

Premier Gordon Campbell
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Check Against Delivery

In spite of what happened over the 1990s – the “lost decade” in British Columbia – we still live in a province that has an exceptional resource base. We still have the most valuable natural resource: people.

One of the challenges is to get people excited about what is taking place in British Columbia and the opportunities here. It’s to get investors to look at our province and say, “That is the place we want to be because it has the educational institutions, the public services and the infrastructure necessary for me to use my imagination and work hard to get ahead and create something new that other people will benefit by.”

As we took office just a little less than a year ago, we had a task in front of us: to change how people thought about our province. I think we made some strides in that direction. But if you want to be a world leader, you have to ask yourselves, “Where is it I want to get to? What am I trying to lead? What is important for us to do in our province?”

One of the challenges after a decade like the ’90s is to recognize that British Columbia can do anything it wants. We can accomplish any goal we set for ourselves. It will take time; it will take commitment; it will take dedication. But there is no question that we have the talent and ability in this province to lead the country, not just economically, but socially. We can make our young people say: “There is one place in the world where I want to build my future, and that is right here in British Columbia.”

That is our goal, and working together, we can accomplish it. Clearly we face some pretty big challenges. You don’t get to where you want to go and create an innovative society or imaginative community if you don’t face up to the facts first. We all, as a society, had to face the facts – and it’s important for each of us in my generation to face the fact that we’ve taken more from the province than we’ve given back. It’s as simple as that.

When I graduated from high school, I had six or seven different jobs I could take. Young people graduating from high school and university today don’t have that same array of choices.

For our generation to give back, we have to start with some fundamentals. You don’t build either an innovative economy or a successful sustainable economy on deficit and on debt – you build it on a sound financial footing.

Last year when we were elected, we appointed an independent Financial Review Panel of seven people from all over our province. We said to them: “Have a look at the government’s books and tell us where we stand. They don’t want to hear from Gordon Campbell: they want to hear from you, the public.”

They had a look at the books, and the Financial Review Panel said this: British Columbia was operating in a fundamentally unsustainable manner. We were facing a \$3.8-billion structural deficit.

When they made that announcement, it was before they knew the previous government had passed a piece of legislation that was going to cost taxpayers \$415 million extra, which wasn't funded. They didn't know there was going to be \$392 million additional for doctor's salaries. They didn't know what the nurses' settlement was going to be. They didn't know what the softwood lumber impacts were going to be on the economy, and they obviously didn't know about September 11th.

We knew right away we were in financial trouble, and we had to find ways we could save money and do things more effectively.

One of the challenges we faced is the tyranny of the status quo. There is nothing more powerful in our lives than the status quo. We like to think that if everything stays exactly the same, somehow we can get different results.

We have to ask ourselves, "Do we like the results our economy generated through the 1990s?" We went from the first-place economy in the country to the worst economy in the country. We went from a place where people wanted to invest to a place where they didn't want to invest.

We watched as our health-care system deteriorated to the point where a young person could break a leg and wait two or three days to get it set. We watched as our education system moved aimlessly from point to point. We spent more money per capita than any jurisdiction in the country on public education, and we don't have the results to show for it.

You have to recognize the debt hole we're in. A minister came up to me and said, "Gord, I've got great news – I saved \$12 million." Now \$12 million is a lot of money to me. But it's 0.3 per cent of the deficit – it barely even makes a dent.

There are two paths we decided to take. The first one was to recognize that if you want to have public-sector services and resources to support them, you must have a strong private-sector economy.

The public sector takes money out of the private-sector economy. We don't ask for it: we take it. We dig into your pockets and we take that money out. When we take that money out, we are taking out parts of your life. We should be saying that we are going to spend that money more effectively.

The important thing is that we contain our costs in government and get the private sector moving. The faster we get it moving, the better off you are.

So first we changed our tax regime so people knew if you worked hard in British Columbia, you could get ahead. You can take advantage of your hard work and your efforts and your energy.

When we made that dramatic tax cut on our first day in office, it was to send a clear message out. Some people said we shouldn't have done that.

We would do it again if we had the choice. People in British Columbia have taken that tax cut and spent it. Over the last year, consumer spending in this province is up compared with other provinces – almost 30 per cent higher than some of the other provinces in the country.

Guess why people can spend: They have their money in their pockets. As I mentioned before, any of you who think it's a bad idea for us to cut your personal income tax are welcome to send the cut back to government, and we'll spend it for you.

That was an important message to send, because we want that private-sector economy to flourish. Over the last year we've cut 17 separate taxes. I'm not going to go through all of them, but some of them were critical to establishing an economy where innovation can take place. We are encouraging it to take place: we're not just talking about it; we're doing something that gives it a lift.

If you want something to happen, you don't tax it. That's not a very sophisticated idea, but it's amazing how difficult it is to push into government's head.

If you want private-sector investment, you don't tax it. That's why last July 30th we started a reduction of the corporate capital tax, and this September 1st there will be no corporate capital tax in British Columbia. We'll be one of the three jurisdictions in Canada that can say that.

If you want productivity, you shouldn't tax it. So we eliminated the tax on machinery and equipment. There are many people in our resource industries who say we have to go further with that tax. I think that's something we should look at.

We've cut corporate income tax; we've raised the threshold for small business. All of those things are done to encourage the private-sector economy to start churning.

To build a new economy, you also have to allow for failure. If you go to some of the big, thriving economies of the world, one of the badges people wear is "I tried this and I failed, and I learned a bunch of stuff from it, so I went out and I tried something else, and I succeeded."

Government cannot protect you from failure, and we're not going to try. One of the things we said quite clearly is we were not going to subsidize one business against another. We're not going to pretend that government can figure out who is the winner and who is the loser.

