

Premier Gordon Campbell
Speech to Mines and Money Conference
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Check against delivery.

Five or seven years ago in British Columbia I don't think we ever would have imagined a conference called "Mines and Money." But if you leave with one message today, I'd like you to leave with this message: Mining is back, mining is growing, mining is welcome and it has a very bright future in British Columbia.

I am joined today by the Minister of Energy and Mines Dick Neufeld. Dick took on the task when we formed government in 2001 of trying to re-energize not just the mining sector but the energy sector in British Columbia, recognizing how important mining was to our future. For those of you who are new to our province you may not know this, but British Columbia was built on mining. In fact, the first real spurt of population enthusiasm was the result of gold. We'd be glad to have another spurt of population enthusiasm as a result of gold.

Dick was given the task of creating a framework for us to move forward. Frankly, what we found was so much enthusiasm in the mining sector in our province, there was such a strong history of mining in British Columbia, in spite of the fact that over the decade of the nineties we watched as mining really got hit pretty hard in B.C. One out of two people that were working in the mining industry in British Columbia lost their jobs throughout the 1990s.

We had a government that wasn't nearly enthusiastic enough about it, but I can tell you that mining is a critical component of providing long-term, family-supporting jobs in the province. We know how incredibly important that is. It's also an important part of regional economies across British Columbia.

I said to Dick: we have to re-engage with the mining sector. In British Columbia we're very fortunate. We still have people that live here and that work here that have built an incredible infrastructure of mining towns with energy and enthusiasm, and we have to liberate that. The whole task was to unleash the power of those people and let them back on the land base so that they could, in fact, create the wealth that we know is there for British Columbians to benefit from.

We found that we wanted to bring some real focus to that, so in the last few months I've appointed a Minister of State for Mining. His name is Pat Bell.

I want you to know, whether you're from British Columbia or whether you're from offshore, if you're interested in mining and you want to know what we're doing or if you want to tell us how we can do it better, then come and talk to Pat Bell. Because we are going to put together an action agenda for mining improvement in this province over the

next few months that will respond to all of your needs, so we can generate that enthusiasm, excitement, investment in the mining industry.

When you think about the province and you think about its growth and you think about its history, it is important to remember what mining has done, because that's also what mining can do for our future. We have taken a number of steps over the last three years to send a message clearly out to people across the world, around the world, that we're ready, we're open and we're able to build a mining future in this province that is second to none.

You know, Scott Broughton from Roca Mines visited Stockholm, Zurich, Geneva and London. He talked about what we'd done. He talked about how we'd created a 2-zone mining approach, a 2-zone approach to mining so that there was some security on the land base. He talked about the tax regime that we've changed. He talked about our flow-through tax credits which are the best in the country. He talked about our income tax regime. He talked about the fact that we were encouraging productivity in the province again. And this is what was most encouraging. As he talked to 200 contacts in those four important cities about investing in British Columbia, 199 of them were positive about coming here.

I want to tell you this. We're going back. We're finding the one that wasn't interested. We're going to talk to him, and we're getting him to come to British Columbia as well.

The changes that we've made are starting to make a significant difference. But I do think we have to recognize this: If you look back in the province and you think back to the 1960s, there was no place in the world that was as much of a magnet for exploration, for development of mineral activity than the province of British Columbia. It was truly our heyday in British Columbia.

I've been travelling quite a bit around the province over the last few months, and there are two approaches to life. One is to say: how do we go back? I've got to tell you, we're not going to get back to the 1960s. We live in the 2000s now. We live in the twenty-first century now. While I think the 1960s provided us with a model, I think that there is no question that if we move forward we can have the benefits that we received in the 1960s in a way that creates jobs, opportunity, and certainty for people as we move forward and build wealth.

Our province is the size of England, France and Germany combined. If you think of British Columbia as one of the truly great sites of mining potential in the world, you have to recognize that in the world that we live in today, mining only actually has an impact on point 03 per cent of the land base, .03 per cent.

As the mining industry has moved into the new world, you've actually created a leadership position in sustainability and ongoing management of our mineral activities, so that in British Columbia we have companies that are truly environmental leaders like the Elk Valley mines, who pioneered B.C.'s world-leading reclamation technology. Those technologies are important, and I think what we're showing is how you can have

economic development that creates certainty and that allows us to move forward in an environmentally sound and sustainable manner.

