

## **Speech to B.C. Truck Loggers Association 66th Annual Convention**

**Premier Gordon Campbell**

January 14, 2009

*Check against delivery*

Thank you. Thank you very much, Stan.

I just want to start by saying thanks to all of you for coming here today and for being part of this TLA convention. It's a very important part of the industry, and the TLA has been a strong and a vital voice for industry through some pretty difficult times as well as some not-bad times.

I was asking Tom earlier: when was the last time you remember the forest industry had five or six straight years of nothing but good news? Tom is still getting back to me on the answer for that.

It's also great to see Dave Lewis here. Dave has been very strong as an advocate for the industry, for the TLA.

I want to say a special thank you to Don Bendickson for the work that he's done as your past president. Don, thank you for not just telling us what to do, but telling us in a way that we actually had to chance to do it. Thank you very much. I appreciate it.

As is always the case, I'm here with a number of members of the legislature. I would like to introduce them because I get to stand here because they actually are working so hard all the time to try and make sure our province gets better. I'll introduce them; they can stand. If you don't mind, just give each of them a hand, okay. Does everyone know what a hand is? That's a hand, okay – nothing more than that. We'll get through it very quickly.

First of all, your Minister of Forests and Range, the MLA for Prince George North, Pat Bell; Ron Cantelon, the MLA for Nanaimo-Parksville; Shirley Bond, Deputy Premier and Minister of Education, MLA for Prince George–Mount Robson; Iain Black, Minister of Labour and Citizens' Services and MLA for Port Moody–Westwood; John Yap, MLA for Richmond-Steveston; John Nuraney, MLA for Burnaby-Willingdon; Stan Hagen, Minister of Agriculture and Lands, from the Comox Valley; Kevin Krueger, Minister of Small Business and Revenue, minister responsible for deregulation, MLA for Kamloops–North Thompson; Mary Polak, Minister of Healthy Living and Sport, and MLA for Langley; Ida Chong, Minister of Technology, Trade and Economic Development, MLA for Oak Bay–Gordon Head; Claude Richmond, MLA for Kamloops; George Abbott, Minister of Health Services, MLA for Shuswap; Dan Jarvis, MLA for North Vancouver–Seymour; Richard Lee, MLA for Burnaby North; Gordon Hogg, Minister of State for Mining and MLA for Surrey–White Rock; Rick Thorpe, MLA for Okanagan-Westside; Kevin Falcon, Minister

of Transportation and Infrastructure, MLA for Surrey-Cloverdale; Murray Coell, Minister of Advanced Education and Labour Market Development, MLA for Saanich North and the Islands; Blair Lekstrom, Minister of Community Development, MLA for Peace River South; Colin Hansen, Minister of Finance, MLA for Vancouver-Quilchena; Randy Hawes, MLA for Maple Ridge–Mission; Dave Hayer, MLA for Surrey-Tynehead; John Les, MLA for Chilliwack-Sumas; Joan McIntyre, minister of state for intergovernmental relations and MLA for West Vancouver–Garibaldi; Ralph Sultan, MLA for West Vancouver–Capilano; Richard Neufeld, Minister of Energy, Mines and Petroleum Resources, MLA for Peace River North; Harry Bloy, MLA for Burquitlam. And that's all the MLAs that I know that are here today. Let's give them a round of applause.

So here we are at the beginning of another year. As was mentioned earlier by Stan and probably by your panellists, 2008 isn't a year that we want to see replicated. It is a time, though, I think, when we have to reflect not just on what forestry is in British Columbia but what it's going to be for British Columbia and for Canada.

I just do want to say how much I appreciate the spirit that comes to this convention every single year. Just listen to the title of your convention: "Celebrating Our Past and Shaping Our Future."

One of the great things about the west coast forest industry, about the west coast logger, about the guys that are out there on the ground cutting the trees, getting them ready, getting them to market is they always roll up their sleeves, they always look at tomorrow, they always work hard. They never sleep. They built the province in the past, and I can tell you this: they're building the province for the future as well.

It is important that even though we are going through I think probably the most difficult and challenging time.... I was thinking the other day that.... I don't know how many....

Is Gerry Furney here today? Gerry Furney is the long-time mayor of Port McNeill on Vancouver Island. He's been involved in the forest industry ever since he went there in the 1960s. I think Gerry Furney hasn't ever seen a year like 2008.

Everything we thought was going to be happening actually started to shift. It didn't just shift. It changed, and I think it changed for good. We're not going back. And if we're not going back, we all have to figure out how we're going to go forward.

