



NEWSLETTER

PROBUS CLUB VANCOUVER

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

www.probusvancouver.com

October 2012

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Next Meeting: Presidents' Luncheon
October 9th, 2012

Time: 9:30 am

Location: Marine Drive Golf Club

Speaker: Joseph Caron

Topic: China and Japan through Thick and Thin

UPCOMING EVENTS

October 9th – Presidents' Luncheon

October 23rd – Reifel Bird Sanctuary Tour



JOSEPH CARON

Former Ambassador to China and Japan

Joseph Caron was born in Windsor, Ontario. He graduated from the Université d'Ottawa with an Honors B.A. in 1970.

Mr. Caron joined the Trade Commissioner Service in 1972, and served abroad in Saigon and Ankara, Turkey. In 1975, he began Japanese language studies, and subsequently served three times at the Canadian Embassy in Tokyo, including as Minister and Head of Chancery.

During the 1980s, he undertook private-sector assignments with responsibilities in Japan, China, Hong Kong, Korea and Taiwan. He served as Manager for Asia for the Council of Forest Industries of British Columbia, based in Tokyo. He also worked briefly for the Potash Corporation of Saskatchewan, responsible for South and South East Asia.

In Ottawa, he has held several positions related to Asian and international economic affairs, including serving in the Foreign and Defense Secretariat of the Privy Council Office under

Prime Minister Trudeau. He was also deeply involved in G-8 Summitry, actively participating, over the years, in eight Economic Summit Meetings. In 1998, he became Assistant Deputy Minister for Asia-Pacific at the Department of Foreign Affairs and International Trade.

From 2001 to 2005, Mr. Caron served as Canada's Ambassador to the Peoples' Republic of China, with concurrent accreditation to North Korea and Mongolia. From 2005 to 2008, he was Canada's Ambassador to Japan.

In August 2008, Mr. Caron became High Commissioner to the Republic of India, with concurrent accreditation as Ambassador to the Federal Democratic Republic of Nepal and the Kingdom of Bhutan. He served in India for two years, and retired from the Canadian Foreign Service during the summer of 2010.

In the fall of 2010, Mr. Caron was appointed to the Board of Directors of Manulife Financial, and its Resource Management and Compensation Committee. In September, 2011,

he was also appointed to the Board of Directors of Vancouver International Airport.

In October, 2011, he was accorded an Honorary Doctor of Laws degree by York University and the Schulich School of Business.

Mr. Caron is Special Advisor for Asia Pacific at the prominent Canadian law firm of Heenan Blaikie. He is also a Distinguished Fellow of the Asia Pacific Foundation of Canada and an Honorary Research Associate at the Institute of Asian Research of the University of British Columbia.

He is married to Kumru Caron and they have three children.

Report of the September 11th Annual General Meeting

Attendance: 187 members and guests

President **Don Newman** called the meeting to order at 10:00am, welcoming all attendees and the guest speaker, Mr. Ian D. Anderson, President of Kinder Morgan Canada. **Brian Wasson** acted as Secretary.

The President acted as Chair of the second Annual General Meeting of the Society, minutes of which are available separately.

The Chairman introduced the incoming 16th President of the Probus Club of Vancouver, **Wayne Audette** whose first act on assuming the Chair was to present **Past President Don Newman** with the Probus Past Presidents' Pin along with praise for Don's outstanding leadership and service to the Club.

Membership Committee Member **Orrin Webber** then introduced three new members (see Welcome New Members).

Activities Committee Chairman **Bill Robertson** announced that there is space for members and guests for the Reifel Bird Sanctuary Tour on October 23 (See notice inside for details).

Norm Leach introduced the speaker, Ian D Anderson, who spoke on Kinder Morgan Can-

ada's application to twin the TransMountain Pipeline between Edmonton and the Lower Mainland.

Mr. Anderson started his presentation by saying that the Province and Canada are at a fascinating time for the future development of the country's petroleum resources including Enbridge's Northern Gateway Project and the doubling of the TransMountain Line from Edmonton to the Coast. Unlike Enbridge's project, the TransMountain line has been in operation over the past 60 years. Approval for its construction and operation was given by Canada in 1951 and the line went into operation in 1953.

