

**Premier Gordon Campbell
Address to the Canadian Club in Ottawa
September 25, 2006**

Check against delivery

It is a real pleasure to be here to talk to the Canadian Club here in Ottawa. For over a century, the Canadian Club in Ottawa has talked about Canada and its future and where we should go as a nation. To have the opportunity to come and speak with all of you and about British Columbia's vision for Canada is a really exciting thing for me because we live in an incredibly pivotal time for Canada.

First, I want to say I appreciate federal Minister of Sport Michael Chong coming today.

Canada's hosted two Olympics so far and we're the only host nation that has never won a gold medal while we're hosting the Olympics. Well things are going to change, Michael. When we have an Olympics in Vancouver, British Columbia – when we have Canada's Olympics – we are winning gold medals, and we want to serve notice to the world about that.

I also said to Michael I was pleased he is here, because my whole speech was going to be about asking Ottawa for more money.

That's actually not the case. In fact, today I want to ask you to think about Canada in a different way than you often are asked to by premiers. You know, I've been serving in public life now for over 20 years. I do believe – and I know many times we hear this – but I think that we are at a pivotal time in the history of our country, a pivotal time when we decide where we want to go, what we want to be and what are the values that we want to reflect as a country, as a nation, as a people that have something very special to offer to the world.

So I'm asking you to think of Canada in a different way than we've heard over the last almost 40 years. We've heard about, really, a federation that often talks and focuses on divisions. I think it's time for us to think about this country and what unites us, what brings us together as a country. What are the goals we share?

We used to talk about the Canadian mosaic, and the Canadian mosaic in some ways was comfortable. It was fixed. It was a clear picture. And we now live with a Canadian kaleidoscope. The colours are

changing all the time. It's by holding those colours and that variety within a value framework that we actually strive as a country to reach out for something that's even higher, that's even better, that's an even greater future for all Canadians – young and old, east and west, rural and urban, Aboriginal, French, English, African, Asian. Our country is changing all the time, and as we face those changes we can be afraid of them, we can try to hold them back, or we can open up to them, and we can say the world that lies in front of us is an exciting world for all of us in Canada to share.

Our country has a welcoming tradition, and it's time for us to build on that welcoming tradition as we invite a new host of immigration to come to our shores to help us reach our full potential and to meet all of our objectives. We need to strengthen our relationships with our closest ally, the United States. We need to fulfil our historic role as a strong and reliable ally. We need to be a world leader in promoting peace and openness and exploration in all fields of human endeavour. Canada has that to offer. In fact, we have an obligation to offer that when we think of how much those who came before us have brought this country together to this place and to this time.

So today as I stand before you, I ask us all to be bold enough to recognize that the world has changed. My bet is that if you asked Jean Ness what Canada was faced with when she started 42 years ago, she'd tell you that the world is a different place today. You know, I started 20 years ago. The world is a different place today. How many of you can remember 1990? The world is a different place today.

As we see that change, I think we have to recognize if we can reach out and build on Canada's promise, if we in fact turn away from sort of the grasping and divisive politics and federalism of the past and look to a uniting federalism for the future, look to a federalism that's built around the needs of all our citizens — all of our citizens — look to a federalism that reflects the common values that we have as Canadians.

And that requires us not to sell ourselves short. So often, when we define our nation as a nation of French and English, two founding nations, we sell ourselves short. When we define our country as all that our closest neighbour is not, we sell ourselves short. When we spend time on issues and focus on issues that divide us and instead of the opportunities that unite us, we sell ourselves short. It's time for a new vision that reaches higher for Canada and, to follow the Olympic

ideals, that reaches higher, that acts stronger, in fact that acts faster as we deal with this rapidly changing world that confronts us.

The world is changing. I can tell you, when I was first elected 20 years ago, I had colour in my hair. I'm changing, you're changing, and the world is changing with us. It's essential that we build a positive view of where the country can go and what the country can be and to be confident about that.

