

2003 Legislative Session: 4th Session, 37th Parliament
HANSARD

The following electronic version is for informational purposes only.
The printed version remains the official version.

Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

THURSDAY, MARCH 27, 2003

Morning Sitting
Volume 13, Number 6

The House met at 10:03 a.m.

Prayers.

Tabling Documents

Mr. Speaker: Hon. members, I have the honour to present the following reports: ombudsman report No. 42, *Code of Administrative Justice 2003*; ombudsman report No. 23, *The Right to Know: A Complaint about the Greater Victoria Public Library Meeting Room Policy*.
[1005]

Orders of the Day

Hon. M. de Jong: I call for second reading debate on Bill 28.

[J. Weisbeck in the chair.]

Second Reading of Bills

FORESTRY REVITALIZATION ACT

Hon. M. de Jong: It is with a great deal of pride, I think I can say, that we.... I move second reading of Bill 28. [Applause.] I must confess that did not appear as an applause line in my text, but I am, of course, grateful.

I will say this off the top. On a legislative initiative of the magnitude unveiled yesterday, I would be less than forthright if I didn't acknowledge that I was interested in tracking some of the commentary, that I was interested in looking at what some of the reaction beyond that which took place at the announcement itself yesterday. I won't spend much time on that, because I think

it is more important that we discuss the substance of the bill itself, what has given rise to its birth, the motivation behind it and what we hope to accomplish.

I was struck by this comment that appeared this morning in the *Alberni Valley Times*. Port Alberni is a community steeped in history associated with forestry; a community that is built around the forest sector; a community that I think it is fair to say plays host to some of the most talented, innovative forestry workers in the world. I was struck by the comment that appeared in that paper this morning, the day after an announcement of that magnitude was made which touched on virtually every feature of forest management policy in British Columbia.

This is what the mayor of that community said, Mayor Ken McRae. I have come to know Mayor McRae over the last couple of years. I know him to be a passionate spokesperson for Port Alberni, for the interests of his community, for the people that work not just in forestry but particularly in forestry in Port Alberni. I have also had occasion to engage in debates with him on various topics. I think it is fair to say that Mayor McRae is not someone you would categorize as anyone's lackey or ideologically predisposed to align himself with any singular partisan interest. This is what Mayor Ken McRae is quoted as saying in this morning's *Alberni Valley Times*: "If B.C.'s forest industry is going to become more competitive in order to survive, then so will Port Alberni. If we have a competition, we can always beat out anyone."

He's right, you know. He's right on both fronts. If our industry is going to survive, it is going to have to become more competitive. But the second part of that statement is also true. Port Alberni can take on anyone, anytime, anywhere as it relates to forestry and beat them. Broadly speaking, that lies at the heart of what we are doing in trying to chart a positive future for our forest industry.

I've spent the better part of my time in this job travelling around the province over the last year and a half, two years, meeting with British Columbians, meeting with people who are involved in the forest sector. I have, as I said yesterday, learned that they have some expectations, and I think they're fair expectations. They, first of all, believe that forestry in this province needs to be practised in a way that is sound from an environmental point of view. Happily, I think we meet that test, and as we move forward, we will continue to meet that test. They have another expectation. They believe that forestry needs to be practised in British Columbia in a way that is sound economically — not just today but in the future — for the sake of their children and their grandchildren so that they, too, will enjoy the benefits of this resource with which we have been blessed in abundance.

As I travelled around this province from community to community, from public forum to public forum, I put one question to every gathering: how many of you believe that we are meeting that objective of a sound economic forest sector today? No one thought that was the case. No one believed we would rebuild. No one believed that our forest industry was meeting that test that involves providing stability and jobs to British Columbians in the present circumstances. Virtually without exception they said to me: "What we need is a bold strategy to revitalize B.C.'s number one industry, because that's what it's going to take to provide the opportunities, the jobs and the stability our heartland communities want and deserve, particularly when you consider that they are situated in areas surrounded by this resource."

As I engaged in that discussion.... I want to say right off the bat that I am obliged to countless members of this assembly who have worked over the last year and a half to help facilitate that discussion taking place and who have themselves, based on their own experiences — oftentimes experiences that extend far beyond their political involvements but are based on their own involvement in the forest sector — provided suggestions, provided input and more importantly, I suppose, facilitated the input from any number of other stake-holders and participants in this industry. There is a recognition that in order to accomplish our objective, we must abandon the status quo, we must recognize that change is necessary, and we must recognize that that change will be difficult.