I'm proud of the mining industry in British Columbia for the leadership they've shown. It's something that the Chamber of Mines has continually advocated and recognized in their goal of reminding British Columbians and the world of how important mining is.

As we've looked to our land base we've also recognized that there are communities across the province that must be included as we build a stronger and healthier mining environment. Our First Nations are being brought into our mining industry in a way like it's never happened before. We're creating new training opportunities throughout the province, but we're particularly focusing on places like University College of the Cariboo in Kamloops, which is going to become a full university with trade opportunities that will cultivate the talent that's necessary to take full advantage of the mining industry.

We've got new activities taking place with First Nations to make sure that they're getting the training they need, and that creates certainty and confidence so we can move forward.

We've eliminated 30 per cent of unnecessary red tape. So we're bringing the human capital. We're putting it on the land base. We're looking at how we can explore our land in a way that is not just sustainable environmentally but also successful economically. So there has been a significant change in British Columbia over the last three years when this government was elected.

There is a change, and I know that some of you are looking at B.C. and saying: well, is it really different? I believe it is really different. Whereas the previous administrations considered mining to be kind of the black sheep of resource industries, we do not see that. We're about eighth in the world in mineral wealth potential. What we would like to do is quite simple. We want to make it number one in the world for potential investor wealth.

As we build that investor wealth we build opportunities for more exploration. We build opportunities to expand our base and to expand the economy of our province. We have carried out an action agenda over the last three years which included tax regime changes. Thirty-one separate tax reductions in the last three years, putting about a billion-plus dollars back into people's and investors' pockets. We've eliminated vast numbers of obsolete, burdensome regulations. We maintain a strong, solid and sustainable regulatory framework, but we eliminated unnecessary and costly regulations which were holding our mining industry up.

Someone once told me that in British Columbia it sometimes felt like it took about ten years to take a mine from discovery to when it was actually opening and operating. That's longer than it took us to fight two world wars.

One of the things that we're trying to do is shrink that time down. We're trying to coordinate our regulatory regimes with the federal government. Instead of two sequential environmental review processes, we're trying to bring them together so there's one

process and you know the science involved, which in itself creates certainty for the industry.

We're trying to assure that as we move to eliminate the unnecessary administrative red tape we certainly are not going to undermine the Health, Safety and Reclamation Code, but we are going to be clear about the results we expect. We're asking the industry to continue to work with us and the industry has been exceptional.

They've been exceptional in this way. Before we were elected I went to the mining industry and I said: would you tell us what you need to get yourselves back on your feet, to encourage investment again, to have the kind of opportunities created in mining that we had previously? They came with a pretty long list at first.

I said: well, you know, it's going to be difficult for a government to deal with this great, huge, long list. I can't tell you I'm going to get 37 things done by a week this Friday. So they then came back and they gave us five specific objectives that they hoped that we would be able to come forward with. We've been working very hard to do that.

The tax regime changes we've made are a direct reflection of the initiatives that the mining industry brought to us, whether it was income-tax reductions, elimination of costs on taxes for machinery and equipment, corporate capital tax reduction or elimination. Those things were all a critical part of the first step of getting the province back on track.

We also were told that we needed to have the 2-zone mining system which builds certainty by identifying land that's open to mining. In fact, the industry has said: great. You've taken the first step. You've got that 2-zone system there. Now we want to have some clarity around how this actually works. We're working with the industry now to make sure that it's clear and unequivocal about what we're trying to accomplish and how that matches up, how that comes together with the industry in a way that will create the kind of certainty that you need to come and invest.

We also know that we have to invest in geoscience. When you have a land base that's as massive as ours, the more you get to know about the land base as you start, the better off you are.

We launched last year a Rocks to Riches program. The Rocks to Riches program is a \$2.1-million two-year survey of unexplored areas in the province. The evidence so far is that that investment returns about \$10 for every \$1 that we spend on surveys.

Both Richard and Pat have been told by our Treasury Board: if you can come and show us how an investment up front leads to benefits down the road, we're going to be willing to do that. We've seen that in the energy industry, and we're seeing that in the mining industry now. I want to say again that the two ministers have been great advocates on behalf of the industry. Our goal, as I said, is to assure that you have the information you need so you can invest.

