

Premier Gordon Campbell
Address at the Interior Logging Convention
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Check Against Delivery

I know that each of you has faced challenges over the last decade, and we're all feeling the pressure of the current situation in forestry. The Interior Loggers Association is going to be one of the critical players as we develop a competitive forest strategy for the future.

When I say that we can't simply stand on the status quo, many people get concerned about what that means. It means that what we did over the last 10 years didn't work. We had "the B.C. discount" – investors called it that when they looked at our province and when they looked at your industry.

Our goal is to make sure British Columbia's forest industry is where people want to invest – where young people say, "I have a future" and where people in community after community across this province know they have secure, long-term employment and opportunity.

That's how we're going to create a forest industry that works for the future. Clearly, we're not going to carry on with the policies of the last 10 years.

We've already shown some of the steps we're going to take. We will have eliminated the corporate capital tax on everything except non-financial institutions by September of this year. That tax was hindering investment in this province.

We have to encourage productivity improvements. Previously there was a tax on productivity improvements: it was called a tax on machinery and equipment. We have eliminated this tax in British Columbia so we can build the productive and vibrant forest industry we need.

We think it's critical to encourage competition, innovation and the development of an industry that provides over 15 per cent of our gross provincial product.

The forest industry is not just direct jobs in forestry – there are also indirect jobs and community support. Literally billions of dollars to protect, preserve and provide for health care and education come from the forest industry.

We've gone through difficult times over the softwood lumber agreement and people are starting to understand that the forest industry in British Columbia is not just important to British Columbia – it's important to Canada as well.

Over 50 per cent of all softwood exports to the United States come from British Columbia. We are going to move forward in reminding Americans about how much

benefit their workers get from our forest industry being healthy and being given open access to American markets.

If British Columbia cut off all exports to the United States today, thousands of American workers would lose their jobs; thousands of Americans who want to buy a home would not be able to. We will be carrying on a major campaign to remind the American consumer that the protectionist actions of a few lumber barons in the United States are hurting them. British Columbia and Canada and every province in this country is going to work for open access – to stop the illegal actions by the American lumber barons. That should benefit everyone.

We will pursue them at the WTO. We will pursue them through our NAFTA panel. We all recognize how important the work force is as we go through what will be a tough fight. It will take us some time. We want to protect not just our industry but our workers and our communities in this province. This fight has nothing to do with what you've done and has everything to do with what a small group of protectionists in the United States has done.

I just returned from a trip to Ottawa where I met with B.C. representatives from all political parties, where I pointed out to the government that our workers need support. We have to make sure that we come out on the other side of this stronger – stronger because of the research and development that we've done, stronger because of the skills and training that we've done, and stronger because people in the forestry work force have a brighter future.

On April 29th I will host a Softwood Summit. Mike de Jong will be there. Mr. Pettigrew will be there with the federal team. I have asked John Duncan to come from the Canadian Alliance. The Opposition in British Columbia will be there – Ms MacPhail will be there.

Industry representatives, organizations, aboriginal representatives, leaders of industry and of the unions will all be there. We should understand that if we don't all come together, if we are not united, we will not be as successful as we should be. In unity we will find strength – and our strength is that we are fighting for something that is right and will benefit everyone in British Columbia.

We knew two years ago that we had challenges ahead of us. As we've gone through the exercise of dealing with the softwood lumber negotiation and discussions we've recognized how important it is that we expand our markets. We can no longer depend on the American marketplace. That may not be information that we want to hear, but it's information that we have to hear and deal with.

Currently 87 per cent of our trade goes to the United States – only 25 per cent comes back. We are in a vulnerable position because of that.

As we said prior to the election, we intend to take one per cent of all direct revenues from forestry and put it into international marketing.

We are going to expand our marketplace in China where there are enormous opportunities for growth. We have already signed memorandums of understanding to create the regulatory regimes that are required, and to create design regimes to start helping them develop the tradespeople that they need.

We believe there is an enormous opportunity to build the China market for British Columbia fiber and for our workers, and we are going to work to do that in cooperation with industry and with the federal government.

One of the challenges is that many people in China don't understand the benefits of wood construction. So we are going to do promotions that actually help them to understand that. As the middle class in China expands, we want our product— wood homes — to be one of the major areas of growth and advancement of their quality of life.

We have already structured a 12-member board to look at how we can expand our forest marketing and development fund. It includes Bill Dumont from Western Forest Products, Bill Reedy from Gorman Brothers, Dave Haggert from the IWA, and others.

It is critical for us to recognize that the more we expand the marketplace, the less dependence we have south of the border — and the stronger our position is as we deal with consumers in the United States.

We are looking to expand our markets in India and to recapture our share of the market in Europe.

As we develop our forest markets we have to also recognize that the framework for forest policy in this province has actually held us back. It has held you back in your communities.

One of the things that we undertook to do, as part of our election strategy, was to eliminate unnecessary regulation. I know all of you will have a story like the one that sticks in my head about unnecessary regulations — regulation that's lost track of what it was trying to do.

Right now the forestry industry has 10,616 regulations in place under the Forest Practices Code. Would the person in this room who understands what those 10,616 regulations are supposed to do put up their hand? I'd like to meet you later if you don't mind.

Let me tell you a story that a contractor told me: There's a logging road. The government inspectors drive along the logging road and start jiggling around because they're not really nice roads. The car slams on the brakes. The government inspector got out, picked up a glove off the road, and said — "what is this glove doing here? That will be a fine."

Who benefited from that? Who thought up the no-glove rule? Why did we decide that a no-glove rule was necessary? Someone did – and the no-glove rule has cost some people a lot of money.

