

Premier Gordon Campbell
Address to the Truck Loggers Association in Vancouver
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This is one of my favourite conventions because it brings people from all walks of life who are interested in B.C.'s number 1 industry. Our government shares your enthusiasm and optimism as we look forward to a future where forestry remains our number 1 industry – an industry of investment, of jobs, of economic growth, and of social stability. You are the cornerstone of making sure that happens.

There's not one person in this room who doesn't understand that we face challenges in forestry, but I also know this: there are few people in this room who don't also understand that if we work together – if we learn from one another – we'll restore that sense of confidence and excitement in our industry that's critical to the future of every single British Columbian.

This is the 60th anniversary for the Truck Loggers Association. We often forget about how much things have changed in that 60 years, and how much the Truck Loggers Association must have changed to keep up with the times, to keep up with the world, and to provide your 600 members with the voice they need to succeed.

Sixty years ago, the total provincial government budget in British Columbia was \$31.5 million. Today we spend almost that much on health care every single day. Sixty years ago B.C. had about 900,000 people – that's less than half the number of people that now live in the Lower Mainland alone. Sixty years ago, you could go out and buy any colour of truck you wanted, just as long as it was black.

Sixty years ago our total provincial revenues were \$38.7 million. Now, there's a shift – total provincial spending was \$31.5 million and the revenues were \$38.7 million. They had a surplus 60 years ago. There are some things about 60 years ago I really like, and that budget surplus is one of the things we're going to get back in British Columbia.

Sixty years ago, the total revenues pouring into the provincial coffers from the forest industry were \$4 million. This year it's over \$1.1 billion in direct revenues to the province to support health care and education – the critical public and social services we need.

The TLA has been there with 60 years of performance, 60 years of commitment, through good times and bad, through up markets and down. Your tenacity, your perseverance and your commitment have contributed to every British Columbian. And on behalf of British Columbians, I am pleased to be here celebrating 60 years of success with you.

We were elected 20 months ago to unleash the energy of this industry, to create a business climate for forestry that allows you to succeed. We pledged a new era of

prosperity and certainty for forest workers, forest companies and forest communities. I'm here to tell you that this is the year for forestry in the province of British Columbia: this is the year we turn to the future.

This is the year we will implement our new Forest and Range Practices Act. It's the year that we're going to attain certainty in softwood. It's the year we're going to launch the market reforms that are long overdue and that you need. This is the year we restore hope and pride and confidence for forest workers in communities across British Columbia. I'm here to tell, as your Premier, that I'm going to make sure we get this job done.

We've begun the critical steps that are necessary for us to accomplish our goals and realize B.C.'s full potential. We started 20 months ago by acting to create a framework for investment and opportunity in this province.

Seventeen tax-relief measures have left over a billion dollars in individual British Columbians' pockets so you can decide what you want to do with the time and the money that you've invested. We left over \$400 million in investors' pockets. We removed the tax on production machinery and equipment so people could go out and invest and build a more productive market.

When I first met with the TLA and your executive, you said to me, "We like competition." Well, we also like competition, and we have to encourage it. You said you liked investment. We agreed. It creates jobs, it creates opportunity, and we have to encourage it.

We've eliminated unnecessary regulations that were costing jobs and costing opportunity. We've eliminated 33 per cent of the fees in licences that have been imposed on British Columbians, saving the people of this province over \$18 million.

We've started the long process of rebuilding and revitalizing our economy, but we have only just begun. In 2002 we created 80,000 new jobs in our province. We watched the number of new homes starts grow by 26.5 per cent. We watched residential building permits grow by 40 per cent in the first 11 months of last year. We watched the average weekly wage for B.C.'s workers go up by 6.2 per cent. It's time for us to lead, because that's the role that we have to play in our country.

Is it working? Well, I can tell you that at the beginning of 2001, investors representing billions of dollars of investment in Canada looked at the 10 provinces in our country and said B.C. was the worst place in Canada to invest. In 2002, they were asked the same question, and we've moved up to being the third-best province to invest in. I want you to know this: neither Gordon Campbell nor the B.C. Liberals are satisfied with us being number 3. We're going back to number 1 in British Columbia.

But we will not reach our full potential if our forest industry is not firing on all cylinders – if we do not ensure that we take full advantage of the opportunities our forests present to families, companies and workers across the province.

