



TRANSCRIPT OF THE OPEN CABINET MEETING

WEDNESDAY, MAY 22, 2002

Province of British Columbia

EXECUTIVE COUNCIL

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Hon. Sindi Hawkins
Hon. Colin Hansen
Hon. Gulzar S, Cheema
Hon. Katherine Whittred
Hon. Murray Coell
Hon. Sandy Santori
Hon. Bill Barisoff
Hon. Rich Coleman
Hon. Graham P. Bruce
Hon. Stan Hagen
Hon. Judith Reid
Hon. Joyce Murray

WEDNESDAY, MAY 22, 2002

The cabinet met at 9:06 a.m.

Opening Remarks

Hon. G. Campbell: We are ready to begin.

This is a difficult day—I think is the best way to describe it—in many ways for the province. We have the imposition of duties on softwood that was imposed as of last night. We said for some time that we were not going to be signing a deal with the Americans that was bad for British Columbia, and that we would not kowtow to the protectionist measures that they've had.

We have been in touch with the federal government over the last week, and I'm pleased to say that Minister de Jong will be able to comment more to you later in today's meeting with regard to that. Let me simply say that it is time for the federal government to step up to the mark. Fortunately, Minister Dhaliwal last week pointed out that they were ready to come forward. We want to send a message to our workers across the province that their governments are there for them as we go through this difficult litigative task.

We will continue being in touch with our American counterparts, but I think it is important to point out that from the outset we said we wouldn't sign a deal that was bad for British Columbia or bad for Canada, and that has not taken place. There are obviously still

strong protectionist concerns in the United States, and they're being rewarded by an administration who claims to be for free trade. We will continue to keep in touch and to try and work to resolve this matter in the best interests of all British Columbians and particularly the forest families who are dependent on our forest industry for their livelihood and their mortgage payments and their salaries.

I'm going to ask Minister de Jong at the end of today's agenda to make some further comments with regard to softwood.

Also, as you know, the efforts that we made over the weekend with the BCMA to reach a final resolution with regard to the doctors have not been successful to date.

I think it is important to note that the memorandum of understanding that we signed in March was very clear with regard to the length of the commitment that was required. The president of the BCMA signed that memorandum of understanding. It clearly took us out to 2005. It clearly identified \$392 million as being the resources that were available to doctors. We have actually said to the BCMA that we are willing, within that \$392 million framework, to subject that \$392 million framework to binding arbitration within those cost constraints. That's what they asked for, and that's what we have delivered.

There was significant progress made over the weekend, I think, in resolving issues and moving forward. But I think it's appropriate this morning, as we begin today's meeting, to let Colin take us through at least the status of things as he sees them today so that we will be in a position to move forward.

Colin.

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Health Update

Hon. C. Hansen: Thank you very much, Premier.

I think it's fair to say that patients throughout British Columbia are extremely frustrated, angry and, I think, worried by the BCMA's decision to use them as pawns in a dispute over remuneration for doctors in the province. Patients that I have talked to and received letters from are clearly sick of the uncertainty. They're sick of what they

perceive to be both sides pointing fingers at each other at the expense of their surgery or their access to the health care that they need or their family needs.

Quite frankly, I think everybody, especially those patients, wants this dispute settled, and they want it settled now. So do I, and so do Sindi and Katherine and Gulzar as we try to grapple with all the challenges in the health care system. I also believe that's what most doctors in this province want too: to get past this so that we can get on to fixing the health care system. Quite frankly, we have done everything possible, short of handing the BCMA a blank cheque, in our attempts to resolve this and come to a negotiated settlement.

Let's remember that it was the BCMA who said, back in February, that \$255 million would be more than enough money to address all their compensation issues. We signed a memorandum of understanding with the BCMA on March 26, and what it did was put \$392 million of additional funding onto the table for doctors' remuneration. The reason we went from \$255 million up to \$392 million was, first of all, that the BCMA, in coming up with that \$255 million, had allowed for \$185 million for fee-for-service increases, and they'd allowed \$70 million for on-call payments.

We came back and said we agreed with the \$185 million. We thought the \$70 million wasn't enough, and we put \$80 million in for on-call payments. We also put in another \$127 million because we had to deal with some of the issues that McEachern did not deal with in his initial report. That was around increases for the salaried physicians, because you can't increase fee-for-service physicians without also giving corresponding increases to salaried physicians in the province.

The other thing is that we had to recognize that there would be about \$60 million to \$65 million of cost pressures that we would face in the coming years. They're what we talked about as utilization increases as the population ages and the population grows. That's why we added that extra \$125 million, and you may recall that Gary incorporated that into the budget on February 19.

If you divide that amount of new money by the 7,800 doctors in the province, it comes up to, on average, an additional \$50,000 per doctor. That's simple arithmetic. Take \$392 million and divide it by 7,800. Every penny of that flows to doctors' compensation. There's no admin fees hived off or anything like that.

That's an increase of 20.6 percent for doctors at a time when we are facing a \$4.4 billion deficit, a time when we are forced to reduce government staff and services in other areas, a time when forest workers are being laid off by the thousands and

wondering whether they will even have a job tomorrow, which I think will be some of the information Mike may be communicating to us later.

That 20.6 percent increase means we are putting a total of \$2.3 billion into the budget just for remuneration for medical doctors in the province. If you look at it from this perspective, more than 10 percent of every dollar that we collect in revenue to the province goes to physician remunerations in this current budget. Still the BCMA says it's not enough, and they are going to make patients suffer in order to get more.

The BCMA walked away from the negotiating table and said that their most important issue was not money; it was the need for a dispute resolution mechanism. They said they wanted binding arbitration, and that's exactly what we have offered them. In fact, we have met each and every one of their main demands except for the demand for more cash to be put in over and above the \$392 million.

I want to share with you just a couple of facts and perspectives. The BCMA wanted an independent fact finder to establish how much each party's proposal would really cost. We agreed, and now the BCMA said they don't want to have anyone publicly report on the costs of both sides' offers. Here's another fact. The BCMA said they couldn't trust government, so we proposed appointing an independent mediator to help both parties work through the negotiations and publicly report on the progress. BCMA said they didn't want an independent mediator appointed to help us, and they also said they didn't want public reporting. It's a fact.

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BCMA said it wanted binding arbitration to settle outstanding issues. We agreed with their proposal. In fact, you may recall I had suggested that we appoint a three-member panel, and if we couldn't agree mutually on the chair, it would be the chair of the Labour Relations Board that would select the chair. They came back to us four days later and said they were suggesting a one-person mediation-arbitration process, and if we couldn't agree on that one person, then that person would be selected by the Chief Justice of the Supreme Court. We said: "Fine." We accepted their proposal. Now they've turned around and said they don't want to go to binding arbitration after all.

I guess the final fact is that they say they want to put patients first. They signed a master framework agreement two and a half or three years ago now, which actually committed the BCMA not to engage in job action unless there was something called

prorating brought in. Well, we haven't brought in prorating. Basically, it's a violation of the agreement they signed then - the fact that they are engaging in this job action and advocating that their members withhold services from their patients.

I guess the one thing that we have been anxious over this last little while is that we've been accused of breaking trust. We've been accused of some things. We say: "Fine. Let's put it all out for public exposure." We have put the draft documents on the Ministry of Health Services website. There's the draft memorandum of agreement that basically shows exactly the areas where we still have to sort out details. In there it shows what our last proposal was and what the BCMA's last proposal was, and those are the very things that need to be arbitrated, or we've got to get back to negotiations and continue that. We've been trying to put as much transparency there so the public can actually go and look and, I think more importantly, so that individual doctors in the province can go in and look at those draft memorandum agreements and recognize how much has been accomplished in there already.

We have actually acknowledged that there needs to be significant increases for obstetricians, anaesthetists, emergency room doctors and other specialists that have fallen back compared to other jurisdictions in Canada. We've already recognized that and come to agreement on those areas.

We've also, I think, put on the table an on-call proposal that would make B.C. on-call payments far above what any other province is paying. We have, in the latest proposal that we've put forward, agreed to \$212,000 a year for what we call level 1 on-call, and that's the majority of the call groups in the province. That compares to Alberta, which the BCMA often likes to refer to. Alberta has \$180,000 for their call groups, and they are currently by far the highest. If you want to go to the next province, it's Ontario, which is well back from that.

What is on the table and available for their doctors is extremely generous. The other thing is that it's all going to be retroactive not just to last April 1 but to April 1 of 2001, so doctors in the province, as soon as we get through sorting out these final details, will see some fairly sizable retroactive payments flow to them. We're, quite frankly, anxious to get that money out the door. It's not going anywhere else, and I think the sooner we get these issues resolved, the sooner those payments will flow.

The other thing, just to put this in perspective, is that what we pay for physician services in British Columbia is significantly higher than any other province on a per-capita basis. We're about 20 percent higher on a per-capita basis than Ontario. We are also, if you look at the cost per physician.... We have more physicians in B.C. than any other

province does on a per-capita basis. Our cost per physician in British Columbia last year - and this is using CIHI numbers, Canadian Institute for Health Information, which is often looked to as an independent third source of data - if you look at last year's numbers, we were paying \$277,000 per doctor in British Columbia. Alberta was paying \$238,000 per doctor in that province. You can look at how it's divvied up. Our benefit programs are much more generous for doctors than any other province. It's all distributed in different ways, but the pot, on a per-capita basis and a per-doctor basis, is significantly higher than in any other province.

The bottom line is that we can't force doctors to put patients first. We can't force the BCMA to come back to the negotiating table or agree to a binding arbitration process to settle the few outstanding issues. We can't do anything more than we have done to date to help the BCMA resolve its own internal divisions between GPs and specialists, which I believe are the real source of the problems at the bargaining table. We can only appeal to the professionalism of doctors and specialists to stop the job action and to urge the BCMA to get back to the negotiating table. We can only ask the public to tell the BCMA: "Enough is enough. Get back to the bargaining table. Go to binding arbitration if necessary, but get this dispute settled."

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That is what we are doing here today. We are urging the BCMA to stop playing politics and stop playing with the lives of individual British Columbians and get back to the bargaining table now. If we can't do that or if they won't do that, we will have to explore every possible option to reach a negotiated settlement with doctors who do want to put patients first.

If the BCMA wants to make a case for its own demise, I'll tell you that what's happened over the last week is a step in that direction. If it wants to force us to deal separately with specialists and GPs, then that's what we'll do. We have to make sure that British Columbians get access to the care they need throughout this province.

Mr. Premier, this has been a very frustrating experience for a lot of people. I think, most importantly, it's the frustration that I see from the individual patients who have had their surgeries cancelled - people that have been on the wait-list for months in many cases. We all know those wait-lists are far too long today. When I see doctors in the province withdrawing that care from their patients, given how few issues are outstanding and the fact we have agreed to binding arbitration to resolve the outstanding issues, I believe

that withdrawal of service from patients in British Columbia is unconscionable.

Hon. G. Campbell: Thanks, Colin.

Any questions? Gary?

Hon. G. Collins: Thank you, Premier, and thank you, Colin.

Has the BCMA agreed amongst itself what it wants? Have they been able to come forward with a cohesive set of criteria saying, "Here is how we think the money should be divvied up," or are they still arguing internally amongst the various types of physicians as to where this money might go?

Hon. C. Hansen: Well, I don't know the answer to that question. There is certainly evidence of some quite serious internal divisions within the BCMA. When we see Dr. Oetter coming forward and signing a memorandum of understanding on March 26 that says that \$392 million is enough, and then we see statements that are made in the media that are consistent with saying all of the compensation issues can be dealt with, with that amount of money.... Then they come back and say no, it's not enough, that they want to remove the utilization factor - have it over and above the \$392 million.

We see that ground shifting constantly. On one hand, we see them saying they want binding arbitration, and then the next time they're saying they won't go to binding arbitration. I think that's evidence they're getting buffeted from within. I think what's most concerning for me is that it's the individual patients that are paying the price for that internal discord, if that's what it is.

Hon. G. Campbell: Other questions? Graham?

Hon. G. Bruce: I'm not sure if you have these numbers in front of you. You mentioned the total number of doctors in the province that you divided by the \$392 million. The number of GPs represents what? Do you have a fixed number or percentage versus the specialists?

Hon. C. Hansen: Yeah, it's about 6,000 GPs in the province, and the balance would be specialists. Those are rough numbers.

Hon. G. Bruce: I don't want to categorize... Perhaps you don't even know, but further to what Gary was saying in regards to the negotiation at the table with the BCMA itself, is that what would appear to be the biggest stumbling block - the \$392 million being

divided between the specialists and the GPs? You've got an overwhelming number of GPs, and they're seemingly having trouble themselves to try and resolve that issue of how that \$392 million ought to be divvied up?

Hon. C. Hansen: Well, I think that's a lot of it. If you look at the different envelopes of money that were agreed to in the memorandum of understanding, the \$185 million for fee-for-service affects both GPs and specialists. The BCMA has to sort that out internally.

