

**Introduction to Michael's speech, Canadian Club, April, 2004**

**My mother once told me when I was trying to duck a chore, that since I didn't appear to be a Shakespeare, Mozart or Picasso, I was no big deal, so "just keep drying the dishes" --- but thank you, Ravi, for your kind introduction.**

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**Hello, everyone –**

**Thank you for coming -**

**And thank you many friends who helped with this event,**

**From stuffing loot bags, to**

**trying to stuff my head with wisdom.**

**Michael de Pencier, Canadian Club, April 26, 2004.**

**We've all been very bad. We've been selfish and greedy and not dedicated to leaving our children a living planet – which was healthy for thousands of years, but is now approaching terminal decline. Yet we continue to trash the places where we live, with saws and poisons and plundering behaviour, driven by short-term thinking (or none at all) -- and the results have been calamitous.**

**When we consider the wounds our natural world is suffering, the only sensible thing to do is have another martini.**

**Let's look at some ecological nightmares.**

**We're in peril in the sea. In recent decades, fishing nations have encouraged their fleets with tens of billions of dollars in loans and subsidies. Almost every country has launched enormous, lethally effective floating factories armed with sonar**

**and radar and the capacity to find, chase, and catch fish – which no longer have any safe haven.**

**These monster trawlers scrape and scour the ocean floor, destroying the productive habitat. They drag along miles of nets, and haul in a zillion fish – and several zillion more by-catch species, dolphins, turtles, albatross, which die and are discarded. Result: the world’s major fish species have declined by 90%.**

**And the collapse of this enormous resource, which has fed millions of people for centuries, isn’t the end of the sorry tale. These huge fishing factories are so exceptionally efficient they don’t employ many people. But they have put hundreds of thousands of people out of work who depended on the local fishery to sustain their maritime communities.**

**With the fish rapidly disappearing, and income declining, the owners of the big ships will not be able to repay their government loans, the subsidies will have been wasted, and so goodbye to billions of dollars the governments will not be repaid, because they didn’t insist on a sustainable fishery. And, all the**

**unemployed in the small coastal communities of the world are now on the government and community dole, costing many billions more dollars – every year.**

**And still fishing nations fight over quotas with stupid determination, as they quarrel over less and less.**

**And what of the few fish that are left? Well of course they are poisonous! The vast oceans and the Great Lakes are polluted with mercury and other odious contaminants. I can't even have my beloved "tuna on brown with crusts" anymore. Well, occasionally is OK – but when children and expectant mothers are advised to cut back on tuna, lake trout and other common fish, we know our world is in big trouble.**

**The land is no better off than the sea. We've cut down 75% of the world's forest cover, and the devastation continues. There are now just miniscule fragments of mixed Carolinian forests left in Southern Ontario. If you are a badger or a scarlet tanager or nature lover, there are not so many places to go.**

**I've been lucky enough to see the magnificently splendid jungles of Borneo, and have sadly seen their replacement: thousands of square miles of palm oil plantations where there's rarely a bird and never a beast.**

**Another time, we played golf at Dingle on the west coast of Ireland. The score card named all the holes in Gaelic, so we had our caddy translate. After "Leprechaun's Alley" and "Devil's Dunk" we came to "Bald Mountains", which we could see across the estuary. Our caddy said this hole was also known by the members as "The F-ing English": apparently the mountains had once been covered with dense forest, but the English came and cut it all down – and then the rains came and all the earth was washed down into the sea.**

**What happened centuries ago at Dingle, happened in 1998 in Central America.**

**You'll remember when the horrendous hurricane rains washed the mud off the clear-cut hills, devastating villages in the valleys of Nicaragua and Honduras and killing 10,000 people. But note: neighbouring Costa Rica was OK: rain was no problem for one of the few countries in the world that has kept forests on its hills and has preserved so much of its healthy ecosystem. Nature provided environmental and economic stability.**

**The Canadian Forestry industry will tell you proudly they are planting more trees than they are cutting down, but the issue isn't just how many trees, but which trees: forest quality and biodiversity are suffering in Canada, as happened with the palm oil trees replacing the jungles in Borneo.**

**And how rich will we be when we have converted all our water resources and all our forests into cash?<sup>1</sup>**

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**In addition to trouble with fish and forests, there are lots of other sad tales of degradation. I'll mention just a few.**

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<sup>1</sup> A paraphrase of Ding Darling.

- **If you want to scare yourself, look into the airborne pollution that is showing up in the North, where people and polar bears, minding their business in the pure air for centuries, are now breathing in mercury and dioxins.**
- **The Ontario Medical Association says up to 1000 people die prematurely in this province every year from smog. As we lie on the warm rocks of Georgian Bay this summer, the satisfaction will be tempered, knowing that we're breathing in alarming parts-per-million of noxious air from Ohio.**
- **And think about the aquifers of the world that are drying up.**
- **Or think about this fact: the Ford Explorer, developed 100 years after the Model T Ford, gets only 16 miles to the gallon: the Model T got 25 miles per gallon.**
- **While sceptics and chemical manufacturers resist, the evidence mounts that we are not well-off hanging around**

pesticides, which of course is why Hudson, Quebec and the City of Toronto have banned them on our lawns.