So we eliminated subsidies to business. We are saying, “Go out there, do your best, make a commitment, have your idea, pursue it – and if you succeed, we’ll celebrate it: we won’t confiscate it.”

One other thing that is important is regulation. We started to think for a while that we could regulate ourselves to Nirvana – that there were some really smart people somewhere who could tell us everything we should do every day, and we would get the results we wanted.

Guess what: it doesn’t work that way.

Do you know how many regulatory requirements we have in British Columbia? Over 400,000, costing the economy about \$5 billion. So we committed last year before the election to reducing those regulations on business by one-third by the end of the third year. That means we have two years to go.

We have cut 4,400 so far. There are 35,000 regulatory requirements in the Workers Compensation Board. There are over 5,000 regulatory requirements in the Employment Standards Act. There are over 10,000 regulatory requirements in the Forest Practices Code.

The problem is that half of them don’t make sense. One of my favourites is the one where someone decides – and you all pay for it – that we need a regulation telling an auto body shop how often they should dust their blinds. I don’t know if any of you have ever had an automobile accident, but could you imagine taking your car into an auto body shop and worrying about the blinds? Who thought that regulation up, and – more important – who is enforcing it? We have to move ourselves away from that and make a big shift between what government used to be and what government has to be.

Government has to learn to trust people. When you allow people to pursue their own goals, it is incredible what they can accomplish, what they will think of and how they can build – if you just get out of their way. That’s one of the objectives we have set for ourselves in our regulatory reform. It will reduce unnecessary cost on your business, and it will reduce costs on government.

We are going to balance our budget in British Columbia because we owe it to the next generation. That means we are going to have to make some difficult choices.

A government is just like a business. If you try and do everything on debt and run from one credit card to the next, eventually it is going to catch up to you – and you are going to lose the very thing you value.

As we think of innovation in government, we think of liberating the private sector from an unfair tax burden, and from an unnecessary regulatory burden that gets in your way.

We are in the middle of reviewing the Employment Standards Act. We should all understand in government that the most valuable asset an employer has is the employees. We have to encourage an environment where employees and employers can work together. We provided for more flexibility in the first stage in the review of Employment Standards to allow for communication and to allow people to make their own arrangements that meet their personal needs – not the needs someone has in a government office in Victoria or some politician imposes on you, but your needs.

We believe that by doing that we will liberate the economy so there will be more jobs. I was in Cranbrook the other day, and one business person told me that because of the one small group of changes we made in the Employment Standards Act, he is going to be able to hire between 10 and 15 additional young people this summer.

There are some other things we believe are necessary to build the kind of innovative infrastructure that will work for the province.

One of the critical components is education. We have made a commitment to education in a number of areas we think are important, and we've taken the first steps.

We are going to double the number of computer science and electrical engineer graduates in British Columbia. It's going to cost us \$150 million, but we think that's a critical component of building that most important natural resource.

We have initiated the Leading Edge Endowment Fund, which is a way of creating a partnership between government and the private sector to create globally leading environmental, medical, social and technological research. All of those are opportunities for our institutions of advanced learning in British Columbia.

We will be creating 20 B.C. leadership chairs that will be supported by a partnership between government and the private sector in whatever areas of endeavour they deem fit. The board has been set, the chairs will be established by peer review – and they will be ongoing chairs: a constant endowment for the institutions that put them in place. Generating new knowledge and celebrating our intellectual capital in British Columbia will be as critical to our future as celebrating our forest resources and our mineral resources was in the past.

We've added over 1,400 spaces to train nurses and care aides. We've invested in doubling the number of physicians who graduate from medical schools in British Columbia. All of those things are done because we believe part of building an innovative infrastructure is to make sure you have education and health-care services that are second to none.

As you read the newspaper headlines, you may wonder whether that is actually happening. It is happening. What you hear right now are the complaints of the status quo the vested interests and the power structures that were in place in the '90s.

They are being told: “You’re invited to be part of this exciting future, but you’re not the only driver. We are going to allow other British Columbians to be included in the promise of our great province.”

We believe we have an enormous future in the technology sector. We’ve seen great successes like Electronic Arts and Ballard Power that are growing and flourishing and taking advantage of our quality of life. The other day I was talking with the chief executive officer from QLT, a major biotechnology company in British Columbia. He said that for the first time he is able to go out and recruit people from other parts of the world.

I am very pleased that we are next-door neighbours to Alberta and Washington and that we are close to Oregon and California, because that is a very exciting competition to be in. Our competitors are not going to take a break because we had a tough decade.

That decade is gone, so we should put it behind us. We should learn the lessons from the ’90s, and we should look to the next decade – because it’s going to be ours. We are going to take the opportunities; we are going to take the risks to change the way things work so you have the framework you need to build your future.

As a province, we will celebrate and revel in your success, and in the success of small businesses across the province. People in communities across the province will celebrate as they get jobs to support their families and their future.

With those jobs they’ll also support excellent public services in health care and education. They’ll support the infrastructure we need to build the economy.

We have a Premier’s Technology Council that has gone out across the province, and there is not a region of the province that is not ready to take off and ready to go. We are going to provide broadband access to each of those regions. We are going to encourage places outside of the Lower Mainland to grow, prosper and thrive in their own way.

I was in a mill in Smithers that had applied two software programs, one developed in Fort St. James, the other in Salmon Arm. They increased their productivity by 21 per cent. That’s pretty phenomenal.

If we take the opportunities, expertise and talent we have in British Columbia and apply them to those traditional natural resources God has given us, there is nothing we can’t accomplish.

I believe British Columbians are ready to reach out. I believe they are ready to challenge and to change. I believe they are ready to flex their muscles and to let their imaginations run free. If we do that, we will build the kind of innovative economy we need and create the prosperity in the future everyone deserves. Thank you very much.