By and large, there's been agreement over how that fee-for-service increase gets distributed. They would like add in a whole bunch of other issues around telephone consultations, being paid for filling in forms, and things like that. The problem with that is that it starts taking us over that \$185 million.

The on-call payments, which are an increase of \$80 million, over and above \$45 million that was already in the budget before - so there's \$125 million for on call - primarily go to specialists. There are GPs who are on call, particularly in rural communities in the province, that would also benefit from those increased dollars.

Hon. G. Campbell: Other questions? Kevin?

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Hon. K. Falcon: Colin, a lot of the folks in my community that I've been speaking to over the long weekend have a fairly straightforward question. That is: if these doctors are refusing to provide services, are we still paying these doctors and still providing all the same benefits and everything at the same time that they're not providing services to British Columbians who need those services?

Hon. C. Hansen: Well, for the doctors that are on fee-for-service, if they're not performing those services, then they cannot bill for those services. On the days that a surgeon, for example, refuses to do an elective surgery, he doesn't get paid for that.

Hon. G. Campbell: Gulzar, go ahead.

Hon. G. Cheema: Premier, I just want to make a comment as a practising physician and a part of the cabinet. I think it's very important for my colleagues out there to look at the issue in a reasonable, responsible and compassionate way. They should look at

what's happening across this country and also look at the bottom line, the ability of taxpayers to pay for the services.

If a patient with cancer or a patient with a life-threatening situation, whether it's urgent or otherwise.... Even if it's a non-threatening condition at this time, it could become a threatening condition. One person's loss of life, I think, would be detrimental to the profession. Also, as a province, I think we will look not in a very good position across the country.

My plea to them is to please work with us. My colleague has done an exceptionally good job to continue to talk to them, but I think it's about time that they should look at, if they were a patient today suffering from one of these serious conditions, how they would feel. That's my request to them.

Hon. G. Campbell: I do want to.... First of all, Colin, I think you have done a very good job, which is a difficult job. I want to go back to the memorandum of understanding for March 26. I can tell you that both Colin and myself worked with the BCMA for some time. I was involved with the president of the BCMA for a period of time leading up to the signing of the memorandum of understanding.

We recognized that doctors were upset with the decision that we'd made with regard to the McEachern report. We tried to respond to that honestly and constructively. We were very clear and explicit that there was \$392 million available. I can tell you I sat in a couple of meetings with them, and they were very explicit themselves that \$392 million was ample to cover the challenges we faced in dealing with the various issues that exist within the BCMA.

Secondly, Dr. Oetter suggested yesterday that we're trying to extend things. I would refer Dr. Oetter to paragraph 4, No.4, on page 2 of the memorandum of understanding. It points out explicitly that there will be \$392 million available each year of the three-year plan, 2002 to 2005. It points out explicitly, again, at the end of the memorandum of understanding that there will be \$392 million available. We outlined the areas where we knew there were concerns. We outlined the areas that obviously we needed to negotiate in.

As I said on the weekend, I think there was good progress made. We recognize, for example, that anaesthetists need to be paid more, and we have recommended a substantial increase in their salaries. We recognize that obstetricians need to be paid more, and we've recommended a substantial increase in their salaries. We understand the challenge that emergency room doctors face, and we've recommended substantial

increases in their salaries or their fees-for-service.

The issue today, I think, is that as we move forward, doctors across this province, the people who go into medicine, want to put the interests of patients first. We do too. We were told by the BCMA that they wanted binding arbitration. We have provided for binding arbitration within the \$392 million envelope that they agreed to. I'm not sure how you can proceed other than to sit at the negotiating table and work these things through. Not once has the government suggested that a way of resolving this is to withdraw service to patients. In fact, what we've done in adding \$392 million to the budget - which, I'll remind you, is over a billion dollars over the next three years.... There is an increase in doctor compensation of over \$1 billion over the next three years.

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We have done that because we recognize how important doctors are to patients, how vital they are to the health care system and how necessary they are to help us as we go through the difficult challenges that we face in creating a health care system that meets the needs of patients in different parts of the province. Whether you're living in Smithers or Salmon Arm, your doctor is an important part of your health care - as in the lower mainland, as in Vancouver Island.

It's important for doctors to know that we have been trying to meet their needs. Indeed, many of the recommendations that the BCMA made in 2001 have been executed by this government. We have been carrying them out. We have provided for a plan. We've restructured health care. We want to include them in looking at the plan in the future and how we deliver the services that patients need across the province.

To do that, we need a resolution to this matter. We need a resolution that truly puts patients first. Doctors have said consistently: "This is not about money." They said \$392 million was enough. Yet what we hear today is: "It is about money." I hope they will take some time over the next 24 hours to think about what they're trying to accomplish and how they're trying to accomplish it. Clearly, patients are paying the price for this. It's certainly not in the patients' interest, and it doesn't, in fact, reinforce the beliefs that doctors have that their job is to take care of patients.

I want to thank the minister for the time he's spent. I know that people worked very hard over the weekend to try and make sure we could reach an understanding on all these areas. If there are misunderstandings, I hope the BCMA will get back to the table so we

can resolve them. We are moving forward exactly as we said we would, and I think we're very close to resolving this. If binding arbitration is needed within the \$392 million cap, then binding arbitration is certainly there. We have agreed to how we can proceed with that.

Hopefully, doctors will take a moment to think about the context we're living in in British Columbia today. At a time when the province is looking at economic growth in the single digits, doctors are getting compensation increases of over 20 percent. At a time when forest families in this province are worried about what their future may be, doctors are facing increases in their compensation of over 20 percent. If you're a doctor living in Terrace and you're working with someone who probably is involved in the forest industry, think of what they're going through as you're looking at a potential increase of 20 percent in your fees.

I hope that the province can come together on this. I hope that the BCMA and the government will be able to come together on this. I think the tools are there to allow that to happen. With goodwill and good faith, I think we can accomplish that.

I want to say thank you to Colin for the work you've done on that. Colin, it's been work well done. Thank you.

The first item on our agenda today is the central coast land use plan. Leading that off will be Stan.

For Decision: Central Coast Land Use Plan Protection Areas

Hon. S. Hagen: Thank you, Premier.

My presentation today updates cabinet on the next steps in our work to create certainty and sustainable economic opportunities for the people of the central coast of British Columbia. To begin, you will recall that last November our government announced a strategy to address a number of outstanding land use plans, including the confirmation of a direction to proceed with the central coast land and resource management planning process.

Premier, as you mentioned this morning earlier, coastal British Columbia is in transition with unacceptably high unemployment rates and a wide number of challenges, including significant adjustments in the resource sector, new forest initiatives and a recognition of new opportunities in tourism and aquaculture.

My ministry has been leading four key initiatives to support this region: first of all, addressing economic impacts from land use planning decisions; secondly, supporting economic measures and land use planning for first nations; thirdly, supporting an internationally and scientifically credible planning process through research and development of ecosystem-based management; and lastly, securing protection areas on an interim basis until the land use planning table concludes its work next year.

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The last component is what we are focusing on today. The central coast LRMP area covers approximately 4.8 million hectares of foreshore and upland area on the west coast of British Columbia. The region is home to over 4,400 people, mostly first nations, and includes the communities of Bella Bella, Shearwater, Ocean Falls, Klemtu, Bella Coola and Oweekeno. As well, the region is economically integral to the northeast of Vancouver Island.

Over the past decade the central coast has received an extraordinarily high level of international and domestic attention because it contains one of the last large-scale, globally intact temperate forests. As a consequence, we have a responsibility to protect our global heritage while supporting coastal communities that have been hard hit by ongoing land use disputes, market campaigns and the decline in the natural resource sector.

To end these campaigns and provide business and community certainty, the land use planning table has carefully reviewed the initial package of protected and option areas and is now asking government to protect 20 areas identified as having important ecological and community values and to defer forest development in the 17 option areas where more research is required. This request is consistent with our November cabinet decision. Some minor modifications have occurred to ensure access to private land and Crown tenures.

Under this approach 20 protection areas—the green areas on the map - will be established under the Environment and Land Use Act to conserve the natural and heritage value while permitting some low-impact economic activities and traditional first nations uses. While commercial forestry, mining and hydroelectric activities will not be allowed in these areas, the orders do permit other uses which allow for greater economic opportunity. And while limited road access may be permitted, advice from the planning table will be required if this is to occur during the time period of the orders.

The 20 protection areas and 17 option areas—the yellow areas on the map— will also be designated under part 13 of the Forest Act to allow the Ministry of Forests to suspend forest development activities while the land use planning is underway. It allows the chief forester to reduce the annual allowable cut of the timber supply area and tree farm licences. This is significant because it means that forest companies will not be penalized during the completion phase.

The yellow option areas require additional socioeconomic and environmental analysis to scientifically determine appropriate management strategies. That work is undertaken by the coast information team and will be used in the planning process.

Confirming the green and yellow areas is important for many business reasons. First, it ensures the continued suspension of the international market campaigns. While these campaigns were active there was potential for our forest products industry to lose millions of dollars in pulp and lumber sales to the United States and European markets. Secondly, it provides protection from penalties to forest companies that have voluntarily stopped logging in these areas. Thirdly, it allows time for the parties to develop and implement an ecosystem-based management approach that will see British Columbia become a global leader in new forms of forest management. Fourthly— and importantly— it ensures that first nations are supported in their work on land use plans and in developing economic opportunities.

Again, this is consistent with the direction agreed to last year and is viewed as appropriate action by the central coast land use planning table.

In approving these designations, we are meeting a New Era commitment. First, it is a commitment to introduce sustainable economic development without harming the environment. Second, we committed to deliver four initiatives to put an end to ongoing disruptions on the coast of British Columbia and allow us to complete planning. This includes planning partnerships on a basis for ensuring that economic development opportunities for first nations are fully explored and implemented.

Government, along with environmental groups, the forest industry and first nations, is supporting the use of the best available scientific, traditional and local knowledge. Their task is to develop and implement ecosystem-based management.

As well, I recently announced the Coast Sustainability Trust fund designed to help workers, contractors, communities and companies whose interests have been impacted by land use decisions. With your agreement today we can proceed with the fourth commitment: establishing the 20 protection areas and deferring forest development in

the 17 option areas along the central coast by order-in-council. It is my belief, and that of the planning table, that these designations will support our efforts to build an appropriate resource management plan for the area, including finding new economic opportunities that provide community and environmental stability for the long term.

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Clearly, there remains a lot of work to be done on the central coast through this process and through other government initiatives. There are many challenges ahead, but I am pleased that we are moving forward in a positive manner. From here the next steps for the central coast planning table include finalizing direction on these areas and incorporating the information provided by the coast information team. Discussions with first nations will continue, and based on final recommendations next year, we will determine the long-term status of these areas.

Thank you, and I look forward to questions.

Hon. G. Campbell: Any questions? Greg.

Hon. G. Halsey-Brandt: Thank you very much, Premier.

Stan, I was just going over the map, and there were some areas.... You mentioned that the first nations were certainly at the table looking at environmentally sensitive areas. There are some described here on the map called first nations lead areas. Are these areas that they will be taking a particular...? I guess "lead" is the optimum word in terms of looking at the resources of those.... Or is this part of the treaty negotiation?

Hon. S. Hagen: No, it's actually... They are lead areas with regard to resource extraction, and they are separate from the yellow and green areas. I think they're indicated by stripes.

Hon. G. Halsey-Brandt: Right. These have been identified as having a particular ecological value that they wish to be involved in, in determining what the future of those areas is.

Hon. S. Hagen: I think they're looking at it more from an economic development perspective. The first nations are now talking with major licensees. There are joint ventures that are being commenced with licensees.

Hon. G. Halsey-Brandt: Right.

Hon. S. Hagen: I think when I referred to the economic development opportunities for first nations, some of those areas are where that opportunity is going to come from.

Hon. G. Halsey-Brandt: Okay. Thank you very much.

Hon. G. Campbell: Gordie.

Hon. G. Hogg: In the issue part, Stan, you talked about protecting environmental and cultural values, and I wondered—those seemed to be implicit throughout the report—if there was any place where those cultural and environmental values have been made explicit or whether or not they're almost interchangeable with the principles that are referred to in item 3. I didn't find a place where I pulled out the explicit sense of what those values were to relate those to the principles. I wonder if they are explicit or if they are interchangeable with principles.

Hon. S. Hagen: They are working on those explicit values now at the land use table, and when we bring forward the final recommendation next June, which is about a year from now, we will have those actually firmed up.

Hon. G. Hogg: So the values will flow out of the principles as opposed to vice versa.

Hon. S. Hagen: Yes.

Hon. G. Hogg: Thank you.

Hon. G. Campbell: John.

Hon. J. van Dongen: Thank you, Premier.