Change on the scale that we are proposing as part of Bill 28 and subsequent legislation is on a grand scale and is difficult. Bill 28 follows in the footsteps of some other changes we have made, changes to introduce a forest investment act that focuses on sustainable forest management that actually dedicates money in a sustainable way on a long-term basis to international marketing. Surely, we have learned about the dangers associated with placing all of our trade eggs in one basket. Surely, we have now learned the value that goes with diversifying our markets. That's all part of the forest investment act. This continues a process that involved the changes we have made, the introduction of a results-based forest practices code that actually gets people out of their office, from behind a mountain of paperwork, out onto the field and tracking the results we expect our practitioners on the land base to achieve.

But this is change that goes far beyond either of those two pieces. The measures we've introduced in Bill 28 are designed to open up new opportunities. Though we have heard those terms used time and time again — and this is a theme I will return to — for the first time, government is acquiring the tools to actually facilitate the opening up of those new opportunities for first nations, for communities, for loggers, for processors, for woodlot owners. I want to talk about that today during the course of this debate. In subsequent legislation we'll talk about creating a regulatory regime that actually makes a degree of common sense and responds to the changes that have taken place around the world in the markets we try to ship our products into and to the fundamental changes that have taken place over the last half-century in British Columbia. The only thing that hasn't changed, the only thing that hasn't kept up with those changed circumstances around the world, is the policies that are passed in this Legislature, and now that's going to change, Mr. Speaker.

The reason.... Well, let me ask this rhetorically, at least: why? Why subject this industry, this sector of our economy, to the kind of legislative overhaul that Bill 28 represents, the trauma that is usually part and parcel of that kind of change? Well, let's ask ourselves where we are. Where is this industry today? How have we performed? If the industry is healthy, if people are working, if people are earning paycheques, if there is stability and if there is certainty, why tamper with the formula? Why, we could ask ourselves, would we try to inflict any degree of change or uncertainty that goes with change?

The answer to that question is pretty obvious. This has not been a healthy industry of late. It differs depending on where you go in the province. That is certainly the case. The situation on the coast is far different from the situation in the interior, but overall, when you take British

Columbia's forest sector and apply any conventional form of measurement, you come away shaking your head, and it's not with enthusiasm. It's with disappointment. Over the last half-dozen years, 13,000 jobs have been lost in forestry. That's a lot of jobs — well-paying jobs, family-supporting jobs, community-supporting jobs. They are gone.

The revenue that the people who own this resource.... That's British Columbians. They own the resource. All government does is sell access to it on their behalf. The amount of money they have realized from those sales has dropped over the last six or seven years by over \$600 million a year. That's not make-believe money. That's the money we use to provide health care services and education services. If your child went to school this morning, some of the money being used to pay that teacher in your child's classroom comes from forestry. That's how important this industry remains in British Columbia. Almost 25 percent of our GDP is tied one way or another to forestry, and the trend lines have been very, very bad.

People ask me: "Why is government concerned about the profitability of industry? Let business worry about that." Well, that is their concern, but when industry as a whole is uncompetitive and when industry as a whole is not realizing healthy returns, do you know what happens? That industry as a whole falls into decline because people don't want to reinvest. People from outside the province don't want to invest. We end up with a situation where you have antiquated and outdated processing facilities. Your competitiveness begins to suffer. You no longer have state-of-the-art equipment. Over time, your ability to compete on a worldwide basis is compromised. That, particularly on the coast, is what we have seen happen.

People say to me: "Never mind. That's industry's problem — their profitability. Let them worry about it." Well, industry can look after themselves. Our job as government is to create a climate in which an efficient, competitive operator can actually succeed. That, over the last ten years, has slowly but surely been slipping away. Why is that? Well, I've alluded to some of the reasons, I think. First of all, dramatic change. People have heard me say this before. I wasn't involved in forestry 15 or 20 years ago, but I asked people who were if they would have thought that in the year 2003 we would have been competing for market share around the world with wood products from Latvia. Latvia? Russia hasn't even ramped up in a meaningful way, and yet today that's where our competition is coming from. Northern Europe. Scandinavia. There's a whole other competitive world in the southern hemisphere. Yes, there are some opportunities out there for us in new markets like China, Taiwan, Korea and India, but they're not waiting for British Columbia. They're looking to see who can fulfil their needs at the most competitive price. If we ignore that reality, we do so at our peril.

