

BC Chamber of Commerce Luncheon

Premier Gordon Campbell

May 28, 2004

Check Against Delivery

It's critical for us to remember that any government is working in partnership with the business community, with families and communities across the province, and with other governments.

It is in fact the partnership that makes public life work for people. At the end of the day the service we try and provide in government is meant to make the lives of small business people and families in communities across the province healthier, more full of hope, and more full of opportunity.

I want to say thank you to Chamber president John Winter. John has shown true leadership on behalf of the Chamber. He is never shy about telling us when we can do things better. But he's also never shy about telling us when something we've done has worked. The leadership John has shown over the last few years has served us all extremely well, and I want to say thanks John for that.

I also want to say thanks to Steve Thomson for taking of the Chairmanship of the Chamber. As President's or members of your executive in your communities you all know there's plenty of people who can tell you what to do. But there's always a much fewer number that are willing to actually stand up and do it. I know Steve has worked very hard to take on the Chairmanship, and I want to say thanks to you for your contribution as well.

To Chamber CEO Nancy Hughes-Thompson, welcome to the best province in the country for small business. It's great to have you here.

Again, I want to say how pleased I am to be here in Salmon Arm with my colleagues. The Minister of Sustainable Resource Management, George Abbott has joined us. George would like to join with Salmon Arm Chamber President Tony Pereira in reminding us that next year Salmon Arm celebrates it's centennial.

Whenever we have these special days like a centennial or anniversary of decades etc. it's important for us to look back. It's equally important as we look back to think of the values that have actually created the foundation upon which British Columbia has been built. And, it's important to think about how we can reflect those values as we move forward, in a rapidly changing world that confronts us with all sorts of challenges we may not expect.

I know each of you in your communities face different sorts of challenges. One of the challenges we have in the province is the fact sometimes people talk about it as one place. Sometimes we talk about it as two places. Sometimes we talk about it as area code 604 and area code 250, as if area code 604 was all the same and area code 250 was all the same. One of the things we all have to get used to is to recognize that one-size-fits-all solutions don't work. There is a value framework that we should put in place. But if we try and force every community's solutions into the same box we're not going to be very successful.

I visited over sixty communities across the province in the last ninety days. It is interesting to see some of the common traits that are starting to make themselves felt across British Columbia

There is a new sense of optimism in the province. There is a new sense of excitement about some of the things that are taking place in B.C. But there's also a growing understanding that in different parts of the province we may face different challenges.

Let me give you some examples. If you live in the Thompson Okanagan region of the province, you've had the fastest growing economy in an area with area code 250.

If you live in the Peace River District, if you live in Fort St. John or Fort Nelson, if you live in Dawson Creek, you live in a different kind of a province with a different kind of economy. You've got an economy that has just taken off. You have an economy where people say if you want a job, if you're willing to be trained, if you want to come we'll give you room, we'll give you board, we'll give you training. And if you're willing to work hard we'll give you \$80,000 a year for ten months work.

That's not bad in the Peace River. That's not bad anywhere in British Columbia. It's a different economy. It's got a huge foundation there in oil and gas and energy exploration. It's different than if you live in the Cariboo Chilcotin.

You were all hit by BSE and drought, and you know what happens when you go there? People don't talk about their problems. They talk about their solutions. They talk about where they can go and what they can do. They're excited about their future there.

It's different than the future might be in the Okanagan. I've just come back from the Northwest, from Prince Rupert. Over the next ten years you're going to hear about Prince Rupert. You're going to hear about the northern gateway for British Columbia.

You're going to hear about the new container facility that's going to meet Asian market demands. You're going to hear about the transportation that comes into British Columbia at Prince Rupert, goes across the north and services the centre of this continent. You're going to hear about their tourism. You're going to hear about a one-hundred percent increase in cruise ship facilities. You're going to hear about what they're doing in Prince Rupert because they have a vision for their town, and they're not going to stop until they've reached that vision. That's the kind of spirit we like in British Columbia.