I can tell you this; you should remember this: your industry built the province of British Columbia in the past, and your industry's going to build the British Columbia, the province of British Columbia in the future. Forestry is critical – listen to this – to British Columbia, and forestry is critical to Canada. It is part of who we are and what we are, and it's part of how we're going to get through this.

Not just through it – we're going to get through it stronger because of the forest industry and the forest resource we have in this country and in this province particularly.

Tomorrow I'll be going to Ottawa and I'll be meeting with the Prime Minister and the other premiers. And you know, I think it's the time also not just for British Columbia; it's a time for Canada to give a really good look at where we are and who we are and what we have to do.

One of the really important things I believe is British Columbia has a major contribution to make to our country, but all of us, all of us in this country have got to erase the barriers and get away from the divisions that have actually sometimes separated us and fragmented our opportunities and say to ourselves we are Canadians.

As a Canadian I want to help automobile workers in Ontario and make sure that they can secure their future and their homes and take care of their families. But I'll tell you this: as a Canadian I expect our forest workers to be secured just as well as automobile workers are so they can protect their homes and their futures in the province of British Columbia and the province of Quebec and the province of Ontario and the province of Alberta, across the country.

Here's something to remember. You should not think of forestry as part of the old economy. Forestry is the new economy.

Have you ever heard the term "green economy"? The first green economy was forestry. The most environmentally sensible building material we have, not just in Canada but for the entire globe, is wood. In British Columbia we believe one thing for certain: wood is good.

But if we do not take that message out, if we do not tell our potential customers that wood is good, if we don't point out to customers how wood meets their needs, if we don't aggressively and actively do that together in unison as a province, as a country, we are going to lose opportunities. So I need your voices as well as our voices.

And what are your voices going to say? Wood is good. Pardon me? [Response: Wood is good.] They can't hear that in Ottawa. They can't hear that in Beijing. They've got to hear that around the world.

Here's where we stand. There are some things that we have to do to make sure we take advantage of the opportunities that are going to be in front of us. They are building even now as we speak. We are getting to ready to take advantage of it. But to make sure we take full advantage, we have to all work together; we have to think: "What's the core of our forest industry in British Columbia?"

What's the core of any economic activity? It's the workers who are part of it.

So I can tell you that when I'm going to be in Ottawa this week, I'm going to be encouraging a number of steps from the federal government in partnership with the provincial government. I don't think it's time to point fingers at one group or another or

one jurisdiction or another and say it's your job. It's all of our jobs. We are all in this together.

So we'll be asking the federal government to extend employment insurance benefits for an additional year. As we watch and our workers may lose their employment insurance, they may leave our province. We don't want our workers to feel they have to leave the province to protect their families, to provide for their families. We want them to know their future is here. We think we should be extending employment insurance so those workers will be here as the turnaround comes. And the turnaround will come.

We're also going to work very hard to continue the work that's been done by Pat Bell on extending employment insurance and work-sharing programs. The Province will continue [to ask] the federal government to extend work-sharing programs because we think it's a critical part of getting through this difficult time.

We know it's a difficult time out there. We know people have taken real hits in terms of their own personal incomes and their family and their corporate incomes.

We want to try and do everything we can to help people know that their future is going to be okay. If we can build that confidence amongst our workers in the country, amongst our families in the country, we have a chance to build the economy the way we need to.

The trillions and trillions of dollars that are being put into stimulating the economy around the world.... One of the reasons I think it's not really taking the way they thought it should or they thought it would is because people aren't confident. They're not quite sure what's going to happen.

So one of the things we have to do as a country is come together – premiers and the Prime Minister, MLAs and MPs, local governments – and do what we need to do to create confidence in families, not just across our province but across the country. That's how we're going to strengthen ourselves today, and it's how we're going to get through this to the future.

I think it's important too, as we provide for these programs.... For example, the community development trust that was established last year: I think it was a very positive program. We've been encouraging the federal government to consider extending that program. Already that program has helped 1,700 workers bridge to their retirement, because they decided they wanted to that. Over a thousand workers in the forest industry have been building their skills, for the other side of what this difficult time is. Over 450 people.... Actually I think over 470 have been involved in new projects that actually help us take advantage of the land base and keep them at work in their communities.

Many communities have benefited from the community stabilization components of that Community Development Trust. Again, it sets sort of a foundation of confidence that

allows people to know that we're with them and we're going to get through it, so I'm going to encourage the federal government to extend that program.

I can't say that they're going to do everything I ask, by the way. I can tell you this. They are listening well, and they've been a very big partner of British Columbia as we've tried to get through some of the challenges that we face.

