

Northwood comes out swinging in chip battle

Citizen Staff Reporter

WILLIAMS LAKE — Northwood Pulp and Timber Ltd. of Prince George, with \$8 million already spent on mill expansion, got some disquieting news at a pulpwood hearing here Wednesday.

Forest Minister Tom Waterland said he would not be able to make any immediate decision on allocation of pulp chips, but would need time to assess all submissions and to collect more facts.

Northwood is one of three companies fighting at the hearing for rights in Pulp Agreement Area 6 (PA6) and company president Adam Zimmerman said his firm was already committed to spending about half the \$246 million cost of expansion.

"The shovel should be going by spring," Zimmerman said in detailing the expansion, a doubling of the present facility to double pulp output.

George Pearson of Crown Zellerbach, interested in more chips for his company's Vancouver Island operations and scheduled to present an intervening brief today, asked if construction would halt if Northwood was edged out of PA6.

"Nothing I can think of now will stop the project," said Zimmerman, "except the supply of chips."

The two other applicants for harvesting rights in the vast PA6, an area the size of Vancouver Island, are Quesnel River Pulp Company and Cariboo Pulp and Paper Company, also of Quesnel.

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About 200 people have showed up for the hearing chaired by Waterland.

Wednesday's session heard the submissions by the three applicants. Today's session deals with hearing 12 interventions, among them a submission from the City of Prince George, which backs the Northwood bid.

Observers at the hearings see the applicants as playing their cards close to the vest, not wanting to publicly divulge too much about their individual plans, while at the same time providing enough information to win their case.

Northwood was last to be heard Wednesday but had the greatest impact. Zimmerman said his company's project was one of the largest of its type in the world to be tackled with private funds.

Northwood's application claimed the greatest investment, most new jobs, and was the only one saying its principal aim

was to reclaim wood now wasted at mills and cutting sites. Expansion would create 198 new full-time jobs. A spinoff would be 500 new jobs in Prince George and a substantial increase in the city's population.

Doug Little, in charge of Northwood's woods division, said staff studies showed PA6 could sustain existing mills and provide a surplus of 522,000 bone dry units of chips. But Northwood's expansion would utilize all of that surplus, he said.

Horst Sander, Northwood's managing director, said "it would be a tragedy to overcommit the chip surplus" as had Scandinavian countries, which were forced to scrounge for raw materials.

"When we are reduced to harvesting dumps, I'm not sure I want to continue being president of this company," said Zimmerman.

Doug Johnston of Quesnel River Pulp said an \$80 million thermal-mechanical mill would be built, but a confirmed chip supply was vital. He said the proposed mill would require 140,000 units of chips a year.

About 70 would be employed by a 1981 start-up date. He said the company had plans to build a \$100 million expansion and installation of a high-speed paper machine, which would employ another 110.

Pit Desjardins, Cariboo Pulp and Paper president, said his company plans to expand facilities to increase production to 900 tons a day from 800 tons. The three-year investment in Quesnel would reach \$19 million and provide five new jobs.

He called for a retention of present chip allocation policy. Under that pulp harvesting agreement system, the supply of chips was allocated to specific mills.

"We would regard it as a breach of faith (if it were discontinued)," he said, because his company had been operating under that policy for 10 years.

Intervenors to be heard are: Lignum Ltd. of Williams Lake; the City of Prince George; Prince George Pulp and Paper Ltd., which withdrew from a PA6 application when its expansion plans were cancelled; B.C. Forest Products; Weier's Sawmill Ltd. of Quesnel; Quesnel and District Chamber of Commerce; Evans Products Company Ltd. of Kamloops; the Town of Quesnel; Crown Zellerbach of Canada Ltd.; the Cariboo Lumber Manufacturers Association and the Canadian Cellulose Company Ltd. of Prince Rupert.

\$100 hike in taxes probable

by AL IRWIN
Citizen Staff Reporter

City council Wednesday approved in principle, a 1980 provisional budget that could cost the average urban taxpayer \$100 more than last year.

The general revenue budget of about \$24.3 million is about \$1.9 million more than revenues calculated on the 1979 mill rates.

But acting mayor Dale Steward said a one-mill increase tentatively approved Wednesday will be the subject of debate at a Monday's regular council meeting before the provisional budget is adopted. And city treasurer Bill Kennedy told council that by ap-

proving the provisional budget in principle, it was not committing itself to a one mill tax hike.