The pipeline is 1156 km in length and travels from Edmonton to the Greater Vancouver area and Puget Sound. Its capacity is 225,000 barrels per day (bpd) which was increased in 2005 to 300,000 bpd by twinning a section through Jasper National Park and Mount Robson Provincial Park. It now carries light and heavy crude as well as refined products such as gasoline and diesel. Its capacity is equal to 1,400 tanker trucks leaving Edmonton every day. Along its route there are 1,187 stream crossings, some in treacherous terrain. It represents 1,100 of the 100,000km of oil pipelines in Canada. One of its more unique characteristics is that it can move "batches" of different products in sequence rather than just oil.

Expanding the capacity of the TransMountain Line has been considered since 2000 by means of the twinning of the pipeline for the entire length. Between October, 2011 and February, 2012 Kinder Morgan Canada called for tenders to secure binding 15 to 20 year transportation contracts with domestic and foreign oil refiners for a planned increase from 300,000 bpd to 750,000. This expansion contemplates increased tanker traffic from 4 to 5 a month to 20 or 25. Kinder Morgan has calculated an enormous unmet demand firstly from California and then Asia. As an example, shipments to China in 2009 were 4 vessels, in 2010, 12 vessels, in 2011, 13 vessels.

Kinder Morgan Canada has filed its Commercial Application earlier this year and has scheduled filing its Facilities Application at the end of 2013 with operations to commence in 2017. Mr. Anderson is anxious to have every voice heard, with the objective of having a full and open process.

The cost of the expansion project is \$4.1 Billion Dollars. There will be 900km of additional pipeline, 13 new pumping stations, increased tankage at several locations and an additional loading berth at the Westridge Dock in Burnaby. As part of the overall project, there will be incremental improvements to existing facilities.

Mr. Anderson made it clear that Kinder Morgan does not own the petroleum products transported over its pipeline. Title transfers from the refiner or producer at the point of delivery to the customer at the end of the line, the dock on tanker deliveries or the customers' storage tanks. He stated that Kinder Morgan is very involved in ensuring that marine safety standards are met by itself and the vessels that visit the dock. As the Vancouver Harbour stands now, the largest vessels that can be loaded are Aframax loaded to 90% of 600,000 barrels capacity. Larger vessels could be accommodated if the Second Narrows were dredged but that is not in the cards at this time. Tankers for this service have to be a maximum of 15 years old, double hulled and be highly regulated in service with two pilots and tethered escort tugs.

In the event of mishaps, there is a Western Canadian Marine Response Corporation which is funded by a consortium of refiners and pipelines to attend to spillages.

The benefits to the Province from the expansion project are tremendous: financial input into local communities; some four billion dollars in construction; the doubling of municipal taxes and an annual operating expenditures of \$77 Million are highlights.

Heavy Bitumen is a new product for the Trans-Mountain Pipeline. It is Mr. Anderson's position that it is no more risky to transport bitumen

than crude oil. The mix proposed for the future is 450,000 barrels of bitumen and crude oil and 300,000 barrels of light products.

After Mr. Anderson replied to a number of questions, he was thanked for his candid and informative presentation by **Bob Paul**.

Meet New President Wayne Audette



At our recent AGM, Wayne Audette was elected as the 16th President of our Club which he joined in 2003. He served two years as Treasurer and one term as our Vice President.

During his professional career, Wayne held senior financial positions at St. Paul's Hospital, WorkSafeBC and several private sector companies in BC and Quebec. He is a past President of Financial Executives International, Vancouver chapter.

Wayne was born in Vancouver, grew up in Montreal and attended Loyola College and McGill University leading to his Chartered Accountant designation in 1966. After returning to Vancouver in 1976, he served on a number of committees of the Institute of Chartered Accountants of BC, and taught evening Advanced Accounting courses at BCIT. He is a past Director of the Rotary Club of North Vancouver.

Wayne is an active golf member at Shaughnessy, serving two years on its Finance Committee. Married to Ginny for 45 years, they have one son, two daughters and five grandchildren.

PRESIDENT'S MESSAGE



This is the first of what will likely be a monthly communication from me. It is my intention to keep them brief and informative.

At the AGM outgoing President Don Newman was recognized and thanked for his efforts and leadership during the past year. We plan to take full advantage of having inherited a talented and energetic Management Committee team from him. Don, in his newsletter Message last month, expressed his appreciation to each of the members of that team.

Although I have met numerous members of our Club over the past 10 years, it is my wish to meet many more during the coming months. If you are one of those I have not met, please look for me at an upcoming meeting or event and introduce yourself. Be sure to wear your name badge!

