

Premier Gordon Campbell
Opening Remarks at Softwood Lumber Summit
April 29, 2002

Check Against Delivery

Today we have with us aboriginal leaders, leaders of local communities across the province, industry leaders, leaders from the federal government and the IWA to make sure we know how you plan to deal with the softwood lumber issue so we are presenting a united front over the months and what could be years ahead.

There is no other province in the country where forestry plays a more important role than British Columbia. It accounts for 270,000 direct and indirect jobs in this province. Three-quarters of our rural communities in British Columbia depend on the forest industry for anywhere from 10 per cent to 46 per cent of their incomes.

That's a lot of people, communities, jobs and families affected by what's taking place. I hope that as we go through the agenda today there will be an understanding of the steps we can take in the short term, in the medium term and the long term to make sure our forest industry in British Columbia remains a vital and active part of people's lives and of community economic structure.

That helps not just British Columbia – it helps Canada as well. Quebec has 25 per cent of Canada's softwood trade, and the work that has been done with Quebec has also been salutary for us in making sure we can move ahead together.

The imposition of a 29 per cent average tariff is going to have an enormous impact on every community in this province, from the smallest town in the Interior to the largest town on the Coast.

The anti-dumping measures are uneven. This makes a difficult situation even more difficult as we move to create a policy framework that allows us to protect our workers to make sure we have a competitive, vibrant industry for the future. It's going to require the best efforts of all of us to meet those goals.

You all know that our forest industry has been in a state of transition for a number of years. From 1997 to 2001, 20 sawmills closed on the Coast. Another 11 closed in the Interior. Our forestry officials project that, with the new duties, another 20 mills could close this year alone.

We all know that if sawmills don't cut lumber, loggers don't cut trees. If those two parts of our economy are down, there are literally thousands of other people who lose the opportunity to create livelihoods for their families.

The projections so far suggest that 20,000 direct jobs could be lost in the province with these duties. Another 20,000 indirect jobs could be lost.

We believe we will be successful in our WTO challenge; we believe we will be successful in NAFTA. But our opponents in the United States will use every stalling tactic and put up every barrier they can to that success. Whether this success comes in 10 months or 36 months is just about anybody's guess.

What we have to do now is create a framework for support for families across British Columbia, and a framework for support for the industry that allows it to move forward and to compete in the global marketplace. There are issues we are going to have to address, and we'll outline some of those for you today.

The critical thing is for us to keep the long-term goal in mind. We want a forest industry that's globally recognized for its productivity as well as for its environmental stewardship. We promised to reform tenure and to reform the stumpage system so we can have a more market-oriented, transparent forestry system.

We believe we are going to have to continue down those paths if we are going to be successful. We want to make those market-based reforms with you so people have long-term security and stability in their jobs and in their livelihoods.

We want young people to think of entering the forest industry in this province because they know it's an exciting industry that will be there for generations to come.

We also need to make sure that our industry is truly a state-of-the-art industry with new technologies being applied across the province so that we have a highly efficient industry that creates the economic security people need.

We hear a lot today about the excitement of the film industry and the thrill of the new technology industries in British Columbia. And that excitement and those thrills pale to insignificance if we don't have a forest industry that's supporting the fundamental cornerstones of our economy.

We intend to make sure that new opportunities are applied to our industry, and that we don't penalize the industry for applying them. I visited a mill in Smithers that was using one software program invented in Fort St. James and another invented in Salmon Arm. Their productivity was up over 20 per cent as a result of applying the expertise and understanding of people in the industry throughout the province.

There are steps we can take to improve the dire scenario confronting us. The previous government in British Columbia struck an agreement with the forest companies and environmental groups about the transition on the mid-Coast. That put \$35 million in trusts to compensate workers and contractors on the Coast and the Queen Charlotte Islands. That commitment has been kept.

The government has also allocated \$20 million this year for research to help us gain a better understanding of the industry's productivity opportunities and sustainability opportunities, which are critical in terms of international marketing. Another \$20 million has been set aside for international market development. We have to do everything we can to get out from under the dependence we've had on the American marketplace, although it is also important to educate American consumers about the impact of their government's policies on American home ownership.

