

ADDRESS BY HONOURABLE DAVID EMERSON, PC, MP

It's good to be back in Kelowna. When I was in business I always used to think I was the virtual member from Prince George, Colin. In a the number of times I've been up to Kelowna recently I'm beginning to think of myself as the virtual Minister from Kelowna. Its just two weeks after the Prime Minister convened a Cabinet meeting here. You will recall that before the election the Prime Minister Paul Martin said he would take concrete steps to make British Columbia a part of the national decision-making process, and that meeting was another very, very significant tangible step in that direction.

As you know, the Cabinet didn't just jet in and jet out. Following the meeting, ministers reached out to many parts of British Columbia, holding 116 different events in a number of communities. I assure you from the feed back that I've received talking to, my Cabinet colleagues know our region better today than they did three weeks ago, and I think they are now really beginning to understand the tremendous potential that British Columbia has and I think is now starting again to realize. hope they now share our enthusiastic belief in British Columbia's potential!

Many of you in this room participated in those meetings. Mayor Rothenburger of Kamloops and his entire council met with House Leader Tony Valeri, as well as with Mayor Campbell of Vancouver. Also, the North Shore Mayors met with Minister of State Godfrey. I know from talking with both John and Tony how much they appreciated and benefited from those opportunities.

And I continue to hear positive feedback from groups in our community about their sessions with some key federal ministers. Its making a difference.

The Prime Minister was unable to join us today. Cabinet is meeting to prepare for a new Parliament, which begins work on October 4 — only 10 days away.

He asked me to convey his best wishes for a successful meeting, and to reconfirm his commitment to working with the Union of British Columbia Municipalities as we move the cities and communities agenda forward.

A New Deal for Cities and Communities is one of the government's three key national priorities — along with health care, and families and children. All three priorities will be delivered within the context of a balanced budget and a commitment to continue paying down the debt. And you have a lot of what I call small "c" liberals in the Cabinet to ensure that happens.

Last week, we reached a key milestone for the first priority, health care. Provincial and territorial leaders, including Premier Campbell, signed a 10-year, \$41-billion agreement, putting substantially more money into the system and building in mechanisms for improved measurement of results and accountability. We still have a lot of work to do, but soon, every British Columbian and every Canadian will be able to see how well the system is functioning. I believe we will see some fundamental improvement. I believe all provinces and the Government of Canada are committed to better, more innovative management of health care.

Note the health-care deal came less than three months after the government was elected, so we're clearly moving quickly to implement our agenda.

Cities and communities are next up, as they should be.

In developing the New Deal for Cities and Communities, we have sought the widest possible input. As you know, the Prime Minister established the External Advisory Committee on Cities

and Communities, headed by former B.C. Premier, Vancouver Mayor and active UBCM participant, Mike Harcourt. And what a story of strength and courage he is! Mike, wherever you are... you are a hero! You're my hero.

The Prime Minister values highly the work of the committee and is looking forward to reviewing its recommendations, expected before year-end.

The New Deal for Cities and Communities has four main components:

- First, it recognizes that communities — large and small, rural and urban — need reliable, predictable, long-term funding. The funding package will include existing infrastructure programs, the GST rebate announced in the last budget and, beginning next year, a portion of the gas tax, which I'll come back to in a moment.
- Second, money is important, but it is equally important that you have a strong voice in the decisions that affect you and your citizens and your communities. And you will have that strong voice.
- Third, this is about a long-term vision, not a “finger in the dike” short-term fix. It's about vibrant, liveable and sustainable communities with great employment opportunities. It's about providing the tools cities and communities need to shape their long-term future. And it's about your kids having a “local” future.
- Anyone willing to reflect for a moment will realize this represents a fundamental re-think of the place of cities and communities in the life of our country, and I've been a policy wonk for over thirty years in Canada and I can tell you this is a watershed change in the relationship between the federal government and cities and communities in Canada. and that's the fourth component. I lived through the last attempt to connect with cities and communities in the 1970s. It was called the Ministry of State for Urban Affairs and, candidly, I don't think it was effective. We in the Government of Canada are excited by this new approach because it represents a fundamental shift to provide resources to communities, and it respects their ability to know what is best for their town or city. We look forward to working with you and the Province of British Columbia to make it a reality.

Let me return to the gas tax. The Prime Minister has committed that a percentage of the tax, or its financial equivalent, will start to flow to municipalities beginning in the next budget. While the amount will be modest to begin with, it will ramp up quickly — reaching \$2 billion a year by the fifth year, for a total of between \$4 and \$5 billion over that five-year period.