Stan, in looking at your submission and looking at the map, can you confirm if there are any impacts on aquaculture opportunities in terms of the decision you're putting in front of cabinet today? I'm particularly thinking of foreshore for shellfish purposes, whether it's the first nations designations that Greg talked about or some of these other designations, particularly the green ones.

Hon. S. Hagen: Yeah, a good question. By taking this decision today, there's no impact with regard to aquaculture opportunities on the coast.

Hon. G. Campbell: Can I just verify? Is that short-term or long-term impact? It doesn't take away opportunities beyond a year out, but are there opportunities that are there this year while we're going through this exercise?

Hon. S. Hagen: Absolutely. Once we come to the next step in the aquaculture issue of removing the moratorium and announcing the new standards, I think you'll see some activity starting on the coast - not just on the central coast but the north coast as well.

Hon. G. Campbell: Just for definition purposes so people understand them, what's the difference between a park and a protected area and an option area?

Hon. S. Hagen: A park, as you know, is managed by the Park Act and is subject to very strict limitations of what you can do. A protection area is managed under the Environment and Land Use Act. In this case here, under most of the green areas, while forestry and mining are excluded, other activities can take place. You can hunt; you can fish; you can do eco-based tourism. All of those opportunities remain open.

I think it's a very important differentiation from the first nations point of view. They're not very favourably attracted to the term "park," because they feel it restricts them from doing what they've normally done. Obviously, it restricts all British Columbians from doing certain things.

Hon. G. Campbell: Option area?

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Hon. S. Hagen: Option areas are the yellow areas. They were designated as option areas because they couldn't come to a conclusion as to what should happen with them. In my view, the option areas still present economic development opportunity. They still present opportunities from a resource-extraction point of view. Those opportunities are yet to be determined. One of the things we're looking at there is the eco-based logging opportunities. We're working with companies to see how that can be done from, I guess, a positive economic point of view - again, without damaging the environmental standards that are there.

Hon. G. Campbell: This goes without saying, maybe, but it goes better with saying. I understand the red line on the map is out there and over to Vancouver Island because

that was an easy way to draw the line, as opposed to along the coast. Is that correct?

Hon. S. Hagen: Yeah, that's correct. It has nothing to do with that water between the land and the red line. The other thing is that they took it down to Vancouver Island because, as you know, there's a very close economic relationship between the communities on northeastern Vancouver Island and the communities and the economic activity on the central coast.

Hon. G. Campbell: Any further questions? Ted.

Hon. T. Nebbeling: There's much focus, of course, on the aspect of sustainability. When we talk about sustainability in general, we talk about three core values: economic sustainability, environmental sustainability and social sustainability. Are these three core values also driving the negotiations or the discussions that will follow once we start looking at the option areas? That is a substantial amount of land, and the final decision on how these lands will be labelled, so to speak—park or other uses—will have a major impact on the social and economic well-being of many communities on the north coast. Are those definitely the three core values that will drive the discussions?

Hon. S. Hagen: I'm really glad you asked that question, because it leads into my next presentation. I think Mike has some things he wants to say about this one. Those three core values are very integral. As you know, those of you who are aware of what was going on under the last government, certainly the economic part of that equation was, to a large extent, ignored. What we've done is brought the balance back into that discussion.

Hon. G. Campbell: I'm sure we'll have this discussion in the next go-round as well. Jobs are what actually support social infrastructure, and jobs are what's critical here. That's one of the reasons we set up the trust. Has there been any estimate or projection of the jobs that have been lost as a result of this process we're going through or the decisions that have been made to date? Are jobs at the centre of this as we go through it, so that we do understand the job impacts? I think sometimes you lose jobs between economic and social. If you ask most people what their best social program would be, it would be a job so that they can take care of themselves. Are we tracking the job impacts of these decisions as we go through them?

Hon. S. Hagen: That, also, is a good question. It's a difficult one to answer, because when the market campaign started two years ago, the forest companies voluntarily stopped logging in sensitive areas. It's a question of whether you blame the job losses on the land use planning aspect or on the market campaigns. Without question there

have been job losses. Those numbers go from probably the mid-500s up to a high of an estimated 900, but that would also include the jobs that were lost because of the market campaigns. Of course, the purpose of what we're doing here is to protect against the market campaigns reinstituting themselves again. In the decisions we're taking here, certainly on the option areas, jobs are the major thing we're looking at—balancing that with environmental concerns.

Hon. G. Campbell: Could you make sure that as we go through this, in fact, the job impacts of these decisions are sort of highlighted so that we can understand them? This gets very out there. In terms of the people, I know the people in the northeastern part of Vancouver Island have depended on the central coast for an awful lot, not just their livelihoods but their community support. I think it's important for us to be aware of that as we go through the exercise.

[9:50]

Hon. S. Hagen: Obviously, that's important, and I agree with that. It's not just northeastern Vancouver Island. I probably have 500 loggers in my riding, the Comox Valley, that work in the central coast. There are a lot of loggers from the lower mainland who fly in and out of the central coast to work. The impacts are far-reaching.

Hon. G. Campbell: Okay. Before we make the decision on this, I think we should hear from Mike. Mike?

Forest Act - Part 13 Designations

Hon. M. de Jong: Premier, just a couple of quick comments.

One of the mechanisms by which we achieve the objective associated with Minister Hagen's proposal is set out in part 13 of the Forest Act. It is a land-designation enabling provision. If we are content to move ahead with the recommendations we've heard today, then I need the authority of cabinet to make that land use designation via part 13 of the Forest Act. That is a temporary measure until such time as the decisions around the specific borders of the various areas and candidate protection areas have been finalized.

Your point, however, about the costs associated with doing this. It's not a difficult decision at a cabinet table, but there are costs, and they accrue in a couple of ways. Minister Hagen is right. It's difficult to analyze the employment numbers. I have seen numbers in the range of 700 to 750 person-years of employment when you take these

lands out and they are no longer available to a commercial harvesting activity. That would exclusively be forests. There's a cost to the Crown, as well, associated with stumpage revenues of between \$5 million and \$10 million on an annual basis. When we make these decisions, there is a cost.

I think the point that Minister Hagen and I would make is that you offset those costs against the benefits that you hope to achieve and have achieved. In large measure the same consideration exists on the part of government, I suppose, that was on the part of the licensees who made decisions to voluntarily suspend harvesting activities and, ultimately, to voluntarily enter into the agreement that gave rise to this plan in the first place. It was because they believed there were benefits associated with doing that.

I just wanted to make that point. If we are going to give effect to this, we have to authorize the Forests minister to make the part 13 Forest Act designation and to brief cabinet on the cost estimates associated with the removal of these lands from what is, in effect, a working forest.

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Hon. G. Campbell: Judith.

Hon. J. Reid: Does this proposal here today, then, just solidify what's in actual fact in practice? Or once this proposal is put into effect, does this actually change what's going on, on the coast?

Hon. M. de Jong: I think Minister Hagen will... My impression, my understanding and advice, is that this gives effect to what is actually, de facto, in place now.

Hon. S. Hagen: Yes, that's correct.

Hon. G. Campbell: It extends it for a year - correct?

Hon. S. Hagen: Yes, it gives us a year to finalize the boundaries of the green and the yellow areas and also finalizes what activities will be taking place in the yellow areas, the option areas.

Hon. G. Campbell: Any further questions?

The recommendation is that we improve the Environmental and Land Use Act orders that have been attached to establish the 20 central coast protection areas under

protection too. That's agreed to. Then under the second part of that report, which is the part 13 designated area of the central coast land use and resource management plan, to approve the attached order for the designated area covering the 20 candidate protection areas and 17 option areas in the central coast LRMP....

Graham.

Hon. G. Bruce: I just want to be clear on that. Maybe I'm mixing my conversations.

The cost implications you're talking about in that respect. Are you meaning in regard to what it would cost us in jobs or the notion that some licensees or tenure holders may be looking for compensation? Have I got my conversations mixed up here in that?

[9:55]

Hon. M. de Jong: What I was referring to were the cost estimates associated with designating that land in ways that would preclude harvesting activity. There is a cost that accrues to the Crown of between \$5 million and \$10 million—again, these are estimates— and presumably there are employment costs associated with not having harvesting activity in those areas as well. The numbers I have seen are in the range of 700 to 750 person-years of employment.

Hon. G. Bruce: I want to be clear on this.

Hon. G. Campbell: There's no what you would call compensation included in that.

Hon. G. Bruce: There's no compensation included in that.

Hon. G. Campbell: And we're not expecting any, because in fact this was a process that was initiated by the private sector and not by the government.

Hon. G. Bruce: I just wanted to be clear on that.

Hon. M. de Jong: No, I think that's the point. This was a process embarked upon and entered into voluntarily by licensees.

Hon. G. Campbell: Okay?

So we have agreement on the part 13 designated areas as well? Fine.

The next item on the agenda is sustainability principles. That's Stan as well.

Stan.

For Decision: Sustainability Principles

Hon. S. Hagen: Thank you, Premier.

Minister Nebbeling gave me a great lead into this with the question he asked. I'm very pleased today to introduce a set of draft sustainability principles that are designed to guide the future management of British Columbia's natural resources, and I want to thank my colleagues from other ministries who have contributed to the development of these principles.

The principles will advance sustainable economic development by ensuring that economic, social and environmental considerations are incorporated into the major resource policies of the legislative initiatives. They will also assist in the economic transition towards a stronger, more diverse provincial economy and help ensure a competitive advantage for British Columbia's natural resources in the international marketplace.

The draft sustainability principles have been developed as part of government's strategy, first of all, to improve integration of economic and environmental goals to maximize benefits to current and future generations; secondly, to ensure that a vibrant economy is re-established, but not at the expense of the environment; thirdly, to improve public and investor confidence in resource management to secure access to international markets; and fourthly, to protect resource sector jobs, improve community well-being and provide new opportunities for first nations.

Sustainability is an idea that is gaining growing acceptance throughout society. I remember when Gro Brundtland introduced the concept of sustainable development back in 1987, and her definition is still the best concise summary of this important concept.

We've come a long way since 1987. Leading jurisdictions like Oregon, New Jersey, Sweden, the Netherlands and the United Kingdom have embraced sustainability. Globally competitive companies like Ikea, Mountain Equipment Cooperative, Suncor, Shell and Noranda are producing triple bottom-line reports. Federal and provincial governments in Canada have implemented sustainability guidelines for ministries and auditing mechanisms.

Sustainability is good for business. For example, just a few weeks ago David Kerr, the CEO and president of Noranda, told a Vancouver mining conference that there is a compelling business case for mining companies to practise sustainability. He stated, "We can be more competitive by being more sustainably driven," and I couldn't agree more.

The draft sustainability principles support many aspects of our government's strategic plan. Where the strategic plan sets out a broad agenda of change to integrate economic, social and environmental goals, the sustainability principles focus more narrowly on sustainability as it relates to resource management. Goal No. 1 is a strong and vibrant economy. Goal No. 2 is supportive social infrastructure. Goal No. 3 is safe, healthy communities and a sustainable environment.

Just a quick note on goal No. 3. In my mind, healthy communities should be broadly interpreted to include the merging of social, economic and ecological goals required to achieve the long-term well-being of communities. In this context, the sustainability principles could play a very important role in helping to diversify and stabilize regional economies.

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This is a vision statement for our sustainability principles: to optimize economic development of the province's natural resources, protect ecosystem integrity and enhance community well-being for all British Columbians now and in the future. It builds upon two important sources. First, as already mentioned, the vision is very much in line with the government's overall strategic plan. Secondly, the vision adapts the definition of sustainability put forward by Brundtland in 1987 and applies it more specifically to resource management in British Columbia.

The vision statement also provides the strategic context for the following ten sustainability principles.

Integration. Ensuring that resource management decisions integrate economic, environmental and social considerations for the benefit of present and future generations.

Accountability. Setting performance-based standards and indicators and implementing mechanisms for compliance, auditing and reporting on progress towards sustainable

resource management. An effective enforcement regime is a key part of accountability.

Efficiency. Maximizing the net benefits arising from the allocation, development and use of natural resources.

Transparency. Establishing open and understandable decision-making processes including consulting with key interests prior to making decisions. Transparency also includes the public release of monitoring and compliance records and tracking of sustainability indicators.

Innovation. Encouraging innovative approaches, technologies and skills to ensure the sustainability of natural resources.

Continual improvement. Learning from the past, and looking for new and improved approaches to resource management.

Shared responsibilities. Encouraging cooperation among first nations, federal and provincial and local governments, industry and non-government organizations in developing and implementing resource management policies.

Science-based decision-making. Making justifiable decisions informed by science-based information and risk management.

Competitiveness. Ensuring that British Columbia remains internationally competitive by removing barriers to investment and promoting open trade.

And last, certainty. Making timely and clear resource management decisions within a predictable and understandable regulation framework.