There's an important part of this, though. As governments make contributions to workers and their families and to businesses, I do think it's important that we not tax those benefits that we've provided to people, so I will be asking the federal government to make sure that there are tax exemptions for the support that's received through the Community Development Trust. I should also add this. We would like to see tax exemptions made and passed at the federal level for the Forestry Revitalization Trust, which was such an important part of our initiative with regard to restructuring on the coast, but we need your voices to make sure that that happens.

You know, I think that as we think about this, I don't think we should just be talking about what the federal government should do. I think we have to ask what we are going to do and how we can help mitigate some of the things. You know we've done some of these things for workers and for people in the province already.

We're looking at developing a special pension fund which will allow the private sector to contribute to the pension fund. About 75 per cent of private sector workers don't have any pension fund. We're working with Alberta to see if we can expand that. We're going to bring in Saskatchewan. I met with Premier Wall and Premier Stelmach on Monday, and we were saying, yes, maybe we should do that with British Columbia, Alberta and Saskatchewan. It will allow businesses, individuals to contribute if they decide to. It protects their interests, it reduces their risks, it reduces administration costs, and I think it actually provides for some stability for people in the long term.

We're encouraging our federal government to deal with RRSPs and RIFs and actually say let's provide for a five-year bridge where people aren't told by the government what to do with their savings for their retirement. Let's let them make the choices that are best for them. In five years we'll look at it again, but let's at least make sure everyone gets through these difficult and these challenging times.

We're saying to our workers in British Columbia and we're saying to people in British Columbia: if you've got particular hardships, you can defer your property taxes for this year and for next year. Now, that can be, you know, \$1,000 in one place or \$1,500 in another, but you don't have to actually do that. You can put that as a charge against your home, and when you sell your home, you'll pay it back, but right now let's not do any more than we have to or let's do everything we can to make sure people have the dollars in their pockets they need to get through for themselves and their families.

What are some of the initiatives that we intend to undertake in the short term? Well, I can tell you in this short term, in the next 24 hours, tomorrow we will be implementing a

comprehensive update of our stumpage rates. The average stumpage price for the coast will be less than \$5 a cubic metre as of January 15. That reflects the marketplace, and incredibly, it's a 70 per cent reduction, which unfortunately reflects a 70 per cent reduction in the market that we've had. But it does, I think, say we have to make sure we maintain that market stumpage system in place on an ongoing basis to make sure there's a level playing field for everybody that's involved. That reduction to less than \$5 a cubic metre will take place as of tomorrow. It starts on January 15.

It's important, I think, also, as we move ahead to think about... This is something we've talked about for some time. You know, our communities are working, whether they're forest families or the communities that actually have a concentration of forest families. We depend on our forest industry. We depend on it to provide products, but really, what we're depending on it for most is to provide people with jobs in their communities. And if we can make sure that those jobs are ongoing and we have a sense of opportunity and stability and confidence in the forest industry, there's a whole bunch of things that start to flow from that.

So I've instructed Minister Bell to work with other ministers in the government, but we will be establishing a commercial forest reserve, where forestry is the priority, where forest jobs are the priority and where the long-term security and confidence in those jobs is there for people in communities across this province. That commercial forest reserve is an important part of moving ahead.

We also think it's important, when people do work, that they actually have an opportunity to be paid for it. This is something we've also talked about significantly over the past. And so I can tell you that Minister Bell will be introducing legislation to strengthen the Woodworker Lien Act to make sure that contractors have the right to freeze logs harvested in the event that they are not paid for the services that they have already rendered by the licensees.

You know, I know that in your industry and with the people that work throughout your industry, as I mentioned, what they really want is an opportunity to do their job. What they really want is to be able to get out there and to do their job, roll up their sleeves and generate economic activity, generate wealth, generate jobs, generate revenues for their companies and for the public, and I think it's really important that we recognize when some of the things we've tried to do haven't worked maybe as well as we'd like.

One of those things is fibre supply. We have to make sure that we open up the fibre supply so it's available to people who need it. Again, Minister Bell is going to work to increase access to fibre supply, connecting tenure holders to First Nations and communities, to customers who need it. We want to do that as quickly as we can. We want to do that in a way that makes sure that we're meeting the customized needs that people have across the province.

And you know, I think we should recognize everything isn't a great big, huge project. Sometimes people want a special shipment of special fibre for special things. We have to find ways that we're doing it as we move into a quality forest industry.

