

Meetings: Tuesday 12 Noon

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DECEMBER IS DISEASE PREVENTION AND TREATMENT MONTH

Happy Birthday	Happy Anniversary
	Dec. 10 Peter & Ineke Boekhorst
	Dec. 14 Vangari & Laxmi Shashanka

Upcoming Speakers:

Dec. 09 No Speaker AGM	Dec. 16 Christmas present exchange / Kevin Menic - Female Wrestlers from Samuel Robertson	Dec. 23 No meeting Pub Hub at Town Hall instead
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LAST WEEK'S MEETING

President **Alex Pope** presided.

Guests

Pauline Forster

Hooshang Askarian, and his daughter **Aram Askarian** Hooshang founded their family-run real-estate development company in 1992, that has now transitioned to the second generation (Aram) after the founder's retirement. Their firm focuses on single-family home development, with a current project in Albion.

Program - Patrick O'Brien and Thomas Bell – Tariffs, how these will affect Canada

Patrick is a long-time member of our Club, and a financial advisor who manages the Maple Ridge office of RBC Dominion Securities.

He introduced his associate, **Thomas**, noting that he is originally from northern England (Billy Elliot territory), and came to Canada in 2019 ("as a snowboard bum"). He holds a finance degree, joined RBC in Canada, and then joined Patrick's team in 2023 as an associate investment advisor.



Patrick



Thomas

Patrick opened with context about Canada's historical economic and geopolitical tensions with the U.S., noting that tariffs can create anxiety across both nations. Canada's formation in 1867 and the building of its national railway were partly influenced by security concerns after the U.S. purchased Alaska.



Now Mr. Trump wants Canada as its 51st state, so it can own the whole of North America.

Thomas' Tariff Presentation

Thomas explained what tariffs are and clarified a common misconception:

- Tariffs are paid by the importing country, not the exporting one.
- U.S. consumers or U.S. companies importing Canadian goods ultimately pay the tariff cost.
- Economically, this should result in higher U.S. prices for affected goods but, in theory, should encourage the manufacture and production of the goods in the importing country.

He identified four main tariff areas affecting Canada:

1. **Lumber Industry**
 - Canada exports \$10B in lumber annually to the U.S.

- Tariffs increased from 8% to 16% under Biden, and now range from 35–47% depending on which the lumber mill the wood comes from.
- Despite alarming headlines, many in the logging industry—particularly in northern BC—are not panicked.
- The U.S. relies heavily on Canadian lumber (approx. 30% of its supply), making total substitution unlikely.

2. Steel & Aluminum

- Canada's export value to the USA: **\$25B** (approx. \$10B steel, \$15B aluminum).
- Tariff: **50%**, the highest of the four sectors.
- Production costs in these industries are heavily influenced by energy.
 - Quebec has the cheapest power in North America → strong aluminum output.
 - Ontario mills are more vulnerable.
- Loss of jobs is the major impact; a major Ontario mill recently laid off 1,000 workers.
- Indirect impacts: local economies (restaurants, small businesses) suffer when mills close.
- The USA definitely needs our aluminum.

3. Automotive Sector

- Export value: roughly **\$35 Billion**, though difficult to calculate due to complex supply chains.
- 125,000 people employed in parts manufacturing alone.
- Current tariff: **up to 25%**, now selectively applied to parts not manufactured within USMCA regions (United States-Mexico-Canada Agreement).
- Vulnerability: The U.S. could shift production domestically, potentially replacing Canadian capacity.
- Canada is heavily subsidizing auto plants to retain jobs; some manufacturers (e.g., Jeep) have already relocated to the U.S. Canada will definitely feel job losses.

4. Chinese EV-Related Tariffs & Retaliation

- Canada joined the U.S. in applying a **100% tariff** on Chinese electric vehicles.
- This directly affects Canadian consumers:
 - UK's cheapest EV ≈ CAD \$30k
 - Equivalent EV in Canada ≈ CAD \$55–60k due to tariffs.
- China's retaliation:
 - **100% tariff** on Canadian canola products (~\$5B annual export).
 - **25% tariff** on seafood (~\$1B), impacting Nova Scotia lobster exports.
- Result: Significant economic strain on Saskatchewan and Atlantic Canada.

Audience Q&A Highlights

- Why Mexico is not targeted by tariffs? Thomas explained this is unclear and likely political.

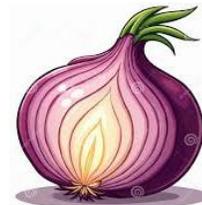
- Do tariffs harm Canadian workers? Yes—mostly indirectly via layoffs, production slowdowns, and local economic ripple effects.
- Will tariffs raise or lower certain product prices? Tariffs push companies to adjust pricing, often lowering export sale prices to remain competitive, which can hurt domestic profitability.

Patrick's Presentation –

Financial Response Framework - "What Can We Do?"

Patrick provided strategies individuals can use to preserve financial stability amid tariff uncertainty.

1. "The Onion Strategy" — Defensive Investment Layers



- **Core:** personal cash and essential assets.
- **First protective layer:** avoid unstable or investment-unfriendly regions (examples: parts of Africa with political or currency volatility).
- **Second layer:** prioritize scarce, irreplaceable hard assets (e.g., hydroelectric dams).
- **Third layer:** choose businesses providing essential, non-discretionary services—heat, electricity, telecom.