The sustainability principles will drive some significant shifts in resource management across government: from individual, uncoordinated resource management decisions to an integrated, coordinated governmentwide approach to resource management; from uneven and inconsistent standards and policies between federal, provincial and municipal governments to a harmonized approach to sustainability across all levels of government; and from prescriptive command and control regulations to performance-based regulations.

The principles are intended to be applied to significant policy and legislative initiatives rather than operational decisions. The sustainability principles could be applied as pilot projects to resource management decisions such as aquaculture, land use plans and

discussion papers on the working forest and resource use planning initiatives. The principles are designed to apply to Crown land and resource ministries amounting to about 92 percent of the provincial land base. These pilot projects will provide us an opportunity to test the appropriateness of the sustainability principles on key decisions prior to finalizing them this fall.

Here are the options for cabinet to consider. Option 1, do not approve the principles and require more analysis. Option 2, approve the sustainability principles for initial application and consultation.

Option 2 is recommended because it delivers on our New Era commitment to establish a scientifically based principled approach to resource management that ensures sustainability, accountability and responsibility; supports the Premier's direction to support economic development without compromising the environment; sends a clear message that our government is committed to sustainability as a tool to achieve long-term economic, social and environmental goals; and also allows us to consult the public and key stakeholders on this important issue and come back to cabinet in the fall for a final decision.

[10:05]

If you approve option 2, our next steps would be applying the principles to pilot projects, as discussed; hosting a workshop entitled "Governance for Sustainability" in June to showcase the province's work to date on sustainable resource management and to share information on sustainability practices with leading jurisdictions and practitioners from across North America; holding a series of meetings with representatives from the resource sector, academic, social and environmental groups, local governments, federal government and first nations representatives; creating a ministry website to obtain public input; and taking the results of our consultation to cabinet this fall for a final decision and implementation.

Hon. G. Campbell: Thank you, Stan.

Judith.

Hon. J. Reid: I have a number of questions with regards to this. I'm trying to think about other applications and envision how you would see this working out in other areas. If I look at it from the transportation viewpoint, I'm trying to see what would apply here and how that would work.

I guess one of my first questions would be: when you talk about sustainability and ecosystem integrity, we know that everything we do has some kind of effect, whether it be a short-term effect that might be acceptable and disappears with nature in a few years or a long-term effect that would be totally unacceptable. But we still have that footprint in everything that we do. So while we're talking about science-based decision-making, are you expecting that every single thing that we do, then, would have to be studied in some kind of a scientific manner in order to be able to move ahead on any initiatives or projects?

Hon. S. Hagen: No, certainly not. If you look at building highways, for instance, probably the first highway project in this province that was constructed with some sensitivity given to the environment was the Coquihalla. Up to that point, people did not look at the impact on the environment of building a highway. When the Island Highway was planned, I can tell you that there were a lot of considerations given to the environment from coho watershed spawning areas to animal migration patterns - to all of that.

These are sort of overriding, high-level principles against which we can gauge what we're doing as government. We've said in our New Era commitment that we were going to do things on scientifically based environmental standards that we could hold up and say: "Yes, we are caring for the environment." It's not as if every minor, little decision gets looked at from these principles. These are overriding, high-level principles that all people in government can look at and say, "Okay, in the case of highways, yes, we're taking the environment into consideration," in the case of aquaculture, "Yes, these meet our sustainability principles," and in other initiatives as well.

Hon. J. Reid: You know that we always get opposition for whatever initiatives, and a lot of people will talk about environmental concerns. Sometimes they're really talking about their social concerns or social values, but they will express those in environmental terms.

Trying to separate what's environmentally significant from the social concerns and what we will require government to do as far as science-based decision-making, are you going to come out with further guidelines so that people can see what is intended here?

Hon. S. Hagen: What we're going to do if we get approval on this today is go out to the public for three months of consultation to get responses from local governments, from environmental groups and from industry on how they see, you know, what their impression is of these principles. Then I'll be coming back to cabinet in the fall with that information, if there are changes, and asking for approval of these principles. Right now

all we want to do is go out and consult with the public.

Hon. J. Reid: Okay. I guess my last question here is.... We're talking about being able to measure things, to be able to raise this to a level so we can have some discussions around sustainability and talk about accountability in this. The concern that I have is around the social side of how we measure that, how we apply science to that or how we are going to be accountable or results-oriented.

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While we want to be transparent in the decision-making, we do have measurements that are fairly acceptable for the environmental side, as you said, on roads. We've become much more aware of those kinds of impacts. We can look at the economic side. We have measurements for that.

What tools would you suggest we use for the social side of how we're going to measure those impacts or ascertain how that fits into the overall dynamic?

Hon. S. Hagen: Well, certainly one of the tools is, as the Premier mentioned, what the effect is on jobs. Does this involve job losses? One of the critical jobs of my ministry is to find the balance between the economy and the environment. That's what we do. That's what we'll be looking for here in developing the sustainability principles - to find that critical balance between the environment and the economy.

Hon. G. Campbell: Other questions? John and then Geoff.

Hon. J. van Dongen: Thank you, Premier.

Just a number of quick comments, I guess. I've worked with Stan quite a bit on this through the Cabinet Committee on Economy and Environment and the GCCs.

Stan, first of all, a comment. I think this relates to what Judith has said. It's in the vision where you talk about protecting ecosystem integrity. I think that's one where we need to be cautious about interpretation. I know that will probably come through in the public consultations that you want to do. I think that is something to keep an eye on - that definition.

I think what we're trying to put in place here... First of all, I really support the initiative,

because I think it gives us a framework as a government and as resource ministries to make decisions against. It won't solve the issues of where you draw the balance. That is still always a matter of interpretation. I think the concerns that have been expressed to date about this really relate to where you draw the balance as opposed to being particularly concerned about the framework itself.

I think it provides a good tool. I know from one of our meetings that Joyce Murray was just starting to look at the drinking water issue. Just in terms of the work that had been done to date and the framework that had been developed, following that framework helps to facilitate and really speed up the process. You can just basically work down a checklist of the kinds of issues, the ten issues that Stan has identified - the stuff you need to work through to get to a decision. This will represent a balanced decision that, hopefully, will better reflect the goals of the government on all three fronts - the social front, the environmental front and the economic front.

I think it will help improve and speed up decision-making. I think it will also be a good tool with which to communicate the decisions that government is contemplating and is making. I think the discussions you have in the next two or three months, if this is approved, will help to illustrate that.

One comment I would also make, and it's on page 4 of your submission, is that we do have to be careful that it doesn't become overly bureaucratic or become a cumbersome thing rather than a working, useful tool that is going to be actively used. I just wanted to emphasize that point.

I don't really have any questions, Premier. Those are just some comments I wanted to pass on to the rest of cabinet.

Hon. G. Campbell: Thanks, John.

Geoff?

Hon. G. Plant: Thanks, Premier.

Stan, I want to speak in support of the second option but raise an issue that may or may not be a question. It's perhaps a matter of emphasis as much as anything.

One of the principles that is part of this list is the idea of shared responsibility. I think I know what you mean by that - that is, it is our role as government to ensure that all of the other actors in this piece are constructively participating, working together and

taking some measure of responsibility for the decisions that are being made. I also think it's important that we as government not abdicate our fundamental responsibility to make these decisions.

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I actually think that one of the characteristics of government over the last decade was that on some public policy issues, the former government essentially gave away their responsibility for the issue by creating groups of stakeholders and saying: "You decide, and whatever you decide, we'll do." That, in my view, tends to create lowest-common-denominator public policy, which attempts to please everybody and ultimately doesn't serve the public interest.

I don't think that's what you are intending here. As you go forward and talk about and learn what other people think about what you mean by the idea of shared responsibility, I hope you'll be able to give some expression to this distinction, which recognizes that at the end of a process that takes these principles into account, we as government have to decide what is in the public interest. To pick up on some of the things that Judith and John were talking about and the striking of the balance between the economy and the environment that you say is your responsibility, that is ultimately our responsibility. We'll be held to account by the electorate for our success or failure in doing a good job of that.

Hon. G. Campbell: Stan.

Hon. S. Hagen: Through you, Premier, to the Attorney: excellent comments. I guess an example would be that under the former government, some of these land use plans they worked on... For instance, the central coast was worked on for a period of five years to achieve just an interim sort of decision. What we've done is given the tables time lines, and we've also said in all of our correspondence that if the table fails to reach a decision, then government will make the decision.

They're good comments. I'll make sure that it's highlighted a bit more than what it is.

Hon. G. Campbell: Greg.

Hon. G. Halsey-Brandt: Thank you, Premier.

Stan, I certainly appreciate your presentation and certainly option 2. My concern is somewhat out of what the Attorney General talked about - working with other governments and sort of coming together - and your comment about policy rather than operational... It's my experience that often governments are pretty good at the policy stuff, but when it comes down to the operational, unless we come up with some benchmarks about what we mean in terms of levels of sustainability, the wheels start to fall off the engine.

I just might mention the Georgia basin initiative. I think it's been around for about a decade or so. I believe the federal government is now the lead agency on that; I'm not sure. Without some kind of benchmarks... If you look at marine life, perhaps in Georgia strait... We talk about the number of herring or crabs or the size of crabs, where the oysters are found, the climb in the amount of rockfish that we have in the Georgia basin. It's like the canary in the coalmine unless there are some benchmarks out there. I would hope that certainly over the summer we might look at discussing this with stakeholders and other governments and perhaps coming up with some policy things. I think, eventually, you kind of have to get some benchmarks and operational things in there - that this is how we measure things.

We just can't keep shrinking the natural environment. I mean, we talk about a balance, but it always seems to shrink, if you follow me, as opposed to the economy. Particularly around the Georgia basin, again, when you look at the expansion of the urban areas, air pollution, wastewater treatment and all those sorts of things.... I do think there has to be a balance, but I think there's got to be some clear benchmarks as well.

Hon. S. Hagen: Okay. I'll take that comment.

What we are not planning on doing is increasing the amount of regulations. That's why the word "operational" is in there. What we're trying to do, as John pointed out, is speed up the approval process and speed up the way we look at these issues as government. By having a set of principles there, I think it really has helped on the aquaculture file, for instance, to be able to assess what we're doing to the principles as described. I'll make a note of the benchmark issue.

Hon. G. Halsey-Brandt: I do think there is a cumulative effect as well. We can look at individual activities, but if we don't look at the overall cumulative effects—whether it's one of your planning areas or the Georgia basin or whatever—sometimes we lose out if we don't look at the overall. Thank you very much.

Hon. G. Campbell: I think that we should be moving forward as well. I do think there

are a couple things that are critical about this, though. One is that I do believe that over the last little while we've had this sort of.... I think it was about the late eighties or early nineties when consensus started to mean unanimity. None of these decisions are easy decisions to make. Interest-based politics and consultation came to who could state their interests in the most direct way and sort of fight the longest for their interest, and to heck with all the other principles.

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It seems to me that as government enters into sustainability principles, it's important that others that are at the table also embrace the same set of principles, so they've got the same checklist of ten principles that they're striving to achieve.

The second thing that I think is important is that as they embrace all those, it is critical, as we go through the consultation process, that we are explicit about what is meant by these principles. What we say and what someone hears may be different. What one person reads on a paper.... We've found that in the activities that we're undertaking with the BCMA. When we write "2005," they don't read "2005," so I do think it's important for us to be clear and explicit about what we actually mean by things.

When we say "integration," it's a nice word. Who could argue with integration? Except the question is: who can define it also? That's why everyone can agree to it so easily. Or transparency - what do we really mean by that? There's always going to be someone who will say... I've had meetings with 300 people at them, and someone will say, "We haven't had enough people at the meeting" - right? I do think there are those issues that we have to be pretty clear on. Otherwise, this will become - as opposed to an enabler, which is, I think, what we're trying to make it at the time, where we build one another's literacy about these issues - basically a stumbling block.

I hope that as we go through that process, those two things are underlined. You start to deal with the issue that Geoff and John and Greg raised by being explicit about what we mean by "is going on there." There are a lot of big words we use. I think it's important we know what they mean in terms of straightforward sentences for the public as well.

Any other questions on that?

Thanks, Stan. That's an impressive start. We'll move forward with option 2.

The next item on the agenda is a report from Geoff on aboriginal services.

For Information: Aboriginal Services

Hon. G. Plant: Actually, we'll ask George to take the first stab at it.

Hon. G. Campbell: All right, fine. George. You're right.

Hon. G. Abbott: Thank you. I'm sure Geoff will fill in any of the parts that I don't address adequately, Premier. Thank you for this opportunity to update you, Premier, and cabinet on the range of social and economic initiatives that we've undertaken with respect to aboriginal services in British Columbia.

My ministry, through its aboriginal directorate, coordinates government policy that's aimed at increasing and enhancing the participation of aboriginal people and communities in the provincial economy. As you know, we work collaboratively across the range of provincial ministries that work with aboriginal communities. We also, obviously, work with aboriginal governments and organizations, as well as with local governments and with the federal government. The aim of all this is to promote responsive, coordinated and effective programs and services for B.C.'s aboriginal peoples.

