

Mineral roundup speech

Monday, January 25, 2016
11:00 AM

Thank you very much. Thank you very much all of you for coming. I know it's been a difficult few months in particular as Alex said, and a difficult few years for many, many people in the mining business.

I do want to say thanks to Ian Campbell.

Chief Ian Campbell is an example of a First Nation leader in British Columbia who is really leading by looking forward, thinking about how does he build his community for the future; how does he leave his community wealthy? I want to say thanks for your vision Ian. We've been working hard together. You've been thinking about LNG. You've been thinking about land acquisitions. And that's exactly the kind of First Nations leader that is transforming British Columbia all over the province. So thank you Ian for welcoming us, and thank you for the work that you're doing.

Thank you Minister Bill Bennett. We would not have had such success in building mining in British Columbia if we hadn't had such an incredible, determined, straight-shooting Mining minister, as we do in Bill Bennett. So thank you Bill.

And Acting Mayor Heather Deal, thank you very much. I should tell you Gavin Dirom has a new slogan for Vancouver, which is 'We built this city on rock and coal.' That's based on a terrible song, so here's what I'm going to go with: A mine is a terrible thing to waste.

And I think it's timely to talk about that, and what that could mean for Canada, and why we need to remember that, because of what we're looking at in terms of low prices in the commodity markets. It has been a rough

year for mining in Canada. There's no question about it. But, we know that when a mine goes to waste, all of those jobs and all of those communities that have been founded on mining disappear overnight.

Many of you -- some of you -- will be familiar with Anyox. That little community is as remote as you can get. It's about 40 kilometres south of Stewart. Most British Columbians would never have heard of it except occasionally when they do a little story in the newspaper. It used to have churches and schools. It used to have hospitals. It was a really full-blown community and they survived the First World War. Before that they survived the Spanish flu. It struggled during the depression. The thing that finally closed Anyox down forever was a terrible accident that they had with an explosion in the community. The mine's never come back. The community has never come back, despite the fact that it played a crucial role in opening up the northwest of the province, along with Alcan.

There are three things I think we can take from that. The first is that of course right across the inlet from Anyox is the Haisla First Nation, which as you know is one of the most business oriented, future thinking First Nations in the province these days. But back then there isn't a single mention in the history of Anyox, of their neighbours in the Haisla First Nation. And today we do things differently. Today we have 22 economic community development agreements with 37 Indian Act bands across the province. Since 2013 that's returned \$22m to First Nations communities from new mines and new mining expansions.

The second thing Anyox serves to remind us of is the fact that, back then, environmental regulations and environmental impacts were something that was much lower on people's radar. Most of the forest around Anyox

ended up being killed by acid rain back in those days. And of course in British Columbia, with the safest mining industry anywhere in the world, with the highest environmental standards for mining anywhere in the world, and a jurisdiction where mining continues to grow and thrive, we have learned those lessons and we've proven that economic growth and environmental sustainability do not have to live divorced from one another. They can be very much married and we can make them work together.

And the third thing is, is that we should focus on the things that we can control, because we cannot control global commodity prices. And we also know that it's easy to spend all the money that you earn as a province, the money that we take in on behalf of taxpayers, when those prices are high. But as they are learning right now in Alberta, what matters is being ready when prices come down, as we know they will in an industry that's always been the subject of boom-and-bust markets.

But right now British Columbia overall is still in a very good position, unlike Alberta, unlike other provinces across the country. We are leading this country in economic growth. We have \$7b in infrastructure projects out there right now without the government going into deficit one penny. We have three consecutive balanced budgets, a fourth on the way. We have a unique approach to public sector wages, which ties wage growth to economic growth. In four years we are going to eliminate our operating debt for the first time in 40 years here in BC. Last year our province, the private sector in British Columbia, created 50,000 new jobs, the only province in the country that can claim that kind of success.

It didn't happen by accident. It happened because we had a jobs plan. We unveiled that in the fall of 2011 and

we have stuck with it, with laser-beam focus from the day we introduced it. One of the goals we set in that is that we were going to open 17 new and expanded mines. We are there. And we did because we didn't take our eye off the ball.

One of the things we know now though is that with the world economy in as difficult a situation as it is, we cannot afford to take our eyes off the ball. We are surrounded by serious and very bad news all around the world. We see it in Canada; we see it in Ontario, which is the largest sub-sovereign debtor in the world. We see it in Alberta, where the hit on oil prices has been devastating for the provincial economy.

So we have so much at risk right now, now is the time last of all, that we can take our eyes off our focus and decide we want to start spending.

My job is to be your partner. My job is to support the private sector in continuing to grow, because we know in British Columbia it's the private sector that creates an economy. It's not the government, and it's not government spending. We can open doors for you, we can build infrastructure that will support growth, but we don't create that growth. So our job -- my job and Bill's job -- is to be there and have your back, and make sure that we're supporting you in every way that we can so that you can continue to grow and that you can continue to create jobs. Even with the recent layoffs that we've had, which are serious, we have double the number of people employed in our province in mining than we did in 2001; \$338m spent on exploration in 2014. That's 11 times higher than 2001. And of course the best measure of confidence these days is what percentage of exploration and investment happens in British Columbia versus other provinces. In 2001 it was six percent. Last

year 21% of all the money in exploration was spent right here in BC.

We want our fair portion. We want more than our fair share of exploration investment right here in the province, because we know how important it is for our future. We know that if you don't do that exploration those new mines won't open. So seven new mines, the biggest expansion in BC's history. They include Pretium Brucejack mine near Stewart, JDS Silvertip mine by Atlin, Imperial Metals Red Chris mine. The Tahltan First Nation, by the way voted 83% in favour of making sure that it happened. And we also have several other promising proposals in the development stage, and several exploration projects that we think we believe we'll see real mines grow from. Those are really good investments because the world is going to need our minerals. Make no mistake, we are on the cusp of growth again, because countries around the world are going to continue to need our high quality metallurgical coal. The world is changing its use of mining products. But that doesn't mean that they will need less.

As demand for clean energy grows, we'll see the demand for copper grow. We'll see the demand for met coal grow. Copper for transmission line wires and conductors, copper for metals and other metals for electric cars; metallurgical coal for wind towers and solar farms.

And as the middle class in China and India continue to expand exponentially, so will the market for iPads, for Google glass, for every self-driving car. They're all going to need vast amounts of the minerals that we produce here in BC.

And that's what's coming for all of use in the medium term, but in the short term, I know the mining industry is stretched. And I want you to know that until we get there,

to that future that Alex has talked about, I want you to know that we're fighting for you, and we have your back.

We're committed to keeping hydro rates low by sticking to our ten-year plan. We've frozen the carbon tax. And we've extended the new mine allowance to 2020.

And there's something else that we can do to help keep operating mines open. Bill Bennett, Mike de Jong, and I are working on a plan so that mines can defer some of their very considerable power costs until commodity prices bounce back.

We have to get this exactly right. That means we want to make the best decision for all the people in the province. It can't be a subsidy that puts taxpayers at risk because we can't control commodity prices. Coming to government must be a last resort. But we also know that getting it right means understanding that jobs and entire communities are at stake if mines that are really struggling don't have an option to be able to defer some of those electricity rates so that they can at the very least keep their doors open until they start hiring again.

I know you have concerns about access to the land base. Ninety percent of the province, by the way, is covered by regional land use plans and that clearly delineates which areas are open for protection, or closed for protection, and which areas are suitable for resource development.

But I think we also all know that the world is changing, that many First Nations are looking to protect lands that have been important to them..