Even today, 210,000 people count on forestry for their jobs, directly and indirectly. Three-quarters of all of our rural communities depend on forestry. Forestry is the number 1 economic engine of those communities. There is no question that our rural communities are the heartland of British Columbia, and forestry is the heart of our economy.

After 60 years, it is clearly time for us to face the challenges that confront us as an industry and as a province. You have contributed suggestions and ideas for how we can do that, and I want to go through some of the things I think are important.

First, I should acknowledge that there are people who say they want to maintain the status quo. They are concerned and worried about change that may take place, and I understand that. But I can tell you that the status quo is simply not an option. As we look at the future of British Columbia, we have to look at the results of the forest policies that have been in place in the past.

We need to remember that there is more than one forest in British Columbia. I recall travelling to Terrace one day. I got into a truck with a faller and he said, "You know, the problem with you guys in Victoria is you seem to think there's only two forests. There's the Coast, and there's the Interior. Well, I'm out there working on the land all the time, and I can tell you there's different conditions in one valley to the next, let alone one part of the Interior to the next."

We have to have a province that's willing to look at our forests as a public asset in a shared partnership, to build the prosperity we need, to build the sustainability we need and to make sure we get the results we need.

What have our results been? Should we stay with the status quo? Since 1997, 26 mills have closed in British Columbia. Many of those are on the Coast. Between 1997 and 2001, the return on capital was about 4.5 per cent on the Coast. It was 11.9 per cent in the Interior. If we want companies to invest, we're going to have to make sure they can be competitive. We're going to have to make sure we remove the hurdles that get in the way of certainty and confidence.

Last year when I talked with you at the TLA, I told you we were going to have a results-based forest practices code. I am pleased to say that this year the Forest and Range Practices Act will be implemented. It cuts regulation, it encourages innovation, it recognizes the importance of flexibility for all of you out on the land base, and it maintains tough penalties for those who do not meet the standards we have set. It eliminates 18 approval steps that did nothing to protect our forests. It replaces a requirement for three separate plans with one comprehensive forest stewardship plan.

Just imagine the way our forest companies have changed in the last 60 years. Today, if you look at all the records and all the reviews that have been done, government inspections have found there is a 97 per cent compliance rate by our forest companies. Be

proud of that. We're working on getting it to 98, 99 and 100 per cent, but 97 per cent is a pretty good mark in just about anybody's book.

I think it's also important to note that we've got more to do. Before the election, I told you that if we formed government, we would establish a working forest land base. I'm pleased to tell you that next week Stan Hagen, our Minister for Sustainable Resource Management, will release a discussion paper on the working forest. He needs to hear from you. It's critical that you participate as we move to the final definition of the working forest.

We saw that with the forest practices code. I know from you that had we not gone out and listened to people – had Mike de Jong not tried to get that feedback from people, had Rod Visser and his legislative committee not listened and learned – we would not have done nearly as well as we did with the Forest and Range Practices Act.

The same will be true as we look at the working forests.

Your industry has never said to us that you want exclusivity. You have said you want respect. You have said you want access. You have said you want recognition of the contribution the industry makes to the social and economic well-being of our province.

The working forests land base will ensure the respect and recognition of that contribution continue.

One of the great things I've found about this industry is that it is very open. It's very accepting of the fact that you can work in co-operation and collaboration with other industries, whether it's tourism or mining or the energy industry.

We want to make sure we are using our land base in a way that benefits the people of our province. In keeping with that, we've already eliminated 97 per cent of the backlog on Crown land tenure applications. We've introduced a new requirement of a 140-day turnaround policy on those applications. We have a new two-zone mining system, providing for certainty in the mining industry. Our results-based code should make a substantial difference to each of you.

And when we add to that the working forests, we are starting to create the stability and the cohesion that's necessary for you to be able to invest with confidence and provide jobs for the people who depend on you.

As we look at building a partnership for prosperity between our provincial government and our forest industry, it's important for us to know that part of that partnership is going to be our First Nations. Our government has established a clear policy on land-use consultations with First Nations, and we're taking further action to provide greater land-use certainty for all of us.

There's a \$30-million economic measures fund, and 31 new economic measures agreements have been signed between the government and First Nations. We have 52 more that we're working on today. Since June of 2001, we finalized 30 treaty-related measures with First Nations, because we want the excitement you feel about our future and forestry to be shared by First Nations citizens across the province.