An American biologist was reporting recently on his research on atrazine, the most popular North American herbicide:

“Are you saying, sir, that atrazine causes serious harm to humans?” No, he replied, “I’m saying it causes frogs to grow three hind legs”.

To be fair, I should give you an example of a chemical that’s producing life for the natural world. You will have read that our harp seal population is up to a record 5,000,000 this year. This is because, until recently, many mature male seals were killed annually for their penises, for traditional Chinese medical purposes. But with Viagra reaching China, demand for these seal parts has shrunk, and fewer male seals are being killed, so these days, there’s more action on the ice. Thank you, Viagra: source of firmly sustainable developments.<sup>1</sup>

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<sup>1</sup> Audubon magazine, March ‘03

- **Last, and maybe more important to our survival than all the rest, climate change – global warming. The National Post says it may not be happening, and if it is, we aren't doing it, no way, not us. The editors of the Post seem to believe that journalists, such as Lawrence Solomon, know more than the great majority of the world's most respected scientists.**

**We are the guilty drivers of warming trends, and our excesses are deadly serious. And Kyoto is only a small beginning of what we must do.**

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**Well, that's a short list of just a few of the things going terribly wrong.**

**You will all have your own experiences of the decline in our natural world: perhaps you're a birder who doesn't see many warblers anymore, or maybe you're like my grandson Magnus, who's finding fewer frogs.**

**So is there just misery and extinction ahead?**

**Is it all just hopeless?**

**Probably, -- but we have to give it a try.**

**I believe the way the world should go, is the way we will make it go. I also think history is the story of conservatives being proved wrong. We tend to believe that what we have – what we do now – is the way it will be. Not so. Scientific and other advances will continue to be extraordinary; our invention and creativity will make today’s challenges, tomorrow’s slam dunk.**

**There are other reasons for optimism. We now know a lot about biodiversity, we understand most of the requirements of healthy habitat, and how the natural world operates, and what role humans have to play.**

**As Bruce Mau asks, “Now that we know how to do everything, what will we do”?**

**Governments are starting to do better. We have a new mayor, premier and prime minister, and they all get the green message better than their predecessors. We need to keep urging**

our politicians to plan long term, to join, for example, with California and some New England states, and insist on much higher mileage goals and less pollution from our car and gasoline manufacturers. We need tougher penalties on polluters, higher standards for forestry and fishing companies, more support for alternative energy, money for public transit, and controls on urban sprawl.

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Corporations in Canada and elsewhere are asking new questions: What is our Social Responsibility Index? Can our company sustain its practices?

Sustainable development has been defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”.<sup>1</sup>

That sounds fair enough.

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<sup>1</sup> Geo Bruntland

**Companies are just people doing a job, people with kids and friends and grannies, and you are in this room, concerned about your families' health, and the world for your children.**

**Corporations must please many publics, who are increasingly curious and demanding about corporate standards, and it's having good effects. The conservation issue has engaged corporate Canada, and the heat's on (or off, depending on how you look at it).**

**Not all the corporate behaviour issues relate to the environment, of course; but the environment is, as you can tell, an interest of mine, so it bothers me, almost as much as her insider trading, that Martha owns four gas-guzzling cars.**

**There is a growing body of evidence to suggest that managers who choose a higher standard of environmental and ethical practice, preside over companies that do better. They are finding out there's a payback: in reputation and employee satisfaction, ease of financing, government support, reduced legal and insurance liability, and customers who will pay more for green solutions. More and more fund managers are including**

**environmental criteria in their stock selection—not because they are being philanthropic, but because they feel it will lead them to choose companies that perform better over the long term.**

**So by all means invest in clean green compassionate sustainable companies, but why not go one better and invest directly in the environmental economy: businesses in alternative energy, clean water technology, L.E.D. lighting, engine efficiency, waste remediation and organic food?**

**The big money is coming in. For example, General Electric has invested over a half a billion dollars in wind and solar power, with excellent returns to date. Warren Buffet is building a \$300 million wind station in Iowa. You think tough old GE and Buffet don't know what they're doing, or are just polishing their green image? Forget your charming picture of a Dutch windmill: money is blowing in the wind.**

**If corporations can help, we as individuals can help most of all. We have vast power that we're not using enough: we**

**consume, we invest and we vote. The message we send to those who sell us products and services determines what they'll produce and how they'll behave, and, the politicians won't think better and act smarter if they don't get direction from us.**

**So I urge you all to write, phone, and email Messrs. Miller, McGuinty and Martin and every other appropriate politician and tell them what they should do. (And ask them a question; if they don't answer it, you write again and say: "You didn't answer my question, Minister". They hate that. They have to write back.)**

**Write the corporations as well; they need to hear from you.**

**How we want to live, and how we consume, determines how healthy a world we will have, and it determines which stocks to buy.**

**If you buy a hybrid car, you will get twice the mileage with one-tenth the pollution. Hybrid cars are here right now and make a huge contribution to fighting climate change. They make so much sense, Margaret Atwood, Cameron Diaz, Billy Joel, and Steve Page drive them, as do the mayors of Vancouver, Winnipeg,**

and Toronto, and, three guests at today's head table. We will soon reach a tipping point in demand, and hybrid car manufacturers will do much better than those who don't make them. (And by the way, the Edmonton mayor drives an enormous SUV.)