You should recognize what an impact the Chamber has had as we've moved forward in developing a new future for our province. It is certainly a different future today than it felt like four or five years ago in British Columbia.

The great thing as you travel from one town to the next is you find out people do have plans. They are excited about what they can do. Chambers are a critical part of that. Your plan that you put forward in 1994 was called Moving Forward. Your plan did an awful lot to create a framework that allowed us to start making changes in 2001, that we knew would have some positive benefits across the province.

We need to always be willing to challenge ourselves to look at how we can make improvements as we move forward, if we're going to create real progress for communities.

What did you tell us to do? You told us, number one, the tax burden was too high. We cut the tax burden. Have we cut it enough? How many people think you're paying just about the right amount of tax?

How many think we should reduce taxes in one area or another? It's important to think about that because there's a whole bunch of people out there that think we should raise taxes.

That's the choices we get in a democracy. We get to choose whether we want taxes to go up, or frankly we get to choose whether we want them to go down. We get to choose whether we want them to stay level. We get to choose what we want governments to do with your dollars.

Remember this over the next year because I'm also going to be seeking office in the new year. Remember this: when elected officials talk about what they're going to do with money, they are talking about what they are going to do with your money.

It is not their money. It is not my money. It is not your local council's money. It's the money that you earned. It's the money that you go to work for. The Chamber said to us back in the early 90's that we have to start getting our financial house in order, and impose some discipline in government. That's a tough word in government - discipline.

It make governments decide the things that they are going to invest in, and decide the things that they are not able to invest in. There's an awful lot of small businesses that worked their tails off just to make ends meet, because they know if they can't make ends meet on a pretty regular basis they're not going to have a business for very long.

I know that every government has had a small business strategy. The previous government did have a small business strategy in British Columbia. They figured if you started with a big business and they stayed in government long enough, you'd end up with a small business.

That's not the direction we want to go in. We want small businesses to build to medium sized businesses, and then to large businesses. What do we need to do to do that? Those are questions we have to ask, and those are answers that you have to be willing to challenge us to provide you with.

Make no mistake, when we made the tax reductions we knew what we were doing. My mom worked as a school secretary. She raised four kids on a school secretary's salary. I know lots of times I could remember at the end of the month my mom was getting a little bit more anxious about how to make those ends meet.

How do you do that and make sure that little Gordon Campbell and his sister Kath and his brother Mike and his brother Rob have the things they need, to have the kind of life she wants us to have?

She worried about that. I always ask myself, when government takes money out of your paycheque would Peg Campbell say thank you very much for taking that money? I can't remember my mom ever waking up the day after getting her paycheque and saying I've just got too much money here to spend on the kids. I just don't know what to do. This paycheque is so darn big now.

Most people in British Columbia are looking at their paycheques and saying to themselves, where I am going to allocate this resource? How many people do you know that really want to give more to government? Not very many. We want to try and make sure that people know in this province that if they work hard they can get ahead. I'm talking about them getting ahead for their families. - allowing them to make their own choices for their families and their communities as to what they want to try and do and how they want to try and do it.

That is one of the choices we have. We should remember when we say to government, 'you do it', when we say to government 'you pay for it', actually what we're saying to government is 'would you take a little more out of my cheque and you decide?' That is something for us to remember.

We felt as we started, and the Chamber clearly felt through the nineties, that we needed to reduce tax. Today there's almost \$900 million more in people's paycheques. They spend it where they want to spend it.

We've seen it happen and we've seen the impacts of that. We've watched as for the first time in six years we actually have small businesses growing in this province - almost ten percent growth last year.

We're anticipating a ten percent growth in small businesses next year. Those are positive numbers for us. Small businesses create jobs, and jobs create stability in people's lives. A variety of jobs create an even greater amount of stability as people look ahead.