Last spring in the legislature, Mike de Jong introduced legislation so we could invite First Nations to apply for forest and woodlot licences in community forests. These, too, support treaty-related measures and economic opportunity.

As we build that new partnership for prosperity for all British Columbians, we must address the market reforms that are critical to our economic future. We cannot maintain the policy structure that's been imposed in the past. We are going to work with you to achieve a system that's flexible enough to reflect the unique needs of the Coast. But it's not a question of whether we want to do it or not. We must do it if we are going to restore competitiveness.

We are committed to ensuring a relationship between contractors, licensees and workers that is fair and equitable for everyone. The reforms will ensure that independent logging contractors have the right and the ability to purchase timber. They will be balanced and fair for all, but they will challenge us to work together in good faith for the good of the province.

I have told you before that we would dedicate one per cent of all forest revenues to marketing your message and your story, and we have done that.

Over the last year, Mike de Jong, Rick Thorpe and I have been in India, China and Japan marketing British Columbia forest products. There is no better, more environmentally sustainable, more flexible building product than wood, and we want our wood to be the wood of choice for each and every one of those marketplaces because that means more work for our workers, more stability for our communities and more opportunity for each of you.

Now that China's part of the World Trade Organization and its gross domestic product is growing at about seven per cent a year, there are enormous opportunities there. We want to be sure that British Columbia, our forest industry and our products are capitalizing on those opportunities. In Japan, even with the economic challenges they face today, they're building one million new homes every year.

We have a \$40-million forest investment account to invest in forestry research, in product development and in international marketing. The \$20 million we've allocated to product development includes a market outreach network. When people say things that are not true about B.C. forests and about the workers in our forests, we want to get the message out that there is no better forest management, no better forest operation, and no better forest workers than right here in British Columbia.

All of the things I have been talking about so far are in our hands, and we must act to take advantage of both the opportunities and the obligations in front of us.

But we have another major challenge – the protectionist measures that were imposed by the United States. The softwood lumber challenge is one that touches each of us. In the last year it's estimated that as many as 5,800 people have lost their jobs because of the softwood lumber dispute. This is about people and their jobs and their families and their mortgages.

I can remember meeting with one person whose mill was about to close, and he said to me, "Have you ever missed a mortgage payment? Do you know what it's like when suddenly you're afraid that you're going to lose the home that you've invested in for years?" I don't want any more British Columbians to face that prospect – in the forest industry or any other industry.

So we do have to face the challenge of softwood lumber, and we have to face it aggressively on behalf of every British Columbian. I recognize it as a national challenge. I recognize that Minister Pettigrew is the national minister responsible for trade, and I should tell you he's been working hard on our behalf.

But I also recognize that British Columbia has an obligation, and we as your government have an obligation to each of you to show some leadership. If we want to solve this problem, we have to keep everybody's attention focused on the problem, and our entire government intends to do just that.

In September I met with the U.S. Trade representative. I met with Vice-President [Dick] Cheney. I met with members of the industry who had launched the protectionist measures against us. I told them that in British Columbia we have an agenda for change that we are going to meet – not because the Americans tell us to, but because it's what's in the best interests of British Columbians.

[U.S.] Under Secretary [Grant] Aldonas has come forward with a paper. We are going to continue to push that agenda for resolution forward because it's critical to our province. As we do that, we will continue to work with the national government and with our provincial counterparts to make sure they understand how this works for all of us.

We will be relentless in our pursuit of fair and open access to the North American markets because that is a critical part of creating stability for our forest communities.

The interrelationships between the Coast and Interior, between the North and the South, between the workers and the companies, between licensees and contractors are complicated. But the TLA has never lost sight of the interests of its 600 members. The TLA has never lost sight of the importance of a vital forest industry in British Columbia. The TLA has never lost sight of its responsibility to speak on your behalf, clearly and unequivocally. We will never lose sight of the work the TLA has done and the contributions you make to communities, to workers and to your province.

This is going to be the year of forests in British Columbia. This is going to be the year that we set ourselves free and set you free, to make sure that we can take full advantage of the opportunities that are in front of us. This is the year that we re-establish and revitalize our forest industry, so that 60 years from now they can look back and they can say we all had the courage, we all had the tenacity, and we all had the vision to do what was right for every British Columbian.