

2005 Truck Loggers Association Convention

Premier Gordon Campbell

January 21, 2005

Check Against Delivery

It is great to be back at the Truck Loggers Association convention. This is one of the really critical conventions that we attend every year and I want to start by saying how much I appreciate the leadership that we've seen from the Truck Loggers over the last number of years.

I can recall the first time I came and had the opportunity to speak with you. It was while we were still in opposition. One of the things that I asked at that time was that you be willing to work with us, that you be open with us and direct with us, that you try and shape the future of the provincial forest industry so that it was strong, that it was competitive, that it was robust and that it would be sustainable in the long term.

The work that has been undertaken over the last three and a half years has set this industry on course for a truly remarkable decade of growth and opportunity in every single part of this province, and it's largely because of the work that all of you have done. Thank you very, very much for that.

I want to take a moment to thank Rob for the work that he's done over the last two years as your president. I've always said to your executive that if they need to come and chat with me or the forests minister they should feel free to do that. I didn't realize that Rob would take me up on that invitation quite as regularly as he did, but I can tell you, you had a great spokesperson, a great leader and Rob has been a great contribution to all of us in British Columbia.

What a great new president you have. Here's Mike, a guy who got in the forest industry early, started his own company when he was 24, went out, made a success of himself, kept driving, kept the business going, kept people employed. This is a guy that's dedicated to this organization. I want to say, Mike, thanks for taking on the responsibility in the next two years. We look forward to working with you.

This has been a challenging time for everybody in forestry, and as we've gone through the major transformations in the past few years, we've faced some challenges, and we've not finished the job. But we have begun it. We have built the foundation.

The industry is ready to take off, but it's going to take a lot of hard work still - a lot of hard work to take advantage of our competitive advantages and to actually free up the forest industry to pursue its goals in a competitive global marketplace; to allow the forest industry to pursue the innovation and the creativity that we know is there and the entrepreneurs who have made the Truck Loggers Association such an important part of our industry over the last little while.

I know that you've got a new logo here. The TLA's new logo is actually pretty important, and it says something about this association – that you're optimistic and open to change and opportunity. We should remember it. I want to say that I think our MLAs have remembered it.

I'm so pleased every year that you bring the TLA convention here Vancouver. I was just talking with Mike. I think next year you should ask the mayors of the Lower Mainland to come. Maybe we could actually ask the mayors to come and the province could help you host a reception with mayors from the Lower Mainland, because forestry is British Columbia's economic future.

Our resource industries remain just as they have been important to us as we built this province. They are the industries that created the jobs and the stability for families, allowed us to build communities, allowed us to build hospitals and schools and roads and all the critical public services that we take for granted.

We could not provide for that quality of life without the great resource industries we have in this province and without the number one industry we have in this province, and that's forestry. That applies to Vancouver and Burnaby and Richmond and Port Moody and all of the Lower Mainland just as it applies to the entire province of British Columbia. I want you to know we understand that. We're going to work to build that, and let's include cities in forestry in a way that makes them see what you contribute to their lives. We're willing to work on that with you.

As we went through the 1990s, we had some challenges. The opportunity for forestry has always been before us. The opportunity for forestry has always been knocking on B.C.'s door. The trouble is we had a period of time where that door was closed shut. It was closed shut by red tape, by regulation, and in many cases by people who didn't recognize the contribution that forestry made to this great province. Well, because of the TLA the door of opportunity is opening again, and it's opening again up and down the coast and across the province.

There is a renewed sense of optimism. There is a renewed sense of hope, a renewed sense of people going out and making plans and thinking of what they can do. Even as we face the challenges that we know are ahead of us, people are excited about what they can do.

The TLA survey that was released in September found 88 percent of the communities surveyed said they were optimistic about the future of forestry. Sure there are challenges to face, but they're feeling good about where we can go. That new optimism is actually touching the lives of families all over our province.

When this government was first elected, British Columbia's economy was in last place in the country. Because of work from associations like you, because of people like your members, today British Columbia is number one in job creation in Canada.