The city is still awaiting word from Victoria on \$2.5 million additional amalgamation grants, announced in December by Prince George South MLA Bruce Strachan.

Those grants, to further compensate the city for services taken over from the province as a result of the 1975 amalgamation, are awaiting provincial treasury department approval.

About \$1 million of the total deficit is attributed to takeover this year of road maintenance and police costs in the amalgamated areas.

Wants money set aside

But Mayor Elmer Mercier has said that if the city gets the \$2.5 million, he would not like to see all of it go toward reducing one year's taxes. He wants some of the money set aside for future capital projects.

A number of other unknowns will affect the city revenues, and the amount of tax increase needed. The provincial government has not yet announced its revenue-sharing grants for 1980, the city has not yet calculated the surplus, if any, from the 1979 budget, and appeals on assessments will not be completed until near the end of February.

The provisional budget must be approved by Monday, but Kennedy said additional review will alter it before the final budget is adopted May 15.

The city collects \$1 per mill for every thousand dollars of assessed value for general tax purposes.

On an urban property valued at \$60,000 last year, a taxpayer paid \$475 calculated on a mill rate of 7.9. This year, assessments increased an average of 10 per cent.

With a one mill increase, and a new assessment of \$66,000, the owner would pay \$588.

The one mill increase would raise only about \$1.5 million of the \$1.9 required to balance the budget.

Other new sources of revenue approved in principle by council Wednesday include:

- Increase in withdrawal from accumulated surplus, \$100,000;
- Increase downtown snow removal levy, \$4,350;
- Increase garbage charges by eight per cent for nine months, \$65,000;

- Increase recreation revenue by 10 per cent for three months, \$15,000;
- Increase business licence fees by 10 per cent for six months, \$27,000;
- Increase building permits by 10 per cent for six months, \$13,000;
- Increased provincial grants resulting from mill rate increase, \$25,470;
- Using library funds borrowed from reserves for investment income, \$200,000.

The general revenue budget does not take into account school board, regional hospital board, regional district, or assessment authority taxes, all of which the city collects.

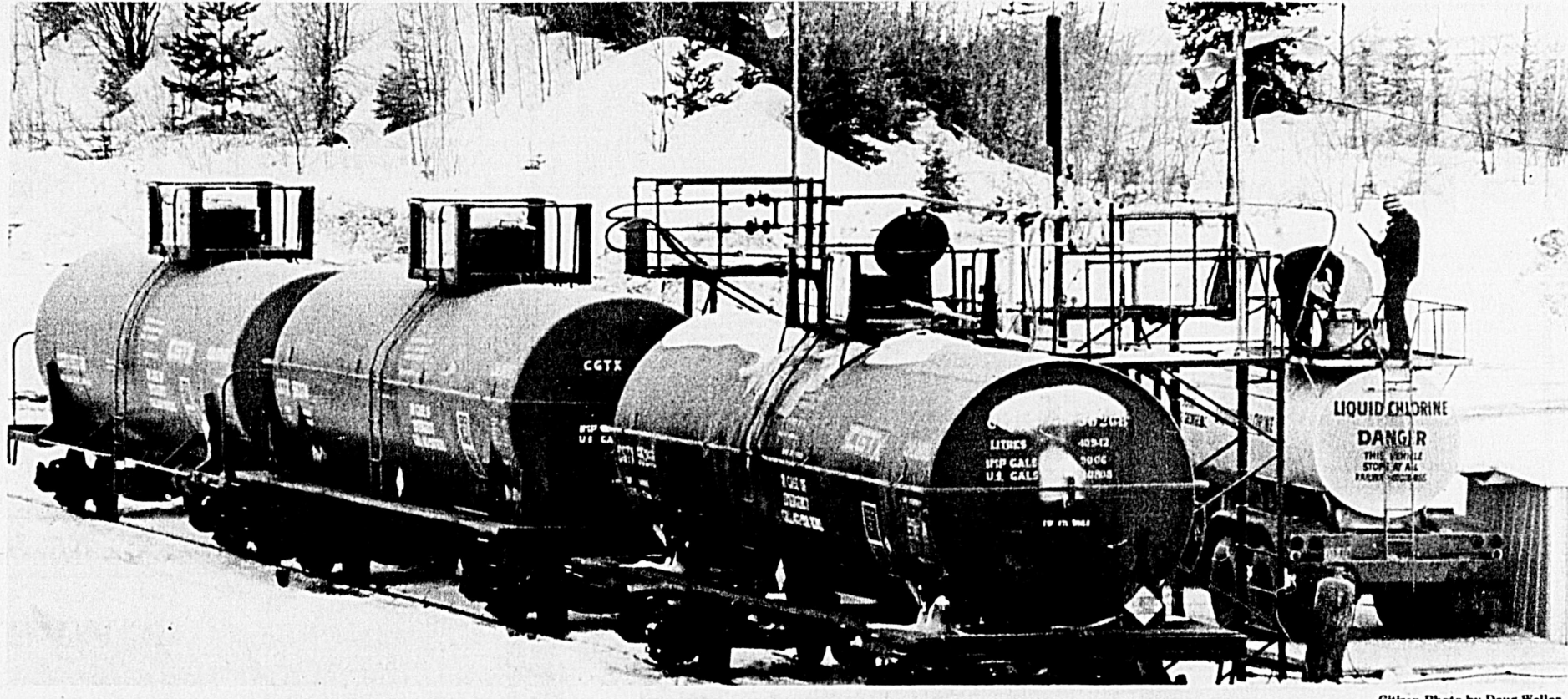
The total budget, excluding utilities, totals \$46.4 million. City council has slashed more than \$1 million from the original projected deficit of \$3.9 million, in a series of six special meetings, which ended Wednesday.

