

B.C. Chamber of Commerce

Premier Gordon Campbell

March 24, 2006

Check against delivery

It is a pleasure to be here again. I think this is maybe the third or fourth annual time we've met with the Chamber. And it's important for you to know what an important voice you have across the province, because the Chamber reaches out and touches communities in literally every corner of this province and every part and every region of the province. You become a very strong amplifier for us of the critical issues that our business community faces across the province.

And I want to take a moment to thank you for the contribution and the hard work of your president and CEO, John Winter. He has done a truly magnificent job on behalf of all of you. John has just agreed to sit on Rick Thorpe's Small Business Advisory Council.

We are moving forward in British Columbia. We are taking advantage of the foundation that's been built over the last four years, but we don't want anyone to lose sight of the fact that the job is not done. Our goal is still to become the best jurisdiction anywhere for a small business to begin, build and thrive. Because that is the future of our province; that's the future of jobs in British Columbia. And that's a key that the Chamber holds, so I want to say thanks for that.

I remember the first time I was invited to come and speak to the Chamber as the Premier of the province. It was in 2002, and it was the 50th anniversary of the Chamber, and I talked about how much things had changed in those 50 years. I used the old expression from Bill Gates, which is: things don't change as much in two years as you expect, but they change way more in ten. I can tell you, thinking back over the last four and a half years, they didn't change as much in two years as I would have wanted, but boy, have they changed in the last four and a half years in British Columbia.

In 2001, British Columbia ended the year with a drop in employment. We set in place a plan which in many ways was guided by the Chamber and the policies that you've recommended to us. You told us that we had to build a competitive tax regime, that we had to reduce income tax so people would know if you're willing to work hard, you will get ahead, and your family will do better.

You told us we had to deal with regulatory reform and remove the hidden costs and hidden taxes that were holding businesses back in the province, large and small.

As we went through our first budgets in 2002, we were faced with a \$3.8 billion structural deficit and we asked How do we move this province back to where it should be — at the top of the heap, driving forward, creating opportunity, opening doors and being

sure that every region of this province has the opportunity to take full advantage of the resources that are there?

And I'm proud to say that while we may not have reached our destination, we have sure made a lot of progress in just four years. With the budget that the Finance Minister introduced in February, we have our third consecutive balanced budget. Last year we paid down more public debt than had ever been paid down in one sum in the history of the province. We have watched as the provincial debt as a component of GDP dropped from 21.3 percent in 02/03 to 16.4 per cent in 05/06.

But one of the things that we found — and the Chamber is one of the first groups to tell us this — is you have to make sure your economy is continuing to move, is continuing to grow, is continuing to act as a magnet for investment and opportunity if we are going to provide the quality of services that are essential to the quality of life of the people that live in this province.

How did we make it through that last four years? Well, we made it through for a couple of reasons. First, groups like the Chamber were always willing to identify a problem and a solution. So when Mike Bradshaw talks about four priorities, I can tell you that's very helpful to us as a government. When we can distil that down into action plans that we can execute and we can see the results of that, that is very helpful to us.

Just think of this. Housing starts in B.C. are up 101 percent since 2001. As Rich Coleman, our minister responsible for housing, will tell you, every time we start a home, we add additional jobs in the province. And when Mike says that we have to look at human resources, we have to look at training and skills development across this province, we should know this: we have to look for that in housing, in technology, in health care, in energy, in hospitality and tourism, in forestry, in mining, in retail. We have to look for that in every sector of our economy and every region of our economy.

And that's why in this year's budget we are investing \$400 million to expand training opportunities for young people and older people across this province: so they can take advantage of the opportunities that British Columbia presents. We're going to have to keep working to build that. The Finance minister has set aside \$90 million over the next three years for tax credits. She needs advice from all of you and from others across the province on how we can maximize the benefit of that investment.