To begin, I'd like to review some of the key facts and challenges that are faced by our aboriginal population. There are currently about 140,000 aboriginal people in B.C., which represents about 4 percent of the province's population. One of the issues that has changed over time is the number of aboriginal people that live off reserve. That has been growing quite dramatically over time and now is estimated to be about 70 percent living off reserve.

When we look at the social and economic position of aboriginal people in the province - when we look at virtually every measure with respect to standard of living, income, employment, education, housing, and so on - aboriginal people, whether they live on or off reserve, have a lower standard of living than the provincial average. Some of the latest analyses with regard to this would suggest that for aboriginal people, they are about 20 percent lower in terms of standard of living.

For example, statistically, aboriginal people are much more likely to be unemployed. Typically, the unemployment rate in aboriginal communities is 2½ to three times higher than the general population. In terms of education, in the most recent work we have on that, 1999-2000, nearly two-thirds of aboriginal students did not complete high school.

Social conditions and lack of family supports were among the key factors in that very alarming statistic. I know the Minister of Education is working very hard to turn that particular statistic around.

[10:25]

As well, our aboriginal citizens live an average of seven years less due to, among a variety of factors, high incidence of diabetes, HIV/AIDS, alcohol and substance abuse, and a number of other factors that contribute to that lower life span for aboriginal people. Additionally, aboriginal people are four times more likely to commit suicide than, again, the general population. This is the unfortunate reality we face in British Columbia today with respect to the conditions faced by aboriginal people, and addressing those very complex problems requires all of our collective efforts.

A final key fact—and I think this is an important one to emphasize—is that over half of the aboriginal population in British Columbia is under age 25. It's a very, very young population. This fact, I think, provides both a challenge and an opportunity. This group, clearly, will play a key role in the economic well-being of our aboriginal people, their communities and the future of British Columbia.

Premier, we've committed to six key initiatives which we're implementing in collaboration with our aboriginal partners, with the goal of improving their standard of living. Now, among these are a first citizens forum to create dialogue between the provincial government and aboriginal people that would complement our extensive and ongoing dialogue with first nations groups and leaders. The first of the first citizens forums will likely be held in October.

We've also committed to doubling the First Citizens Fund from \$36 million to \$72 million by 2004. We're adding \$9 million every fiscal year, so we've already invested 18 million additional dollars in the First Citizens Fund to date, with a further \$18 million to follow in the next two fiscal years.

We've committed to improved access to technology in aboriginal communities, and we're consulting with them on their needs in this regard. As well, we want to devote special attention and resources to address the needs of aboriginal women and aboriginal youth, and we will partner with the federal government to address the challenges and barriers that urban aboriginal residents face, again going back to that key fact we noted earlier: more and more aboriginal people are living in an urban setting.

Finally, Premier, we've committed our support to preserve and protect aboriginal languages in British Columbia. It's important to note that British Columbia has a really rich and remarkable diversity in its aboriginal languages. In fact, the majority of aboriginal languages in Canada are spoken in British Columbia. This is a very important project for us. Currently, we are supporting this program with over \$800,000 a year, with that support rising to a million dollars annually in the coming fiscal year.

We have much to do to meet these commitments I've laid out. There are three principal elements in our strategy to achieve them. First, as you know, Premier, you and the Attorney General and I meet on a regular and ongoing basis with aboriginal leaders and organizations to discuss issues. We've had very productive sessions. Particularly, we've been joined at various times, as appropriate, by Ministers of Health, Education, Children and Family Development, and Energy. Second, we work closely with the federal government to improve coordination of programs and services for all aboriginal people in B.C. Third, we're making sure that provincial programs and services are delivered effectively and in an integrated way. Clearly, only through a focused and diligent effort by all governments and organizations will we see improvement in the social and economic measures I noted earlier.

Today I want to highlight two new initiatives for you and cabinet that focus on employment, skills and leadership opportunities. With the Métis Provincial Council we're piloting an aboriginal employment partnership initiative. This program will help train aboriginal people for jobs and create a permanent attachment to the workforce. I'm pleased to advise that towards this end, the first agreement was recently signed with the Vancouver Island health authority.

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We've also undertaken a new pilot program in the northwest called Aboriginal Youth FIRST - FIRST standing for futures in recreation, sport and tourism. This is a program that's been developed to build leadership skills for young people in recreation, sport and adventure tourism sectors.

I do want to acknowledge the contribution of my friend and colleague Gordie Hogg, whose experience with the Nighthoops program, particularly in Surrey, provided some inspiration to this program. His contribution's been very important to making this work. I know I'm very excited about the possibilities of sport as an intervention in young aboriginal lives. I do hope this program is going to be a great success.

I'd also like to note broader initiatives that are aimed at strengthening and revitalizing aboriginal communities. As I noted earlier, we're going to increase to \$1 million the provincial contribution for the language and culture programs. In particular, a web-based interactive language program called FirstVoices will strengthen aboriginal languages in the province.

We're also working with the federal and local governments and with aboriginal people to identify solutions to urban problems. Lynn Stephens, for example, is working on initiatives that can support aboriginal organizations to build capacity in the child care sector and assist aboriginal families with their child care needs.

We're also working with the chief information officer of the province to connect remote communities electronically through ProvNet, the electronic backbone of the province.

One program I want to mention, Raven Youth Tech, offers computer access and training to aboriginal youth through the B.C. Aboriginal Friendship Centres. It's been very successful, and there's been very keen use of that by young aboriginal people.

There are also a number of other initiatives underway across government. I just want to highlight a few of these. There are many, but I just want to highlight a few that are aimed at increasing the well-being and participation of aboriginal people and communities in the life and economy of B.C.

For example, in early childhood development. I know Linda's working very hard on this in relation to fetal alcohol syndrome and fetal alcohol effect. This is being supported through the Ministry of Children and Family Development.

The Ministry of Attorney General, as Geoff laid out at a recent open cabinet session, introduced a \$30 million fund to create economic opportunities over the next three years.

The ministries of Health Services and Health Planning will require health authorities to submit aboriginal health plans obviously aimed at trying to identify the specific needs of aboriginal communities.

The Ministry of Education is developing agreements with school districts and aboriginal communities to help improve student achievement, keep kids in school and turn around that very alarming statistic about high school graduation among aboriginal youth.

As well, increased training opportunities for aboriginal people is the focus of a program

in the Ministry of Advanced Education to help address the shortage of aboriginal social and child care workers.

Finally, as I noted earlier, I'm working directly with the Premier on the inaugural first citizens forum to be held this fall.

In conclusion, Premier, this is an action-oriented agenda based on partnerships between aboriginal people, the private sector and all levels of government. Some of the initiatives are well underway and already producing results; others are just beginning and, I think, look promising as we move forward. Consultation with all of our partners will be ongoing.

Premier, you've made a strong commitment to material improvement to the quality of life of aboriginal people in British Columbia. Meeting those commitments will require the concerted effort and focus of all members of cabinet and their ministries. It will also require continued dialogue with aboriginal people and other partners to identify more precisely the challenges they face and to explore potential solutions. It's an ambitious agenda, but I'm certainly confident that it's achievable.

I look forward to any questions that cabinet may have with respect to this.

Hon. G. Campbell: Thanks.

Questions? Judith.

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Hon. J. Reid: You mentioned results-based. These are very serious problems, and we don't want to see, I'm sure, programs that are out there in name if they're not producing the results for people that are actually going to make a difference in their lives.

Is there a consistent approach to trying to measure results with these programs so that you can work with the aboriginal people and find out what's working and what's not? Instead of just having a program that's there, there's an ongoing tuning of that to make sure we're actually achieving something with these people, for these people, that is going to be useful for them.

Hon. G. Campbell: George.

Hon. G. Abbott: Thanks, Chair.

That's an excellent point and an excellent question. In some areas it is possible to measure with precision. We're doing a reasonably good job, for example, in education. We know the success rate that aboriginal students are or aren't enjoying with respect to high school graduation and so on. In some areas the measurables are there. In other areas... I found it interesting yesterday, as I tried to get some information on unemployment rates in aboriginal communities, that they are not very recent and they are not very precise. We can estimate two and a half to three times the general population, but the measures are not precise.

I agree with you. We do have to have measurables in place to ensure that the program dollars we are spending generally, jointly with the federal government but sometimes with the private sector and sometimes with others, are in fact producing the results we want to see. The last thing we want to see happen is for us to spend programmatic dollars in areas where they're not producing results. To ensure that we're producing results, we have to have good measures in place, and in some areas those are in place and in others not.

Hon. G. Campbell: Gulzar, Linda, Sindi.

Hon. G. Cheema: George, one of your slides was showing that there are four times more chances of having a suicide within the first nations community. I must tell you that I was very disturbed when I took on this job and we found that there was not a single major comprehensive program for mental health for first nations in this province.

We took the first step. We had a first meeting. That was about two and a half months ago. We will come up with a comprehensive policy for you to work on.

Can you tell me: are you going to be working on part of your Vancouver agreement to have a substance addiction service in part of east Vancouver? That's a major, major problem, and there is a duplication and a very complex issue of mental health and substance abuse. Are you going to be working on any specific projects for the first nations people?

Hon. G. Abbott: Thank you. I think your point is a very good one. There is a clear correlation between issues like the very high suicide rate, particularly among aboriginal youth, and substance abuse problems, mental health issues and so on.

I don't believe there is any single solution to the issue. It is going to involve, I'm sure, the very important programs that you've undertaken in the mental health area, but I think it will also involve - and I mentioned the one program that Gordie and I have been working on for the past few months, which is the Aboriginal Youth FIRST....

We believe that in order to effectively address the issue, for example, of suicide among young people or alcohol or substance abuse among young people, there are a number of parts of the equation. It's important that young people have an opportunity to enjoy the opportunity to participate in sports, in recreational activities that become an outlet other than the destructive kinds of activities that may occur in their absence.

When we had our meeting earlier on this year with the aboriginal leaders from all around the province, and all of cabinet was there, Gordie and I both talked to a lot of the chiefs that were there and asked them particularly: -Are there things for young people on your reserve or in your community to do?- Almost without exception, they said: -One of our biggest problems is that there's no opportunity for kids to get involved in sport and recreational activities, and as a consequence they tend to fall into more destructive activities.-

[10:40]

I think that's a lot of the inspiration here. It's not a single answer either. Part of it is education, part of it is health, and part of it is being involved in sport and recreation. There's a whole bunch of pieces to turning around a statistic as alarming as four times the general rate on suicide.

I do think we can make progress on that. I'm certainly looking forward to moving ahead and seeing some of those things turn around.

Hon. G. Campbell: I think this is a perfect example of where, if you're not getting the results you want, you'd better change what you're doing. Clearly, for aboriginal people we're not even in shouting distance. We can barely see the results that we want.

I'll just say to you all that I've had the opportunity to work with a number of aboriginal leaders, as George has mentioned, through the meetings we've had with the First Nations Summit task group on health care, education, energy development and children and family issues - all of those. I think one of the challenges we faced in the past is that we forgot that the answers to a lot of these problems lie in the leadership of first nations themselves and their recommendations for how we can move forward together.

My hope is that over the next little while we will build even stronger alliances between the first nations leadership and the government in providing for the services that people need and in working with them to acquire the services that they should clearly be receiving from the federal government, which the federal government has clearly not provided.

Health care is a very good example. Early childhood development is another area where we think there are huge opportunities in aboriginal communities for long-term improvement and benefits. Education is another area where we think there's got to be a different model, because the results we're getting here are clearly totally unacceptable to any of us. That's just from looking at them on the surface, but imagine how you'd feel if it was your child or your family where two-thirds of your kids weren't even getting through high school. We have a lot of work to do.

I must say that I've been very pleased not just with the initiatives you've taken, George, but with the contribution that the aboriginal leadership have been willing to make. They've been asking to make it, in fact, and I think we're starting to make some small progress on that.

We've got Linda, Sindi, Geoff and Richard.

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Hon. L. Reid: Thanks, Premier.

George, certainly the most startling key fact, I believe, is the fact that 50 percent of the aboriginal population—roughly 70,000 people—is under 25 years of age. That's an enormous challenge for the area of early childhood development, because the birthrate is many times higher than the national average in this population.

Just to add to your comments, we have 25 communities coming on line for early childhood development programs with the aboriginal communities. We have an aboriginal infant development consultant coming on line in the next month, I would hope. The sense of where Minister Hogg has gone around strategic shifts and where the government is going in terms of interministerial collaboration is all about building capacity with community.

I support very strongly the comments you've made this morning. I think it's vitally important that all of us together assume some responsibility. This community touches every single ministry of this government.

