

ForestTalk



A QUARTERLY PUBLICATION OF THE BRITISH COLUMBIA FOREST SERVICE, VICTORIA, B.C.

SPRING — 1974, VOL. 2, NO. 1





THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA

**DEPARTMENT OF LANDS, FORESTS
AND WATER RESOURCES**

THE HONOURABLE ROBERT WILLIAMS
MINISTER

JOHN S. STOKES
DEPUTY MINISTER OF FORESTS

E. L. YOUNG
CHIEF FORESTER

A. G. DAGG
EDITOR

POLICY STATEMENT

The objective of the British Columbia Forest Service, as the forest administrative agency for the government of British Columbia, is to develop and enforce policies which will ensure for all time the proper balance of timber supply, forage production, forest recreation, wildlife protection and environmental preservation on the Crown forest lands of the province.

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COVER PHOTO

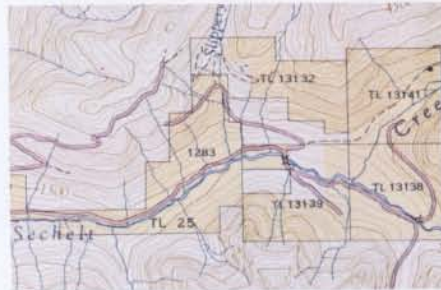
Yellow arum (skunk cabbage) is found in most swampy areas of B.C. and is most noticeable in March and April when soft yellow sheaths are in bloom and before plants have come into leaf.



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Kootenay
Forest
Products



Old
Forest
Tenures



Forest
Museum



Rangeland
Management



Good
Seed
Pays

Government buys...

Kootenay Forest Complex

... at bargain price



Protocol people of the business world would have expressed it more delicately, but what it boils down to is this: it was a helluva good deal.

And better yet, it was a good deal for the people of British Columbia.

It became official on February 6 when Resources Minister Robert Williams announced the provincial government had purchased the entire holdings of Kootenay Forest Products Ltd., of Nelson, from Eddy Match Company, Ltd., for nine million dollars.

30 Miles of Waterfront

And just what did British Columbians get for their money?

They got a large sawmill, and a plywood plant.

And they got something a lot more precious—more than 42,000 acres of prime timber and recreation land, formerly owned outright by the

timber firm. The property includes about 30 miles of choice waterfront on Kootenay Lake, Duncan Lake, at the mouth of the fast-running Lardeau River, and at the southern tip of very appropriately named Trout Lake.

Let's take a closer look at that property in terms of its value. Real estate people in the Nelson area indicate that a 100-foot river or lakefront lot sells for anywhere between \$50 to \$100 a foot (and in some cases much more). Take 30 miles of such sought-after property at the low rate of \$50 a foot and you have waterfrontage land worth around \$7,920,000.

The same realtors report that "strictly wilderness land"—no improvements, not even road access—is selling for around \$300 an acre. At that rate, a "round" 40,000 acres is worth about \$12,000,000.

That's nearly \$20,000,000 in real estate alone, if you want to link it with current property values.

Many Other Values

But there are other distinct values upon which it is difficult, if not impossible, to place a firm monetary tag. The lake and river regions, for instance, are literally scenic wonders, and large segments are major fish and wildlife areas. Some of the fishery spawning grounds have been valued at \$200 a square yard.

Recreational values of the overall region are almost limitless, and in this respect, variety is the keyword. There are valleys and mountains, lakes and rivers, and large portions are renowned for their wildlife features—particularly deer, elk and black bear.

Enhancing the recreational aspect is the fact that already there is good access throughout many parts of the region in the form of roads and trails. As plans for the area unfold some existing roads will be improved and new ones will be built.

Land-use officials who have conducted an intensive “inventory” study of the region report forestry values are “extremely high”, and timber harvesting will continue, but in keeping with the sustained yield principle—in which the annual harvest will not exceed new growth—and all logging will be conducted under strict management and supervision.

The entire area, because of its unique and extremely varied topography, has become host to a series of resource management problems. Now, hopefully, many of those problems can be solved.

