

# Text of Premier Christy Clark's Address to the University of Calgary

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CALGARY - Today, Premier Christy Clark addressed the School of Public Policy at the University of Calgary with the following remarks:

## **Check Against Delivery**

"I'm delighted to be here. Thank you for taking my offer to come and visit you so quickly. I'm here to talk to you about public policy, and in particular to talk to you about an issue that's been on the minds of Albertans and certainly on the minds of British Columbians. Those of you who are here, or are from British Columbia, know that we have very different views, I think, and different political cultures when it comes to the transport of heavy oil to the coast.

"Let me put this in context. British Columbia today is stable and we are growing. We have set out a very clear plan for economic development in the BC Jobs Plan, and the plan is working in British Columbia.

"We have had the fastest job growth of any province in the country over the last year. We're investing in skills development, recognizing that with the creation of all those jobs there will be a shortage of people to work in them. So we just invested \$75 million in making sure people are, among other things, ready to take on a trade. Most importantly, we are enabling the creation of a brand new industry for our province, and that's liquefied natural gas.

"Today, we're looking at perhaps five big liquefied natural gas proposals that, if built, could add over a trillion dollars to our GDP in direct upstream and downstream benefits over the course of 30 years.

"That's the potential of producing four trillion cubic feet per year of exports by 2020. They are clearing the land for the first one already. That's the Apache Encana project. It'll be the equivalent of 118 million households of energy consumption or the energy generation of 250 average-sized coal plants or 158 average-sized nuclear reactors.

"When you think about the opportunity, think about it in these terms. I was in Tokyo a few months ago, and as you know, the Japanese are still struggling in the wake of the tragedy at Fukushima. They've shut down most of their nuclear capacities. When you walk down the hallways of government offices in Tokyo, the lights are off because they have about a 30 per cent deficit in their power. They're looking for clean sources of power. For us in British Columbia, we believe that natural gas is the source that they'll look to, but we have to be ready to take advantage of it.

"I'll put this another way, because I think it might be a more familiar comparison to you in Alberta. The five plants, once they're up and running, will produce the equivalent of two million barrels of oil a day. That is roughly the current level of production of your entire oil sands. This is a very big economic development project in our province, and we've been focused single-mindedly on bringing it to fruition. We know the opportunity won't be there forever, and we understand the economics of wanting to get your product overseas so you're no longer captive to the North American market.

"So as we prepare to market our natural gas in Asia, we are unlocking, I believe, an economic boom for our province like one we haven't seen in probably 50 years. That is because we will no longer be captive to the North American market.

"So while you're dealing with the same economic principles when it comes to oil, we're dealing with them when it comes to gas, and I understand the tremendous opportunity that comes from freeing yourself from just one customer.

"Competition is great, particularly when you're a seller. You want more than one buyer. I believe in competition, and I believe in resource development. I don't think it's a disease. I think it's the fundamental on which this country is built.

"I think that responsible development of resources is a cornerstone for bringing Canada into the next century, into this century and making sure we can compete. It's the cornerstone of our BC Jobs Plan, and because we've been focused on resource development, it's the reason we are number one in job creation in the country right now.

"I'll give you an example. Mining is an area where we have set some pretty ambitious targets. We're planning to build 17 new and expanded mines by 2015. Mining revenues have grown by 20 per cent to \$8.6 billion since we introduced our Jobs Plan last year, and we've done it with the highest standard of sustainable mining in the world.

"So I'll give you one example. Murray Edwards, who is a great Calgarian, owns 45 per cent of the Red Chris mine. It's in the northwest of British Columbia. It's one of the top mining deposits anywhere in the world. When I became Premier, I said I wanted people all around the world to know that you can do business successfully in British Columbia. You can work your way through the public policy issues, the First Nations issues and that you can make a profit if you come to our province.

"So we've been working really hard to take the Red Chris mine, which has been an idea for longer than it's been a fact, and help it get to fruition because resource development is what powers our province too. It's what puts people to work, and it's what funds health care and education and all the things that we care about. A significant part of our progress in British Columbia comes from people like Murray Edwards, it comes from investors and people who are located right here in Calgary.

"So I want to say, as I said to Murray, thank you for that because many of the companies that are invested in the oil sands are also invested in gas and mining in our province - companies like

Shell, Apache, Nexen and Tran Canada. And, of course, Encana, which I just talked about, that has emerged as one of the most important investors in our province, an early believer in what we could do with natural gas.

"We're also tracking investments from around the world - big investments from companies like BG, Kogas, Mitsubishi, Petronas, China Petroleum Corporation and of course Shell, all committing multiple billions of dollars to British Columbia.