We've seen some pretty significant results. We're not where we want to be yet. 2001 saw almost \$30 million spent on exploration, not close to being enough to sustain jobs and the industry over the long term.

You know, it's kind of interesting when you talk about mining as an industry. People forget that mining is an industry made up of hundreds of people. Mines create those jobs. We were watching for a while there, through the nineties, as for every mine that we opened, two closed down. We'd like to reverse that.

It's also interesting for the public. They often forget that mines actually run out. There's a time when the economic viability of those mines comes to an end. We've experienced that in British Columbia with the Sullivan mine in Kimberley, where after almost 100 years, it's not there anymore as an economic engine.

One of the challenges you have, and I think that we have to remind people of this all the time, is you have to encourage exploration. You have to encourage the new mines to be opened up year after year after year if you're going to have that long-term sustainability. To do that we have to create some confidence in investors. We have to say to them: we want you here, mining is important here. And that's exactly what we're trying to do.

I want to be clear to all of you here that mining is important to the province of British Columbia. The direction we take is aimed specifically at regenerating this industry and moving it forward, of giving this sense of opportunity and hope again. There are rifts in the mining industry. We know that. But for all the exploration that's taking place we think we need about between \$200 and \$250 million a year in exploration just to get that long-term opportunity, if you want inventory in place.

We've doubled it in the first year of office. We think we will have almost quadrupled it by this year, and that's important. But we've still got some ways to go.

Hopefully you'll have a chance as you're visiting with British Columbians. Again, you should know that you're invited to talk with Pat Bell or Richard Neufeld or me in my office to suggest ways that we can encourage even more exploration. Because we know the exploration is the front end of this industry.

Once we have the exploration take place, we obviously need to make sure that that's being done in a sound and a sensible way.

Again, I want to thank our industry here, because they're working with us on the development of what we call a mining consortium to build the kind of trades that we need. It's modeled on the skills and developments consortium that we've been building in the oil and gas sector and the aerospace sector.

Northwest Community College and Northern Lights College will be working with University College of the Cariboo to make sure that we do develop those trades and those skills.

I opened up the newspaper the other day, and there it was. There were members of our mining industry in British Columbia saying that there was a skills shortage. They had lots of jobs for people, and they wanted them back in the mining industry.

That's a sign that we're going in the right direction. But our job is to make sure that there isn't a skills shortage for the investors that are coming. That's what we're going and do with the mining consortium.

We are actually moving right now with First Nations, as I mentioned. The Yekooche First Nation up near Prince George has been provided \$280,000 for a pilot project to support mineral exploration, training, research and fieldwork. As we reach out and ensure that First Nations are included in our mining future, that, too, creates the kind of opportunity security that we want for the long term.

Let me close by saying first I welcome all of you who are from outside of our province to British Columbia. I hope that your visit here will remind you of why you want to come back. Most importantly, I think we should all recognize the reason you will want to come back is because this is a good place to do business. This is a place where we recognize the contribution that the mining industry makes to our economy and to the global economy. This is a place where we recognize the contribution it makes to families. We recognize the incredible support that you give to families - that the highest average paid jobs of any industry in the province are in the mining industry.

When Richard Neufeld carried out the mining trade mission overseas to talk to people in Europe, we were trying to send a message. Pat Bell, as the Minister of State, will be travelling to Europe and Asia to talk about what we're doing here and why we're doing it and encouraging people to come and be part of our economy.

We believe by working together, by listening to one another and having open and direct communication where you consistently remind us of how we can do more to encourage investment and exploration, the more rapidly we'll be able to respond to your goals.

Our goal is simple. We would like British Columbia to come back where there's double-digit growth in our mining economy; where there's double-digit growth in mining jobs; where there's stability in the long term for mining families; where resource communities across the province have a sense of hope and opportunity for the future. They're starting to develop that.

There's a new optimism in mining. It's largely because of people like you making their contribution and making their commitment.

On behalf of everyone in British Columbia I'd like to say welcome. I'd like to say thank you for your expertise, thank you for your energy and thank you for investing in mines in British Columbia.