You know, today in Canada we're all fortunate enough to be here as citizens of this country, and all we have to do is decide what we want to be as a country. And we will get there if we decide it and we come together around a unity of purpose and a national commitment to work together to do that.

So let us join today and let us join in the months and the years ahead as we build towards a vision for Canada to unite us all as a nation. To do that, we need ideas — we need ideas that confront and that address the changes that we face in the world.

I want to say that the Prime Minister is providing probably some of the clearest articulation I've heard in some time of what he would like the nation to be, where he sees that we can go as a country.

The Liberal Party of Canada has their leadership race is underway. We have a number of people that are actually laying out what their vision for Canada may be. We have a number of Premiers that are trying to do that. And today I want to take the opportunity to lay out some of the ideas that I think we should be pursuing as a country over the next few years to make sure we maximize the benefits that Canada offers to all of our citizens.

First, I believe we should close the gaps that exist between Aboriginal people and non-Aboriginal Canadians. We should modernize the Canada Health Act. You know, how can we live in a country where there is not adequate catastrophic drug coverage no matter where you live in Canada?

We should be building sustainable cities. When you think about it, when our constitution was first put together 139 years ago, most people lived outside of cities. Today most people live inside of cities, and all of our great cities in Canada are engines of economic activity, engines of intellectual capital, engines of creativity, of arts, of culture.

We can no longer pretend that cities don't play an important part of what our country has to be and what our country has to offer.

We should develop a national competitive strategy that improves the standards of living and the quality of life for all Canadians, and we can do that if we set our mind to it. It's time for us to take full advantage of the Pacific opportunity that is there for Canada as we look at this Pacific century that is on our doorstep.

We can achieve these goals: new federalism that's citizen-centred, that's flexible, that's constructive and that's confident – a true confederation of equal partners that recognizes all of the founding nations, all of our levels of governments, all of our provinces and territories and recognizes what we can do. A modern confederation that reflects the real world that we live in today is a critical goal for all of us to embrace.

That does not oblige us, by the way, to open what can be a very divisive constitutional debate. It does oblige us to look at where we have common goals and common objectives, where we look at common purpose for us as a nation and where we demand of all of our governments – federal, provincial, regional, local, Aboriginal – we demand of all of them that they join citizens in pursuing that common vision and those common goals and objectives.

So where would you start? Well for me, at least, it starts with recognizing the third solitude of Canada. It starts with recognizing that there has been a silent partner in confederation that we have ignored, discounted and denied for far too long: Canada's First Nations, Métis and Inuit people. We recognized that when we brought home the constitution. Section 25(35) of the charter already recognized the rights of Aboriginal peoples as partners in confederation.

In the modern world, in our Canada, we simply cannot accept the disparities and the inequalities that exist between Aboriginal and non-Aboriginal people. It is not acceptable in Canada today. We should recognize that, and we should face up to that, and we should start taking action to fix that for the future, because that is critical to the future of our country.

When we recognize founding Aboriginal, French and English nations which helped build this country to what it is today we help redefine the future of Canada, to redefine our country as a country that's on the basis of reconciliation and recognition and respect for all of those who

built our foundations and have brought us to where we are today. That's what the premiers are trying to do through the Council of the Federation as we meet with Aboriginal leadership, what we try to do in the first ministers meetings, what we reiterated again in Corner Brook this year in Newfoundland, because we believe it's critical.

And I should say this: the federal minister responsible, Jim Prentice, has done an exceptional job of bringing us new ideas to actually help us close those gaps. The educational initiative that he has taken actually provides the key to the future for Aboriginal Canadians. To recognise what they are, who they are and where they want to go and to work with them is a critical component of us achieving those goals and those objectives.