And for those who think, well, maybe the economy is only working in Vancouver let me just give you some statistics which are pretty phenomenal. Housing starts in Vancouver are up just 57 percent. In Prince George housing starts are up 269 percent; in Abbotsford, 142 percent; in Penticton, 241 percent; in Squamish, 609 percent. Those percentages are just a reflection of an economy that is starting to move.

And what a huge, huge, future we have before us. This is Canada's future right here in British Columbia. Across that great pond, the great Pacific pond, is China, the fastest-growing economy in the world. Across that ocean is India, the fast-growing middle class

in the world. And the closest place for them to North America is British Columbia, Canada, and that is opportunity in spades for every one of us in every part of this province. And we are going to grab it and take advantage of it and drive our economy and our business opportunities forward.

As we do that, we have to remember that the cornerstone of our economy is the people who work in it. We can't lose track of the fact that in British Columbia we want people who work here to know that they and their families benefit from the thriving economy. This year we provided additional relief for homeowners in British Columbia, for example: a 22 percent increase in the homeowner grant. This actually puts 100 additional dollars in families' pockets and that helps drive our economy forward.

Because at the end of the day, there is no such thing as government money. There is only your money. It's only your wallet that government reaches into. So our obligation is to make sure that we first of all honour the trust you give government in allowing us to tax you and to provide services. But we also understand that our obligation is to provide the best possible service at the lowest possible price, which equals the best possible value to taxpayers. You never let us forget that, and for that, we say thank you.

I know there's a myriad of areas that you're concerned with, as we all are, but we have to focus our energy and our resources in the areas that will make the most improvement in the quality of lives of people across this province. In British Columbia, forestry, mining, energy, our natural resources are by far the most exciting industries we've got, and we're going to keep building on those, so just as they've been the cornerstone of British Columbia's quality of life and economy in the past, so they will be in the future.

That does not mean we don't face challenges. When you look at the ravages of the pine beetle and you think to yourself that this is the largest natural infestation that we've had in the history of North America, we have a big challenge. And I can tell you, Rich Coleman and other ministers of government — Ida Chong, Colin Hansen, Kevin Falcon — are all thinking about how we change the way governments have traditionally thought, and think long term. How do we bring the government of Canada together with the province of British Columbia, together with local communities all over the province, to make sure that there is a natural continuation and expansion of economic opportunity?

It may be in tourism. It may be in transportation. It may be increased reforestation. It may be improvements in terms of environmental quality. It may be looking at other options across the province. But if we don't think together and think long term and set goals for ourselves and execute those goals, we will not have delivered the services that people in various parts of this province deserve.

The federal government, to its credit, has committed \$1 billion over the next ten years to make sure that we have a smooth transition. It's an opportunity to create a healthier, stronger, more vital, more vibrant forest industry. It's an opportunity to expand and to diversify our economy. But we will only do that if we work together. It won't be one person's idea or one institution's idea. It will be the province of British Columbia working

with the federal government, working with local governments, working with local business interests and local communities to ask: what do we need to do together to maximize the opportunities that this may present?

It's also important to turn our challenges into something that's positive for the future of British Columbia. I'm confident that under the leadership of Minister Coleman and the other ministers we're going to be able to do that. I am confident in it because I know we are having open dialogue with people in the forest industry, people in communities and chambers of commerce all over the province who are going to help us make sure that that plan works for them and for the families in those communities across British Columbia.

As you think of the Asia Pacific and the Pacific gateway, think of what we can do with the resources that we have in this province. There is almost an unquenchable desire for copper right now in the world. We know it's at record high levels and that it's estimated that it's going to go on for probably about a decade. For the first time ever we've got two thriving economies that are driving demand for the resources that are right here in British Columbia. But for us to take full advantage of that, we have to make sure those resources can get to their customers, and equally, we have to make sure that those customers can service their needs in Canada and in North America.

And I want to say again thank you to the Chamber for understanding the importance of the Pacific gateway project. If we do not move goods through the province of British Columbia, they will leave the province of British Columbia. If we do not bring people into British Columbia they will go elsewhere. We intend to do both of those things, because an investment in the future of the transportation infrastructure is an investment in human resources and the people of British Columbia.