"So we've been aggressive in trying to make sure we are creating the right investment climate in our province. Our personal and corporate income taxes are the lowest in Canada, at least in personal income taxes up to \$120,000 a year. I know that most of you who are in that range now don't hope to be in that range forever, but most people are. When we argue with Alberta about who has the lowest personal income taxes, that's a good fight to have. That's a fight that every province should be in on having, because when income taxes and corporate taxes are low you encourage economic development, and economic development is what puts people to work.

"I know how proud Albertans are of the work that you do here, and I'm here to tell you that British Columbians work hard too. I think the work that we do also benefits this country in a big way.

"I'll give you one example. Over the last seven years in British Columbia, our citizens have invested \$22 billion to upgrade our rail, our ports and our road infrastructure. That is nation-building, because that is how we make sure that Alberta goods, Saskatchewan goods, and Ontario products get to market.

"We build that network. We invest in it. We maintain it, and we do it because we believe in building this nation. We also do it because we understand that infrastructure is a crucial part of making sure we're strengthening our economy. You cannot build an economy, a private-sector economy, in a small trading nation if you don't build the infrastructure to make it move. So those investments that we've made are creating jobs in British Columbia, they're creating jobs in Alberta and they're creating jobs all across Canada.

"In the next couple of months we will open the \$3-billion Port Mann Bridge completely. That is on the Trans-Canada Highway just east of Vancouver. It will be the widest bridge anywhere in the world, a ten-lane bridge to connect Canada to our ports.

"On Friday, I announced our plan to finish four-laning the Trans Canada from Kamloops to the Alberta border at a cost of \$650 million. That's going to be an investment that benefits both of our provinces, one that saves lives and one that means our economies will both continue to benefit.

"Over the past year we've invested \$50 million to increase container capacity in Port Metro Vancouver in Delta, \$90 million in Ridley Terminals in Prince Rupert. All of that is about building our country, and that infrastructure will continue to connect our country to Asia and the fastest-growing economies in the world.

"The fastest-growing middle class in the history of humanity is in India. The biggest urbanization ever undertaken on the globe is happening right now in China. Canada needs to be a part of that, and so does Alberta, so does British Columbia, so do Ontario, Quebec and the Maritimes. That's why we need to build our infrastructure, and we need to remember the things that bind us together as friends.

"We are friends, and we are neighbours, and we share many, many things, not just transportation infrastructure. We share parks, and we share population, and we share a common history. But that doesn't mean we're always going to agree.

"My job, though, is to fight for my province, to stand up for British Columbia and British Columbia's interests, and that's exactly what I'm doing when I come here to talk about the movement of heavy oil through our province.

"In July, before the premiers met in Halifax, my Minister of Environment and Minister of Aboriginal Relations and Reconciliation outlined five conditions that would need to be met for us to consider the transport of heavy oil across British Columbia. Those conditions are principled, and they are absolutely consistent. They apply to any pipeline expansion that's proposed in our province. But they're also tough, and I don't apologize for that because heavy oil is unique.

"It's different from all of the other products that are shipped across Canada to our beautiful coast, and it's my job to make absolutely certain that our environment is not compromised. I know that the discussion has focused on one principle. I want to make sure everybody knows that there really are five, and I'll just go through them quickly.

"First, the Northern Gateway project or any other heavy oil project in the province must successfully complete the environmental review process.

"Second, we must have the world's best oil response prevention and recovery system for B.C.'s beautiful coast and ocean.

"Third, we must have the world's best practices for land oil spill prevention response and recovery.

"Fourth, we must make sure that the legal requirements regarding aboriginal and treaty rights are addressed. I know Jim Prentice talked to you about this recently when he visited. First Nations must be provided with opportunities, information and the resources necessary to participate and to benefit.

"And fifth, the one you all know about, British Columbia must receive a fair share of the fiscal and economic benefits of a proposed heavy oil project that reflect the level, degree and nature of the risk borne by our province, our environment and by our taxpayers.

"Now, as you can see, the first three of those are all about protecting our environment. And I will not apologize for that, because keep in mind that our coast, that I am so determined to protect, is

also Canada's coast. It's your coast too. It belongs to all of our families, and it's a legacy that all of us have an obligation to protect.

"But I ultimately am the one, as the premier of British Columbia, who bears the primary responsibility for protecting it. Every year, thousands of Albertans visit British Columbia. You enjoy our lakes, our mountains, our coast, you enjoy fishing, maybe you enjoy our vineyards a little bit in the Okanagan. All of those things are assets we bring to this country because we've cared for them. And because we've cared for them, I hope you see that protecting our environment in British Columbia is in your interests too.

"I know there has been a fair amount of controversy about British Columbia demanding our fair share of revenues from heavy oil passing through British Columbia, but I want to ask you to look at it from our point of view for a moment.