I'm delighted to say that the work I have had done with the FASD, fetal alcohol syndrome disorder, strategy is across government. I thank you sincerely, your ministry and the other child-serving ministries of this government, for the absolutely superb collaboration. I think it's been outstanding. Thank you.

Hon. G. Campbell: Sindi.

Hon. S. Hawkins: Thank you, Premier.

George, I support a lot of what you're doing. I know my ministry has been working with yours on some of the health initiatives. I think it's great that you mentioned the provincial health officer's report, because we are expecting that report to be released sometime later this summer, and it is going to deal with aboriginal health. It's going to have a lot of valuable information and recommendations. I'll look forward to sharing that with all of you and discussing the recommendations and how we move forward on that report.

I think it is important to know that we have been working with the first nations groups. The aboriginal health plans are required to be submitted by the health authorities by September of this year.

Premier, you'll remember we met with the First Nations Summit health committee. You had asked us to do some deliverables with them. One of the things that my ministry is doing is working on developing indicators and accountability measures for the health authorities. I understand those will be ready and submitted in September as well.

[10:45]

This spring we released a companion guide to the B.C. HealthGuide which was developed by the first nations health committee and is an aboriginal health guide.

So there is a lot of good work being done, and I look forward to working with George on some of the other initiatives that he's moving forward with.

Hon. G. Campbell: Thanks, Sindi.

Geoff.

Hon. G. Plant: I want to congratulate you on assembling this presentation, George, and I guess I have two comments.

One is to pick up on something the Premier has already said but which I think deserves to be said twice. Primary constitutional responsibility for aboriginal issues is federal, not provincial, and there is a long-term challenge - and it will continue for as long as we're around - in terms of making sure the federal government understands the need that exists in British Columbia and responds to it adequately.

I know, Premier, that you've talked about the role we can play as a provincial government in advocating for first nations needs with the federal government, and I think we should be continually looking for opportunities to do that in a coordinated way.

I know you are working on that, George. I think the challenge for us is to find a way to be sure that when we do act, we're not acting just because the federal government has failed to do what it should be doing, but rather that we are acting in a way that's mutually complementary and hopefully working for the benefit of everybody, including first nations. It was part of your presentation, but I just think it deserves to be emphasized that we need to talk about the fact that the federal government has a significant role to play here and that we have a role to play in terms of persuading the federal government to respond to that need.

The second point I wanted to make is that the thing I liked about the presentation is that it does focus on things we are doing. Hopefully, over time we'll be able to point to some of these initiatives and talk about them as success stories. I do think that while we talk about the challenges - and they are real, and they're sometimes daunting - that face first nations people in British Columbia, we also do need to acknowledge some realities and be sure the public is aware of them.

John and I were at a meeting a week or so ago where we were reminded that traditionally, a third of the participation in the commercial fishery in British Columbia has been aboriginal, and it continues to be. In conjunction with developing a policy and business plan around the economic measures fund, working with Mike de Jong's ministry, we learned that if you add it all together, first nations actually have 4 percent of the annual allowable cut of timber resources in British Columbia under their control now.

We are gradually making some progress. There are some historic participation rates in some levels of our economy that it's important to acknowledge.

None of that, of course, undermines the hugeness of the social and economic challenge that you identified, but somehow, I guess, what we need to do is be able to talk about both the challenges and what we're doing to address them and also, where we do find them, some small measures of success. If people get some sense of confidence that

there are some bright lights around there, then I think that will help us make progress towards building bigger and brighter lights.

Anyway, thanks for that.

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Hon. G. Campbell: Richard, Christy, Shirley, Lynn.

Hon. R. Neufeld: Thank you, George. It was a good presentation.

I want to ask a little bit about - and it's a little bit off - what Judith talked about: results. There are, I think, some 200-odd bands in British Columbia. They are widely dispersed, some under treaty and some not under treaty, and obviously some different resources are needed in different places. Some bands are a lot further along than others economically or whatever.

[10:50]

When you talk in your action plan about ongoing consultation, with discussions with aboriginal leaders, and realizing that one size doesn't fit all, is your ministry in consultation with Treaty 8, the area that Blair Lekstrom and I represent and a huge part of the province that's been under treaty for a hundred years? Is your ministry in direct contact with some of the aboriginal leaders in Treaty 8 or the leadership of that group of seven bands?

Hon. G. Abbott: What we try to do, Richard, is connect with all of the aboriginal leadership in the province. It isn't all unified. The Premier noted that we meet, I think, on about a quarterly basis with the leaders of the First Nations Summit, but we've also met with the Union of B.C. Indian Chiefs, which is generally that group of aboriginal leadership that is outside the treaty process and intends to stay there at least for the foreseeable future. As well, there's the United Native Nations, who are generally leaders among the urban aboriginals, the off-reserve aboriginals. Of course, the Association of B.C. Indian Friendship Centres is also a leadership group in the province for some areas.

It's difficult to say with respect to any particular band that we're engaged with them. I think in likelihood we are, because we have tried to connect with all of the different leadership groups in the province. I'm not sure whether the Treaty 8 bands are part of the First Nations Summit or part of the Union of B.C. Indian Chiefs; I don't know that for

a fact. Certainly, we've tried to keep in touch with all of the aboriginal leaders in the province.

Hon. R. Neufeld: Just to follow up on that a little bit. Later this week the Premier and I will be meeting with the Treaty 8 bands in Fort St. John when the Premier is up speaking at the chamber of commerce in Fort St. John and then later in Dawson Creek. It'll be a good time. In fact, this is the second time that the Premier has met with the Treaty 8 bands. I think that's a real mark that's never happened before. I don't think the Treaty 8 bands in northeast B.C. have ever met with the Premier of the province of British Columbia, and within a year they will have met with the Premier twice, after Friday. That shows the commitment, I believe, from the Premier and this government and from you, George, in the work. I'm not trying to target anything. I appreciate it's difficult, it's huge, it's daunting, and I think you're doing a very good job at it. I support you at it. We'll work together with you to make sure that consultation takes place between the non-treaty bands and your ministry.

Hon. G. Campbell: Thanks.

Christy, followed by Shirley and Lynn.

Hon. C. Clark: Thanks for the presentation, George. I think it is important that you or someone in cabinet helps connect all of us that are working on first nations issues. Nobody in British Columbia sees themselves, I think, working in a silo or being served by one part of government separately from another, particularly not aboriginal communities. It is important that we all work in a connected way.

I just wanted to add that in addition to expanding the number of enhancement agreements that we have with first nations, we are also drawing attention to first nations student achievement in every accountability contract. That will be drawn out on a district-by-district basis with a goal for improvement set in every district.

We are initiating a second head count of kids in February so that we can see not just the number of students who have been registered in September as first nations kids but how many the school district has been successful in keeping in their seats in February so that we know that they're staying and we can get a sense of how well they're retaining them.

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I wanted to point this out as well. We have been working fairly aggressively with the Canadian Council of Ministers of Education to get first nations issues on the federal agenda. We've done that at our most recent meeting, and we've heard from the federal government that they are very interested. Bob Nault in particular, the Minister of Indian Affairs and Northern Development, is quite interested in moving on first nations education issues. Further to Geoff's point, I'm quite hopeful that we will start to see the federal government step up to the plate in a much more coordinated way to support first nations learners, because as you said, there's a 39 percent graduation rate for first nations kids compared to a 78 percent graduation rate for non-first nations kids. That's a pretty stark difference, and there is a lot we need to do if we're to go anywhere to closing that gap.

Hon. G. Campbell: Thanks.

Shirley.

Hon. S. Bond: Just two quick comments further to Christy's comments about working with the ministers across Canada. Christy was aggressive, to say the least, in bringing to their attention and to the federal government's attention their responsibility and the challenges we face with aboriginal students in this province. We seized the agenda, as was our intention, and we hope that will continue to be a very high-priority item there.

George also pointed to a fact that is both a challenge and an opportunity for us. There's been much discussion about industry training and skills training in this province. There's been comment today that the best social program you can have is a job. In the recent report by the B.C. Chamber about the skills shortages and how we would address them in this province, one of the startling facts they pointed out was the incredible underutilization of a pool of workers, and they are actually aboriginal young people in this province. As you pointed out, half of their population is under the age of 25 years old. In this province we have a pool of potential workers to deal with some of those industry training issues that we're facing. We're beginning to have discussions with our transition advisory committee and also the chamber and others in this province about how we might take better advantage of a pool of workers that have been underutilized in this province - so an exciting opportunity, as you point out, in terms of the demographics in the province.

Hon. G. Campbell: Lynn.

Hon. L. Stephens: Thank you.

I'd just like to make a comment, first of all, that I think the decision that was taken to separate the social and economic challenges for aboriginal people from the treaty negotiations activities was probably the one that has been instrumental in allowing these kinds of programs to go forward. I think it was an excellent decision that was made, and George has been able to do a lot of great work because of that.

Building capacity in the communities really is what it's all about, and there are some tremendous challenges around that. We're working with the B.C. Aboriginal Child Care Society to support their work in providing families and women and children in aboriginal communities with the kinds of supports that they need to provide those services in the communities. They are, I have to say, doing great work. They're extremely well organized, they have an excellent program, and they are making some great strides.

We're also looking at developing leadership for aboriginal women, because a lot of the aboriginal women in the communities are the ones that are really stepping up and trying to make some significant changes for the people living on reserve and off reserve. We're happy that we're able to provide some supports there as well, particularly with the downtown east side issues that Gulzar talked about.

We're responsible, too, for the Vancouver agreement, and George is working very hard there and with the Downtown Eastside Women's Centre, which provides a lot of those kinds of services for aboriginal women particularly on the downtown east side, and with the coastal health authority, so there's a lot of work that is being done in this ministry to address these really important issues.

Again I say: I think it's because the decision was made - I think by you, Mr. Premier - to make sure that the social and economic issues of aboriginal people were put at the top of the agenda, and I think George has done a good job in that regard.

Hon. G. Campbell: Any other comments or questions?

Thanks, George.

The next item on the agenda is the draft community charter discussion paper. Ted.

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For Decision: Draft Community Charter

Hon. T. Nebbeling: Thank you, Premier.

Today I'm pleased to report to you, to cabinet and to the public the current status of the community charter. I came to cabinet four weeks ago with a draft of the community charter White Paper. We had some considerable discussions and suggestions made by cabinet members. I've been able to make adjustments and fine-tune the document to reflect some of the recommendations that were made by cabinet during that meeting. I'm confident that today the draft community charter White Paper and the community charter draft itself are ready for their next step in the process, and that is tabling the community charter draft in the Legislature followed then by a period of further public consultation.

[11:00]

I think it is important, Premier, that I give a bit of historical perspective on how we have arrived with the community charter. The community charter got its start in 1991 during an annual convention of the UBCM where the then incoming president and mayor of Vancouver, Gordon Campbell, introduced a local government bill of rights. This bill of rights was based on a series of principles that should create the foundation for a new relationship between local government and the provincial government, a relationship based on mutual respect and cooperation.

Over this last decade much work has been done in making this idea a reality. Last August we fulfilled a major New Era commitment by introducing the Community Charter Council Act, which allowed us to create the Community Charter Council. The council, jointly appointed by the UBCM and the provincial government, was directed to make recommendations to government on a legislative framework for local government. Five regional meetings, 600 submissions, 20 full days of discussions by the council and countless staff hours later, we're here to consider the next step of the community charter.

One question sometimes asked is: why are we developing a community charter? One of the reasons we are all sitting in this room today is because we listened to the concerns of the public. We created our plan - our New Era document - and we are delivering on our commitments to the public.

In the New Era document, Premier, we said we would not off-load responsibilities onto local governments without adding necessary resources. We also said local governments needed the necessary legislative tools to be able to make local decisions locally and that raising property taxes must not be their only way of raising revenue. The community charter will live up to these commitments.

From experience as a former mayor and councillor, I know that talent and creativity of British Columbians thrive in every community in the province, but municipal councils have not had the legislative tools and abilities to tap into these resources and use them for the betterment of the community. One thing the charter will do is give councils a broader authority to better determine their needs and provide for the services the community wants and needs, without the need to constantly go back to the government in Victoria for approval of their new directions in their communities. The charter will allow local governments to build partnerships with the private sector to aid in delivering the services and infrastructure the community sees as a priority and a need.

Back in 1991 at that very important annual convention of the UBCM, what was made clear in the local government bill of rights was the principle that municipal government must be recognized as an order of government in their own right, not simply as it has been for the last 150 years: a younger sibling in a paternalistic relationship with the provincial and federal governments.

Currently, the provincial government can act unilaterally and change local government legislation without consultation. With the charter, this will be different. First of all, we will recognize local government as an order of government in their own jurisdiction and develop an atmosphere of mutual respect between the province and local governments. We will enhance consultation with communities, outlaw forced amalgamations of municipalities, and we will reduce the burden of often unnecessary provincial approvals. This will strengthen the relationship between orders of government.

