

'RESHAPE INDUSTRY'

B.C. forestry change needed

VANCOUVER (CP) — Calvert Knudsen, president of MacMillan Bloedel Ltd., said Tuesday that if the British Columbia forest industry is not reshaped, it will remain a marginal supplier that can only get a share of business when markets are booming.

Knudsen said without changes, there will be major layoffs when markets toughen because B.C.'s high-price products will be unsalable once prices soften.

"This is not what we want and it can be avoided if we have the will and good sense to take action in good times to avoid disaster in bad times," he told a forest industry planning conference organized by the Vancouver chapter of the North American Society for Corporate Planning Inc.

"We should adopt an explicit forest resource policy aimed at restoring the industry to good health and keeping it in that condition."

Knudsen said logging guidelines, imposed by the B.C. Forest Service and blamed for the doubling of wood extraction costs, should be modified to reduce overheads.

"We should also eliminate discriminatory differentials in stumpage rates among large and small producers."

"Second, we should settle our labor contracts expeditiously, without work stoppages, and on a non-inflationary basis. Wildcat strikes should be abandoned as an acceptable method of handling a dispute."

Knudsen said a third step must be to attempt the modernization of logging, log transportation and log conversion in order to improve productivity and impart additional added value to export sales.

As a fourth step, he suggested that B.C. and the federal government lower their combined tax on the forest industry to a rate not exceeding 40 per cent.

Knudsen said that at present, the B.C. forest industry pays the highest income tax rates in North America, in addition to having the highest wage rates, highest interest rates, highest construction costs, highest import duties and highest equipment costs on the continent.

Blame must be shared

Mearwhile, Kenneth Shields, of Pemberton Securities Ltd., told the meeting that labor, management and government "must accept their fair share of the blame for the current stage of the industry."

"Through co-operation, I am sure we can find the means of improving our competitiveness and enhancing our future prospects," Shields said.

He said the problems facing the industry are a result of escalating logging and wage costs, lack of capital investment and stalled productivity.

A key factor in the decline in productivity, Shields said, has been inadequate investment in modernization and new facilities because of escalating costs.

The capital-intensive forestry industry has been affected by inflation far more than other Canadian industries and the cost of building new facilities has increased dramatically when capital is hard to find, he added.

Shields estimated that \$364 million must be spent over the next seven years by the coastal lumber industry just to replace obsolete lumber capacity.

A surplus of woodchips is also harming the forest industry, he said, with pulp and paper mills cutting back on chip use because of the sagging pulp markets.

Thomas Buell, president and chief executive officer of Weldwood of Canada Ltd., said the solution to the problem of chip surplus requires the development of a chip export market and the construction of new consuming facilities.

However, it is unlikely new capacity will be built without innovative incentives, he added.

Clyne steps out

VANCOUVER (CP) — J. V. Clyne, for many years a power in the MacMillan Bloedel Ltd. empire, will not be nominated for re-election as a director.

Frank Britton, corporate secretary of the company, said Tuesday the nominating committee had decided not to put forward Clyne's name at the company's annual meeting April 26, at Clyne's request.

Clyne, a self-made lawyer-industrialist who celebrated his 75th birthday last month, became chairman of MacBlo in 1958 and retired in 1973.

During his tenure, the firm's sales multiplied to \$996 million a year from \$160 million.

Britton said the board has long had a guideline that it retire at 75, "although this is not mandatory."

SCHOOL DISTRICT NO. 57
PRINCE GEORGE, B.C.

NOTICE TO CONTRACTORS

Subcontractors and suppliers are invited to submit tenders for the District Administration Centre. The work consists of the conversion of Winton School. Proposals for the Construction Management of the project are to be invited separately.

The following sub-trade tenders are invited:

- | | |
|-------------------------------|---|
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| Millwork | Carpeting |
| Roofing and Sheet Metal | Moveable Partitions |
| Glazing | Heating, Ventilating and Air Conditioning |
| Stuccowork | Sprinkler System |
| Suspended Acoustical Ceilings | |

Trade tenders endorsed "School District No. 57 Administration Centre", shall be deposited at the Prince George Bid Depository or the Vancouver and Lower mainland Bid Depository up to 3:00 p.m., local time, Wednesday, 13, April 1977. Bid Bonds in the amount of 10 percent of the tender must be provided where required by depository regulations. Where Bid Bonds are required the successful trade contractors shall provide a 50 percent Performance Bond and in addition a 50 percent Labour and Materials Payment Bond shall be provided by heating and ventilating and sprinkler systems trades.