We will be building new markets in China, Taiwan, Korea and India. We must provide technical information, raise awareness of the quality of our wood product, and help them develop the kind of regulatory frameworks they need to encourage the use of our wood in their economies.

We are going to spend some time to make key buyers aware of the high quality of our forest practices and to build a positive image for B.C.'s forest products, not just on the North American continent, but in Europe and in the Pacific as well. There is a constant undermining of the British Columbia product by both our competitors and by environmental groups. We believe we have to respond aggressively, and we intend to do just that.

No matter how we look at these issues, most of the tools that we have for helping people are in federal hands, primarily in the form of employment insurance programs and other support and training programs.

About a month ago I visited (federal Human Resources Development) Minister (Jane) Stewart in Ottawa and outlined the approaches we can take to support our workers in British Columbia as we go through this softwood challenge.

We want work-sharing to be provided for under the Employment Insurance Act. That means the reduction of hours of work could be spread across a company's workforce rather than imposed on a smaller number of workers, with EI payments for hours lost helping to make up for the loss in wages.

The federal government, we hope, will be ready to turn that engine on as soon as we watch the impacts start to flow. We want to make sure everything is ready to deliver to workers, and we want to make sure workers know how they can access those programs.

The support was certainly there last fall when the airline industry was in such dire straights. We're looking forward to the same quality and kind of support from the federal government.

We also want to minimize the impacts on communities. The \$35 million in the Coast Trust is provincial funding: We are looking for matching money so we can move forward in other parts of the province as well.

The Western Economic Diversification Fund has a program we believe can help us. There are 34 community futures development corporations across B.C. for which Western Diversification provides core funding. The corporations provide loans or assist in the establishment of smaller businesses.

During the restructuring of the fishing industry, the corporations made grants and loans through community economic adjustment initiatives. About \$7 million of those funds has not been spent, and we have been in touch with (federal Secretary of State for Western Economic Diversification) Stephen Owen and his staff. We believe there is an opportunity for those funds to support forest workers. We want them delivered through community futures development corporations to create stability and transition to other business products – natural products, specialized fisheries, tourism products, etcetera – that can help build an infrastructure in some of the smaller communities.

When you look at the workforce and the numbers we're talking about, it's clear we have to do more. We are looking for intensive career counselling and assessment services for our employees across the province. We want to look at re-employment services that will include information on job vacancies throughout the province and opportunities within regions. Relocation services are clearly going to be important. Basic and vocational career training, and payment of living allowances during those training periods, are also going to be important in providing a true bridge to the future for forest families in British Columbia.

Programs are available that we think we can take advantage of. We'll be working with Minister Stewart to make sure they are tailoring programs to meet the needs of British Columbia's industry and our forest workers. We think that by working together we will make those programs more responsive to the needs of individuals and communities.

We are also working on a joint program between the province and Canada called the Older Worker Pilot Project, which is due to end in March of next year. We would like to see that program extended and – if there is demand – expanded to meet the needs of forest workers. There may be some workers who are on the margin of change and retirement who would be willing to look at a bridge into that period of their lives. We want to give them the opportunity, because that may put the workforce in a healthier position.

We have also entered with Canada into aboriginal human resources development agreements. British Columbia wants to be sure that those opportunities are available to First Nations that are heavily impacted by these changes in the softwood dispute.

The provincial government has recently allocated \$30 million for an economic opportunities program for First Nations. We are hoping the federal government will match those dollars so that viable opportunities – economic capacity-building in the resource industries, particularly in forestry – will be made available.

We also think we should be looking at increasing the number of Employment Insurance economic regions. Currently there are six such regions in British Columbia; the Maritimes has two times as many regions per capita. Increasing the number of regions under the Employment Insurance program would allow us to target benefits by increasing eligibility in areas of high unemployment. There are huge differences in economic regions, and a redefinition and increased number of regions would help workers.

We want to encourage the federal government to establish a joint federal-provincial working group to make sure we have these programs available for workers as soon as possible. We know the federal government has been working on these issues all along, and I want to say thanks for that effort. But we know time is short.

The critical component of this meeting today is to hear not just from us about what we're planning to do, but also to hear from you about the impacts of this in your communities and what you are planning to do so that we can have a comprehensive and cohesive program so the people in the forest industry know they have a future here in British Columbia.