Of course, part and parcel of greater powers to local government must include an emphasis on greater accountability to their citizens. Currently, there is no requirement for a municipality to report results to citizens like a board of directors does to its corporate shareholders. The community charter will contain requirements for greater disclosure in the reporting of results to citizens and will enhance ethical conduct guidelines. This will move citizens towards feeling that they're part of what the local representatives are doing and make the local representatives more accountable to them.

[11:05]

It is my hope that we will see a new climate develop in local communities throughout British Columbia, where citizens feel comfortable and committed to be part of the dialogue that happens in communities in order to assure the best results for the community and their objectives.

What the community charter will provide us with is the most empowering and balanced municipal legislation in Canada. I should tell cabinet that quite a few other provinces are watching very carefully what we are doing in British Columbia. Our community charter could well become the new model for other provinces in how they develop their relationship with local governments.

It's bold and innovative legislation that balances new powers and responsibilities with accountability to citizens and the interest of the province as a whole. It ensures that the provincial interest, the municipal interest and the citizens' interest are all addressed. I'm very proud of this legislation. We have had excellent input from citizens, businesses and local governments. I'm confident we have produced a consensus document that takes into account the many views and perspectives of our diverse province. Community charter will be an important tool for the quality of people's life today.

Today I seek cabinet approval to table the draft community charter in the Legislature so that we can proceed onto the broader path of further public consultation and develop a final bill to be introduced in the Legislature later this year.

Thank you, Mr. Premier.

Hon. G. Campbell: Questions? Katherine and Greg.

Hon. K. Whittred: Thank you, Premier.

Ted, you mentioned in your report that you were not going to force amalgamation on communities. Amalgamation, as you know, is a very topical issue in my community.

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Hon. G. Campbell: Except for the North Shore, Katherine. [Laughter.]

Hon. K. Whittred: I wonder if you could elaborate on what would be the criteria for municipalities to amalgamate.

Hon. T. Nebbeling: If there is a desire by communities to amalgamate, each community that would be part of the amalgamation has to have a local referendum. Each individual community has to have 50 percent or more support behind an amalgamation process. If that happens, then the provincial government will assist these communities to come together and go through the process. It is really based on the fact that each community individually has to buy into an amalgamation.

Hon. G. Campbell: Greg.

Hon. G. Halsey-Brandt: Thank you.

Ted, I appreciate the work you've done over the past year. I know, from local government, that it's been an awful lot of work. I think there are over 170 local governments out there and then some regional districts on top of that. To try and bring them together and prepare this has certainly been a gigantic task. I look forward to the input over the summer.

My question is directed around a dialogue in the future, once this becomes legislation. We have the UBCM. We've had a joint council between cabinet and local government. You've talked about the Community Charter Council perhaps. I'm just asking, in terms of dialogue with the communities... My question is how you will sort of pursue that.

Often what government tries to do is legislate for the lowest common denominator. For example, if there are questions raised about taxation levels... Maybe in some communities the taxation level on business or utilities may be quite a bit more than it is for residents, and there's a feeling in the general community that maybe it's unfair or that development cost charges are too high and driving down new development. There doesn't appear to me a mechanism where the province or municipalities or group of municipalities can get together to try and talk about those kinds of issues. They sort of expect us to legislate it for the whole province - right? - when maybe it's only a concern in one or two communities.

In terms of your dialogue, are you going to be exploring ways that we can resolve those issues? I'm thinking that across Canada we have the annual Premiers' conference, and we have the western Premiers. You know, there are areas where people get together to talk about issues. I know that at UBCM they raise issues with the province, but there doesn't seem to be the corresponding avenue that perhaps we could raise issues with them in terms of taxation or DCCs or certain issues that we see.

Hon. T. Nebbeling: So two questions. First of all, in the past, when we talked about how the dialogue between local government and the provincial government would materialize, there was an idea of creating a Community Charter Council that would accommodate a dialogue.

[11:10]

In my trips through the province during the regional meetings, there was a lot of resistance to the idea of a Community Charter Council, primarily because people saw it as another level of government between local government and the provincial government. Instead of introducing a community charter council concept in the draft of the charter, the White Paper that is part of the presentation document to be tabled will actually have a section on that particular subject: how are we going to have that dialogue on an ongoing basis with a level of comfort that local government indeed can have their issues put on the table?

As I said, the charter council concept was seen as maybe too much. I'm asking interested parties that will read the White Paper to come back to me with suggestions. All that information then will be analyzed, and we will come up with a new way of accommodating future dialogue.

As far as the taxation is concerned, there is no doubt that local governments have been pressured to put more taxation onto the commercial and industrial sectors, in part because there is just very little revenue in addition to what they have coming from new development. Only 7 percent of every tax dollar that is created in the municipality comes to local government; the rest goes to provincial and federal government. It's really a crisis situation.

There is a real strong movement afoot right now throughout Canada where communities are saying: "We have to come to terms on how we finance the infrastructure and the needs of our citizens." I think British Columbia will be part of that discussion. In the White Paper we are not recommending but suggesting some potential ways of getting some additional revenue for local governments that would be earmarked for certain municipal purposes, be it road maintenance or recreation.

We don't have the solution to how we deal with this inequity between residential, commercial and industrial taxation rates, but there is definitely a need for that discussion. I think part of the charter's consequence will be that we will stimulate that debate once the charter is out. Communities want to talk about it; I agree with you there.

Hon. G. Campbell: I think we have to understand that one of the things we're saying, though, is that we believe in local autonomy, which means that the province isn't running local communities all over the province.

You know, one of the challenges... Greg, you were saying that there are people in communities who feel that there's an imbalance. I can tell you that I know the people that feel there's an imbalance, and I know that there are more people that feel there

isn't. What tends to happen is that residential property taxes are what most voters pay and what most voters are concerned about. Those frameworks are things that I think have to work their way through municipally as well.

I think what Greg was saying, though, is that there are issues we're dealing with - for example, the deregulation initiative that we've undertaken at the provincial level. We would like municipalities to join us in partnership in a deregulation initiative at the local level.

When we hear people talking about, for example, affordable housing, they'll say: "It's very difficult to provide affordable housing with the kind of costs we have and the kind of carrying we have, etc., at the local level." I think that maybe, as much as...

We actually have a pretty good mechanism for the province hearing local concerns. We have regional municipal associations that the provincial government - at least, this provincial government - has been attending. I have been going to them; you have, I know. I know that other cabinet ministers have been in attendance at those at local levels.

Local governments are not shy about saying the challenges they face to the provincial government. The question is in terms of developing this partnership: can we find ways that we can put forward the challenges we face to local government so they can join with us, as opposed to imposing our solutions on the local communities? That's not the direction we're going in. We're going in a different direction.

We've got John and then Judith and then Sandy.

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Hon. J. van Dongen: Thank you, Premier.

I want to say first of all, Ted, that I'm quite a lot more comfortable with the general direction that you're going. Certainly in the discussion documents you've incorporated the issue of the provincial interest in business and economic issues and transportation and a whole range of other things. I think it's important that that is built in, as we've discussed.

I think what we're trying to do is find a relationship with local governments, as a province, where we're maximizing dialogue and maximizing decision-making at the local level but within the provincial framework. I think your emphasis on a respectful

relationship is important.

[11:15]

I wanted to ask a specific question. On page 10, where you talk about a vision for the municipal system, you lay out clearly the concept of provincial interest and a whole range of examples, but when I was looking further into the document, page 12, where you talk in general terms about the proposed contents of the community charter... I was looking particularly under part 2 and part 3. This is pages 12 to 14. I was looking for some reference there to the issue of provincial interest as setting a framework under which local governments would be empowered to make decisions locally as much as possible, which is a concept I totally support. Is it intended within the draft that there is some reference to the provincial interest and that framework? Or will the draft simply...? It's maybe a drafting issue for lawyers, but I think it's important to communicate somehow, even if it's just in a manner of context, the issue of provincial interest in the actual draft of the proposed act.

Hon. T. Nebbeling: When we talk about the new powers that local governments will have, there are certain powers that will be excluded from that. Some examples are the building standards of British Columbia, environmental standards, public health standards - and that is community health. There is also a clear, definite statement in the draft itself that no provincial act can be overruled or undermined by any act or bylaw created by a local government. That protection is completely there. That has been part of the challenge, so to speak, of how to empower local governments without it becoming a threat to other interests, provincial interests. I think you will see that the provincial interest is very well protected, because that serves all British Columbians.

Hon. J. van Dongen: Great. Thanks.

Hon. G. Campbell: Sandy?

Hon. S. Santori: There's been a considerable amount not of concern but of questions raised in terms of the integration, I guess, with regional districts, especially those that have decided to regionalize significantly more functions than what we may normally see down in the lower mainland. What safeguards do we have to ensure - if that's the proper terminology - that those initiatives undertaken by a municipality in terms of taxation or breaks to new businesses as defined under the charter will not be countered by rulings by regional districts and their mandate?

Also, I have some concerns with respect to regulations, where municipalities may begin

to deregulate to encourage development or, on the other hand - and maybe I'm only speaking for my regional district - tend to overregulate. I'm just trying to figure out when the integration comes into play so that we're trying to achieve the same goal. You know, especially in the rural areas the makeup of a regional district is usually the big centre and then a bunch of rural communities, and sometimes the interests aren't the same. I'm just wondering when you see that integration between regional districts and the municipalities.

Hon. T. Nebbeling: Thanks. It is a good question, because it comes up in all the regional discussions - that polarization of rural versus urban that happens in certain areas. One of the reasons that we separated the municipal charter from the district charter is that the issues on the district level are much more complicated than they are on the municipal level.

Once the community charter is in place, we're going to start working towards creating a charter for regional districts. The issues you just mentioned plus many more will become part of a dialogue. It's not just that Victoria is going to say: "Here is the solution." I think the solution really lies within the regional districts, and through that dialogue we hope to come up with a regional district charter that reflects not only solutions to what is, today, confrontational polarization but the new framework for how these districts can work together.

[11:20]

Regulation-wise, in my many meetings with the local government, including administrators and clerks, the municipal managers are just thrilled to see this charter, because they see this really as a big step forward, having eliminated hundreds of pieces of regulation that did nothing else but control local governments.

I think that mindset with the managers and the administrators, to keep the regulations to the bare minimum in order to be more effective, will actually go over into local government as well. I don't see local governments going haywire by creating their own regulations. I think there's a strong desire for reduced regulations, and we are taking the first step. With my experience and the discussions I've had, I think we're going to see a considerable move in that direction at the local level as well.

I bring it up in the meetings as a discussion point, and there clearly is that desire. I think it will work out in the long run. As far as fear of overregulation, I don't think it's going to happen in many instances.

Hon. G. Campbell: I've got Judith, Bill, Kevin and Rich.

Hon. J. Reid: Thank you, Premier.

I have a very active group that has been following this process with the community charter and their concerns - specifically concerns of seniors who are concerned about the property tax not being linked to ability to pay.

My question to you is: in the public consultation that's going to go around the draft and the discussion paper, how are you going to be receiving that input from these people? Their last question to me was about their concern about when they're going to have their opportunity for input, because there isn't this organization that represents them while you're consulting with municipalities that are well organized. These people don't have an organization. They feel like they're voices in the wilderness. How would you respond to their concerns about having a true voice, a true representation and their ability to offer their suggestions to you?

Hon. T. Nebbeling: There are a couple of tools, Judith. First of all, once we introduce the charter draft and the White Paper into the Legislature, on the same day it will be on the Internet. I have over the last couple of months received a large number of letters from organizations just as you described. We have got a catalogue of all these organizations. If they don't have the Internet tool, we will send them the documentation. That's no problem.

I also have been speaking to a large number of communities, through chambers of commerce and other organizations, on the charter. Often these citizens groups participate in these meetings, and I have a big stack of business cards from all these people. I treasure that input.

The community charter draft is the tool that local governments will work with in the future. The White Paper itself is an explanation of all the sections, and it asks questions. I have no doubt that these organizations will respond to these questions and give us that input. There are many ways that any type of organization has been able to be exposed to what we're doing and how they can get input into what they think should happen.

Hon. G. Campbell: Bill.

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Hon. B. Barisoff: Thank you, Premier.

I just have a couple of questions. One is that when you're giving the municipalities the ability to create new forms of taxation, of course, the cost of how it's going to be collected and the burden that will come onto the provincial government... The second question is: if you're going to allow municipalities the ability to relieve taxes from businesses, firstly, how will you collect the school portion of that which automatically comes to government? The second part is that it's always been a concern amongst provinces, where provinces give relief to draw businesses into their province, about whether we will end up with the same kind of scenario where different communities will be giving businesses relief so they can draw businesses, as long as we're not circulating business from one community to another because they can get a property tax relief or whatever.

[11:25]

Hon. T. Nebbeling: I think I've got all the points.