Tenders are also invited for the supply of the following items:

- | | |
|-------------------|----------------------|
| Metal fascias | Plumbing Fixtures |
| Metal Door frames | Electrical Equipment |
| Finish Hardware | Toilet Partitions |

Sealed tenders for materials and equipment endorsed "School District No. 57, Administration Centre", will be received at the office of the undersigned up to 3:00 p.m., local time, Thursday, 14 April, 1977 and opened in public at that time, together with sub-trade tenders received from the Bid Depositories.

Documents will be on view at Amalgamated Construction Association of B.C., Prince George Construction Association, Construction Plan Services, Burnaby, and the Edmonton Construction Association.

Tender containing escalator or other qualifying clauses will not be considered and the lowest or any tender will not necessarily be accepted.

Jolyn Briggs, M.R.A.I.C.
Supervisor of Design & Construction
School District No. 57
1891 - Sixth Avenue
Prince George, B.C.
V2M 1L7
March 23, 1977



B.C. Tel rate hike bid proves complex

VANCOUVER (CP) — British Columbia Telephone Co. was told Tuesday that it faces penalties as well as cut-backs if its rate increase application is denied by the Canadian Radiotelevision and Telecommunications Commission (CRTC).

Christopher Johnston, CRTC general counsel, made the statement at the commission's hearing into B.C. Tel's rate increase application.

He said B.C. Tel has committed so much money to 1977 projects that it complicates the job of the CRTC in ruling on the application.

Last week, Johnston asked the company to prepare cost sheets based on two possibilities—the need to cut capital spending by \$25 million, and the effect of CRTC refusal of rate increases this year.

After obtaining information about the cost sheets, Johnston said: "You make it most difficult for a regulatory body to make a decision because you have already committed so much money that you will face penalties if you back out."

"Even the money covered by the possible cutback (from \$280 million to \$255 million) is largely committed, so that it is

no longer a practical figure." Jack Carlile, B.C. Tel operations vice-president, replied: "That's right, in a practical sense."

In other testimony, Ken Mackenzie, counsel for the B.C. attorney-general's office, said it would be wise for B.C. Tel to hold off on its program of replacing old electro-mechanical switching equipment until the highly reputed digital switching system is perfected, instead of going ahead with the automated analogue switching.

"Because of the prospects of advances in the digital system, I suggest it might be better to wait and see instead of going on to convert 200,000 lines to analogue come hell or high water," he said.

Mackenzie said it was clear that going ahead with the analogue switching equipment was beneficial to B.C. Tel's sister company, GTE Automatic Electric (Canada) Ltd., because that company is manufacturing the equipment.

But Carlile and Dave Carter, B.C. Tel chief engineer, argued that while some companies are working on the digital system, they cannot come up with prices and proven performance.

VANCOUVER (CP) — A five-company British Columbia housing consortium announced Tuesday it has completed a "multi-million dollar" deal to sell 342 housing units to a South Pacific copper mining firm.

A. G. Scott, president of Homexpo Canada Ltd., said his consortium beat out competition from companies in Australia and southeast Asia to win the contract to provide housing for Bougainville Copper Corp.'s mine in Papua-New Guinea.

Scott, who refused to disclose the exact value of the shipment, said the consortium will open an office in Kuwait to handle negotiations for contracts in Saudi

Housing deal complete

Home Stereo Repairs?

contact

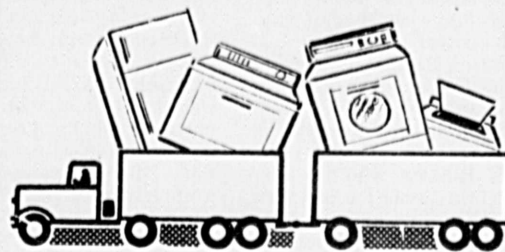
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Arabia and the United Arab Emirates. The consortium is made up of Mariner Homes Ltd. of Penticton, Chateau Homes Ltd. of Kelowna,

Structural Wood Components Ltd. of Langley, Fraser Pacific Industries Ltd. of Surrey and Fowler and Associates Ltd. of Surrey.

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