

Premier Gordon Campbell
Address to the British Columbia Chamber of Commerce
Fort St. John
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Check Against Delivery

It is a real pleasure to speak to the chamber at its annual general meeting after 50 years. Fifty years is a long time, and we should take a moment to think back, because it's on the successes of the past that we're going to build the future – by capitalizing on the energy and entrepreneurialism of people who live in the province, their imaginations and their hopes; and by creating an environment that allows people to make their future. That's what the chamber has always been about.

The provincial budget today in British Columbia is \$25.6 billion. Guess what the provincial budget was in 1952 – \$142 million. Exports in British Columbia today are \$31.3 billion; in 1952, exports were \$486 million. Retail sales today in British Columbia are \$37.9 billion; 50 years ago, they were \$1.2 billion. The population of Fort St. John today is 16,034. Back in 1952, 884 people lived in Fort St. John. A chamber meeting like this in 1952 would have taken over the city.

Fifty years is a long time of success for chambers of commerce and for thousands and thousands of businesses across this province. As you have matured over the last 50 years, you have made a larger and larger contribution to our public life.

You've contributed to informing your communities, your regions and the province as a whole about what we need to do to make it more profitable for people to be in business. You've contributed to making it more exciting for people to take their commitment, their energy and their ideas and develop them into job-creating and wealth-creating enterprises that work for all of us.

I went through your policy manual last night. From A to Z, if you check through what chambers have suggested the government take on, we've followed through on an awful lot of your recommendations.

On page 49, it says the provincial government should lift the moratorium on salmon farming, that we should make sure that we have proper environmental standards, and that the industry's growth is allowed to make a contribution to British Columbia. This government is doing that because we recognize how important it is to small businesses up and down the coast. I encourage you to go through this manual because it shows the work the chamber has done over the last little while to help create solutions to the problems we face.

It's important that we look to the future, which is what your chamber is going to do at this annual general meeting, and what we're trying to do in government. It is also

important that we face the facts and recognize that over the last years, things have changed in British Columbia.

But things have changed in the world as well. In 1952 – 50 years ago – there was no Internet. In 1982 there was no Internet. In 1982 there were barely personal computers.

The point-of-sales operations you take for granted now in your businesses across the province hadn't been invented. The world has changed, and as it changes, British Columbia has to change to meet both the challenges and the opportunities it presents.

Your logo says “leadership action.” Leadership is being in front, and everyone who has started a business understands this. It's doing something a lot of your friends probably said you shouldn't take on because of the risks involved. You're taking a chance to pursue your idea, to develop it, to build wealth and to create jobs and a better community.

There is nothing easier than following – than sitting there and hoping someone else will figure out the answer to the problem. The challenge and the excitement is to lead.

As we lead, one of the first things we have to do is look at the facts. When we were elected a year ago, we started by looking at the facts. We didn't want them to be shaded by political interference in any way, so we appointed an independent Financial Review Panel to tell us where we stood.

Last year the Financial Review Panel's report came out, and with the information available to them, they made a conclusion: The way government was working was fundamentally unsustainable. We were facing a \$3.8-billion structural deficit.

That \$3.8-billion projection was before we had a \$392-million settlement for doctors. It was before we realized BC Hydro was going to be providing \$45 million less in revenue to the provincial government. It was before we realized ICBC was facing a loss of \$260 million as opposed to making a contribution of \$75 million.

It was before you could cost out the new piece of legislation brought in two weeks before the house was adjourned last year. That cost taxpayers \$415 million more for labour, without any financial support behind it. It was before the softwood lumber dispute started to weigh in on our economy, and it was before September 11th.

Our job was to get our financial house in order, and getting a financial house in order is never easy. We have an obligation to do that, I would suggest, and the obligation is not just to ourselves. The obligation is to the next generation of British Columbians, who deserve to inherit a province similar to the one we inherited from our parents.

I am older than the Chamber of Commerce of British Columbia: I'm 54. When I graduated from high school I had job choices. I decided to go to university. When I graduated from university I had choices. There were plenty of jobs and opportunities available for us in British Columbia.

That was, unfortunately, a fair amount of time ago now. We have to regenerate that sense of enthusiasm and excitement and opportunity for young people in this province.

We are not going to do it with deficit after deficit after deficit, and we are not going to do it with debt. That is why our government is committed to the principle of sound financial management and of balancing the budget.

You recommend that government start thinking in terms of a plan and of financial discipline and of measurement and of accountability. I'm quite proud that our government is the only government in Canada that I'm aware of where cabinet ministers have to perform to get their cabinet stipend.