We also want to find ways that we can recognize the contribution of other levels of government, like our cities. Looking back, your municipalities were put in the constitution — being a former mayor, I'm aware of this — right between mental institutions and public houses. The world has changed pretty dramatically, and we're going to have to find ways that local governments have the revenues and resources that they need and a voice that they deserve in shaping our country. Whether those cities are in Quebec or Manitoba, Ontario or British Columbia, Alberta, New Brunswick, those cities are critical components. They're crucibles of opportunity for us if we nourish them, if we give them support and if we think of new ways that we can meet the needs of the citizens that they serve.

Ad of course, as we think of a new federation and new vision for Canada, it's important for us to deal with that driving issue that everyone this morning woke up and was talking about at the coffee table. We were talking across the breakfast table to one another. I'm sure you were. It's the fiscal imbalance. How many of you woke up today and said: "Let's talk about the federal, provincial, vertical, horizontal fiscal imbalance"?

Nobody did. Well, here's the point. We've dealt with those burning questions in the wrong way, in my mind. And I've been part of it, so there's a mea culpa here as well. I'm not casting aspersions on anyone else. But let's think about what fiscal imbalance really is.

When we hear that Ottawa has too much money and provinces should have it – anyone heard that before? Well, you know, let's stand back for a minute. The real fiscal imbalance is between governments that take too much and taxpayers who keep too little. And believe me, I'm

at the provincial level. I know how difficult it is. We face lots of difficult challenges.

Do you know how many provinces didn't run a surplus last year? One. Every province but one ran a surplus last year. The total provincial surpluses amounted to about \$3.9 billion. That's if you count eight provinces. If you included Alberta, there's an additional \$4 billion. The federal surplus was \$3.5 billion. There was one province that had a deficit: \$12 million.

Now, that's not a fiscal imbalance that's based on us not taking enough money. We should recognize that. We take half a trillion dollars a year out of taxpayers' pockets. Part of a new national vision, part of a new smart federalism, is to figure out how we use those resources that we take in the most cost-effective way to meet the services that you require. It requires all of us to respond to the Prime Minister's call for us to think about who should be doing what and where, and how do we fund it?

And it won't always be more money for provinces. It may be doing things differently. It may be thinking of doing things more constructively. It may be thinking of how we can actually take advantage of the genius of a federation which says: "We actually have ten provinces and three territories. There may be different ways that we can get to the destinations we set. Let's test some. Let's see some that work."

That's a critical part of this. The second part, I think, as we look at the whole issue of fiscal imbalance, is to think about what is called "equalization." What is equalization?

Now I would include in federal obligations closing that Aboriginal gap – the health gap, the education gap, and the economic opportunity gap that Aboriginal people face across the country. I would include in that obligation when we decide we are going to be peacekeepers. And let's be clear about this: peacekeepers are not going away for vacations. They are going there into dangerous parts of the world. We have an obligation to equip them, to supply them and support them to the maximum. They're putting themselves in harm's way for us, to reflect our values, to make sure that we do keep the peace, and Canada can do that. That requires investment in the equipment and the facilities that they need.

If the federal government decides, after meeting those obligations, they have more money left over, then I believe it should be distributed to provinces on, frankly, the clearest, most predictable, most straightforward way: on a per-capita basis. It should come on a per-capita basis because citizens are what we're providing services for.

And as we look at equalization, which is the great horizontal issue, I think we should recognize this: equalization is provided for in our constitution. It says for relatively comparable, reasonably comparable revenues to provide reasonably comparable services. There are two sides to that equation. So in British Columbia we have decided to have one of the best PharmaCare – and one of the most expensive and one of the broadest range – PharmaCare programs or drug support programs of any province in the country.

When we talked about a national PharmaCare strategy for Canada, one of the concerns was everyone would be raised up to the level that British Columbia has. I understand that. We made that choice. It's a premium program. Equalization is not there to support premium programs.

So yes, relatively comparable revenues should support relatively comparable services. That is an important component of this discussion with regards to equalization. And if we're honest with one another and we face up to those opportunities and those issues, I think we have an opportunity to create for citizens the services that they require.

