

**Premier Gordon Campbell**  
**Address to Toronto Board of Trade**  
**April 5, 2002**

*Check Against Delivery*

When we were elected just 10 months ago today, we told British Columbians we were going to carry out a very aggressive program of change. The first day after we were elected, we carried out a dramatic personal income tax cut. At a luncheon yesterday, I was very pleased when the person introducing us said he thought he'd never be able to say this, but British Columbia's income tax rates are lower than the income tax rates in Ontario. You're welcome to come and take up residence in B.C. whenever you'd like.

We now have the lowest base rate of personal income tax in the country. We have the second-lowest marginal income tax rate. That was a critical change we had to make, and we had to make it quickly, because the most important natural resource we have as we build an economy for the future is the people who work in the economy.

The knowledge-based economy – the idea-generator economy and intellectual capitalism – is going to be a critical part of what we do as we transform B.C. from a solid resource-based economy to a resource-based economy with a complement of the new economies.

In the technology industry, we have seen recruitment into B.C. over the last year, as opposed to seeing people leave the province. Just like Ontario, we want the people who are at work in B.C. to have a sense of hope and prosperity for their future, and to know that if they work hard, they can get ahead.

We recognized that if we didn't carry out an aggressive program of tax reform in B.C., we were going to lose a significant amount of opportunities. I'm pleased to tell you that by September 1<sup>st</sup> of this year there will be no corporate capital tax in our province.

We have already eliminated the taxes on machinery and equipment, which we believe were basically taxes on productivity. We've reduced our corporate income tax by three points to 13.5 per cent. We have moved to raise the threshold on small business tax so our small businesses have a competitive advantage compared with other jurisdictions in the country.

All of those things are first steps to establishing that we understand that you need a strong, vital private-sector economy, you can't meet the social objectives you would like to, and you can't provide the resources you need for critical public services.

Within the first year of government we have cut 13 taxes. We have left a billion dollars more in people's pockets, and \$400 million more in the pockets of investors in British Columbia. We are already starting to see the impacts of some of those actions throughout the economy.

British Columbia has too often taken its assets for granted. It's time we started to develop those assets – to recognize them and liberate them so they can do what they can for all the people in British Columbia.

We are still a resource-based economy and don't want anyone here to think that we are not. We have some major activities to undertake so we can take advantage of those resources, and I want to highlight a couple for you.

We have an energy industry that is on the verge of breaking out and being recognized as a contributor to the national economy. Over the next five years we expect to see over \$20 billion in private-sector investment and the creation of 8,000 new jobs.

We have massive oil and gas reserves throughout the province. That does not include the enormous oil and gas reserves that we believe exist off the northwest coast of British Columbia.

Ladyfern, in the Peace River area, is what they call an elephant find in the natural gas business. It has returns on a daily basis of 10 times what you'd find from an average well in Alberta. It has enormous potential and has generated an enormous amount of enthusiasm for the northeastern part of our province. We believe there are many finds throughout the basins in British Columbia, and we are doing everything we can to generate the kind of regulatory regime that allows for exploration to take place.

We also have literally trillions of cubic feet of coalbed methane. It's not something that normally trips off the lips of people when they talk about energy. Coalbed methane is a technology that was developed throughout the '80s and now meets about seven per cent of the energy needs in the United States.

There is not a region in British Columbia that does not have coalbed methane available for exploitation. We think that's an enormous economic opportunity for people from Vancouver Island, to the Kootenays, to the North, and throughout the Interior.

We're going to continue to develop that. By continuing to build on the energy opportunities we have in British Columbia, we will indeed provide for a competitive energy advantage that will be critical to our economic future.

There is also an enormous opportunity off the northwest coast that we are examining, working with the federal government and with aboriginal communities and non-aboriginal communities alike. Billions of dollars of potential economic activity will take place if we can move forward with offshore oil and gas exploration in a scientifically sound and environmentally secure way. That's a challenge I am confident we will be able to meet.

I'm sure you in Ontario understand the importance of our forest industry in British Columbia. Our forest industry has been buffeted first by 10 years of mismanagement by

the previous government, and then by one year of bad decisions by the Department of Commerce in the United States.

I don't want anyone here to think we will be able to sail through the protectionist decisions made by the United States on the softwood lumber agreement. That is a huge public policy issue and a huge economic issue for us. It underlines not just our responsibility to build markets outside of the United States, but also our responsibility to continue to pursue what should be rightfully ours in Canada, and that is open access to the American markets.

While the president travels around Latin America explaining to everyone what a free trader is, at home he's slapping duties on steel and a 29 per cent duty on lumber. It has been a destructive undermining of the most important trading relationship in the world.

It's something we're going to have to continue to work together to open up. As you know, Canada and the provinces are pursuing the litigative route with the World Trade Organization and with the NAFTA panel. We are going beyond the litigative route to reach out to people in the United States who are going to have homeownership out of reach, to construction workers in the United States who are going to have their jobs eliminated – all to protect one small group of lumber barons in the southeastern part of the country. We are going to pursue that aggressively.

We are confident the national government is going to join us; we have substantial support from people in the United States as well, who recognize protectionism doesn't work in softwood any more than it works in any other traded commodity. It's going to be an uphill fight, but it's one we intend to continue waging on behalf of British Columbia and on behalf of the country. We need your help.