We know we faced plenty of big challenges. We faced things that we couldn't have imagined, like BSE and the Avian Flu. We've faced drought, we've faced floods, we've faced fires, we've faced 9/11, we've faced a global market turndown, we've faced the dot com collapse.

We've faced all of those things together, but one of the great things about British Columbia and the people that live here is in spite of all that they've kept their heads up. They've kept their eye on the ball and they kept working through it.

Now over the last two years there's no province in the country that created more jobs than were created right here in British Columbia. Make no mistake it was small business that was creating those jobs so that people do have a future.

We've watched as 85,000 have left welfare and are at work. Just think of that. Think of the difference that makes in someone's life, because it does make a difference. It's often tough to make those changes in our lives even when they're positive. Those 85,000 people that are at work are all getting two and three times more in income than they were when they were on welfare.

I was in Williams Lake for a barbeque for all the people in the cattle industry who have been hit so hard. We wanted to show them our support. I was doing something that I'm not particularly skilled at - I was flipping hamburgers, and a fellow came up to me and said, 'you know I want to say thanks.'

I said 'well thank you very much.'

He says 'yeah, you guys helped me get back to work, you helped me get to work and it's changed my life. It's changed the way my family feels.'

That's what a strong and vibrant economy does. It provides opportunity, and it provides hope for people. One of the things that I hope the Chamber will pick up on as we look to the future is the little challenge that I put out to British Columbia during the Throne Speech. It's really to build our literacy levels.

As you sit here and think of your workforce and think of the folks that you work with all the time, it's hard to believe this but over twenty percent of the workforce in British Columbia is functionally illiterate.

Let me tell you what that means. I was in Port Alice and they were having real difficulty with the mill. You probably know they're trying to have an investor come in and try and invest in different parts of improving equipment etc. to increase the productivity.

There was one person who worked at that mill for thirty years. He had a Chinese background and didn't speak English particularly well, but this is what was important. He came to work every single day and he delivered the work that they expected of him.

He was reliable, and they knew that they could count on him. Then they had to change the piece of equipment he was working on. You know what they were worried about? He wasn't able to handle it because he couldn't read.

He wasn't able to handle the instruction booklet that said this is what you should do. They knew what a valuable employee he was. They wanted to keep that employee, and so what they're trying to do is find a way to help him through that in spite of the challenge he faces with literacy.

One of our goals over the next six years between now and 2010 is to become the most literate province in the country. We want to drag the rest of the provinces with us so that by 2010 when the world comes to British Columbia we have the most literate country in the world.

There is enormous social value in that as well as enormous economic value. Let me just tell you a quick social story. When I was Mayor of Vancouver we launched a literacy program, working with CUPE and with our management group.

We allowed people to take time to take a literacy course. I often worked late in my office, and the person that used to clean my office was named Oscar. We exchanged words every evening, but I didn't know Oscar had a challenge with literacy. Evidently he did.

We had the first graduation ceremony and there I was handing out certificates saying congratulations and here was Oscar. Oscar says to me, 'you know you can't believe how much difference this has made in my life. It's not just a difference here in the workplace, it's a difference for me at home. It's a difference with how my kids interact with me. It's a difference in how I am and how I'm able to contribute to the community.'

If you think of skills development, the foundation of skill in Canada is literacy. If we can give that gift to people, we've given them an enormous gift to strengthen our community and make an even healthier province for all of us to live. So I do need your help in that and I know that we'll get that help.

It's also important for us to recognize we have to build on those skills and development. You have actually identified that as a major initiative. We've launched the most massive increase in spaces for skills development and university and college training in the last forty years, over the last three or four months.

Twenty five thousand spaces are going to be created across the province. And this is what's critical - they are going to be created in every single part of the province.

There are two hundred and fifty new spaces that are going to Northern Lights Community College, who are working with the Southern Alberta Institute of Technology to build new training and opportunities for people in the energy industry.

There are two hundred and fifty new spaces that are going to be created in Northwest Community College, and they are going to be looking at things like expansion of culinary expertise and the potential for a new mining training school.