I am not a provincial leader who says if the federal government contributes resources to an individual student, that's not a contribution to advanced education. It is. If the federal government contributes to research, that's a contribution to research. Everything doesn't have to be in my bailiwick or my little corner of the world, and everything doesn't need to be in their bailiwick or their little corner of the world. And if we think of people and providing services to people, we have a real opportunity, I think, to change the shape and the way we deliver programs in Canada.

So for me, as we look to the future, we have to look at a principle-centred approach to all of these things. First, there should be a real break for Canada's taxpayers. Secondly, there should be a fair shake for all the provinces. I totally concur with that. And third, we need to have a national competitive strategy for national competitiveness that takes full advantage of all of our assets.

And let me just say quickly on the whole issue of a real break for taxpayers. We know in British Columbia right now one of the biggest challenges we face is people; it's human resources. We want to ensure we are an attractive place for people to come and to work. We want people to know in our province if they work that they can get ahead. I noticed the same thing is the case in Alberta. And what we have to do as we look at our human resource and look at Canadian opportunities is recognize that one of the great gifts of Canada is the mobility of our citizens, being able to move around the country, to move to opportunities, to make their own choices about where they want to go and what they want to do.

We know that tax relief makes a difference.

When I was elected in 2001, we had the largest single measure of tax relief that we had in the province's history. Since 2001, we have created 300,000 new jobs in British Columbia. Since 2001, our economy is taking off so that we're the second fastest growing economy in the country. And it's multi-faceted. It's in mining, it's in energy, it's in tourism, it's in research and development, it's in biotech, it's in forestry. Our economy is moving well and it's moving well because we are attracting more people and more investment because we've got a reasonable and competitive tax regime.

When I talk about a fair break for provinces, I think we have to recognize where we have lots of challenges. But we also have to set our goals for ourselves and what we're going to accomplish and how we can do that by working together.

And I'll be honest with you, I think the vocabulary even of how we deal with that is wrong. I don't believe there is any such thing as a have-not province in Canada. There's no citizen in Canada that doesn't have great healthcare, great educational opportunities, great economic opportunities. We should not talk ever about being have-not. I can tell you, British Columbia was designated a have-not province in 1999. I never accepted that we were have-not. We were a have province. We should have done more with what we had and we've been able to do that.

All Canadians benefit from this incredible framework of opportunity, the incredible gift that's been given to us by those who came before us, with the exception of Aboriginal Canadians. And that's why I think it's so important that we close that gap so every Canadian can take full advantage of what we have.

And finally, let me talk to you about a national competitiveness strategy because I do believe we have to be competitive. I think we have to recognize that, yes, we have huge opportunities in front of us but we cannot be complacent and we cannot take the world for granted.

We have the gifts that we need to maximize the benefits of living in this great country. But if we don't recognize that, the world is not going to pay attention unless we're competitive, unless we take advantage of what we have, we're going to lose, so let me give you some quick examples.

We have been talking about internal trade and free trade in Canada for almost 2 decades. We talked about it and then we've had conferences on it and then we talked some more about it and then someone would say there's billions of dollars in economic opportunities in the free flow of goods and people and services across the country and we'd talk about it. And so, we got to the point where essentially we did a lot of talk and we had a lot of economic drag. So in British Columbia and in Alberta, we decided we're going to change that. To be frank about it, we decided we weren't waiting any longer. So British Columbia and Alberta have now completed an agreement on investment, trade and labour mobility.

If you're a doctor in British Columbia, you're a doctor in Alberta. If you're a small business in British Columbia and want to expand, expand to Alberta. If you're a small business in Alberta and want to move to British Columbia, come on in to British Columbia. We put that in place. We created the second largest economic union in the country behind Ontario. We've been told and we believe already we can already feel the differences in that. We've been told it will create billions of additional dollars in our economy because we're going to be removing a lot of economic drag, a lot of duplication, a lot of unnecessary clutter in terms of what people are doing. And we're going to free people up to pursue their goals and their objectives. We're very excited by it. Every single region of our province will benefit from this, according to the econometric models we've done. We expect there'll be about 80,000 additional new jobs generated over the next 5 years alone and the same equivalent kind of activity and investments will accrue to Alberta.