Being considered an approved destination community in British Columbia for China is a huge opportunity for us. Just listen to this: 100 million visitors are expected to leave China by 2020. Now, when I said 2020, many of you probably thought: "Gee, that's a long way off. We've got lots of time." Well, you know what? How many of you remember 1991? How far ago does that seem? How long ago does that seem to you? It just seems like it was yesterday to me. 2020 is right around the corner.

And we're not the only people who want to take advantage of Chinese tourism or Indian or Japanese or Korean tourism opportunities. If we're going to take advantage of it, we have to act now. There is a huge transformation taking place in the world, and frankly, we're all having trouble running to catch up to it.

I was just in Prince Rupert the other day because something clearly went wrong for all of us – the sinking of the Queen of the North. The community itself responded with incredible openness and generosity to the passengers and the crew that had gone through that horrible experience, as did the people of Hartley Bay. You all know how important community and the spirit of community is, and we should be grateful we have a province with those sorts of people and communities who reach out like that to take care of people.

We also know in Prince Rupert today they are feeling completely differently than they used to feel. They can't believe how big that future is: new container services, new transportation services, a new hub in Prince Rupert. We can bring goods from the Asia Pacific through to the centre of the continent almost three days faster than any other place in North America - if we work together, if we invest and think about where we want to go and what we want to accomplish.

And it's so important that we do that together, because I can tell you that government by itself doesn't accomplish very much. It's by creating true partnerships, true, open and direct partnerships, that people feel comfortable saying, "This isn't working; we should do it this way," or, "That is working; let's do more of it." That's how we're going to build the future of the province.

Go to Prince George and think of the opportunities that are created there as a transportation centre; go to Prince Rupert and think of what opportunities are presented there as a gateway; drive along Highway 16 and think of the opportunities that are created there and you'll start to be excited about the future of British Columbia. Come here to Vancouver and think of what we can accomplish as we strive to double and then triple the number of containers that are brought through our ports.

We've made some good progress over the last four years. But you know, we're not keeping up. In Vancouver I think our container capacity was increased by about 6 percent last year. In Seattle about 18 percent. So we're losing share. We've got to go out and keep grabbing that share, because if we don't we're going to lose it, and when we lose that, we lose jobs. And when we lose jobs, we lose opportunities.

This is not about British Columbia; this is about Canada. We're no longer at the edge of Canada's future. We are in the centre of Canada's future right here in British Columbia and working with our chambers. With communities across this province, we're going to help move our country forward right here from British Columbia.

Now, to do that there's obviously some things that we're going to have to face up to. One of them Mike identified as energy. We think there are big energy opportunities in the province, and yes, we are in the midst of launching a second-stage review of the energy policies we put together. Richard Neufeld is going to do that and be the lead on that.

We've said that we are going to be self-sufficient in energy within ten years so that we can take care of the needs in British Columbia and provide quality, competitively-priced energy that's environmentally sound and environmentally secure. That will be a competitive advantage for all of us here in British Columbia. Again, as we go through that process we need to hear from each of you.

We hadn't had a policy in British Columbia for years in terms of energy development. We established one in 2002/ 2003. We now have to look at that and say: how has it worked? How hasn't it worked? And we have to constantly strive to improve it. By setting the goal of energy self-sufficiency we demand of ourselves new thinking. It's not

always just more money here or more money there. It is definitely not, "Let's go back to what we were doing before," because what we were doing before did not work.

At the end of the day if we don't invest in people we're not going to have the full strength of our economy at work. So we have been advocating for a national skills development and training strategy in every area of endeavour, and we've been investing in that already. We have the largest expansion of post-secondary institutions in 40 years. There's \$400 million, as I mentioned, that's been invested in human resource development; \$17 million to expand Internet access across the province to First Nations; \$39 million more for the industrial training authority. There's an example of a flexible, personally focused training activity. We've had a 73-percent increase in the number of people that are in apprenticeship programs across this province in the last 2½ years alone, and we're investing more in that.