Listen to this and think about whether you would have heard this five years ago: we now have a shortage of people who are able to take advantage of the mining opportunities in British Columbia.

Through the nineties we lost one out of two jobs in mining. Over the last three years we have quadrupled the amount of exploration that takes place in British Columbia. That means jobs and that means opportunities.

Northwest Community College is thinking about how they can tap into that and make sure that their people in their region get the training they need, where they live.

We're going to open a new UBC Okanagan campus. We're going to have a new Okanagan College with new spaces and new programs in Salmon Arm, in Oliver, in Osoyoos, and in Revelstoke. And catch this - tuitions for entry into Okanagan College will be \$1,000 less than they were last year, as of this September.

There is going to be a new university in Kamloops. It will specialize not just in distance learning but in creating ladder opportunities for people who want to go out and build their skills development, and get to granting degrees at the other end of that.

We're going to do that in a coordinated, comprehensive and cohesive way. We're going to do that because they have leadership in Kamloops that brought us to the table and said this is what we want for our community.

The Chamber helped with that, the community helped with that, and the university college helped with that. It's going to have a huge positive impact on people's lives. We're going to have a new campus in Williams Lake to make sure that we have access for the people that live there.

It's all part of a strategy to build a long term and robust economy that supports the skills, the jobs and the opportunities that we know exist in British Columbia. We do live in a province with exceptional opportunities.

All that we have to do as a province is come together and think of how we can maximize the benefits of those opportunities, without imposing a rigid regime on people that closes out the opportunities that are created in different regions of the province.

The Chamber has been excellent with regards to that. We're watching as this is working. Sometimes it takes longer to work than you'd like. I wish it had worked two years ago as opposed to being working at this time.

The Bank of Montreal say provinces should be looking at what they did in British Columbia. They laid out a plan, they've executed the plan and they've stuck with the plan. It's been tough but they stuck with it.

The rating agencies are surprised but we've saved literally hundreds of millions of dollars because we did stick with that plan, just like you would if you were working. You'd lay out a business plan and you'd have to stick with it or the people that were financing you wouldn't stick with you.

We're sticking with it and because of that we have the best financing rates of any province in the country. We've watched as Standard and Poor's and Moodys are looking to upgrade us in terms of our credit rating. That's important.

It's also important when we have major financial institutions like the Bank of Montreal using us as an example for other provinces to follow. We're one of three jurisdictions that will balance our budget this year. It's not easy, but I do believe it's right.

It's right not because it's about a bunch of numbers on a piece of paper. It's right because we care about the next generation of British Columbians.

I look at myself and my generation and think of the opportunities that I used to have. When I graduated from high school, most of us were looking for summer work. We could get jobs in the forest industry, in the mining industry, in the fishery.

You literally used to have people who would get in a truck and drive to the next site in the construction industry. There were tons of opportunities for people. Our generation has consumed a lot of the capital that was invested by our parents.

We now have to ask ourselves if we're ready to be generationally generous. I use that term wisely because what we want to do is make sure that our seniors are getting the support and security that they need as they go through their life.

They gave us a lot. They invested in universities and schools, and you know how they did it? They worked for it. They paid as they went. They delivered it to us. They invested in the transportation infrastructure.

Until the last couple of years we haven't had a significant plan for transportation investment. We just used it up. I remember when the Port Mann Bridge was opened, you could just go straight through. You couldn't imagine the traffic that is there today.

I remember when Highway 1 was opened and when the Kicking Horse Canyon was opened. I remember when people talked about the Roger's Pass and the shelters, and how fantastic it was. Now it's the most dangerous part of the Trans Canada Highway.

So what are we doing? We're investing \$670 million in opening that up again because it is the gateway to British Columbia. It is Canada's entrance to British Columbia. It is how our goods get delivered to Canada.