And so, we're not waiting any longer but we are issuing invitation to every province. Why don't you join us? Why don't we stop talking about it? We know how to do it. Why not? Let's get it happening.

And I'm pleased to say we've got premiers in other provinces and other provinces are saying, "Yes, we're getting ready to do that" and I think you're going to watch that spread across the country, and it's important to us because it will create literally billions of dollars and economic opportunity and job opportunities for every Canadian in every part of the country if we do it, and that's the kind of commitment we've got to make to the future of Canada.

As we examine our country today we have to recognize that the country is changing in many, many ways. One of the ways is the face of the country looks different. The other way is we're aging. We're all aging. Well, okay, I'm aging. The rest of you are looking great. We're all pretty much aging. And actually it's good that we're aging because it beats the alternative.

So, let me say, as we age, all of our institutions are going to be challenged to change. Let me give you one example. In our province, we expect about 12,000 public workers to actually retire by 2010. We've got to replenish them. We've got to replenish the public service. You're facing the same thing here in Ottawa. They're facing the same thing in provincial capitals all over Canada.

Look at the challenges that aging creates for healthcare. It's driving all of our costs in all the provinces up through the roof. British Columbia, it happens to be 43% of every dollar we spend goes to healthcare, and it's going nowhere but up. By 2017 in our province, if health costs continue in the same direction, over 72% of our provincial budget will be healthcare, and then you add education. That doesn't leave a whole lot for highways, police, transportation and environmental improvements.

This is a challenge we all have to face and there are many ideas on how we can do it but we're all going to have to work together. The world is not the same and Canada has the opportunity to lead the world in dealing with those issues in a constructive and a positive way. As we do that, we don't want to lose one of our great assets, which is the relationship we have with the United States. I think we have to recognize that the border infrastructure investments that are being made are critical.

I take my hat off to the Prime Minister for the work that he's doing right now in trying to assure that the Western Hemisphere Travel Initiative doesn't create a huge drag on our economy and the American economy as well.

We're going to have to look for solutions that will work. We're going to have to accept progress. We're going to have to keep working on it if we're going to fully take advantage of the opportunities that our position creates.

A good example of working hard to find a national solution has just been dealt with in August with the softwood lumber agreement – a huge and important issue for us in the Province of British Columbia. We've had to work hard to try and keep all of the provinces together because there were many provinces that were involved in that negotiation. We've worked hard to keep Canada on track but I should tell you this: without the leadership, the commitment and the relentless pursuit of this goal by the Prime Minister and Minister Emerson, we would not have been successful.

And I can tell you honestly that we had the same kind of commitment from previous governments. None of the federal governments that dealt with this would ever say, "Boy, this is my favourite file." It's a tough, tough world we live in, with lots of layers of complexity. There's lots of challenges we have. And only when we find ways to work together when we have a clear vision of what we're trying to accomplish are we going to be successful in taking advantage of those opportunities that those challenges create.

And I want to take one moment now just to talk to you about what I think is the biggest opportunity that we face in Canada. It's the Pacific opportunity. It's the opportunity for us to define ourselves as a Pacific nation. It's the opportunity for us to define ourselves as a Pacific nation. And let me tell you, today that's not the case. If you do a survey across the country, about 32% of Canadians think of ourselves as being a country of the Pacific. If you do the same survey in British Columbia, about 70% think of their country as having a Pacific opportunity.

So let's stand back for a minute and not talk about British Columbia or, for that matter, any of the other provinces. Let's talk about where we really are in the world.

Is there anyone here that doesn't recognize that the world's economies are shifting to the Pacific? People are talking every day about the incredible impact that China is having on our economies and it has huge impacts on more than just being a place for our resources to go. Think of the challenges that China presents to the Quebec and Ontario

manufacturing base – huge challenges. Think of the opportunities it creates for us as Canadians as well.

