

## **Address to the Truck Loggers Association Conference**

**Premier Gordon Campbell**

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### *Check against delivery*

I've been coming to the Truck Loggers Convention for some time, and I'm always impressed with your energy and commitment. All of you have a sense of vision and excitement about what this industry can be. All of you have actually gone out and done something that's made the province a better place to be, and when you come together, we all feel that.

I'm pleased that today I have with me so many of our MLAs and cabinet ministers that I'm not going to be able to list them, but I would like them to stand up so you can show your appreciation. These people work tirelessly on behalf of this industry in their constituencies. I want to thank them for coming today.

Every one of these MLAs shares your commitment to building a stronger forest industry. Every one of these MLAs understands that for our province to reach its objectives, for our province to be all it can be for the people that live here, we have to have a strong, vital forest industry.

At the first truck loggers convention that I came to I met someone who has become a very good friend of mine. His name is Gerry Furney.

Gerry Furney is an example of the kind of citizen that we need in British Columbia. He has never once forgotten what makes British Columbia such a great place to live. He has never once forgotten the importance of our resource communities. He has never once forgotten the importance of forestry in British Columbia. He has never once backed down from saying: "I am a proud British Columbian. I am proud of forestry. And I am proud to be mayor of the forest capital of the world, Port McNeill."

As we look to the future, I want all of us to pick up on that spirit, on that commitment, on that sense of purpose that we see from people like Gerry Furney and others in communities all over British Columbia – people who care about forestry and care about forest workers and their families and the communities that depend on this industry.

Everyone in this room has a shared goal. We want to have a competitive forest industry that works in the global marketplace. We want to have the world understand what British Columbia offers. And there is no better place in the world; there is not better forest industry in the world; there are no better forest workers in the world; there is no better forest product in the world than right here in the province of British Columbia. Our task now is to take that opportunity and to take that asset and to move with it.

So my message in 2004, and I hope your message, will be this: Look out world, here we come. To the Scandinavians who've taken market share in Europe and in the United States, you know what my answer to them is? Look out Scandinavians, here we come. To the guys in the United States that say we can't stand competition, do you know what we should say to them? Look out, because here we come. To the people in Europe who have forgotten about what B.C. products do, you know what we should say to them? Look out, here we come. You know what we should say to Canada? Look out Canada, here we come.

Last fall I went to China. You know how many homes they build in China every year? Ten million homes every single year. You know how many are wood? Only about 500.

Campbell: We just went to China, and we said to them: do you know what? We think it's time for you to recognize how valuable wood is. In China they're worried about the environment. And what's the most environmentally sound building material there is? That's right: wood.

The best building material that we've got is wood. China needs our wood. The people of China need our wood as they build new homes for their middle class as it grows and grows and grows. We're going to be there, and we're going to sell it to them. We're going to have to be inventive and imaginative and creative as we move that wood product into China. And, as we do that, we create jobs right here in British Columbia.

We have millions of cubic metres of pine beetle wood. We now have an agreement with China to work with us on ways they can use that naturally damaged wood. For the first time ever they've got a building code that specifically includes guidelines for building North American style wood housing.

We're going to communities like Shanghai with millions of people and a huge market demand. We're going to say: here's how you design it. Here's how you build it. Here's how you deliver it. British Columbia will help you so you can help the people of China.

You know what's going to happen? We are going to be the number one supplier of wood to China, and we're going to do that by working together to do it. And don't let anyone tell you that we can't do it, because we can and we will.

When I stood here before you last year in 2003, I said that 2003 was going to be the year of forestry. I want to say thank you to the Truck Loggers Association for the constant work in making that happen.

When I was in opposition, you never hesitated in coming to me and saying, "You know, here's a problem. You know, here's a solution. Why don't we work to do that?"

One of the difficulties, once you do become government, is people start wondering whether they should do that or not. But I want to thank Rob and Ted and Mike and all of the executive because they never worried for a minute about that. Their job is always to

tell us both when we're doing things that don't work and when we're doing things that do work. That's the kind of leadership and commitment and friendship we need from an executive like the TLA.

With your continued input, we are doing our best to try and meet our goals: a competitive industry, an industry that works, an industry that provides support and sustainability for communities up and down the coast and throughout British Columbia.

Sure, it can be tough. But just think of what we've gone through in the last year. We've had BSE and SARS. We've had floods. We've had droughts. We've had fires. We've had a rising U.S. dollar. We've had a constantly imposing and direct attack from the protectionists in the United States. We've had a tiny pine beetle that's going after our resource with the voracious appetite that just does not want to quit.