Toyota is the hybrid industry leader, doubling its sales every year.

Honda also makes a successful hybrid car, with more models to come. Ford is introducing a hybrid SUV this fall in Canada, and C.E.O. William Clay Ford shows he gets it when he said recently

“...anything that can align the individual customer's purchase decisions with society's goals, is the way to go”.

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A two-stroke outboard engine dumps gobs of oil into our lakes, harmful to birds and fish and us. A four-stroke motor is environmentally very much friendlier. Dump your oily old two-stroke outboard into the recycle bin – and check out 4-stroke engine companies.

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**The promotion for this lunch promised you stock tips.  
Turns out I'm not allowed to give you specific investment advice.  
Unlike double 07 (007) I'm not licensed to help you make a killing.  
And actually I don't know if now is a good time to buy equities, or  
if any of the companies I refer to are bargains at current prices.  
So don't rush out and buy any companies I mention. (Although if  
everyone did run to the phones, there would be juicy gains,  
especially for those who got there first.)**

**What I can say is I own shares in many green corporations,  
and I believe as a group they have an excellent long-term future.  
There are exciting international business opportunities for such  
green Canadian enterprises as Zenon, Trojan, Ballard, Stuart  
Energy, Bennett, Sunopta, Hydrogenics, TIR, and Carmanagh.**

**I also commend to you (not necessarily recommend)  
Domtar and Tembec, (and other forestry leaders in North  
America) who are producing FSC approved products – that's  
Forest Stewardship Council - the highest standard in forest  
management. Home Depot is moving to sell only FSC lumber in**

**their stores. The demand for FSC paper and wood is rising, a big help in preserving forest habitat, and a coming market advantage for these industry leaders – and their shareholders.**

**Thank you, Bank of Nova Scotia, for printing your annual report on FSC paper this year: and if all of you print your corporate reports on FSC paper, you'll be making an important contribution to higher standards in the forest.**

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**People who care what they and their kids eat, have built organic food into a booming business. The rise of organics is a positive trend for mending our bruised earth: no chemicals, pesticides, herbicides, fungicides, growth hormones and other additives and contaminants to foul the land, dribble into our rivers, seep into the aquifers – and into us. This business tends to employ locally, supporting rural communities and their environment, while reducing transportation costs and stresses. So put your shopping and investment dollars into growers and retailers of organics.**

**Organic food is growing at close to 20%, while conventional food only 3%. Loblaws currently has over 200 PC organic labels and is on its way to 500. Whole Foods is a three billion dollar supermarket chain, with 156 stores already opened. These are not your hippy health food places.**

**I'm reminded now of the time when Prime Minister Mike Pearson finished a superb speech, sat down beside his wife Marion, and asked, "How did I do?"**

**"It was fine, dear, but you missed several good opportunities to sit down."**

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**Just a few final thoughts then:**

- Buy shade grown, fair trade coffee. Shade grown is very kind to the environment, creates more jobs with better wages, and it tastes better.**
- You can help the fish by acting on some of the items in your loot bag. But the major way for you to help ocean recovery, is to support WWF in pressuring governments, and marine**

resource extractors, to establish Marine Protected Areas, the best way to preserve and revive our ocean wealth.

- **You won't find endangered fish served in this or any Fairmont Hotel. Fairmont is the leading green hotel chain in North America, ahead of the pack in trying to tread on the earth as softly as possible.**

**So that's the message. The natural world is staggering from abuse, but our knowledge, invention, and common sense may just bail us out. Former environmental fringe players have become mainstream, money-making businesses. Cynics – even realists – will say that we can't shop or invest our way to a better world. But those are conservative, non-believers talking, not convinced of our power to effect enormous change.**

**Now is the time when your choices can make fundamental differences to the health of our earth. We've made some good moves already. We did the blue box -- introduced recycling-- built bike paths, cut out smoking, got descriptive labels on some**

consumer goods, eliminated some dangerous chemicals, and we won on the Oak Ridges Moraine, and with Lands for Life.

Which brings me to one last point. There's a principle called the "passive bystander effect", which describes what happens when a lot of people are confronted by a major disaster of the kind we are facing. In a malaise of denial, nobody does anything because: 'It's not my fault', 'I can't make a difference', 'Someone else will look after it'.<sup>1</sup>

I urge some of you, please, to help break out of this mass inertia, and with your friends and colleagues, take action right now to rescue our earth.

Be one of the leaders, avoid the laggards, and who knows, maybe you'll leave your grandchildren a living planet – and a little cash to remember you by.

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<sup>1</sup> Stanley Cohen, as discussed by George Marshall in *The Ecologist Report*, Nov. 2001, p.40.