From December of 2001 to date we've created 198,000 new jobs in B.C.; 26,000 of those jobs are on Vancouver Island and up the coast. Housing starts in British Columbia are up 25 percent, 32 percent on Vancouver Island. In Courtenay they're up 50 percent. In Nanaimo they're up 57 percent.

As Roy Grant says from Campbell River, "There's been a whole attitudinal change in our communities. Where there was pessimism there is now growing optimism."

The door is open for a competitive forest industry that builds a future that is second to none in this province.

Last year we watched as exports from British Columbia to the world around us went up by 11 percent. In forestry they were up 23 percent. Mills were running at or near capacity. The coastal lumber and forest association says almost 10,000 forest workers were back on the job since the fall of 2003.

Mike de Jong visited a Timber West mill in Campbell River and met a worker who had left B.C. forests five years ago for Saskatchewan. But he's come home. He's come home because there were jobs in the coastal forests again. That's creating spin-offs for families in communities up and down the coast. Madill Equipment had to hire an additional 50 staff just to keep up with demand.

Last year I came to the Truck Loggers, and I can recall meeting with your executive beforehand. They said we have to get on with the market-based pricing system. So I came to this convention and I said by February 29 of 2004 there'd be a market pricing system in place. As an industry you came to us and said: we need this to employ people, to move forward, to take advantage of opportunities. I'm proud that we listened because when we took that action you saw a dramatic change in what was taking place on the coast. Last year you cut almost our full annual allowable cut. That's one of three times that's happened in the last decade.

You told us that you needed more. You told us it was important for us to amend Bill 13, and Mike de Jong and Roger Harris worked very hard to make sure that that was done, and amendments were introduced and passed.

We want you to know when you invest you have an opportunity to succeed. We do have competitive advantages. The important thing now is to make sure that we don't lose our competitive edge.

I think most British Columbians don't know this, but there is not a jurisdiction in the world that exports more softwood than British Columbia does. We're the number one exporter in the world. From that number one position, the important thing for us is to keep challenging ourselves, to keep asking ourselves: what do our customers need? How do we expand our markets? How do we look at the challenges we face directly and deal with them? And how do we make sure that we build the kind of opportunities that we need to?

You know the answer in your hearts. You have to be competitive in your industry and we have to be competitive in British Columbia. We have to be competitive in spite of the fact that there are people around the world who don't like the fact that we are the best competitors in the world.

You do get the gold medal for competition. Now, what are those lumber producers in the southeastern part of the United States doing? They're saying we can't keep up; we can't do this. They talk about competition. They talk about free and open trade. But they can't compete with you. We're going to be successful as we move forward; we're going to be legally successful. We're going to win the litigations. There's not really any question in my mind about that. But you and I both know we're spending an awful lot of energy and time and effort to try and open that market up.

The Canadian dollar has gone up substantially since I first talked to you as Premier - substantially. And I can tell you very few people were sitting in the room with me in 2002 when we talked and said, you know, you've got to be really careful about what's going on with the Canadian dollar. But it's had a huge impact on us. We have to look ahead and we have to plan for the Canadian dollar continuing to rise. If we sit and hope it's going to keep falling we're not going to be prepared. We do not have any control over what's happening with international currencies. The government of Canada has very little control over it if we really look at it. In fact, I think if you look at what's going to happen in the economies in China and the economies in India, we have to recognize that there is a whole new set of players that are going to come and act and have an impact on what the value of the Canadian dollar is vis-à-vis the American dollar.

We should be planning ahead. How do we make the industry more competitive? How do we make our government policies more competitive? How do we make sure that we are competitive so we can continue to be the number one industry in the world so that our workers can depend on us for jobs, so investors want to come here and invest in British Columbia. It means we have to look at those facts in the face and develop a competitive strategy for the next ten years that we can all depend on, that we can all count on. I am going to ask you to do that as we move ahead.

We have taken the first steps. We have taken the first steps to create more competition. I know as we take those steps there are challenges. But we can have an industry that creates more opportunity, more jobs and more stability for families throughout the province and up and down the coast.

Twenty percent of the long-term replaceable logging right held by major licensees are being reallocated to open up new opportunities and we know that creates challenges for all of you. Reallocation agreements have already been signed with Weyerhaeuser and with Western Forest Products. Discussions are ongoing with 25 major tenure holders. That process will be complete by 2006.