BCR talks deadlocked

Talks between B.C. Railway and the Joint Council of Unions are deadlocked and the provincial cabinet held an early morning meeting today as the strike by 2,200 BCR employees went into its 30th day.

The stumbling block is a manning issue. The railway wants to reduce crews from four men to three and the unions say this will endanger safety.

Labor Minister Jack Heinrich and Premier Bill Bennett



Miworth residents are threatening to picket the chlorine unloading operation following a small spill Monday.

Citizen Photo by Doug Weller

THREAT OF PICKETS AT MIWORTH

Chlorine leak angers residents

by DON MORBERG and JAN-UDO WENZEL
Citizen Staff Reporters

Miworth residents are threatening to picket CN's chlorine unloading facility after a small chlorine spill Monday.

A small amount of chlorine was released into the air Monday after what pulp mill officials called, "a venting problem."

There were no injuries in the spill, but a car and an unloaded school bus drove through the cloud.

The chlorine, used in local pulp mills, is being unloaded from rail cars at the Miworth CN siding 12 km west of the city and trucked to the mill sites. Normally the chlorine is shipped to the mill sites by the

B.C. Railway, which is on strike.

"The residents are going to monitor and police the operation themselves, both the unloading procedure and the trucks on the roads," said Ray Miller, Miworth resident. "If they won't make it safe, we'll picket the place and close it down. The people out here are really upset."

Miller said Monday's spill coupled with a violation of the permit agreements for transporting the chlorine destined for city pulp mills is the cause of the residents' concern.

"One resident here, a pulp mill worker who asked not to be identified, went by the unloading site at 4:45 p.m. Monday and drove through a cloud of green gas. He knew

what it was; he's seen chlorine before. The unloading facility was a couple of hundred yards away, but the cloud was over the road. A resident a mile away said he smelled it."

Miller said the area school bus drove through the area a half hour earlier and encountered the cloud when it returned empty.

"The man tried to get the RCMP emergency number, the pulp mill numbers, everything he could think of. Finally, 45 minutes later, he got the unloading facility on the radio telephone," Miller said.

Prince George Pulp was apparently having trouble with its telephone system, Miller was told later.

"Ten days ago Doug Quinn (industrial relations manager, Prince George Pulp) assured me there was no chance of accidents. He said the permits and all safety aspects had been looked after. The people who issued the permits assured me everything was fine."

Quinn told The Citizen signs with emergency telephone numbers have now been posted in the area in case similar accidents occur. Quinn said that if the three local pulp mills could not get the 130 tons of chlorine they require per day, the mills would have to shut down and employees laid off.

"All necessary precautions have been taken," he said. Another Miworth resident

noted a chlorine truck on the road at 7:15 a.m. this week.

"Under the permit, trucks cannot be on the road between 6 and 9 a.m. and 3 and 6 p.m. Quinn said he would look into it. Later he told me the truck left at 6:50 a.m. and it shouldn't have. Quinn said he was sorry. I told him, 'I know you'd be sorry, too, if all our kids were killed, but that wouldn't bring them back.'"