Our placement in the world compared to 50 years ago, when I think it was fair to say we enjoyed a healthy, competitive advantage.... For much of the world we were the suppliers of choice. That's changed. That has changed in a dramatic way, but our domestic policies have not changed. Our domestic policies that, I will say this, made eminent sense through the 1950s and early 1960s were designed to accomplish specific purposes. The architects of those policies had specific things in mind that needed to be achieved. I think, broadly speaking, they achieved those objectives.

I don't think for a moment that the architects of those policies thought they would remain the answer in perpetuity. Yet that, by and large, is what has taken place. Everything has changed. The way we manage our land base within British Columbia has changed. The expectations of first nations have changed. Environmental regulation within British Columbia has changed. Our competitive position on a worldwide basis has changed. The only things that haven't changed are the policies we use to manage the land base on behalf of British Columbians who own that asset. Now that is about to change.

Bill 28 begins that process. It does represent confirmation of my belief that the time has come to act, and to act decisively. In so doing we have to recognize the interrelationship, the interlocking nature of the interests involved, the policies involved, the issues involved and how changing one necessarily impacts another. When you talk about changing a pricing system, that has implications for your tenure system. When you talk about greater involvement for first nations, that has implications on the other side of the equation. You can't do this piecemeal. If you try, and perhaps that is the record of at least the last half dozen years — piecemeal tinkering — what you end up with is a bigger mess than when you started.

British Columbians said to me and, I think, to many of my colleagues in this House: "It's time government acted decisively, laid out a blueprint and showed us how we get to where we all know we want to go, which is the re-establishment of a competitive industry." At the end of the day, that is the most secure guarantee of stability for our heartland communities. Every other strategy has a degree of artificiality attached to it.

I am going to suggest, Mr. Speaker, through you to the House, that what we are talking about in Bill 28 is the creation of new opportunities and actually moving on to get the most value from the timber we harvest in British Columbia here within British Columbia. Also, it's about setting a fair price so the people who own this resource, the people that own these trees — British Columbians, four million of them — actually have the confidence to know they are getting a fair return when government purports to sell access to that resource on their behalf.

Well, I've been saying for some time now and repeated it yesterday that I am not the first Forests minister — nor, I suspect, are we the first government — that has talked about creating opportunities. Yet here we are in 2003 facing this situation. It is something that previous governments and previous ministers have not wanted to talk about particularly openly, because it represents the single largest constraint to actually getting on with creating those new opportunities. That is the simple, inarguable fact that 75 percent of our annual allowable cut, or AAC, a number of decades ago was essentially allocated into long-term tenures.

Now, that was done for a particular purpose. It was done to achieve some objectives. I'm not going to second-guess the architects of that policy because, as I said, in large measure, those objectives were achieved. But that is what we are left with today: a situation in which 75 percent of the annual allowable cut is allocated to those long-term renewable tenures.

It has certainly reduced the opportunity that new entrants have to get involved in forestry. It has, I think, provided a bias in favour of the production of certain types of commodities. When only

25 percent of your fibre base is available on an open market, that necessarily has served to limit the opportunities for new entrepreneurs, for workers, for communities and for first nations.

If you're going to change that, if you're going to change that basic fact, you have to have the courage to deal with a pretty tough issue. You have to acknowledge that what you are necessarily obligated to do is create a mechanism by which there can be a redistribution of some of that AAC. We've recognized that. It's a tough decision.

It is challenging to say to people who have licensed rights that we think it's time to reconfigure those entitlements and that is going to impact upon you and the business plans you have developed for your organization. Bill 28 does that. It redistributes 20 percent of the renewable tenures in British Columbia. Now, what does that mean? It's 8.3 million cubic metres of wood. That's a lot of wood. It's a lot of wood.

It translates into a lot of opportunity. The opportunity I believe it translates into is for first nations, for communities, for woodlot owners. For 50 percent of that volume, it translates into opportunities for people who have been crying out for greater access to fibre on the open market through an auction system on a competitive basis that will undoubtedly favour efficient operators, large or small, who can bid competitively for that wood. That is, again, an indisputable fact.