We have to invest in that. We've consumed that transportation investment that was made a generation ago. Now the question for us is what are we going to do for the generation that follows? Are we going to keep giving them debt? Are we going to keep turning our back on the tough decisions because they're just too tough? They are tough, and you know they're not fun when they're tough.

This is probably not a major announcement but there's not very many elected officials who like saying no. It's important for us to recognize we all want to try and deliver things that people want. If we had the resources we would. But think of this; when I graduated from university the total public debt for everything in British Columbia was \$2.84 billion. When my son graduated from university, the next generation, the gift that we gave him was a debt of \$40 billion. You run your businesses. How many of you think you would still have a business today if twenty out of twenty-five years you ran a deficit. Forget about profit - you didn't make ends meet. That's what we've done in British Columbia for twenty of the last twenty-five years we didn't come close to making ends meet.

We have to try and get our financial house in order. We've done that so we can invest in the things that are important, whether it's the \$2 billion additional dollars we've invested in health care or the \$300 million more that's going into education. \$105 million that's going to advanced education over the next three years. We only could get there because we've earned it over the last three years. We earned the financial foundation that allows us to build a future.

One of the challenges we face is to see the benefits we get out of it. Let me just go through one small sector of the economy. You've all heard about oil and gas; energy is booming in British Columbia to the tune of a 56% increase in energy.

Last year we had an 18% increase in investment in forestry. We're turning the corner in forestry, we're ready to go ahead with that. We're getting a more competitive framework, it's happening on the coast.

I was just in Campbell River. We've done some forest reforms in the coastal part of British Columbia, and one of the forest companies said ever since those reforms I've got a whole bunch of problems.

You can imagine how much I wanted to hear about the problems he had ever since the reforms. This is what his problem was - he can't get people to fill the jobs that we have on the land base anymore. He's looking for workers because they're so busy.

That's what you want to have happen. We want to be a place that attracts people. In 2003 for the first time in six years we attracted people back to British Columbia from Canada. The people that we attract back are our people. They're our families, our kids.

I was at a reception the other night and a fellow said to me, I would like you to meet my two sons. They've come home to British Columbia. That's what a strong economic policy can do. It can reunite families. It can reunite them with opportunities.

What we've tried to do is open up to people's ideas and the opportunities they create. I just want to talk about one sector and that's the resort sector. We're sitting here today in Salmon Arm. You can just drive a couple of hours down the road and you're at the new Kicking Horse Resort.

That's a \$100 million plus resort in the short term, and a \$400 million plus investment over the next six to seven years. Go to Crystal Mountain in Kelowna. It's a \$110 million all season resort with 1,000 new jobs.

The largest single employer in Kamloops is the Sun Peaks Resort. They're investing \$120 million over the next five years. Big White is investing \$250 million over the next five years. Mt. McKenzie in Revelstoke has potential for \$250 million in investment.

There is construction there. There is opportunity there, and there are long-term stable jobs for people who live in those communities.

You can't get that kind of investment if you're not open to investors. You can't get that kind of investment if communities aren't showing leadership. You can't get that kind of investment if you don't have Chambers that are excited about their future and excited about what their community can do.

Today I would like to ask you to put on your thinking caps like you did in the mid 90's. Think what you want this province to look like in ten years, and how do you think we can get there.

What are the things that you need George Abbott and myself and other elected MLA's to do to make sure that you do have the platform that gets us there? Things have changed in British Columbia. Times have changed. The economy is turning.

The Royal Bank estimates we're number three in economic growth this year. Next year they expect we're going to be the number one economy in Canada. We want that number, but we want to be number one for what it does for the people that live here. We want to be number one for what it does in expanding educational opportunities, for what it does in providing better care for seniors, for what it does to make sure that we live in safer more secure communities. For what it does for each of you in each of your chapters in each of the communities that you build together, that you create together.

We spent three years trying to earn back the future that British Columbians deserve. With your help we're going to get there. We're going to create a future that's second to none for British Columbia, and most importantly for the young people who live here.

Thank you very much.