

DOWN FOR 10 MONTHS

Kitwanga mill opens

by BOB ROWLANDS
Staff reporter

B.C. Timber's sawmill at Kitwanga has reopened with the help new machinery, a government training grant and the prospect of new markets.

The mill, which had been producing lumber for North American customers since it opened in 1972, shut down last December because of poor markets, said Tom Haldane, acting mill manager. The mill operated for just one month this year.

The village, about 500 kilometres west of Prince George, depends heavily on the mill for employment.

B.C. Timber is now trying to sell to the U.K. market. If they're successful, they'll receive a higher price for their products.

The company has

bought new equipment including a chipper and a spray unit for treating lumber at an estimated cost of \$200,000.

They have also received a \$190,000 federal government grant for a 10-week training program for the employees, he said.

Between 44 and 48 employees are on the training program now and 20 more will be involved when the planer starts operating, he said.

David Mallet of the Canada Employment Centre in Terrace said part of the grant will be used to pay two quality control inspectors from the Council of Forest Industries office in Prince George who will be working with the employees and making sure they understand specifications for the European market.

European countries are concerned about insects being introduced to forests so lumber imported from Canada cannot contain bark, wormholes or pinholes, Haldane said.

Inspectors Joe Chartrand and Nils Larsson will be in Kitwanga for about a week, but they will return periodically to see how the program is progressing. Two supervisors from B.C. Timber's Pohle and Skeena divisions in Terrace will also work on the training program.

Most of the training grant—\$180,000—will be used to pay employees, Mallet said.

Earlier this fall, B.C. Timber offered to reopen the mill, provided the employees worked a nine-hour day with a 20-per-cent reduction in hourly rates.

That was rejected, but employees will receive IWA rates during the training period—a minimum of \$12.50 an hour, he said, adding the Canada Employment and Immigration Commission is reimbursing B.C. Timber \$6.25 an hour for each employee.

Haldane said the training program ends Dec. 24, but what happens after that is not clear.

The U.K. market, which had been quite strong this year, became "rather quiet" in the past month after Scandinavian countries devalued their currencies, said Dan McCallum, B.C. Timber's vice-president of wood products marketing in Vancouver.

As a result, Scandinavian lumber is more competitive and major U.K. buyers are re-evaluating their plans, he said. (Canada and Scandinavia are the major suppliers of lumber in Britain, along with the USSR.)

In the first nine months of this year, B.C. Timber lost \$60 million on its northern operations at Prince Rupert, Terrace, Kitwanga and Hazelton, the company said in a news release. That represents 80 per cent of the company's losses.

South Africa and Chile have joined the U.S. and Scandinavia as strong competitors.

To maintain its share, Canada needs to control costs — of materials, energy, manpower, transport — while keeping up or improving quality. These are the economic facts of life in the pulp and paper industry.

For more information on the chal-

Society without money getting close to reality

The Canadian Press Canadian bankers foresee a brave new world in which we won't have to carry folding money or even step out of the house to pay a bill, and all because of EFT.

That's not a visitor from outer space, but banking jargon for electronic fund transfer — a computerized system standing ready to replace our current dull but reliable banking system of passbooks and lunch-hour lineups.

There's just one problem with all the fancy new equipment — will the consumer be willing to trade the banker's pinstripes for the Green Machine or other automated services?

Canada's banking fraternity spent the better part of last week at a computer-age conference to show just how to get their customers to forget about Mary at the Royal or singing Anne Murray at the Commerce and put our faith in EFT.

Part of EFT is already in use in the form of automated teller machines (ATMs), such as the Green Machine of Toronto Dominion and Instant-Teller of the Canadian Imperial Bank of Commerce.

Next step in the EFT odyssey is debit cards, similar to other plastic credit cards but used for instant account withdrawals. This is called a point of sale system.

So when you take merchandise to the cash register you would hand over your bank debit card. The merchant inserts the card in a terminal, makes an instant withdrawal from your account and passes the card back to you. No cash changes hands.

Such a system is being tested by several credit unions.

The last step is home banking through home computers or television monitors through coaxial cable.

"This is going happen and I would say by the 1990s, 50 per cent of all routine banking will be done outside the branches," said Jim Grant, vice-president of strategic retail planning for the Royal Bank of Canada.

Grant, who is in charge of the Canadian Banking Association's planning committee for EFT, told last week's conference bankers had better start explaining the new system in simple language to consumers.

He said consumers especially need to be reassured about security because an electronic impulse will eventually take the place of a signature. The law will also have to be rewritten in part to include clauses dealing with such things as definition of computer property.

Bankers point to the convenience and savings in service costs proided by EFT. On top of that, the brightly-colored ATMs are lots of fun to use.

But bankers are worried the public will nevrer trust the new breed of computer.

Many fear a repeat of the cash-dispenser episode of the late 1960s and 1970s, when similar machines were tried but consumers wouldn't trust them and they were withdrawn.

In addition, although ATMs are touted in banking jargon as cost-effective, just how economical are they?

With a high fixed cost of devices, computer software and hardware and labor to service them, there will have to be a high volume of use to bring the cost per transaction down.

Banks are now using the devices to attract accounts away from competitors and are absorbing the extra cost.

But if not enough people use the computers, they could become an extra cost, says James Savary, a York University professor.

Grant says he's confident we'll love them for their 24-hour convenience. Besides, they're fun to use.

But Savary cites several other factors that aren't much fun. The machines frequently run out of cash on weekends and many are out in the open with little protection from a thief who could come from behind and rob the user's account and credit card once access has been made with a personal

identification number.

Savary asked the bankers at the conference why Canadian consumers should have to trade away what has evolved over a century into a perfectly viable and relatively inexpensive system of banking for something in which their interests are thus far unprotected.

"Consumers are being asked to give up an extremely satisfactory financial system for something which, to consumers, may or may not be of great benefit."

Savary says consumers have little enough protection with credit cards. Debit cards may make a precarious position worse.



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CANADA'S SHARE OF ALL MANUFACTURED FOREST PRODUCTS SOLD INTERNATIONALLY.

(Source: FAO)

Canada has a very successful record of selling its pulp and paper in foreign markets. Although Canada has 10% of the world's forest reserves, it accounts for about 30% of the pulp and paper sold internationally.

However, international competition is intensifying. Now Canadian producers are fighting to hold their market share. Brazil, New Zealand,

South Africa and Chile have joined the U.S. and Scandinavia as strong competitors.

To maintain its share, Canada needs to control costs — of materials, energy, manpower, transport — while keeping up or improving quality. These are the economic facts of life in the pulp and paper industry.

For more information on the chal-

lenge facing Canada's leading industry, send for "Pulp and Paper Reports: Cost Competitiveness", a free booklet from Public Information Services, Canadian Pulp and Paper Association, Sun Life Building, Suite 2300, 1155 Metcalfe Street, Montreal, Quebec, H3B 2X9. Att: Dept. B

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CHETWYND COAL MINE

Shipping next year

David Minerals Ltd. of Vancouver expects to start shipments of thermal coal late next year from a new mine near Chetwynd, the company's secretary-treasurer says.

Norman Croomie said the company has signed a sales contract with Ssangyong Corp. of South Korea, which will use the coal for cement production.

He said 50,000 tonnes will be shipped in the fourth quarter of 1983, rising to 400,000 tonnes in the next nine years. The Korean company has an option to buy an additional 200,000 tonnes annually beginning in 1986.

Between 85 and 100 employees will be required at the mine, which is adjacent to the British Columbia Railway line 46 kilometres west of Chetwynd, he said.