Now, you know that we established a \$75-million trust fund in March of 2003 to assist affected workers and contractors. We established a trust fund advisory board, and that

does include Jim Girvan from the TLA. We asked Jim and the rest of the board to tell us if the \$75 million was going to be enough to make sure that we could take care of those workers and those contractors as we went through this transformation. The board approved guidelines last summer for how the trust will be disbursed to workers and to contractors. Based on those guidelines the board came to government and told us that we hadn't allocated enough resources to make sure that we could cover off this transition. It's a transition that does have to take place and the transformation that will happen.

I said to you when I came and talked about the transition fund to begin with that we want the transition fund to be fair and to be equitable. We said to the trustees that we wanted to take care of workers and contractors. We told them we were willing to listen to them and we were ready to work together. We told you we would act in good faith as you went through this process. You've registered your concerns and we're going to listen.

When the Legislature resumes in February, we intend to introduce legislation to increase the amount of the trust fund by \$50 million.

If that's what it takes to help some workers bridge to their pensions, then we're prepared to do it. If that's what it takes to help some young workers get the training that they need to have a future, a new job in the new forest industry in British Columbia then we're prepared to do it. If that's what it takes to help contractors adjust to a changing industry, then we are prepared to do it.

We've said all along that workers and contractors were our number one priority, and that \$50 million will help us move through the transition and the transformation so you know that you are going to have a number one industry that's competitive and innovative as we move through the next ten years in the province of British Columbia.

We are going to have to be competitive, and we are going to have to be innovative. As we put more wood back into the communities we know that will encourage competition. We know new ideas will emerge. We know that there will be new jobs and new wealth that will be created.

The door is open for opportunities for people up and down the coast. The reallocated timber is not going to disappear into a black hole. Half will reappear on the open market. Half will go to community forests and first nations. Others have talked about community forests. We have delivered them in 12 communities, including Powell River and Masset and Port Alberni and Bella Coola, Ucluelet and Sechelt. Local control over forest supports local companies, especially value added. That's good for innovation, and it's good for forestry.

Since 2002 we have agreements signed with 83 first nations, including coastal first nations, from the Haisla in the northwest to the Cowichan on southern Vancouver Island. That's good news for first nations. It brings added certainty to the land base, and that's good for forestry.

These communities and these first nations are going to need your expertise. They're going to need your equipment. They're going to need your experience to harvest those forests and to harvest their opportunities. The TLA is working with us and communities and first nations to make sure that the wood is harvested. The door is open, but you have to walk through it.

The door is open to young people to get involved in forestry in this province. There are 33,000 job openings expected between now and 2010 in forestry and in wood manufacturing. Grads from UBC's wood products program routinely field between four and five job offers.

In the TLA's coastal community survey, Campbell River Mayor Lynn Nash said, "Forty years ago I was going to forestry school but folks told me there was no future in it. So I thought I should go to a more stable field." Now, imagine this. He went from forestry with the history of forestry into the stable field of politics. Lynn's never been a man of particularly good judgment. And, if you're here Lynn, you know I'm joking.

Let's make sure, though, not just that urban British Columbia understands how important forestry is. Let's make sure that the young people throughout British Columbia recognize how critical forestry is to their future. Let's have them thinking and dreaming about a career in forestry again.

On Wednesday TLA announced your plan to bring in a new program called "provider pals" for B.C. schools. I hope it will be the TLA and the fishing industry and the mining industry and the energy industry, and agriculture. We hope it will be all British Columbia's resource industries reaching out and reminding people how important those resource industries are to all of us. And we would like to help, so I will ask your board of directors to come to us directly and tell us what we can do to help you create that connection between urban and rural British Columbia, between all of us in British Columbia who depend on our resources.

B.C. kids should know how important forestry is. Their parents should. Their teachers should. Because without a forest industry in British Columbia our economy virtually collapses - literally dozens and dozens of communities across this province depend on you and on our forests. There's a golden decade in front of us, and it's a golden decade for forestry, and it's a golden decade of opportunity for young people.