In spite of all that, in the last year British Columbia was number one in job growth in our country. British Columbia created 77,000 new jobs last year. Over the last two years we are number one in job growth, in spite of all the things that we have faced.

When we went through the horrendous fires last summer, in August, we carried out the second largest evacuation in the history of Canada, and not one member of the public lost their lives. Three pilots unfortunately did lose their lives trying to protect the public, but not one member of the public lost their lives.

Our public servants, our private sector, the people of our province came together and they said: we have an objective. We want to protect people. We want to protect their homes as well as we can, but most importantly we want to protect human life. And we did that.

We faced SARS. We were the first community in Canada to have SARS come at us. With the only centre for disease control in the country we managed it well. Now do you know what British Columbians are doing because they're working together? It looks like we're going to find a vaccine for SARS within two years. Normally it takes ten years to develop a vaccine. But British Columbians working together have managed to do that.

Now, as we look on building the strongest economy in the country, we all have to know this: we won't succeed unless the forest industry in British Columbia is the strongest it's ever been. That's our goal. That's our objective. And we're going to work with you to get there.

We've had to make some pretty difficult decisions. But we've gone through that time. Now's the time for people to start dreaming again about what they can do and how they can do it. Now is the time to start thinking about what you would like your industry to be like.

By 2010, when we host the world, what do we want our industry to look like? What do we want it to feel like? What do we want it to be able to do? Let's think of an industry where customers are clamouring for our products because they're so good, and they're

thinking of paying a premium for British Columbia products because we do such a good job of adding value and meeting their needs.

Let's think of an industry that adds value to that incredible resource every single step of the way, and let's see how we can deliver that. Let's dream about maximizing the investment and maximizing the opportunities for British Columbians. Let's imagine what this industry can be and will be if we work together.

This is the year that forestry is going to come alive again in British Columbia. This is the year that forestry is going to thrive in British Columbia. This is the year that we are going to open up new markets. We are going to take on the competition, and we are going to win. Just like we won the competition for 2010, we're going to win the competition in the global forestry marketplace when we work together.

You've told us it's time for you to think about creating a competitive pricing system that reflects global market realities and local harvesting costs. You've told us that it's time that we had a pricing system that improves our investment climate in B.C., that ensures British Columbians receive full market value for their resources. We agree with you.

Today, about 11 per cent of our timber is sold at auction. But soon we'll put in place a new 20 per cent threshold. Twenty per cent of our timber will be reallocated to double the opportunities for community forests, for woodlots, for first nations. It will create new opportunities for entrepreneurs, for small operators and for value added manufacturers. It will create new opportunities for innovation in our forest sector.

This is a huge change that we've all been undertaking together, a change that has impacted 50 years of practice. I understand that for many people they actually enjoy the status quo more looking to something that's new. They are more comfortable with the old problems than with finding new solutions.

But you in the Truck Loggers Association have always been clear. It's time for new solutions. It's time to move forward. It's time to create that path to prosperity together. So today I'm announcing that we are going to move forward with the competitive stumpage system that you need. We'll be implementing market-based pricing on the Coast, effective February 29 of this year.

We're also going to turn our attention to the Interior and over the next year we'll work with the Interior industries to implement market pricing there too. When we've finished, up to 45 per cent of the province's total harvest will be available through the open market.

I know that many of these changes are tough. They're tough for everyone. It's important that you maintain your sense of confidence that you can come and tell us what's working and what isn't working – that you maintain your sense of confidence that we look to you to provide us with solutions when we need them, that your leadership in the executive knows that our doors are open, whether it's the Minister of Forests or the Premier of this province. We want to hear from you.

As we move through these changes, we're going to find that there are areas where we've fallen short or where we haven't accomplished the goals that we've set for ourselves. If we continue to work together and we're willing to say that to one another, we can fix it and we can move on.

I know that there are concerns about Bill 13. I know there's concerns about the \$75 million that's been allocated to help workers and contractors adjust. I know there have been concerns about reallocation of tenure. You've highlighted the undercut on the Coast. These are never easy issues to deal with. But I do have confidence in you, and I have confidence in our ability to solve those problems and to move forward.

Market pricing will help prove what we all know, that our industry competes openly, fairly and competitively, and we can outperform the rest of the world when we do that. But that's just one step.

There are many, many steps that we have to take before we reach our destination. We may be driven by those dreams and pulled by those dreams, but we should know that all of those dreams take a lot of hard work.

We've still got a lot of outside activities that are impacting on our industry. The softwood lumber deal remains simply a negotiated suggestion. It's not completed. I remember last year when I came I told you that I hoped it would be complete by the end of 2003. There was an agreement reached between Canada and the United States, but we've always been very clear that we wouldn't be for an agreement that did not meet the needs of British Columbia.