Our industry is not just a commodity industry. Our industry is about the customer. Our industry is about quality products. We've got quality workers. We've got quality fibre. It's time for us to provide quality products and quality services that connect those two things together. I can tell you Minister Bell is going to make sure that that happens, that it's going to happen quickly and it's going to happen to make sure that the small entrepreneur is out there at work and generating opportunities for themselves, their workers and the province. I think that will make a big difference for people as well.

And as we look to the future – and I think the future is important; it's what this is about, really – you know, I do think we have to recognize that we actually have in Canada a product here called wood that has enormous potential. Frankly, as long as we thought of it as simply something that you sort of chopped down and got rid of, it didn't do everything it could. We have to think of it as fibre and the fibre from the logs. We want to make sure we put 100 per cent of that to work for people in the province and in the country.

This is not just about British Columbia, by the way. The whole country has a strong forest industry. We're the largest trader of softwood lumber in the world. And I want to say how much I appreciate the fact that we have our friends from the United States here, because I think that actually they understand the importance of wood in the economy. Here's something....

I hope that you'll take this home, Steve.

This is Steve, everyone. He's from.... Welcome, Steve. He's going to talk to you later today.

But here's something I do think is important for us to remember. This is not just about finding new markets outside of Canada or outside of the United States. This is about actually putting wood to work more effectively in existing markets. It's about generating new demand. And that new demand should not just be here in British Columbia, which I'm going to talk about what we're going to do. It should be in Canada, and, Steve, with us working together, it can be in the United States too.

I don't know if you have 7-Elevens in the United States. Do you have those?

You know, think of how many buildings we have that have been built using aluminum as opposed to wood, or concrete as opposed to wood. Now, if we look at that and say that's not how things have to be, that's how things are, and instead, we say how we want things to be and then put in place the actions that will get us there, we will not just increase the demands for the product, but we will provide more economic benefits for

our industry, we'll provide environmental benefits for our community, and we will provide economic benefits for people who want to buy the product.

You know, wood, at least in British Columbia.... If you're dealing with a wood-structured facility, say a wood-structured housing facility, you're paying about \$150 less a square foot to build that than if you're doing it with something else. So one of the things we're going to do in British Columbia – frankly, we're going to encourage this not just in British Columbia, and I'll get into that – is we have in our province what has been called a wood-first strategy. We will be explicit, we will be clear, that if we're doing a publicly-funded building, make it a school, make it a hospital, make it a residential facility, the most important decision that someone has to make is: how much wood can I put in it?

We are going to provide for structural wood structures across the province; wood first, wood best, wood least expensive, wood with the largest spin-offs to the entire economy of the province. That's what we're going to do in British Columbia. We're going to show the rest of the provinces in this country how that can work.

And I should tell you that I've already met, as I mentioned, with Premier Stelmach and Premier Wall from Saskatchewan. As we do this we are developing a building code which will allow for wood frame structures up to six floors. Now, that's a 50 per cent increase over what it's been in the past. It used to be four floors.

I asked about a year and a bit ago, "Why is it that it's four floors?" and the answer was, "Because." That is not a good answer. The fact of the matter is we can build to six floors. It can be safe, it can be sound, it is structurally sound, and ask the folks in China whether they wish that they had been building in wood as they went through that tragic earthquake in May.

I can tell you there is a whole new marketplace in wood opening up in China because we know that it is also the most resilient as well as the most environmentally sensible building material that we've got.

We're going to lead the way in this province. We're going to show how that will work. We're going to encourage our architects and our engineers to understand how wood structures can work to meet their needs. We're going to encourage innovation and new design technologies that will encourage that, like the million board feet that they have in the Richmond Speed Skating Oval. As you see the new convention centre, I can tell you you're going to see wood in the new convention centre here in Vancouver. Our public buildings have got to be our front line of display of what wood products can do, and if we do that in British Columbia, others will follow, and we intend to lead the way with that in the government of British Columbia.

When I'm in Ottawa this week I will be advocating for as part of the federal infrastructure program not just that we do road maintenance and road improvements and we do those sorts of partnerships; I'm also advocating that we launch a significant national housing program that will use wood to meet the changing needs of seniors, that will meet the



needs of people that happen to be homeless, that will provide for young people who may want to have small units that are more affordable. We want to use wood. And as we launch that program we will have an opportunity to generate increased demand.

So we're going to try and increase demand for wood in British Columbia. I can tell you Alberta and Saskatchewan are going to join us. I hope the Prime Minister will embrace that idea for Canadian buildings generally, public buildings generally. We can expand the demand for wood products here in Canada significantly. And then if we think of our American friends, which is our largest market, not a market that we should only depend on but it is a large market and we say to them why don't we have a coordinated wood alliance that makes sure that every jurisdiction, whether it's in Canada or the United States, understands the benefits of wood.