Miworth, with 200 residents, is about two kilometres from the chlorine unloading site, which is on the only road into Miworth.

"If there is an accident, our only route of evacuation would be cut off," Miller said. "Why do they have to unload there? If the procedure is so safe, why don't they unload in the city?"

Too close to King Drive and places like that?"

Miller said many of the residents of the area moved there to get away from the pulp mills.

A letter has been circulated in the Miworth area giving the pulp mill emergency numbers and the RCMP number to be called in case of emergency.

Meanwhile, The Citizen has learned that the Mackenzie pulp mill receives its chlorine by truck from Tacoma, Wash. The truckloads of chlorine are brought through Prince George every second day.

A Mackenzie RCMP spokesman said they have been advised and "every possible safety measure" is being used to avoid accidents.

Wide-open shopping?

VANCOUVER (CP) — In a decision that could mean wide open Sunday shopping for any business in Vancouver, B.C. Supreme Court ruled Wednesday the City of Vancouver had no right to compel some stores to close Sundays while allowing others to remain open.

Mr. Justice J. G. Gould quashed a city council resolution suspending the business licence of Shelmar Furniture Ltd., owners of Harry Hammer's Warehouse operation, for gross misconduct in violating provisions of the Lord's

Day Act by opening Sundays.

The judge criticized the city's patchwork enforcement of the act, that is, allowing businesses such as corner stores and drug stores to remain open but insisting larger businesses stay closed.

The judge noted the city had decided not to enforce provisions of the act in certain areas of the city and said the purported suspension of the applicant's licence was merely one piece in a complex and selective pattern of Sunday store hour regulation.

Stock trading soars

by TOM NIXON
Citizen Staff Reporter

Prince George's two stock brokerages are overwhelmed this week by a "tremendous" business in resource stock trading.

Wednesday the Vancouver stock exchange did a record business, twice the previous big volumes set in 1972 and local brokerages were not far behind.

Canarim Investment Corp., manager Gord McLeod said the company has never done as much business before here than during the past week. "It's been frenzied," he said today.

Midland Doherty Ltd.'s Trent Beatty said his communications wire is jammed with buy-sell orders and he can't get quotations or other non-essential information off the wire.

"The wire system's backed right up all across Canada," he said.

"The volume of trading is just tremendous. The market is barely able to cope with it."

The Vancouver exchange has closed one hour early all week to give staff time to process paperwork necessary to record transactions.

McLeod said his staff has been working until as late as 11 p.m. to do all its paperwork. The extreme interest can be attributed to two basic things,

See STOCKS page 2

TODAY

Don Wicks



"Headquarters? Those people who invited us into their country are shooting at us. Over!"

FEATURED INSIDE

A hard day's night...

Former Beatle Paul McCartney had his 11-concert tour of Japan cancelled and spent the night in jail after customs officers said they found marijuana in his luggage. He could be sentenced to seven years in prison if convicted of possession and smuggling of the drug. Page 5.

Northern B.C. Games

Prince George and Mackenzie competitors dominate this zone's team for the Northern B.C. Winter Games in Williams Lake in two weeks. Page 13.

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THE WEATHER

The forecast for tonight calls for mainly clear skies. Friday should be mainly sunny.

The expected high today was -8, the low tonight -15. Friday's forecast high is -10. The high Wednesday was 3, the low -13. On this date last year the high was -9, the low -27.

Sunset today is 4:22 p.m. Sunrise Friday is 8:20 a.m., and sunset 4:24 p.m.

Details page 2



NOW HEAR THIS

● When buying a raffle ticket, it pays to call yourself lucky. A man buying a ticket for the hospital auxiliary gave his name as Charlie. When pressed for a surname, the man said just call me Lucky. Winner of the raffle was one Charlie Lucky.

● Voters in the Prince George-Peace River riding must remember that all times on official Elections Canada material they get (such as voter cards) are on Mountain Standard Time not on our Pacific Standard. Thus polling times west and south of Pine Pass (Mackenzie) will be an hour ahead of the times on the cards. Polls here open at 8 a.m. and close at 7 p.m. That happens because the headquarters of the riding is in Dawson Creek.

Got a news tip? Call The Citizen's 24-hour news line at 562-2441.