When you say to people that your access to this fibre will be competitive, it will favour the people who are more competitive. That, I would suggest, is how it should be.

As we had these discussions — and I did with my colleagues from this House around the province — it became clear that, particularly among smaller operators, there was a degree of anxiety. It went something like this, particularly for those who recognized the value of this enhanced opportunity. It said: "You know, at some point, if you reduce my allotment of fibre to too small a portion, there's a scale-of-efficiency argument. There's an argument that says I can't any longer maintain the equipment I need because the volumes I'm harvesting are so small. Or my licence becomes so small that it becomes problematic for me in a way that it doesn't become problematic for a much larger-scale operator or larger licensee."

That argument, as far as I'm concerned, has a degree of truth to it. What the government is absolutely committed to doing is ensuring that this program — this program for reform and change — is based upon the principles of fairness and equity and is implemented within those principles of fairness and equity. That's why we have built into Bill 28, and into this enabling legislation, a threshold — a threshold that ensures each licensee will keep their first 200,000 cubic metres of wood. The redistribution kicks in after that, so those smaller operators aren't impacted unfairly. I have to tell you that, as you might expect, has gone a long way to instilling in our forest industry the realization that what the government is doing is built around the principles of fairness, reasonableness and transparency.

There's another feature to this that some people don't want the government to talk about, and they don't want me to talk about. I'm a bit puzzled by it, but I think it reveals a lot about the attitude of the people who are making this pitch. They say, "How dare the government compensate

licensees for redistributing a portion of their licence rights" — 20 percent in this case. It's interesting, you know, because depending on who you're talking about, the response is very different. If it's a large corporation, the sympathy is pretty limited. If it's a large corporation owned by a family, the attitude's slightly different. The fact of the matter is this: we want people to come to British Columbia. We want them to invest here. We want them to do so confident in the knowledge that the government will treat them fairly and equitably as well.

That's why there's compensation here — because licensees large and small, impacted by this legislation, have made investments. They have built roads; they have built bridges. They deserve to be compensated for those costs if they are precluded from utilizing that infrastructure to harvest areas that are going to be redistributed elsewhere.

There is value associated with the harvesting rights that are going to be reallocated and redistributed. We've applied the expertise of the Forest Service in calculating what we believe that amount to be. Remarkably — and I have to tell you this is something that I am particularly proud of; I'm proud of the government; I'm proud of my colleagues with whom we discussed this — we have allocated that money in advance to signal loud and clear that though we understand that governments are entitled to exercise their political prerogatives in manifesting the kind of change contained here, in so doing there are fiscal consequences.

I can tell you this. I still deal with files, as the Minister of Forests in 2003, dealing with compensation claims from past governments where the decision was made to exercise the political prerogative because — you know what? — it was a really popular thing to do, to create that park. It was, but no one thought and no one cared about the fiscal consequence flowing from that very positive and popular political announcement. Now we clean up the mess, because no one wanted to talk about the money that the law says those licensees are entitled to. Well, we're doing this in a significantly different way because there are entitlements, and we're going to address them. We've built that into this bill, and that is because it is the right thing to do.

What does this bill allow us to do? What does Bill 28...? When it has been implemented, when we have had the discussions, when we have had the negotiations, what does it allow us to do? Someone told me, "Well, it allows you to take back harvesting rights," and my immediate reply is: "I don't want the harvesting rights for the government." They don't do us any good sitting here in Victoria. They're designed to be used. They're designed to be out there in the hands of entrepreneurs who can put that fibre to work and put British Columbians to work. That's what it's all about.

In no case is that truer than when we talk about first nations who for years, if not decades, have lived — many of them — in bands located in areas of British Columbia surrounded by forest and have watched that forest activity take place around them and said: "Why aren't we involved?" Well, now they're going to be. That process has already begun.

I can tell you without, again, any hesitation and with no embarrassment that I was proud last night when I happened to come across a particular television newscast and saw a member of the Huu-ay-aht first nation, Tom Happynook, stand before a camera on a day when other first nations leaders were saying less than flattering things about this program and say: "Yes, there are

details that need to be worked out, but by God, the first nation communities that I am a member of have accomplished far more in two years under this B.C. Liberal government than they have under all previous governments combined." It's because we were serious. We were serious when we said that as important as negotiating long-term comprehensive treaties is, in the meantime we can't ask people to put their lives on hold.