2. "Chickens and Eggs" — Sustainable Retirement Income



Borrowing from his veterinary background, Patrick explained:

- **Chickens = principal**
- **Eggs = investment income**
- A sustainable plan uses **dividends (eggs)** to fund lifestyle needs, rather than selling **assets (eating chickens)**.
- Markets determine share price but **companies** determine dividends, making dividend-based income more predictable.
- He compared this to dairy farms:
 - Milk cheques = recurring income (good).
 - Selling cows or quota to pay bills = unsustainable (bad).

3. Tariff Perspective

- Tariffs may be alarming, but Canada has weathered such pressures before.
- Past industries have handled 25% tariffs and may adapt again.

Happy/Sad Dollars

- **Mary Robson** is happy to have served in her long-held role as the executive director of the Food Bank for 13 years (\$1 for every year), and will be replaced by **Kim Boekhorst** (presently the assistant ED) who may take over her position after his three month “probation”. Mary and Gordon will be off to Cancun on December 23 for a month-long vacation (they are taking a respite from Hawaii, at least until there is a change in government in the USA), and Kim will “manage the ship” while they are away.
- **Patrick O’Brien** is happy to see us all and presenting to the club with his associate Thomas Bell; and is happily looking forward to attending the Club Christmas party.
- Happy and Sad Dollars were contributed depending on whether you attended, or (like Libby and Patrick) missed, **pub night at Eric’s** home, where a good time was had by all who were able to attend (including **Mark Forster** who was happy to have consumed three bowls of the delicious soup that was served, based on a South African recipe).
- **Alex Pope** was happy about his son Eddy’s achievement and job growth at Save-On Foods, where he was recently happily employed; and already working on the E-Commerce and filing the online orders. (He even brought home from work some cookies for Dad.)
- Our club takes pride in our member’s involvement in holiday events: **Sharon Kyle (as Mrs. Santa)** will enter the parade on the float beside **Santa Claus** (who will be, of course, **Ron** – also her real-life partner).



Club Announcements

- **Next week:** Annual General Meeting (AGM).
- **Dec 13:** Christmas Party at Clint’s home at 6 PM.
- **Dec 16:** Christmas gift exchange (max \$20 value, creative wrapping encouraged).
- **Dec 23:** No meeting — Pub Hub at Town Hall instead.
- **Dec 30:** Regular meeting will be held.

Ineke Boekhorst: Rotary Foundation Message

Members are encouraged to donate to the Rotary Foundation, that successfully doubled its endowment to over **\$2B** by 2025. The Endowment fund supports long-term sustainable projects, and obtains an average annual return of 7.1%. (in 2024-2025, it obtained a return of 12.7%).

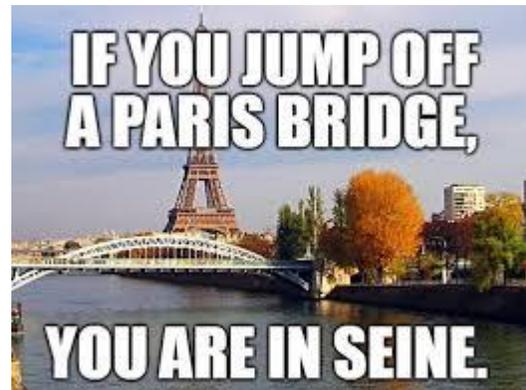
The Rotary Foundation can be a beneficiary in your will or estate plan. Rotary International recognizes multiple bequest amounts to the Endowment Fund when informed of them: – a bequest of \$1,000 or more in your Will gives you the status of a Benefactor, and a gift of \$10,000 or more bumps you into the Rotary Bequest Society. You can remain anonymous if you choose, or give it in someone’s name to honour them!

Nominations Committee Call – We are seeking nominees for future Club President (2027–2028), and are encouraging both new and long-standing members to consider stepping forward (AGM and election is next week).

President’s Closing Quote

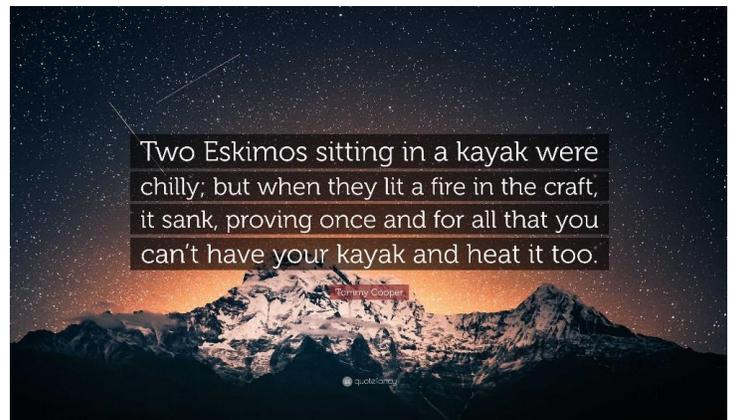
A caution about purchasing waterproof watches: “If it says you can swim with the watch, this only applies if you can already swim without it.”

This Week’s Groaners



What did the flight attendant say to the vulture when he boarded the plane carrying two dead raccoons?

“I’m sorry, sir, only one carrion allowed per passenger.”



Submitted by Laurie Anderson