining their yearly activities. It was most surprising to hear the various clubs relate their agendas. How similar they were to ours. We will publish, in the next bulletin, a complete review of this meeting. Our attendance, I feel, was most beneficial.

Have a fine day and we look forward to seeing you all on June 15th.

M.P. McBride