As I mentioned before, we need you to help us as we look at how we can make the tax credits work to encourage employees and employers to expand training opportunities across the province. Because at the end of the day, without the people there, we're not going to take full advantage of either our tourism opportunities, our mining opportunities or our forestry opportunities. All of those are going to require training. All of those are going to require people.

You heard last November when the Minister of Finance stood up and said we were looking for creativity in our negotiation strategy with our employees. That framework for negotiation has helped to create a new climate of cooperation between those who work for us in government and work for us in the communities. I think Minister Taylor should be congratulated on the leadership she took with regard to that.

One out of every two dollars of fiscal room we have is going to meet the needs of public services across the province. Some said that wasn't enough. Now there are some that are saying it was too much. But right now we have a dozen agreements that have been reached with over 100,000 workers. It's important for us to put this together with the public sector so we continue to build on the foundation for the future.

Because if we're going to take full advantage of the opportunities that are before us, we have to be bold, we have to be imaginative, we have to be thoughtful and we have to be focused. We have to commit ourselves to doing the best we can in the areas that will do the best for the people of British Columbia.

In 2003, our province was awarded the 2010 Winter Olympic and Paralympic Games. This is an enormous opportunity for each of us in every part of this province, because right now we have the lowest level of unemployment since records were kept in every region of British Columbia. We want to make sure that we continue with that, and the Olympics gives us an opportunity to show off our regions to the world.

I was in Torino, and there are two lessons I learned which are really important. The first one is this. Investing in quality pays off. We launched a program that said we were going

to establish what we called British Columbia Canada House, for \$6 million. Now, there were some people who said we shouldn't make a log house to show off British Columbia. But they should have been in Torino. There were some people who said you'll get no return out of that investment. They should have been in Torino.

More people went to British Columbia Canada House in Torino than went to the opening of the Olympic Games in Torino. We had people lining up down the street at 11 o'clock at night to see British Columbia Canada House. People came in and they saw our entire province. They saw the vineyards of the Okanagan. They saw the vast expanses of the northwest. They saw the opportunities at Prince Rupert and in Prince George. They saw Victoria. They saw Vancouver. They saw the Kootenays. They saw resort development. They saw timber activity. They saw mining activity. They saw our province, our people. They saw our country right there in British Columbia Canada House, and that was just a start.

It's estimated that we got about \$60 million of international exposure as a result of British Columbia Canada House, and for those of you who were wondering whether those Canada hats worked or not, I can tell you they really worked. When you've got the president of the IOC and the Governor General both wearing those in front of the international media then we've done okay.

There are 1,420 days to go until we light the Olympic torch. Everyone who's involved in previous Olympic cities has said this: the earlier you get started, the more benefits you get; the more you commit to the Olympic ideal and the Olympic opportunity, the more you benefit in every part of this province.

And here's the second thing. I talked with Dick Ebersole of NBC while I was there. He said: the first days of the Olympics will probably have a lot of stuff that will be taking place in Vancouver, and there'll be a little bit about Whistler. But it's a 16-day event. That means we're going to need to have packages of information about the Kootenays, about the north, about the northwest, about the Cariboo and about northern Vancouver Island.

That's one of the things that I would encourage you to start thinking about. What is the picture that you'd like to put out to the world? What is the message you have for the world? What are the ideas that you want to convey? Because we're going to have a platform to convey those ideas and whether it's NBC or CTV that's sending them around the world that's going to make a huge difference.

You know this, and I know this, but every once in a while it's important for us to say this. We happen to live in the best place on earth. We should take full advantage of it, and we can when we work together, when we set goals for ourselves, when we imagine what we can be.

Imagine what British Columbia can be. Imagine what your business can be, what your community can be. And then work with us so that over the next ten years people will look

back and say: we made the right decisions for the right reasons, and we made them on time. That will be a gift to the next generation of British Columbians.

Thank you very much.