Let us turn our minds collectively — first nation, non-first nation — to the task of creating those economic opportunities. For so many first nations, that means forestry. It's logical. That's where they live. I'm not the first Forests minister to say that either, but it is a hollow promise if the Crown does not possess the currency necessary to give effect to those pledges. This government is acquiring that currency.

This government has already had the courage in recognizing our need to consult and accommodate and in recognizing our desire to follow through on the specific promises we made around developing economic development opportunities. We have already taken a step that no previous government was prepared to take and said that we will allocate specific dollars for revenue sharing — a hundred million bucks over the next three years. We know that it's not just a matter of providing people with a timber licence. It's a tough business. It's a bloody tough business right now. It will take resources to develop that expertise and to expand those operations that may already exist.

This House last year developed for the government another tool: Bill 41, an amendment to the Forest Act that actually lets us get on with and expedite the process of awarding tenure opportunities to first nations. It's an important instrument but one of limited use if you're missing something, and we were missing something. We were missing the trees; 98 percent of the fibre in this province is allocated. So it doesn't amount to much when the Minister of Forests says to a first nation, "We want to develop some tenure opportunities with you," and the first nation says: "Okay, where's it going to come from?"

Actually, they generally don't say: "Where is it going to come from?" They say: "Okay, you worry about where it's going to come from." We've dealt with that. We are dealing with that in Bill 28, Mr. Speaker, and I want to tell you this. When I looked across the faces in the crowd yesterday, when I saw the Cheslatta Carrier nation there and think about the work they have done in developing incredible, incredible entrepreneurial opportunities in partnership with firms like Carrier Lumber and what that has meant in terms of employment — and the member from Prince George knows what I'm talking about because he has been intimately involved in watching and participating in and encouraging that activity taking place — I feel good.

When I look out and see what the Uchucklesaht, the Huu-ay-aht and the Ditidaht have been able to accomplish and what they will be able to accomplish when the Crown is in a position — as it will be after passage of Bill 28 — to give effect to their interests, to more fully develop their involvement in forestry, I know that at the end of the day, it won't just be first nations that benefit. It will be all British Columbians, because there is value associated with the certainty that is going to create. We see it in the partnerships that exist now, and we know it's going to expand in the partnerships of the future. It's a good thing. It's a very good thing.

I think about what communities have said. Mayor Jack Talstra was here yesterday while his member was in Prince George with the member from Prince George performing some work on behalf of the government. The mayor of Terrace was at the announcement, recognizing there are issues here that we need to work through and details that need to be considered. But he, like mayors from across this province, those communities.... I heard and have heard a lot about how people are talking about the impact on communities.

The one remarkable thing I haven't heard is a lot from the communities themselves, except those that say they think we're moving in the right direction. As we embarked upon this process of consultation — and there were meetings in Terrace and meetings in Prince George and Cranbrook and right across this province — mayors attended. Mayors participated, and they said to us all: "We want to have a little more control of our own destiny." By and large, some of the antiquated policies we're going to deal with in the next bill have not achieved that purpose for us.

What about community forest opportunities? What about providing communities with the ability to set some priorities close to home for the resource that surrounds their town? You know what, Mr. Speaker? That makes sense. It makes sense when Jack Talstra says it. It makes sense when Colin Kinsley says it. It made sense when Donna Barnett from 100 Mile House said it. Bill 28 provides us at last with the opportunity to give effect to those recommendations, and that's what we intend to do. That will provide communities with some real additional security.

I spent a lot of time talking to woodlot owners. They're an interesting breed. They are independent. But that is the nature of their business, isn't it? They manage small holdings of fibre. They manage it pretty intensively. They maximize, actually, the cut. They grow the AAC. Imagine that. They actually invest their time, sweat and energy, and their families' time, sweat and energy, money. As a result, they benefit because they grow trees faster. They grow more of them.

I like the woodlot program. I think it should grow. I think it should double. You know what? I'm probably about the ninth Forests minister to say that.

P. Bell: The first one to do it, though.

Hon. M. de Jong: The first one to do it — this government, these members — because we have the courage via Bill 28 to recognize that all of those pious statements about wanting to expand the woodlot program don't amount to a hill of beans if you don't have the courage to find a mechanism by which you acquire the annual allowable cut, the trees necessary to expand that woodlot program.