One of the primary things that we've been concerned about is there's got to be a way that we can get to free trade and to open access to that marketplace. I understand that it's difficult for the American lumber manufacturers who can't compete, and who won't compete. But "difficult" is what competition is about.

Americans often like competition as long as they win. They know with an open competition against British Columbia manufacturers and forest workers and entrepreneurs and creative new enterprises, that they won't win. So they come up with protectionism.

There's no question that we have to have an open, free path to free trade before we can approve a softwood lumber agreement, and we're not there yet. We'd asked for a road to free trade. I think the best you can say about the agreement that we've seen so far is it's not much more than a goat path.

I can tell you that the Minister of Trade is down in Washington this week. But this is a very precarious negotiation. It is far from a done deal, and it certainly has many hurdles that it has to overcome before it would be acceptable to British Columbians.

This week we found that the Commerce Department have recalculated their duties. They've gone from 19 per cent down to 13 per cent. That's a good trend. We'd like it to be further. But we should recognize that that's not a done deal either because the U.S. coalition can actually appeal that. I can tell you the protectionist coalition down in the States is going to suggest it should be higher than 13 per cent. We think it should be lower than 13 per cent. So that's not done yet.

If there is an agreement between Canada and the United States, there's still another step: what happens in Canada? Any time you have a deal with quotas involved, I can tell you how it works: people with quota really like their quota; people without quota really don't like the deal.

And every province thinks the same. British Columbia thinks that we should have more. We certainly won't take any less. Guess what Quebec thinks? They should have more. Guess what New Brunswick thinks? They should have more. If, in fact, we are going to move forward, we can't give up British Columbia's recommended quota to any other province. We will not negotiate away any of our quota to get another province to agree to this deal. We actually have a lot of work to do with this softwood lumber agreement if we're ever going to get there.

Even if we get over that Canada-U.S. hurdle and then we get over the provincial hurdle, there's another hurdle right here in British Columbia. We've been very clear that we believe that 5 per cent of any quota agreement has got to be held back for new entrants into the marketplace, for those who don't have quotas. When we have first nations that are now getting excited and involved in the forest industry, they have to be in a position where they can see the opportunity to access the U.S. market just as anybody else does. So we do have a lot of challenges with regard to this agreement, and we shouldn't underestimate them. I have been hopeful on a number of occasions. I was hopeful in 2002. I was hopeful in 2003. I am less hopeful in 2004, but I certainly haven't given up hope.

But I think what we really have to do now is get on with the challenge to be as competitive as we can be, to get your industry firing on all cylinders, to have our workers with a sense of sustainable and long-term opportunity, to bring young people back into this industry, to get young people thinking they want to be involved in forestry again, to recognize that a professional forester is actually a professional who's involved with environmental stewardship and sustainability. All of those things are part of the changes that we have to make.

I said to you a couple of years ago that we would establish a working forest. We've now passed the legislation for the working forest land base and, as you would expect, some people were opposed to it. I should point out they were the same people that were opposed to us marketing our products in China. They're the same people that have been trying to work against the forest industry for an awfully long time in this province.

But the working forest sends a message: forestry is important to British Columbia. Forest work is important to communities. We can manage that forest resource in a sustainable, long-term way.

We've now passed the legislation. The designations will be in place by the end of this year. And you'll have the confidence you need to move forward in developing the kind of forest industry that everyone in British Columbia deserves.

It's important to remember that even when you have mutual goals there are many different ways we can reach those goals. But there's one thing I am totally confident in. Whether it was in the wake of the forest fires and the floods and BSE and the SARS, or whether it was the triumph of the 2010 Winter Olympic bid in July, it was clear to me that when British Columbia comes together, there is nothing that we can't accomplish.

In 2010, we're going to bring the world here for the Olympics and we're also going to show them our forest industry. We're going to show them what you can do with wood. This convention centre is going to almost triple in size and it will welcome 10,000 media from around the world. And the first thing we want them to see and think of when they enter the media centre here is wood. When they go to the venues, whether it's a speed skating venue or an ice arena, we want them to think of wood.

There's going to be a podium at B.C. Place stadium. There's going to be a podium at Whistler. We're going to have Canadians and British Columbians who are going to walk up to that podium and they're going to stand in the number one spot. We're going to watch as the Canadian flag goes to the top and we start to hear our national anthem. The television media and the media from around the world are going to pull back and they're going to show that podium. You know what that podium's going to be made of – wood. It's going to be made of wood that one of your sons or one of your daughters has cut in the British Columbia forest. It's going to be made of wood that one of our artists have designed. It's going to be made of wood that says we're proud of our industry.

Thank you very much.