

Premier Gordon Campbell
Address to San Francisco Bankers Club
November 14, 2002

Check Against Delivery

In the 19th century, miners came to British Columbia and discovered gold, nine years after it was discovered in California.

Since then, we've been behind you in a lot of other things, including Silicon Valley. But it's time to catch up, and that's what we're going to do.

We have to say to people clearly that if they work hard, invest, take time and make a commitment, they can get the benefit of it. For a long time people in our province didn't understand that, so I want you to know the fundamental framework we're in right now.

The day after we were elected and sworn into government there was a 25 per cent across-the-board cut in personal income tax. That meant that our province now has the lowest base rate of personal income tax in the bottom two tax brackets on the first \$60,000 in income.

We have the second-lowest marginal income tax rate in the country.

We eliminated 20 per cent of the corporate income tax burden. We eliminated the corporate capital tax, which was a tax on investment. We eliminated the tax on machinery and equipment, which was a tax on productivity.

In fact, over the first budget we provided 17 tax relief measures and left about a billion and a half more dollars in investors and people's pockets across the province. It was an important message.

It was initiated by the technology industry, including Paul Lee, the chair of the Premier's Technology Council, who is here today, and George Hunter, who is with the Technology Industry Association and is also here.

They were very clear before we were elected that one of the primary things we would have to do is get our tax regime in place to make sure that we not just attract, and not just train, but keep the talented people we have in British Columbia.

I want to be blunt to those of you who are not residing in B.C. today: I'd love it if you'd come home. We think we're building the kind of framework you're going to want – the kind of critical mass of technology, resources and investment in our research and development institutions that will make a significant difference.

We've eliminated almost 1,000 separate fees that were imposed on business. We've eliminated 17,000 separate pieces of regulation that were burdening businesses and getting in their way.

We have a goal of eliminating one-third of all regulations on business within our first three years. We're half way through that time: we've got a lot of work to do, and we're making major changes right now in the legislative session.

We believe that if you don't have a private-sector economy that's thriving – that's encouraging investment, that's encouraging people with talent to make their home and their future in our province – we're not going to have the resources we need to protect and improve the public services people depend on.

For those of you who wonder if a B.C. Liberal is the same thing as a California liberal, the answer is no.

We are B.C. Liberals: we believe in the private sector; we believe in free enterprise.

We believe that government should set the right public goals and encourage the private sector to get us there. I know from experience that they will if we give them half a chance to do it.

We have in our province, as I'm sure some of you will know, a significant and growing information communications technology sector. About 42,000 British Columbians are employed in information communications technologies right now.

Three hundred and fifty new media companies are scattered throughout the province. They are generating about a billion dollars in revenue annually.

We have 70 e-learning companies that are at work right now across the province. E-learning is going to be a critical part of building our future.

One of our fastest growing and increasingly important opportunities is the Silicon Vineyard. You enjoyed some of the Vineyard's fruits today at lunch. We have over 400 companies in the Silicon Vineyard that are growing and building their capacity.

We've also invested substantially in the biotech sector. When I say that, I don't want you to think that I went out and invested in a bunch of biotech companies: I didn't. I'm investing in the biotech infrastructure that's essential to build the kind of critical mass we need for the long term.

We've invested over half a billion dollars in the last 17 months building up our infrastructure. It's really our talent base.

The B.C. Life Sciences Centre is founded at the University of British Columbia in the Lower Mainland, but it has collaborative research development opportunities both at the University of Victoria and the University of Northern British Columbia.

The important part of that centre is that we're bringing together the raw, pure research with the clinicians and the opportunities that the universities provide so we can start to get the synergies that are necessary to maximize the benefits from that development.

We are also going to almost double the number of physicians that we graduate.

We are doubling the number of computer science and electrical and computer engineering graduates in the province. We think it is critical to bring those talents together with some of those involved in developing the Life Sciences activities. We think that is going to create some synergies and some opportunities for us as well.

The really important thing we believe is that British Columbia has an opportunity to grow our biotech industry in a way that sets us apart from the rest of our country. We think that a proper partnership can complement the activities of your folks in California, and we believe that if we set up the right environment, you may find it to your advantage to be part of our technology industry in British Columbia.

Let me give you some idea of some of the things we are doing.

We're not just investing in facilities – we are investing \$95 million to improve our technology training. We've invested \$65 million in pure research projects. We've set aside \$45 million for B.C. leadership chairs to be endowed on an ongoing basis.