Each cabinet minister has a three-year plan measuring what they are going to accomplish, and if they don't meet that plan, they don't get paid. It's amazing how that drives people to meet their plan. It's exactly what you face in your businesses.

Personal accountability is an important leadership tool in establishing systemic accountability. Our government is accountable to you. There is no such thing as government money: those are dollars we take out of your pocket. Those are hours and hours that you work to support public services that should meet your needs, and the needs of patients and students. We should not take your dollars for granted.

People in our caucus have been involved in small business. They know how hard it is to create and build a business. They spend every moment thinking about what is happening with your dollars that they use to deliver services you can depend on.

As we create that sense of financial accountability and responsibility in government, we are trying to do something else: we are trying to get the private sector economy moving.

On our first day in government, we introduced a dramatic personal income tax cut so people know that in this province, with this government, if you work hard you can get ahead and build the future you want.

Some people say we shouldn't have done the income tax cut. We have given them the option to send their income tax cut back to government. It's amazing to listen to people comment on that choice – all of whom are pocketing their tax cut, by the way.

The fact is that was the right choice to make. What's happened in British Columbia? Our retail sales are up compared with the rest of the country. Consumer confidence is up. People have their money in their pockets.

We are leading the country in home construction and housing sales. Automobile sales are up. Investment is climbing in the resource industries and the technology industries. Technology industries are saying to us that for the first time they can hire people from outside British Columbia and bring them here to build wealth and opportunities.

Does it happen overnight? No, it doesn't. But it does make a difference in building a foundation that allows us to succeed.

A year ago, investment analysts put British Columbia in last place in the country. This year, those people – who are responsible for managing over \$360 billion of investment in Canada – have said that British Columbia is now the third-best province to invest in.

Now that's progress. But third-best is not good enough for British Columbia. We are going back to being Number 1, and we're going to do it working with the private-sector building a small business economy by creating jobs, creating opportunity and creating investment so British Columbia leads the country in employment growth.

To make the private sector work, you have to be sensible. If you want something to happen, you don't tax it. If you're in the retail business and want to sell a whole bunch of tank tops that are still sitting there, I bet you wouldn't raise the price. You don't go up and say: "Great sale, double the cost of T-shirts." You cut the cost.

In British Columbia, we want investment. So by September 1st of this year, the corporate capital tax will be gone.

In British Columbia, we wanted productivity, so we went immediately to the chamber policy document and said, "Let's get rid of the sales tax on machinery and equipment." We got rid of that last July 30th.

In British Columbia, we want small business to flourish, so in the February budget we increased the threshold for small business income tax rate from \$200,000 to \$300,000 because we know small business creates jobs and opportunities.

The last government had a small business strategy. Their strategy was that you start with a big business in British Columbia, and by the end of the decade, it will be small. We're changing that. We want a small business policy that starts with small business and leads to larger and larger and larger businesses.

You also mentioned that we should reduce our tax on jet fuel. We reduced our tax on jet fuel, and we eliminated the tax on bunker fuel. We're not putting our airport and ocean port at a competitive disadvantage.

We've made 17 separate tax reductions: over a billion dollars left in people's pockets, over \$400 million left in investors' pockets. That is going to pay off in spades for every single British Columbian as we build an economy that works and flourishes in every sector across this province.

Obviously there is more we have to do. I say this to you sincerely as you develop your policy document: Remember that we use it as a touchstone. At times we use it to direct

us, and when we do that, it's because we understand that you on the front lines recognize the challenges you face and have solutions that will help us overcome them.

We know there is more to do in taxation; we know there is more to do to become more competitive. But each of us in this room and in our caucus is committed to creating a level playing field because we know that when the people in this province are given the opportunity, they are able to compete and to win.

A critical component of what this government is doing compared with previous governments is that we trust you. We think you're trying to work with your employees. We believe that people in the forest industry care about the environment and that people in the mining industry understand the importance of sustainable long-term environmental practices. We believe that people who are developing small businesses are working their tails off to do something good.

That's what motivates our deregulation initiative. Do you know how many regulatory requirements there are in British Columbia today? Over 400,000 regulatory requirements, costing the economy about \$5 billion a year. We are committed to reducing that regulatory burden by one-third by two years from now.

We took the first year to find out how many we had. We were staggered by that number. If I had been told last year at this time that we would have eliminated 5,600-some-odd regulations a year from now, I would have thought, "That's a good start." Unfortunately it's just one per cent of the way to a 33 per cent reduction. We've got a lot of work to do, and we need your help to do it.