One in four jobs in B.C. is contributed by the forest industry. The trees that are harvested in Port Alberni support services that they depend on in Burnaby. It's not a rural industry. Forestry is a B.C. industry, and it's an industry that no other place in the world does as well as British Columbians.

So as we look to a competitive marketplace, we also have to look to innovation. Innovation often comes by going and pursuing new markets. In China they have ten million housing starts a year, and a mere fraction of those right now use forest products. We know that we're having difficulty having open access to the American marketplace,

so as they say, when one door's closing, make sure you're opening up another one. We are going to open up the door to opportunity in China. Let me tell you, as we do that, we have to think long term. It is not something that's going to happen by next year or probably by two years out.

Today the federal government announced that Canada has been given approved status in terms of tourism. It took them five years to get that agreement. But what does that agreement open up in terms of opportunity for the tourism industry? It's estimated about 100 million tourists will leave China by the year 2020. Guess where they're coming? The most active markets they'll pursue are the United States and Canada. Guess who's got the best tourist product, the best opportunity to give them everything they could possibly want? British Columbia. Think of the economic opportunities.

Now think of what would happen if we did the same thing for forestry. Mike de Jong is in China opening the Dream Home project right now in Shanghai. We went there and we partnered with a Chinese company on the Dream Home project and we ended up generating a 40 per cent increase in the number of wood-frame homes built in China. Impressive, isn't it? Well, that 40 per cent only equals about 200 homes. But it's a start.

As we open the Chinese market, we have to make sure that they know the technologies that are involved, that they have the regulations that are in place. It will take us time; it will take commitment; it will take concerted effort. But just as the tourist industry will benefit from the five years of work they've done, we will benefit from the work that we are doing right now.

Over the next few months I will establish a B.C.-China lumber trade initiative that will be far more expansive and far more aggressive in terms of opening up that marketplace. Everyone else in the world knows about China. Everyone else in the forest industry knows about the opportunities. I can tell you that the last thing British Columbia wants to do if we're going to be number one in forestry is sit and watch what others do in China. We want them to watch us; we want them to recognize British Columbia is leading. Over the next ten years we will build a market for B.C. products and B.C. fibre in China that meets the needs of everyone up and down the coast and throughout our province. With your help we can do that.

As we look to ourselves and we think of ourselves as a major Pacific gateway of opportunity, we do have to continue to build on a sense of certainty and confidence that people must have. You know, there'll be many changes that we can't anticipate today and we haven't been able to anticipate – but we have to provide for some stability in the industry and some hope for the industry, and we have to have people who are willing to advocate for the industry. It is important that we establish that sense of certainty.

So let me tell you this: I am certain that my government is going to continue to pursue an aggressive policy of opportunity in forestry. I am certain that my government is going to continue to work with the executive of the TLA. It's going to continue to listen; it's going to continue to respond. It's going to continue to recognize that we are all living in a world

where there are going to be ongoing challenges, but most importantly, we're going to recognize that the real asset we have here is on the land base and the people that work in it.

The TLA has been exceptional. You have worked through some very difficult times. Together, we are going through a very important transformation, but that transformation is about opening up our province. That transformation is about letting young people know their future is in forestry in British Columbia. That transformation is about recognizing ourselves as the number one competitor in the world and reaching out and taking advantage of massive new markets like China and India. It is about leading the way with innovation. It is about being sure that our communities and our province and our country can count on British Columbia's leadership in forestry.

So I ask you today to look ahead and to imagine what you want your industry to look like in ten years and imagine what you want your community and your enterprise to be like in ten years, and recognize that one of the invitations we give you is to tell us not just your vision for your industry but to tell us how to get there.

Our vision is clear for forestry in B.C. We want to be recognized across the world as the most competitive jurisdiction, as a jurisdiction that's known for sustainable, healthy, long-term management of our forests, as a jurisdiction that takes full advantage of all of the resource and all of the opportunities that it provides to us, as a jurisdiction that recognizes that resource communities and resource workers are in fact the lifeblood of what we do in this province. We can do that with your help.

There is a golden decade of opportunity ahead of us, and the door is open. Let's walk through together.

Thank you very much.