The Pacific world is the new centre of where we're going. It's what we're going to be dealing with for the next 20, 50, 100 years. We started with the Atlantic. The Atlantic world was critically important to us. I can remember going to Toronto at one point and someone saying, you know, "I'm very pleased to introduce Premier Campbell. He's been spending a lot of his time in the Far East."

I said, "I appreciate the introduction but I need you to understand this: I've been spending a lot of my time in the Near West – the Asia Pacific."

The Pacific world is in our hands if we reach out and take advantage of it. And here's the thing as we look to our future as a country and if we look to our Pacific future in Canada, the window of opportunity is narrowing. It is not waiting for us. In the Port of Vancouver, we watched as our container traffic increased by 6% last year. In the ports of Seattle and Tacoma, container traffic increased by as much as 18%. The same in California.

Now, you know, 50 years ago, there was a vision in this country. You'll probably remember it. It was called the St. Lawrence Seaway. The St. Lawrence Seaway was a national vision of what we could do. In fact, it was called "the gateway to the world" – the St. Lawrence Seaway.

I was living in Vancouver at the time. My parents were sending taxes in at that time, to build the St. Lawrence Seaway. Great. Now, let's build the Pacific Gateway. It's the same vision of the world, it's the same vision of Canada as a small open trading economy, and it's a vision that happens to capture one of our truly great assets, the diversity of the people that live here.

In Vancouver, we have people from India, we have people from China, we have people from Korea, we have people from Japan, and they are a huge asset for us if we open those doors and open them more and open them wider to opportunity. Literally, billions and billions of dollars are within our grasp if we reach out and we take advantage of it and they will slip away if we don't.

This is a Pacific nation. There are thousands of miles of Pacific coast. We have people who are ready to reach out and be part of that Pacific and that's in Alberta and Saskatchewan and Manitoba and Ontario and

Quebec. A large share of goods that move through the ports in British Columbia come from east of our province.

We have an opportunity here. But the opportunity will slip away if we don't act together and if we don't act quickly. Our province will be there. We are going to do everything we can to take advantage of the opportunity. I'm very pleased to say that Premier Klein in Alberta has always seen that opportunity, has been a partner as we've opened a Port of Prince Rupert in the north coast, the North Pacific Gateway, which will actually serve customers in the heart of Chicago, 3 days faster from China, from Japan, from Korea and from India if we grasp that opportunity together.

So today I'm here to ask you to think of that. Try and shift our vision so we think of taking the full advantage and the full power of all of our coasts, Atlantic, Arctic, Pacific coasts. We take full advantage of all of our assets. We take full advantage as governments to reach out and to lift up every Canadian to pursue their goals, to pursue their dreams.

We can create a new national dream in this country. We are ready to do that. Each province, each citizen has something that they believe we can come together behind and we can drive as Canadians.

Let me go back to the Olympics and the Olympic ideal. The Olympic ideal is: You strive for something. You reach as high as you can reach. You act with speed. The Olympic motto is: faster, higher, stronger.

What I'm saying to you is let's reach out over the next few years – and we don't have a lot of time – let's try and reach higher. Let's reach to what's the best in us. Let's not get mired in jurisdictional disputes and complaints and division. Let's reach for what unites us as a country and let's recognize that every part of the country had something to contribute to that. Let's act faster to take advantage of these things because the world is changing today and it's changing quickly. And it will not wait for Canada. Let's get ahead of it and let's come together as a country so that we are stronger for the future of this country where every Canadian young person knows this is the place they were fortunate enough to be born and they see their future here, they see their dreams here and they're ready to pursue them here on behalf of all us.

Each of our citizens is a dynamo of power and energy and imagination. So today let me ask you simply as you leave to think of this quote: "Whatever you can do or dream you can do, begin it. Boldness has

genius, power and magic in it." Let's be bold and let's drive the magic of Canada together.