That is going to signify incredible opportunities. There are just over 800 woodlots in the province now. If we can double the volume, I think we can look at growing the size of woodlots. I think we can look at who qualifies to hold a woodlot. I think we should look at whether or not there should always be a private land component. I think we have to look at how they're awarded.

You know what makes me pleased? As a result of the year and a half we have spent talking to British Columbians, including the woodlot federation, they have signalled fourscore that they want to have that discussion. It is the right thing to do. It is the right direction, and it translates into new opportunities.

Believe me, woodlot owners don't live in Vancouver or Victoria. They live in the heartland communities.

Interjections.

Hon. M. de Jong: And apparently one in...

Hon. C. Clark: Port Moody

Hon. M. de Jong: ...Port Moody.

People have questioned the nature by which this bill and this legislative package have come together. I want to talk briefly about a part of this that I think demonstrates clearly the positive process that has given birth to this reform package, Bill 28.

Had we done this a year ago.... First of all, I confess that I would not have known nearly as much about the interrelationship between all of the issues. I confess that. It is bloody complicated. The time that I have had to speak to members and to stakeholders has, I think, altered dramatically the shape of the final product.

I point to one particular issue as demonstrating that greatly. I have, over the course of this year and a half, learned a great deal about something called small-scale salvage and the opportunity it represents for thousands of British Columbians who find ways to earn a living going after fibre that has been left and which others, for whatever reason, have decided is uneconomic for them to harvest.

Although we have challenges within government, in terms of the resources we have to administer various programs.... That's what happens, actually, when revenues to government fall. The two are not divorced. When you're making \$600 million less, that impacts on your ability to deliver services. I know there have been previous governments who have had trouble with that concept, but I think most British Columbians sitting at their dining room table understand it.

Over the course of the past year that argument from the small-scale salvage community has been made loud and clear, and it has been made loud and clear from members of this House. The member for Cariboo North is here. He's forgotten more about salvage than I'll probably ever know, but he knows the people that are involved. He knows the import they attach to having the ability to access that fibre. I can say that for the member from Prince George; I can say that for the member for Skeena; I can say that for the member from Vernon.

In fact, I want to talk about the member from Vernon for a moment, because the member from Vernon, as we were putting this package and discussing aspects of this package, said to me: "You know, I have a group, a regional district in north Okanagan, who are concerned about salvage. We have a lot of salvage operators in our area. They're concerned their access to that fibre might be limited. They're prepared to compete for it, but they are concerned about the mechanism by which that competition will take place."

The regional district from north Okanagan came, and a few others. We had a good chat. Mr. Speaker, I think you're somewhat familiar with some of those discussions. And we're responding. We're responding in a way that will allow an organization like the regional district of North Okanagan to actually hold a licence and administer small-scale salvage with the sensitivity and sensibility that can only come with a local, on-the-ground body like the regional district.

There are other possibilities that exist out there. The member for Prince George North is going to chair a committee. It's going to involve those other members, and they are going to liaise with the small-scale salvage community. They're going to make sure we maximize the opportunities for recovering what would otherwise be unrecoverable fibre. That's a good thing. That translates into jobs, and that's a good thing.

When you put fibre out on the market, that translates into new opportunities for everyone. While I believe there is an argument — in fact, we have confirmed our acceptance of the argument — that smaller operators, value-added operators, without renewable tenure will have their 13 percent of the timber sale program reserved for them, it will be on a competitive basis. But there will be, as a result of Bill 28, additional volume, significant additional volumes, out there for those value-added operators to access.

That is the message that I heard loud and clear from those operators. You cannot expect us to invest the money in the infrastructure that you need to develop a value-added opportunity if we don't have the opportunity to access fibre. That's going to change. I think it's a very positive change.

In fact, I began this discussion by pointing out the fact that 75 percent of the tenure is presently tied up in long-term renewable licences. When we have completed this exercise — and it will take a couple of years, flowing out of Bill 28 — that figure will be less than 60. Over time, I think, because of some other features in this legislative package, it will draw closer to 50.