“Direct Management” Now

“We can now depend on direct management,” observes Resources Minister Williams, who also sees “some re-allocation of land holdings as a direct means of helping to resolve resource conflicts and environmental concerns.”

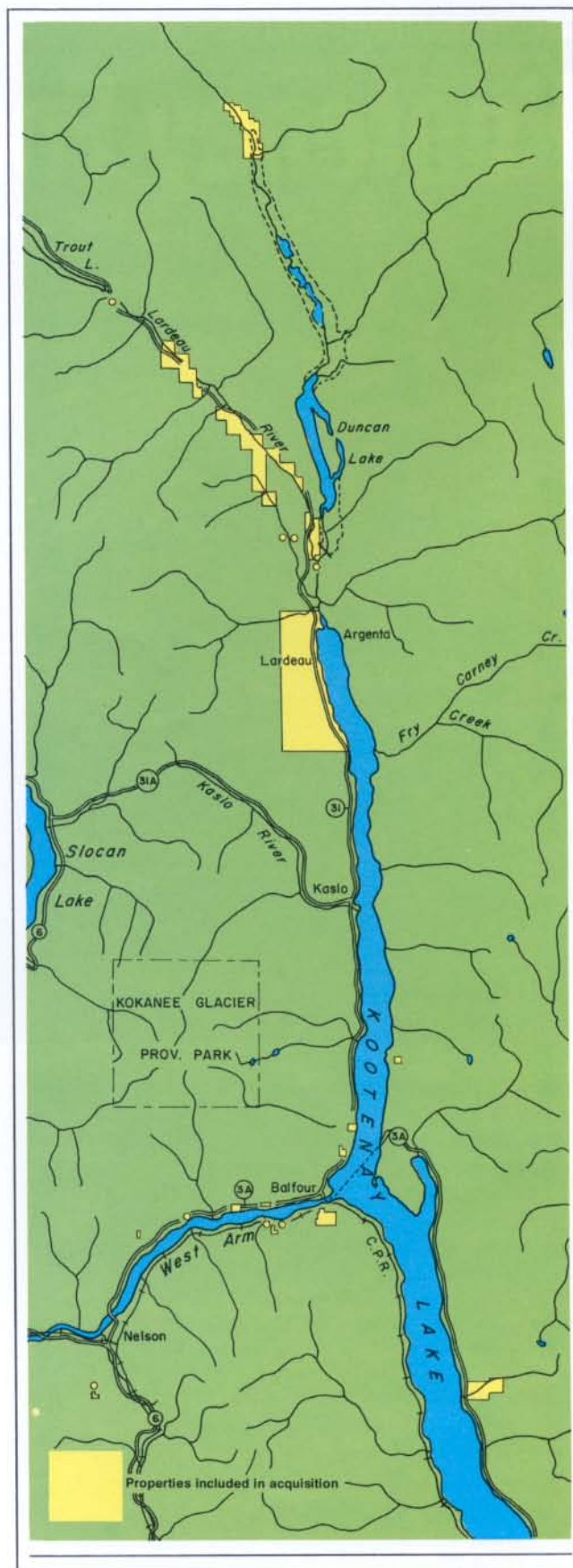
Although detailed plans for the 42,000-plus acres are far from being finalized, already there is a firm proposal to establish a 16-acre seedling nursery for the B.C. Forest Service at the small community of Harrop on Kootenay Lake. Reforestation officials have described the location as “ideal”. (It is interesting to note that recently the proposed nursery site land was offered for sale by the former owners at \$2,200 per acre.)

Other tentative plans for the region include green belt areas, special fisheries undertakings along portions of the Lardeau River, the establishment of regional and community parks, and possibly a new provincial park at Gerrard in the Lardeau Valley.

Let’s look at the industrial plant aspect involved in the deal. The sawmill last year produced 40 million board feet of lumber. The plywood plant turned out 85 million square feet of the popular building material; and pulp chip production was about 26,300 units. (A unit is 200 cubic feet of chips).