British Columbia is part of the Western Climate Initiative. The entire western part of the United States is involved with us in that, or we're involved with them in that, over 100 million people. If we can take that wood technology and that wood-first strategy and give it to them as a climate strategy, as a carbon storage strategy, as a sensible economic strategy, we will expand our market significantly, not just for our companies and our contractors, but for American companies and American contractors as well. So I encourage Steve and others in the American industry to come together with us so we actually tell the marketplace the benefits of wood, the huge benefits that exist for wood.

We want to be sure that we're doing that together, and we want to be sure that we're doing that with you, because it's your voices that are really the strongest voices in this discussion, and it's opportunities like this that will make a significant difference.

As we think about the Western Climate Initiative again, you should know that virtually over 100 million people right now are looking to find ways that they can reduce their carbon footprint. They want to change their energy portfolios. We have an enormous opportunity in British Columbia with bioenergy. And again, that's your product. That's our forests. Rather than leave wood, let's make sure we're putting that wood to use in generating good clean energy, and let's become in British Columbia a clean energy exporter. We have to first meet our own needs but then we can export that energy south of the border along the northwest grid that is developed and which will make a huge difference in terms of them meeting their goals. They are customers whose needs we can meet.

We will have a new bioenergy strategy. Pat Bell is going to be developing new tenures for bioenergy to encourage bioenergy to take place, to encourage that activity to take place again so 100 per cent of that log has an impact for the people that are both harvesting it and using it. All of that I think will help us not just build a stronger economy but build a stronger future in British Columbia.

So over the next couple of years as we build towards what I think will be an incredibly exciting future in forestry, we want to try and provide a bridge for our workers. We want to try and provide the kind of support to our companies and to investors that they need

as they move into the future by creating some stability. We want to be sure that we're uniting the entire country in building new markets both internally and externally, and we want to think about the opportunities that exist beyond our shores, beyond North America. There are huge opportunities in Korea, in China, in Japan and the ASEAN and India. And we've already started to see the glimmers of the opportunities that exist and the benefits from that. We've watched as our trade, our wood trade to China has quadrupled in the last three years. We've watched as trade to Korea has doubled, trade to India has doubled. But again, with the co-ordinated, thoughtful customer-oriented markets present, we will have a significant impact and we will start to again have the rest of the world see the opportunities that working with Canadians, particularly British Columbians, in the new forest economy... They'll see what those opportunities present to them and to their families.

So we should celebrate our past contributions. We should think about what we need to do to shape the future. But together we should think about what that future should look like. We want a future that encourages investment in the industry. We want a future that recognizes the strength of entrepreneurship, the importance of the small entrepreneurial investor that's building new quality and new products as well as the larger investors that people are more aware of.

You know, in British Columbia we have the most productive mills in the world. We have an opportunity to take advantage of those mills and that productivity by expanding our markets, expanding demand and thinking about the future that we can build. And as we do that, we create not just a healthier environment in terms of the natural environment; we create a more long-term, sustainable economic environment for our entire province and the literally thousands of people that depend on this industry for their livelihoods.

It has been a tough time. Nobody knows that better than you. No one has faced those tough times with more resilience, with more relentless optimism than the people in the forest industry in the province of British Columbia. We want you to do well. We're going to be working with you. We're going to work as your partners. We're going to make sure that in 2010 and 2011 and 2012 people say, boy, we made the right choices. We made the right choices to move this industry ahead, to encourage investments, to encourage young people to become involved in forestry as part of our province's economic, social and cultural future. This industry is our industry. If there is an industry that defines British Columbia, it's forestry. If there are characteristics that British Columbians would like to adopt, it's the characteristics of the guys that work on the west coast that say we're getting on with it. We're building the future we can. And all they really say to us in government is would you mind getting out of the way so we can get on with it?

We're going to try and get out of your way. We're going to try and give you the support you need. We're going to try and continue to work with you. But most importantly I can tell you this. Two years out, three years out, people are going to look at your industry, what you've done, and they're going to say I wish I'd followed your path. We're going to expand our markets. We're going to expand opportunities. Forestry is a huge part of our future, a huge part of a better life for the people of British Columbia. And first and

foremost for all of you in this room and all of us that decide that we want to try and serve in public life, I can tell you this. This is our time to think of the future, not to think of the past, not to point fingers, to think of what we're going to do, how we're going to do it and recognize only when we do it together are we going to be maximizing the potential that we have.

I want to work with you. You are the economy in British Columbia. You are the green economy that people talk about. Let's build it together.

Thank you all very much.