Your management team knows full well that most members attend our monthly meetings, and other activities, to socialize with fellow

members and to learn something from exceptional guest speakers or to tour a special venue. The behind the scenes organization effort is largely invisible, as it should be. All of which is to say that even though the overall task is large, with a dozen team leaders and numerous committee volunteers, no one individual has an onerous workload. If you don't believe me, then plan to attend an upcoming committee meeting as a guest and see for yourself. If you do believe me, then please consider volunteering to join a committee of your choice.

Several members are new to the Management Committee - having graduated from Vice Chair positions. By way of introduction, they will each be featured in upcoming issues of the Newsletter, complete with photographs so you will instantly recognize them in the audience or hallways.

Our next bi-monthly Management Committee meeting is scheduled for early October. We will establish some team goals and objectives at that time. If you have any suggestions for change or improvement to the Club, please contact me by phone or by e-mail.

ROTARIANS' INVESTMENT CLUB

The Club was formed in 1998 by a number of Members of the Probus and Rotary Clubs, and meets on the last Thursday of every month at the RVYC on Point Grey Road at 6.30 pm with a no-host bar at 6.00 pm; the next one which will be on Thursday 25th of October.

During our excellent 3 course dinner (wine/taxes/gratuities included for only \$50.00) we have guest speakers and from our own membership on educational and other topics of interest to investors, plus from our Odlum Brown advisor. You will particularly enjoy the fellowship and round-table discussions by members on their investment ideas and strategies at our meetings.

Our Agenda for October will include an in depth study by some of our members and a guest speaker on the topic of Oil and Gas investments. September included an update of a previous report by a member on REITS; a report on Gas Frac., Cameco, and a review of our stock picks proposed by members. We shall be pleased to e-mail you an Agenda in the week before our meeting if you will advise John Sullivan of your e-mail address.

You are welcome to attend one or two meetings before you decide to join, and if you have questions please call Terry Miller 604-454-7477 (President); Allen Coombes (Program Chair) 604-922-0436 or John Sullivan (Past-President) 604-714-4773 (johnwsullivan@shaw.ca)

TOUR OF REIFEL BIRD SANCTUARY Tuesday, October 23rd

The George C Reifel Migratory Bird Sanctuary on Westham Island, west of Ladner is one of Canada's best bird watching sites. Autumn offers particularly spectacular viewing as some 70,000 snow geese rest and feed in these 850 acres of managed wetlands, natural marshes and low dykes on their journey to their nesting grounds in Russia. They join millions of other migrating and resident birds; over 280 species have been observed. A two storey (10mm high) observation tower is located in the northwestern corner and provides an excellent view of the shallow ponds, the intertidal marshes of the Fraser River estuary outside the dikes, the ocean and landmarks in the Vancouver area. A second viewing area is only a 15 minute walk from the entrance gate and overlooks the marshy islands and ponds of the south half of the Sanctuary.

10:00 AM – Welcoming Tailgate Coffee Party in the Reifel Parking Lot. Coffee & Pastries- a great time to socialize

10:45AM – Guided Tour of the Sanctuary- 5 individually guide groups (organized by Club member Adrian Grant-Duff).

DRIVING INSTRUCTIONS - From Vancouver, head south on HWY 99, passing through George Massey Tunnel. Take HWY 17 South heading in the direction of the BC Ferries. Turn right (west) at Ladner Trunk Road; it becomes 48th Avenue. Stay on 48th Avenue and cross Elliot Street – it now becomes 47a Avenue. Continue west on 47a Avenue. It becomes River Road West. Continue on this road until you come to the Westham Island Bridge. Cross over the bridge and stay on Westham Island Road until you come to the Reifel Bird Sanctuary.

Wear good walking shoes and bring rain gear in case of inclement weather.

YOU MAY REGISTER:

- 1) At Probus monthly meeting at the Activity Desk
- 2) Pay on-line at Probus website using Pay Pal
- 3) Mail registration form and payment (\$20 per person):

To Bill Robertson 3711 Puget Drive, Vancouver,
B.C.V6L 2T8

- 4) E-mail: robertsonwd@hotmail.com
604-269-0745

Deadline for registration: Oct 19th Cancellation

Deadline Oct 19th

MAKE CHECK PAYABLE TO PROBUS CLUB
VANCOUVER

NOTE – You are not registered until payment is received.

WELCOME NEW MEMBERS

Howard Bampfield – Research and Intellectual Property Management

Derek Mullan – Lawyer

Ken Tolmie – Business Manager