Employment Base

The mills provide year-round employment for



more than 500 persons and serve as a strong employment base for the busy city of Nelson on the west arm of Kootenay Lake. It is quite likely the mill complex will be expanded to provide additional jobs; and also move into higher levels in the finishing of products, with resultant higher returns.

Last year the firm recorded profits of \$1.5 million, and 1974 sales are expected to reach the \$18 million mark. But although increased returns are predicted, the government doesn't plan to concentrate only on making a big profit from the operation. Instead, it is planned to have proper business management practices balanced against ecological and environmental concerns.

Reaction to the government's purchase of the firm was immediate in Nelson. The mayor of the city, J. T. (Tex) Mowatt, was pleased. He said it was a "step in the right direction" and noted that since the former owners started attempts some time ago to sell Kootenay Forest Products Ltd. there had been considerable uncertainty in the community, and even fears the whole operation might be shut down.

"Now", he says, "there will be stability at the mills . . . and those who work there will know where they stand."

A "Remoteness" Problem

Williams Crooks, manager of the firm, also saw some immediate advantages to the sale. He referred to the former owners as "a good employer", adding "but it had problems understanding the local operation because of its remoteness." (All other Eddy Match operations are based in Eastern Canada.)

The British Columbia government purchased the firm and all its holdings through its crown corporation B.C. Cellulose Co. which also controls Canadian Cellulose Co. Ltd. (Cancel) operations at Prince Rupert and Castlegar.

Last year Eddy Match Co., Ltd. was prepared to sell Kootenay Forest Products Ltd. to Crestbrook Forest Industries Ltd. of Cranbrook for \$8.9 million, but the B.C. government prohibited the transaction. Such a sale would have entrusted the future of the region's rich and delicate environment even further to non-Canadian interests and placed the resources in a relatively few hands. (The Crestbrook firm is controlled by Japanese interests.)

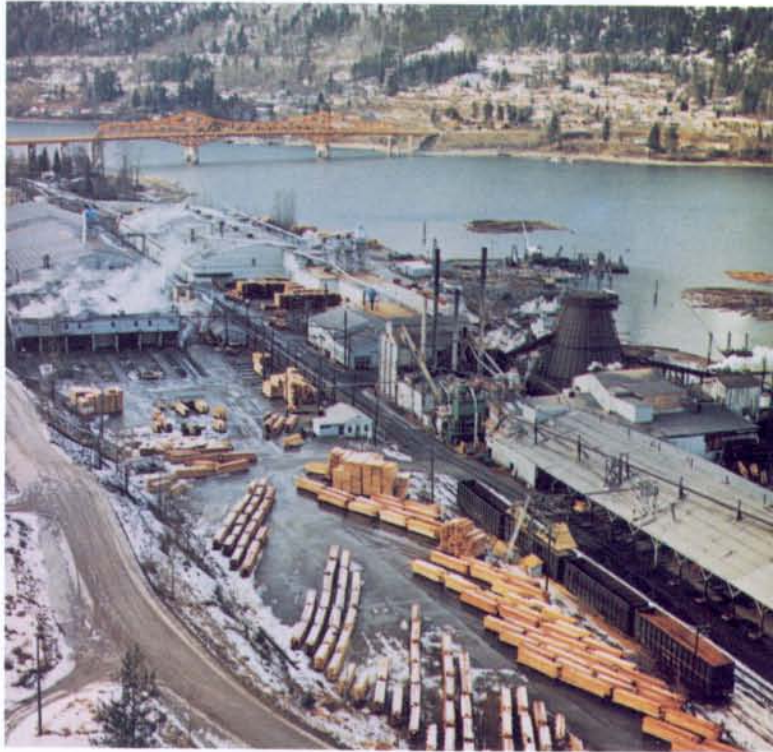
The extra \$100,000 paid by the government took into account money spent by KFP on improvements to its plants over the past year, and the increased value of its timber holdings.

Now the people of British Columbia own still more of their province—thousands of acres with a multitude of benefits and a big industrial complex included. All for a price far below actual values.

As any businessman would admit, it was a good deal. ▲ By R.W.



Young woman patching plywood.



Heart of complex is sawmill at Nelson.



Lardeau River Valley with Trout Lake in background.