First of all, on the new tools to create revenue. That's not in the draft of the charter itself. It is in the White Paper presented as a discussion paper. How do you feel about some of these new tools? Like Greg said earlier on, local governments are desperately looking for some new ways to finance their administration, their needs, be they infrastructure or community needs, and instead of us telling local governments what they should do, we have put in the White Paper a series of potential resources that individual communities could tap into if they chose. There is no certainty that it will happen. It really will depend on the responses we're going to get after the White Paper has been introduced in the Legislature.

On the taxation issue. To give you an example, I received a letter from Penticton asking for the right to allow businesses in the downtown core to upgrade their buildings in order to get a better, cleaner and more attractive look. They want the right to waive the potential increase in property taxes that are a consequence of the improvement. Today we can't do that, but it may well be a tool for local governments to get downtown revitalization programs going. Again, it is in the White Paper as a question: is this where we want to go?

What was the other one? You had another question.

Hon. B. Barisoff: The school tax.

Hon. T. Nebbeling: Once we know if this is indeed what local governments want - because I've had local governments saying yes, and I've had local governments saying no, we don't want to go there... Again, it is the White Paper that will stimulate a discussion. Is this what local governments want to see happen? If it is, then we have to deal with the issue that it applies to property tax and not to school tax. That is something that we'll discuss once I know where local governments want to go on that issue.

Hon. B. Barisoff: I still have some concerns, Ted, with the fact of the administration of how these taxes are going to be collected. I know you've got it in the draft portion of the White Paper, but there's a still a great concern about the impact on the provincial government of collecting these taxes and redistributing them back to communities. If one community says: "We want this portion of it on..." All I'm informing you is to make certain that communities are well aware of the costs that will be implicated in the provincial government trying to collect and administer some of these things.

Hon. T. Nebbeling: No, and I understand that, Bill. I think that, in part, when local governments are going to deliberate on whether they want to go for one of these new tools - one of these user fees, for example - they're going to have to calculate if indeed it makes any sense, considering that there may be some collection costs associated with it. That will be part of the discussion that I think we're going to see happen in the coming months when we go on the road again and hold symposiums throughout the province on the charter. It's an excellent point, but that is what I think will be part of the discussions.

Hon. G. Campbell: I can tell you, Bill, that the discussion of the community charter has already had major benefits. I just came back from Cranbrook yesterday, where a small business was wondering whether the Minister of Provincial Revenue ever thought about the cost that he had to go through when you imposed on him the necessity of collection. It's exactly the same question you're asking Ted. I think that it's worthwhile for us to think about those things as we go through it because we'll learn from it, as well, as we go through that.

Kevin.

Hon. K. Falcon: Thank you, Premier.

I just want to echo some of the comments on the regulatory side of things, Ted. First of all, I want to commend you for the work that you're doing and also expand on the point you glossed over but which I think is important, and that is that this is a huge shift in

terms of the prescriptive regulatory approach that we've taken to local government in moving from a very thick, prescriptive approach under the Local Government Act to what will be a very thin, results-based community charter. I really want to commend you for that.

The comments that I'm going to make will lead to my question. They essentially have to do with the deregulation initiative that we as a government have got underway, which is really getting tremendous support from a lot of the public and from the business community in particular. As a result of that, I do need to pass along some of the concerns that I hear a lot as I travel the province. It has to do with the progress that we make as a provincial government in deregulation. There's a real concern, particularly in the business community, that that will be thwarted if local governments move to fill the progress that we've made with new regulations that could potentially be crippling to the business community. That does lead to my question.

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[11:30]

My question, then, becomes one of the whole idea of accountability. You and I have had this discussion before, but I really want to put it on the record. That is, I think that with the demand that local governments are rightly making for greater autonomy also comes, I believe, a greater responsibility to be accountable to the public. I'm concerned that any accountability measures, if just driven by however local governments decide they want to report out to their communities, won't be effective.

I think we have a responsibility as a government to make sure the public across the province will be able to look at an annual report card or some such measure and be able to see in a very understandable way how their property taxes per taxpayer compare to, for example, the region next to them; how their DCCs, or development cost charges, compare to the regions next to them; how their turnaround in the building department or what have you for a typical application - or whatever measurements we want to put in place... I think it's got to be in a form where it makes some sense to the public so that therefore, as Minister Whittred pointed out, someone living in her North Van city can compare and say: "Well, gee, why are we paying X amount of taxes per person in the city, and the district is paying Y amount of taxes?"

I'm just hoping that as we work towards some accountability measures, it's in a format that is going to be very understandable, legible and uniform across the province for all the public.

Hon. T. Nebbeling: I appreciate that you brought up that the Local Government Act today consists of 1,130 sections. Almost all the sections are just prescriptive directions to local government on how they can exercise the few powers they have today. We have reduced that 1,130-section document to 295 sections and have basically eliminated all the prescriptive elements so that local governments, when they have a power, are entitled to use that power at their discretion. I think that's a big step forward, and it fits your agenda as well.

On the accountability issue, like I said in my presentation, with more empowerment comes more responsibility to be accountable to the citizens. The White Paper itself will describe some benchmark types of elements that should be incorporated into bylaw. Again, we are empowering local government. We're not going to say: "You have to do this, that and that." We're going to suggest certain benchmarks and that on an annual basis, yes, by legislation, council is mandated to create a report to its citizens and follow that up by a town hall type of meeting where that report will be discussed and the direction for the following year will be set.

I'm trying to incorporate more involvement from the citizens, as well, so that people will participate in what happens in the community. Today citizens are disenfranchised, because they feel decisions have already been made. I think that with the charter and the new direction, citizens will be more interested in what happens on a local level and will feel that they're part of where they go as community members. I think there's really a step forward with that accountability process that we introduce in the charter.

Hon. G. Campbell: Rich.

Hon. R. Coleman: Thanks, Premier.

Ted, I want to thank you, first of all. Back when we started this process, I had some concerns about policing, as you know, with regards to us having the ability to have a funding formula that can work across the province. By protecting the provincial interest in this relative to the Police Act, that actually takes care of that one question.

The reason I bring it up, more so, is that if some of the mayors that have asked the question actually happen to read the transcript of open cabinet, they should know that integration, amalgamation and issues within policing will still be undertaken. It's not going to be something where we're going to build silos around the province relative to policing. The Police Act will be there as a provincial authority, and our ability to deal with the funding of communities under 5,000 and the funding formula as to how to do that and how we will integrate the services and enable us to move forward into a modern

policing structure will be there for the provincial government and won't be affected by the charter.

Hon. G. Campbell: Thanks, Rich.

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The recommendation is that we approve the tabling of the policy paper and community charter legislation.

I would just say that I do think it's interesting that... I believe, actually, local government is more accountable than the provincial government. It is more readily available in terms of information. Local governments have balanced their budgets consistently because they've been told to. They have annual budgets that are put out beforehand, annual budgets that are passed and annual budgets that are reported on annually regularly, according to generally accepted accounting principles. Clearly, I think we have to think about... All of these things that we want for local government are things we're striving for ourselves to accomplish at the provincial level of government as well.

[11:35]

The important thing about the charter that we're trying to accomplish here is actually that we're trying to accomplish a new structure for government and a new relationship between local government and the provincial government. I don't think we should have any illusions about it. It'll be a difficult process. When the document is tabled, local government will be given an opportunity to comment on it, and I'm convinced they will in detail. Citizens are welcome to comment on it, and I'm convinced they will in detail as well. If we haven't got it right, we'll fix it.

This has been an ongoing process. The Charter Council has done, I think, well in drafting this. I think, Ted, cabinet is comfortable with you presenting this and tabling it in the House so that we can get on with the discussion that may lead us to some resolution next fall. Thank you very much.

The meeting. We're now going to hear from Mike de Jong with a quick update on softwood, and then we will adjourn. Mike.

Softwood Lumber Update

Hon. M. de Jong: Thank you, Premier.

Just to put these events of yesterday, today and this week into some sort of context. I think, Premier, when we inherited this issue and challenge some ten or 11 months ago, one of the concerns was that we would succumb to the temptation to do a deal with the Americans at any cost. That was a fear that existed in many parts of British Columbia. I think the Americans actually assumed we would.

With the benefit of some hindsight, look at the way they conducted themselves. I think they thought that if they could turn the screws tightly enough, Canada would do a deal that traded away the one ultimate card we had, which was the option of litigating this before the WTO and NAFTA panels. I think they are somewhat surprised that that strategy didn't work.

I think it's important, as well, this week that we remain cognizant of something that happened last week. That is, even the American USTR panel who were looking at the situation as a whole, trying to decide whether or not those bonds, the cash that had been posted since last summer... They had to make a decision about whether or not there was an injury. Remember, the U.S. coalition has been telling us since last summer that there was an injury, that their domestic industry in the U.S. was suffering by virtue of something that was happening in Canada and these alleged subsidies.

Well, even the USTR had to rule in the negative. That whole argument was dismissed by the USTR itself, I suppose to save them the embarrassment of having to be told by the WTO or NAFTA that that was the case.

There are a number of myths that have begun to develop around this. One of the myths that that mighty spin machine out of Washington has already begun to promulgate is this notion that: "We were ready to talk, but the Canadians and the British Columbians were not." Well, that's utter crapola.

Hon. G. Campbell: It's best to not use prejudiced terms in cabinet.

Hon. M. de Jong: I understand that.

I mean, we waited through December, January and February for the U.S. to get their act together, and they didn't want to come to the table. They still don't want to come to the table. They have received, ironically, at least two papers that we're aware of from the U.S. coalition, which they have not formally transmitted to either the Canadian government or the B.C. government. They don't want to talk. The President doesn't want to talk.

[11:40]

The reason they don't want to talk, of course, is that they have decided for reasons of their own to embrace protectionism. They hardly want another gathering or forum that confirms that fact, because they have made it abundantly clear that they are not prepared to push back - it's not just softwood lumber, as we now know - on any of the strong domestic protectionist lobbies that exist in the U.S., whether it's agriculture, textiles or softwood lumber. In spite of all the pronouncements to the contrary by the guy at the top, President Bush, they have decided to embrace protectionism. I guess the other myth they're about to discover is that they're going to pay a price for that domestically. Their consumers and their people involved in the home construction business, which was a bright spot in their economy and their fragile economic recovery, are about to pay that price and realize that this is a fact.

I think, Premier, they are about to pay another price that perhaps even now they are unaware of, and that is the price associated with isolating themselves internationally. Those are larger issues than we are going to discuss here. When you consider the hypocrisy surrounding some of the announcements we saw last week on the agricultural front and on the energy front, it is staggering, breathtaking hypocrisy that we have been confronted with in the U.S.

Having said all of that, our message to them has remained the same from the Premier through the government. We are prepared to explore every conceivable avenue for arriving at a negotiated settlement, but they need to understand this: we will not lock our industry and our forest-dependent communities into a 27 percent tariff in perpetuity. We preserve the right to set forest management policy for forests that are owned by British Columbians in British Columbia. What a novel thing. We insist that there be a fair dispute resolution mechanism as part of any negotiated settlement, and no, that does not mean appointing Senator Max Baucus, the chief protectionist of the whole bunch, as the referee.

I suppose those positions that we have taken, which strike me as being eminently reasonable, some could argue have stood in the way of us getting a deal. We think they are essential, and we are not going to trade away that strongest card, which is the litigation option, for a deal that doesn't work for British Columbia.

I guess the last two points, Premier, and it's one you made at the outset that I think bears repeating. We have heard all of the right words out of Ottawa, and last week we had, I must say, a good first step, a good announcement dealing with the question of market diversification. Surely, it's a lesson we've all learned again in spades: not to put

all our softwood eggs in one basket and to explore those other opportunities that exist out there and diversify our products and our markets.

That was a good start, but Minister Dhaliwal has himself in the past spoken of the need to ensure that the people in the communities represented around this table and in the Legislature... They are the communities that are bearing the brunt and are going to really begin to bear the brunt of this dispute, and they need to be supported. We've heard the right words, but it's time for action. Any suggestion that this isn't going to visit on British Columbia and B.C. workers and families in a very profound way is, I think, delusional, because we know that it certainly is. For the workers these are likely going to be difficult days.

[11:45]

It is the workers themselves who have told this government not to cave, not to succumb to U.S. pressure. We haven't done that, but these tariffs are now being collected, and there are people who have paid quite a price personally - people who haven't seen a paycheque in a long, long time. They have withstood those pressures, I think, bravely and stoically, but it's now time for all governments to ensure that the support they need is there. I think this is a clarion call for Ottawa to understand that fact and now step up to the plate so that those people have the support they need, because they are our most precious asset. When this thing is resolved - and it will be; I am convinced of that - we need those people to be there to pick up their tools and go back to work doing what we do better than anywhere else in the world, and that is harvest and process timber.

Hon. G. Campbell: Thanks, Mike.

Any questions?

We're adjourned. Thank you very much.

The cabinet adjourned at 11:45 a.m.

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