All those things are aimed at building a critical mass of opportunity for research, for knowledge and for transference of that knowledge into the private sector.

It is important to note that Simon Fraser University in Burnaby, British Columbia, is Canada's top university for commercialization productivity. The University of British Columbia is fourth in Canada. They have a higher commercialization rate than leading U.S. institutions, including MIT and Stanford. Those are important tools that we are going to use.

We know that at the end of the day that's how you are going to build the kind of economy that you want – that's robust, that's vital, that encourages investment and that encourages people to create the necessary critical mass of activity.

We are very cost competitive. We offer a 10 per cent research and development tax credit in our province on top of the federal government's current 35 per cent research and experimental development credit program. With the available tax credits, you may pay zero in corporate income taxes for bio-tech R&D in B.C. while the same firm could pay as much as 24 per cent in California. Total taxes on B.C. biotech research and development are half of what they are in California.

I'm interested in what more we can and must do to remove barriers to investment and barriers to folks in California working collaboratively with our enterprises in British Columbia.

We have four major universities in the province, which we have liberated from political interference.

We have lower labour, facilities and power costs in B.C. than our West Coast competitors. Our average annual operating costs in B.C. are 40 per cent lower in software development, 29 per cent lower in biotech R&D and 21 per cent lower in electronics manufacturing.

All of those things will give people cause to reflect on how they can build the kind of co-operative and collaborative relationship that is critical to their success and – coincidentally – to our success.

I am pleased to let you all know that next Feb. 9, 2003, in Vancouver, we are going to host the first annual Bio-Partnering North America Conference, bringing together leaders from the North American bio-tech industry. The search for synergy, co-operation and mutual benefit is critical to the relationship between Canada and the United States.

I was educated in Dartmouth College in New Hampshire. I always felt I benefited enormously from the associations and relationships I built with people across this great country.

A little more than a year ago, we were all permanently changed by what happened on September 11th. In British Columbia and the rest of Canada, it created a sense of how important our relationship is with the United States, and how fortunate it is that we have an open, free flow of goods and services, ideas, friends, families etcetera back and forth across this border.

That is critical to our future. In British Columbia, 70 per cent of our trade is with the United States. In Canada, 87 per cent of our trade is with the United States.

So Canadians are pretty aware of how dependent we are on America in terms of trade. But sometimes I think Americans don't remember that 25 per cent of your trade is with Canada – with that country of over 30 million people north of the 49th parallel. We all benefit from that exchange.

We are here today to tap into the venture capital markets you have here.

We need to build substantial capital tools in British Columbia to be able to create the kind of activity we want to see happening in our province. We know that when we work together, we can accomplish a lot more than when we work apart.

I hope you will have a chance to meet with the 34 different executives I brought with me from British Columbia and hear about their ideas and where they want to go.

We would like our province to be one of the places in the world that people think about when they think about technology, or information communications technology, or biotechnology, or alternative fuel sources and energy products.

We know there is a lot of work to be done. We know you have to invest in human resources, research and development, and education. We intend to do all of that. We intend to do it in a way that sparks people's interest and sparks the creative juices we need for a vital private-sector economy.

When I first visited the Silicon Valley as more than a tourist, one of the things I loved was the recognition that failure is often the result of someone taking a chance – of setting a goal others said they couldn't accomplish.

That is the kind of culture and environment that we are going to create in British Columbia.

When we reach higher than we think we can, that creates progress, wealth, opportunity, excitement, new ideas and progress for everyone – not just for the one who succeeds, but for all the people who are working with that enterprise.

Today as I close, I want to talk about the Olympics. I know San Francisco was trying extremely hard to get the Summer Olympics in 2012. We are currently a candidate city for the Winter Olympics of 2010, and you can celebrate with us when we win that.

We are going to encourage the opening up of our skies in Canada so the two-hour flight from San Francisco to Vancouver is regular as clockwork. We want you to be able to get to British Columbia from San Francisco, San Jose, San Diego, Los Angeles or Albuquerque, for that matter, as quickly as possible.

For those of you who have a cabin at Whistler, use it during the Olympics, enjoy the golf in the summertime, take a long weekend and then take a little bit of your week and build some business and some opportunities in British Columbia.

We want to work with you. We want to hear from you. We are here to serve your needs because we know that way we're serving our province's needs. Thank you very much.