All Canadians need to remember how important it is that we have open access to U.S. markets – even as we look to expanding our markets in China, India and Europe, which is what we're doing in British Columbia. We know we have a good product, we know we have excellent workmanship, and we want to make sure this critical industry in British Columbia has a bright future.

We can do that with the work of other provinces across the country, and we have been very pleased that we have spoken with one voice. The Americans traditionally try and divide and rule us. All of the provinces and the national government have resisted that, and I think it has stood us in good stead in spite of the lack of vision and political courage we saw in the United States.

We also want to create an environment for business that encourages investment. We have undertaken a review of our regulatory regime, and we did something most governments have NOT done: we quantified the regulations and rules we have.

It's over 400,000. We had a rule that suggested how often automobile repair shops should be dusting their blinds.

So far we have eliminated over 4,000 of those regulations, and we are committed to eliminating a third of all regulations on business by the end of three years. The change in our regulatory codes and our regulatory attitudes has to be profound.

In our province alone we've estimated the hidden costs of regulation are on the order of \$5 billion. I think we need regulations that deal with public safety, I think we need regulations that protect the environment, but I think we need regulations that make sense.

We all have to be aware of the regulatory costs and burdens we impose on people in business – particularly in small businesses, who constantly feel they're behind the 8-ball with regulatory regimes.

Recently I met with the retail sector. We started talking about the Labour Code, and then we started talking about the Workers' Compensation Board, and then we started talking about Employment Standards. One person solved the problem. He said, "Look: get rid of any one of those three pieces of regulation, and we'll be glad – we won't have to deal with you anymore."

We are not going to get rid of those pieces of legislation, but we ARE in the midst of major review and reforms in all of them. WCB has been a mess in British Columbia. It has imposed enormous costs on business for very little in terms of service for either injured workers or employers. We're in the midst of the WCB review now, and we expect to have the results in the next few weeks.

Our Labour Code was one of the things we wanted to bring into balance. We believe employees have rights. Right after the election we restored the secret ballot. We made the rules for certification the same as the rules for decertification. We eliminated the NDP's fixed-wage policy. We restored people's right to negotiate contracts, and we're in the midst of a continuation of the labour review now.

Those legislative changes were made last summer. We are discussing other legislative changes with industry, labour and small business. I would expect over the next few months you'll see significant changes in the Labour Code.

Our Employment Standards Act is a patchwork and labyrinth of regulation that tries to restrict the movement and flexibility of both employers and employees in accomplishing their goals. Our goal is to modernize our Employment Standards Act so that it is flexible and recognizes that the most valuable assets employers have are employees who are part of their teams. Those changes we expect to take place over the next little while as well.

All of those things are the beginning of an economic revival for our province. We know we have talented people who work in British Columbia. We know we have entrepreneurs who want to be part of the economic future of our province. We know we have people investing in British Columbia again, and that's very encouraging. But we have some distance to go.

We face a number of challenges in our province, not the least of which is to get the message out that we're open for business and ready to serve.

We have the same public-sector challenges as Ontario and other provinces. We face enormous challenges in the health-care system in Canada. Health care as we've known it is simply not sustainable. In British Columbia, the reform of our health-care system is one of the most difficult and politically vexing challenges we face. It is possible for us to have a health-care system that meets the needs of patients, but to do that we have to gain flexibility and focus resources on patient care in the communities where they live.

I'm sure you can tell by looking at me that I am getting older. Look at the person next to you and tell me if they're looking older to you. The fact is that as we age, we are putting increasing pressures on our system. Let me give you a quick example from our province.

We were elected and were sworn into government on June 5<sup>th</sup>. That was two-thirds into the first quarter of the fiscal year. The health-care budget in British Columbia had been increased by over \$1 billion last year. We were elected probably 60 days after that budget was passed, and we were already \$400 million in debt in terms of what we were anticipating for the budget.

This year we've added another billion dollars to the health-care budget to provide for the nurses, doctors and employee wages that are so critical to a system that works for patients.

The system has not, in fact, been working on behalf of patients for the last little while. We are watching as health care continues to consume more and more and more of our public dollars. If we're not willing to change, it will consume the other public services we provide. It's a challenge for us as a society to look at how we can change what we've done so we start to get the system we pay for.

We need to have all the partners in health care participate. The federal government needs to be at the table as a full partner – not as a part-time partner, not as a partner providing 14 cents of every health-care dollar. They should be moving back to the kind of support they provided at the beginning of the last decade – at the least.

It doesn't matter if you live in Ontario or British Columbia or New Brunswick or Saskatchewan: When you ask Canadians what critical public services they expect for the dollars we take out of their pockets, health care is one. We have a responsibility to make sure that you get value for those health-care dollars. That's what we intend to do in British Columbia.

I want to close by saying this to you. Our province has a great economic future. We have the natural resources we need. We have the university infrastructure we need. We have a health-care system that I think is not just acceptable but exceptional in many ways.

We have an opportunity to create the kind of social environment that can take advantage of the world we live in today. We have a province of great diversity and economic opportunity from natural resources to intellectual resources.

We have a workforce that's imaginative and creative and willing to work hard to build a brighter future for everyone who lives in the province. It's a great province to serve. It's a great province to visit. It's an even better province to invest in, and I welcome you to do that. Thank you very much.