"We're being asked to take 100 per cent of the marine risk, and it's substantial, to move a unique and very difficult product. We're being asked to take the bulk of the risk on our land base, and yet right now according to the economic analysis that's been provided to the joint review panel by Enbridge itself, British Columbia would get about eight per cent of the benefits. If you were in business, would you take that deal? If you were sitting down to negotiate, would you take a deal where you take all the risk and get eight per cent of the benefit?

"The answer for me is quite simply, I will not. I will not take that deal on behalf of British Columbians. As one premier said at our last meeting in Halifax, both parties to a deal need to feel like it was a good one. Otherwise it's not a good deal.

"And heavy oil is, as I said, different from other products that travel through our province and through all of our coasts. The oil sands are great for our national economy, and they are an asset for Canada.

"But I feel strongly that businesses who invest in our province must know we are going to have a fair, consistent and principled approach to dealing with them. That is part of building a sound economic climate. But the product, this product, needs to be handled with extreme care. An uncontrolled spill will have, could have, devastating consequences for Canada.

"I'll give you one example. The Enbridge pipeline is proposed across the Stuart River. People say that it's the richest salmon run anywhere left in the world. And I ask you to think about the impact that a spill would have on that salmon run, because it could extinguish it forever. I have never seen, as I said yesterday, a bird wash up on the shore covered in natural gas. But we do have to be conscious of the impact that an oil spill could have on our marine life and on our wildlife.

"Every province has something that we are blessed with, but the blessing is only as good as what you do with it. Here in Alberta you've made the most of your blessings. You've made the most of your oil. You've done that for the benefit of your province, and you've done it for the benefit of our country. We are also making the most of our blessings - natural gas and the access that our

coast provides and our proximity to those incredibly fast growing markets in Asia. We're making the most of them on behalf of all Canadians.

"In British Columbia, make no mistake, we are proud nation builders. And part of nation building, as Jim Prentice said to you, is treating First Nations respectfully and as partners. When he said last week that the debate around heavy oil pipelines is one of the most challenging Canada has faced in decades, and he said that there is no way forward on west coast access without the central participation of First Nations in British Columbia, he was absolutely right.

"There is no way forward without the federal government and First Nations collaborating, and this is a significant challenge. It's not one that can't be overcome. Because when you look at what we have succeeded in doing with natural gas, you can see that we have succeeded with First Nations, because First Nations are overwhelmingly in support and are participating in those projects.

"That's why we provided clarity, we hope, by offering the five conditions. We believe in a stable business climate in British Columbia, and I know business will not come to your jurisdiction unless they know the rules beforehand.

"So we have set out the rules, and I think it's quite possible that all those conditions can be met, but ultimately - and I want to be crystal clear about this - there is no price that we can put on our environment. There is no amount of money that British Columbia will accept unless those three environmental bottom lines are absolutely met.

"I also want to be clear that we're not targeting Enbridge. I do have grave concerns about their safety record, and I think what happened in Kalamazoo left a lot of people in British Columbia shaken, but our bottom lines don't just apply to Enbridge. They apply to Kinder Morgan, and they apply to any other heavy oil pipeline to our province. I think we're being tough, we're being fair, we're being consistent, and we're being principled. That is our approach to heavy oil.

"So let me finish with this. As I said at the beginning, jobs are up in British Columbia. We're doing pretty well. Resource development is up. That's great. We're happy about that too. We don't think of resource development as a disease. We think of it as something that's really good for our country, that we should try and encourage it.

"Our province is on the right track, and I think it needs to be said here at the University of Calgary, because it has been said by folks at the University of Calgary that our province is a backwater playground where all we do is drink lattes in the rain. Sound familiar? That is what one of your political science professors had to say about the people of my province.

"I know when you are in academia, you want to get published, and I certainly know from radio that it pays to be provocative if you want to get published, but I'll tell you this. That's not the kind of thought that's going to get us anywhere. If we want this project and other projects to be able to move forward, we're going to have to wake up and decide we want to work together. And so to that professor I'd say he should wake up and smell the coffee, even if it's a latte that you're drinking in the pouring rain one day.

"My job is to stand up for B.C. I know that not everybody in the room will agree with my position on heavy oil - I've certainly experienced that since I've been visiting Alberta for the last 24 hours - but I wanted to come here and explain it to you so you understand that there's not one condition, there is five, and they all need to be met.

"But it's amazing the difference a decade makes, because ten years ago British Columbians were fleeing my province in droves to come to your province to find work. Today we are creating jobs faster than anyone. We're doing it all across different sectors. We have the lowest taxes in the country. Our trade with China is up 25 per cent in the last 12 months alone, and the natural gas industry is booming. Our plan is working.

"And so times have changed in B.C., and I want to leave you with this last comment, because if there's one thing you remember about everything I say today, it's this. You are students at a great institution. You are getting one of the best educations you can find anywhere in the world. When you graduate, I want you to know this. There are lots of jobs in British Columbia, and I hope you'll plan to come out west and decide to put this great education to work. Thank you."

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