There's another favorite of mine – this one isn't in the Forest Practices Code.

There was a rule that told automotive repair shops how often they should dust their blinds. I know no one in this room has ever had an automobile accident, but if you had I can't imagine you taking your car in and saying: How much will it cost to fix the fender and, by the way, are you dusting your blinds enough?

These are crazy regulations – and they're costing our economy in British Columbia \$5 billion a year. So we have committed to eliminating one third of all regulation on business by June of 2004.

This spring we will be putting out a white paper that will in fact be for you – for the ILA and for other organizations and individual companies – to look at, explaining how we intend to convert the Forest Practices Code into a results based code.

We do not believe that 'one size fits all' solutions work. Indeed, we don't believe that there are two forests in the province, but dozens of forests, dozens of circumstances, dozens of different conditions in our forests across British Columbia.

If you set standards at a high level, which we will, and if you demand performance, which we will, and trust people to perform, we will have a far more cost-effective industry – one that will encourage investment, encourage jobs and create the kind of competitive stable environment we need to move forward.

There are a number of other things that I need to ask your help on. We are currently in the midst of a review of the Workers Compensation Board. We're going to make it accountable and we need your help to do that.

Employers and employees alike should know that they have mutual responsibilities to live and work in a safe environment. But we want to do that in a way that makes sense where people live and work. Graham Bruce would be encouraged to hear any comments that you have with regards to the WCB.

We are also examining the Employment Standards Act, and we need to hear from you about what makes sense and what doesn't. The idea has already been raised that we should just get rid of it altogether. We're not going to do that. We are going to try and create a modernized Employment Standards Act that recognizes that employees are our most valuable asset.

If you don't have employees who feel respected, who get encouragement, who live in safe and secure workplaces and can train and develop their own skills, clearly you're not going to be as effective as a company or an enterprise as you can be.

We believe that employers and employees are in partnership. We have to create flexibility and be able to respond to different conditions in different industry sectors. We have to be sensible about what we're doing, and we ask you to join us as we examine and reform the Employment Standards Act.

We have a number of other reforms that we have to do. Minister of Sustainable Resource Management Stan Hagen was asked to eliminate the backlog on Crown lands applications. He's done that. 97 per cent of the backlog has now been eliminated, 10 months into our term of office.

He was also given the task of creating and designating a working forests land base – land in British Columbia where forestry comes first, jobs in the forestry industry come first, and the productivity of that land base for forestry comes first. We said that that would be completed 18 months after being elected, and Minister Hagen is working very hard on that. There will be a working forest land base designated, so forestry knows it has a long sustainable future right here in British Columbia.

I want to close with a couple of thoughts. First, our forest industry is the historic base upon which British Columbia has built all of its social infrastructure. It is the historic base that has created wealth in our province, and it is the base that we are going to use to build wealth and prosperity in the future.

We have to be willing to challenge ourselves to make sure that we can meet our goals. I know that the Interior Logging Association will help us do that. Mike de Jong will be in constant contact with the association, and with other associations, to hear what you think we need to do to reach our objectives.

If we are not competitive in the global marketplace we will fail. If we are not competitive there will not be jobs. If we are not competitive there will not be investment. All of us have a mutual responsibility – a provincial responsibility, a national responsibility – to encourage competition and investment, and I ask you to help us to do that.

I would like to come back here in 10 years and have a whole group of new people that have been in forestry, saying the kinds of things to me that Randy said earlier – that he's worked in forestry for most of his life, and forestry has been awfully good to Randy and his family.

As you leave this meeting and go back to your communities, don't forget that forestry has been awfully good to British Columbia. Forestry has made us the province that others look to with envy.

We have big challenges ahead of us, but I hope that you will be excited by those challenges because they create opportunity. They create opportunity for investment, for

innovation, for strengthening our province, and for strengthening our communities and our families.

I want to thank all of you who are here today, all of you who have made such a major contribution to the province – the suppliers, the workers on the land, the people that work in the mills, the people that support our communities. In over 100 communities in British Columbia, forestry alone is their support.

Second, I'd like to close by asking you one other thing. I'd like you to help us solve a whole range of problems that we face in the province, not just in your industry but in other areas of endeavor as well.

You've probably all received your referendum ballot. I know there's been a lot of talk from people saying you shouldn't participate – don't worry about it or void your ballot.

I think one of the strengths we have as a province is that we are a democratic province, we invite people to participate. For the first time we're actually saying to the people of this province – join us as we move to resolve the intractable and difficult problem of treaty negotiations.

We would like your input. I frankly would be glad to hear your input regardless of how you vote. Even you don't like to have to vote, I would like you to participate. We have the opportunity to bring all British Columbians into this endeavor, and we will all benefit from creating the kind of principle framework we need to move forward, so you can have confidence and others in the province can have confidence.

If you believe that we should be respecting your licenses, if you believe that that's a principle that we should be taking to the treaty table, I need you to vote yes. If you don't, then you're welcome to vote no. But don't let the special elites tell you that you don't understand it and you shouldn't vote. Remember, the most powerful tool we have is the ability to vote.

Two years ago I came here and told you I was seeking your support. I told you that we had a bright future in this province. Ten months ago, people gave us an opportunity to actually change the way the province was running.

I want to thank Kevin Krueger, Claude Richmond, Tom Christenson and Dave Chutter for being here today. They're members of the legislative assembly, like me. They care about their communities, like me. They are working hard to make this province a better place for all of us to live, like me. And like you, we all care about forestry. Thank you very much for having me here.