The Workers' Compensation Board has over 35,000 regulatory requirements. How many of you think the Workers' Compensation Board is working exactly the way you would like? I don't think anyone thinks it's working.

(Skills Development and Labour Minister) Graham (Bruce) has taken the first steps. They're steps we are confident in because of the Royal Commission Report and reports from businesses across the province.

But there is much more we need to do, and we need your help. Remember, none of us are in your business. We are asking you to tell us what happens in your business so we can work with you to make sure that you and your employees are working in safe and secure environments but that we are competitive with other jurisdictions.

The Employment Standards Act has over 5,000 regulations. Again, turn to your policy document, and you will find you asked for flexibility. Graham Bruce has introduced legislation that will provide the first stages of flexibility so everyone has an opportunity to work with their employees to create the right working environment.

Flexibility is critical in the modern economy. I have been having small business round tables across the province, and I was meeting with the group in Cranbrook. One of the

small business owners said to me, “I want to tell you how grateful I am for what Minister Bruce is doing with regard to Employment Standards.” Because of that measure alone, he said, he will be able to hire between 10 and 15 more young people in British Columbia this summer.

The Labour Code changes we are making are important because, again, they are based on trust – trust between employers and employees; trust between the unions and the employees. They recognize that employees have rights to know what the consequences of their actions are. We trust employees to make their own choices: all we want is a level playing field.

I see an incredible future for British Columbia. In energy, we are looking at the potential for \$20 billion of investment over the next five to six years. That’s 7,000 to 8,000 new jobs. Right here in the Peace River you have the exceptional opportunities that Ladyfern has presented – one of the largest natural gas finds we’ve seen in the last 15 years. One well generates a hundred million cubic feet of natural gas a day. These are huge opportunities, and they spread across the province.

We now know that offshore oil and gas is scientifically feasible. There is work we have to do, and we are working on it. We’ve given \$2 million to UNBC (the University of Northern B.C.) to make sure we can have the conditions they’ve laid out in front of us. The decision we make as we move forward must be clearly environmentally sustainable as well as economically exciting.

We think there are enormous opportunities in coal bed methane, which is spread across this province: 90 trillion cubic feet. These are huge opportunities and huge numbers for all of us to think about and to get excited about again.

Because after 50 years, in spite of the fact that many things have changed, we still live in an exceptional province. We still have incredible natural resources, and we have a government that wants to give you the opportunity to take advantage of those.

When you reach for your dreams and grab them, we’re going to celebrate your success, not confiscate it. We are going to say “good on ya” for going out there and taking those risks and working those 100-hour weeks to make sure you succeed and have employees with a sense of confidence about their future.

All of that is out there if we work together and learn from one another. We have talented people. We have great universities, and we have a health-care system that is going to get better.

The changes we are making in health care are aimed specifically at focusing the resources we take out of your pocket to take care of patients, whether they live in the North or the South.

We invested \$13 million in telemedicine. Do you know what happens when you do that? You have a fellow who broke two legs, an arm and a collarbone in Cranbrook who can stay home and get care there because they can connect directly to tertiary care facilities in the Lower Mainland. He has his family with him as he convalesces.

We have the same thing happening in Terrace, and it's going to start moving throughout the province. We are going to build broadband Internet connections with every community across this province. The Premier's Technology Council read your policy document and decided that was a heck of a good idea.

All over the province we are going to reach out and tap into the ingenuity and the imaginations of British Columbians. We're going to build a cruise-ship facility in Prince Rupert, and we're going to get cruise lines coming into that great town, and we're going to have them enjoying the North and the Northwest in a way people only imagined a decade ago. There is a bright future ahead of us if we are willing to work together.

I would like to close by saying this: In 50 years, the chamber of commerce has established itself as a strong voice for businesses in every part of British Columbia. People worked hard in 1952 to re-establish the chamber and to create chapters in town after town. It's an inheritance, and I hope that as you go through your annual general meeting you look to the future and think of the legacy you would like to leave.

Government needs you, regardless of who is in government, to build a foundation of principles and to continue to articulate it. Advocate for it, stand up for it – regardless of what people may say one day or the next. Remember, it's that foundation of principles that will take us forward for the next half century – the principles of individual initiative, of private-sector ingenuity and innovation, of commitment to community, of reaching out and sharing your expertise and your understanding with your fellow citizens.

If you remember that principle, I guarantee you this: 50 years from now they'll look back on 2002 and they'll say thank you. Thank you for your commitment, thank you for your time, thank you for your vision and thank you for making British Columbia an even better place to live. Thank you very much.