So I am perplexed — I am amazed — that some of the criticism I have heard in the last 24 hours has been from people who are alleging this is going to lead to more concentration of ownership. I can think of any type of criticism that one might get. I heard Vicky Husband, Ms. Husband, a longtime participant in debates, and I have a degree of respect for her analytical powers and her thoughtfulness. I would have expected her criticism to be: "It's timid. It doesn't go far enough." To suggest this is a blueprint that favours the corporate world of concentration is an astounding statement. It is precisely the opposite. It creates opportunities by diversifying the flow of fibre, by providing additional outlets for people to access the fibre they need to go on with running their businesses. I'm sure that debate will take place. That is as it should be, because it is an issue that impacts on everyone.

The last point I want to refer to relates to the specific situation we are facing on the coast. It's a critical situation. Anyone that pretends otherwise will be deluding themselves. There has certainly been a healthy degree of denial over the last ten years on everyone's part, to be blunt. This government had a choice. We could continue with that denial, or we could take some concrete steps to try and deal with it. We opted for the latter. We opted for taking those decisive steps.

If you look at what Dr. Peter Pearse said, if you look at the situation where we have antiquated infrastructure, outdated mills, overcapacity.... I don't like saying we have overcapacity in the coastal forest sector. It is not a popular thing for a Forests minister to stand up and say: "We've got more mills than we've got wood to supply." It's not exactly the battle cry I like to take into a mill town on Vancouver Island, but I am burdened by one inalienable fact: it's the truth. If we choose to ignore that truth, we will perpetuate a cycle that has gone on and on and on and shows no signs of changing. We have to deal with that.

The point I would like to make is that....

J. MacPhail: I'm not rushing him. I'm not. Honestly, I'm not.

Hon. M. de Jong: The word I thought she would use was "entranced."

Dr. Pearse in his diagnosis painted a pretty gloomy picture. He also portrayed a very different scenario — one that, admittedly, he said was dependent on creating the right circumstances. That scenario involved the reinvestment that goes with updating processing facilities and the replacement of old antiquated mills with new leading-edge technology and productive facilities. Eleven to 14 were his estimates. That is where we've got to get to. That surely is the goal we've got to remain focused on and recognize, at the end of the day, that is the best security, the best guarantee for any of our heartland communities — a forest sector that is vibrant, where the flow of fibre is free within British Columbia.

I will say this now as I will undoubtedly say in subsequent debates. We are not removing the restrictions around log exports that are presently in place. Maximizing the value from the fibre — and we'll talk about that more in some of the subsequent legislation — does not alter the fact that there will be impacts in this transition time and in addressing the reality that Dr. Pearse and other non-partisan commentators have laid out.

In this bill we've recognized those costs. We've recognized them by establishing a sum of money, \$75 million, for payment into a trust that will be managed and administered by representatives from labour, licensees, logging contractors and government. That's as it should be, because those are the stakeholders that are going to be impacted. We have worked and will continue to work with those people and those agencies who represent workers who are impacted.

I come back to the point I started at. Let us not delude ourselves into thinking that if we do nothing, somehow the problems disappear. Thirteen thousand workers have lost their jobs. We have a disproportionately demographically aged workforce. That's why I have said, and the

Premier has said categorically, that some of these moneys should be dedicated to pension bridging. We will work with the IWA, with labour on that front, and — no secret — we're going to try and lever some more money out of Ottawa. That process has begun. The IWA, Mr. Haggert, and I have had meetings. I can't say that we've enjoyed much success to this point, but that's no reason to stop trying.

At the end of the day, I began by suggesting that the objectives are shared ones. Ken McRae — I was struck by the statement: "If B.C.'s forest industry is going to become more competitive in order to survive, then so will Port Alberni." Well, that's the right attitude. He's dead-on. We are going to have to become more competitive. That is the nature of the world we live in.

There are two kinds of people and, I suppose, two kinds of governments. There are people and governments who look at that reality and bemoan its fact and think of all kinds of excuses around why that is unfair and around why that presents an insurmountable obstacle. Then there are the Ken McRaes of the world, the mayor of Port Alberni, and governments like the one that I am a member of, who recognize that for a reality. They recognize the dangers of continuing to ignore that reality and say: "Let's get on with rebuilding an industry, providing some hope to our forest-dependent communities and providing the opportunities that the best forest workers, best forest technicians in the world, need to ply their trade and make this province number one again."