This is substantial funding. It's predictable funding. And it is funding that municipalities can use to meet key priorities. And let's be honest, it's a fundamental break from the past, and a break for the better.

For British Columbia, the sharing of the gas tax will produce significant revenues, so there are obvious questions as to who will get how much, and what the criteria will be for how it is used. The Government of Canada is prepared to negotiate that, and to involve, not just the federal and provincial governments, but also local and regional governments. You know local needs best, and you must have a say in where that money goes.

For my part, I want a deal that supports a long-term approach to community development. I want a deal that is transparent, so that British Columbians can see exactly how their tax dollars are working to improve their neighbourhoods and their communities. I want a deal that gives British Columbians confidence in the health of their communities for the future.

In this province, a key priority will be urban transit and transportation infrastructure. Congestion on B.C. roads costs between \$750 million and \$1 billion in lost productivity annually — and this cost will rise if nothing changes.

We need more roads. We need to upgrade bridges. We need to expand the Canada-British Columbia Infrastructure Program. We need to secure a fair share of the National Strategic Infrastructure Program.

These funds have helped to finance rural infrastructure projects like the upgrades to Kicking Horse Pass and the recent expansion project at the Port of Prince Rupert.

Our major centres have their own challenges. The Greater Vancouver Regional District has been, and will continue to be, the destination for tens of thousands of new Canadians. With an aging population, Canada will increasingly look abroad to meet critical shortages of skilled workers, including doctors, nurses, engineers and teachers. We need to deepen the pool of Canada's talent and skills. We need to ensure a better transition and integration of immigrants into our communities and our economy.

The Government of Canada will do its part. We will ensure speedier recognition of foreign credentials and prior work experience. This is a commitment the Prime Minister reiterated last week during the First Ministers' Conference on Healthcare.

Smaller and more remote communities face their own unique challenges. We need to ensure that the money British Columbia receives under the New Deal is distributed fairly throughout the province.

We will ensure the New Deal for Cities and Communities and the Canadian Rural Partnership are properly aligned. It is essential that opportunities and benefits are brought to rural Canada, and not just to the large cities. And here I want to salute Mayor Larry Campbell of Vancouver, because of all the Mayors I've ever met he has got a broader, farther reaching vision and he really does understand the role of smaller communities and rural areas in creating a more vibrant, stronger region and a better world for the City of Vancouver. So Mayor Campbell gets it. The vision to understand this... he gets it.

We also need to ensure that people in remote areas can connect to digital technology and to the Internet. They must have access to the economic, intellectual, health and other benefits such access can provide.

Technology, like education, can be a great equalizer of opportunity. Broadband connects people and ideas. It provides a platform to reach out to the world, including access to world-leading doctors and other professionals who they would otherwise never see. It really is time that we shifted our sights from the golden strip along the 49th to the enormous potential to the North. The people need it, Canada needs it and there is huge potential to be realized. I predict that in the next twenty years is going to be a decade for the Northern part of Canada.

As many of you know, the provincial government has embarked on an innovative way to bridge the digital divide.

Through a program called Broadband For Rural and Northern Development, or BRAND, the Government of Canada is working with local governments, the Government of British Columbia, the private sector and First Nations to get the job done.

The first BRAND project to be funded in B.C. is nearing completion and will soon launch. It will provide high-speed Internet access to eight communities, including two First Nations bands in the Similkameen Valley.

We need to remind ourselves that life in our communities is about more than just steel and concrete. It's also about the quality of our lives and the opportunities we provide our citizens.

That is why I am pleased that we are joining with Dr. Marc Renaud, President of the Social Sciences and Humanities Research Council, to today announce nearly \$86 million for research in the human sciences, including over \$12 million for 130 projects at B.C. post-secondary institutions.

This investment will support an enormous range of research in more than 30 disciplines — from psychology and education, to economics and law.

I am one of those pointy heads with a PhD in a social science, and I look forward to the process of enriching our knowledge base, and to the benefits this research will bring to the lives of Canadians in communities from coast to coast.

I wanted to spend a few minutes talking about my day job at Industry Canada. I want to talk about the economic and competitiveness agenda we need to pursue. It's an agenda that reflects my experiences here in British Columbia. I think most of you know the nature of those experiences in the forest industry, in the airports business and in banking.

I want to make sure the federal government is looking far down the road, at a road ~~route~~ map to where we need to go, rather than line of sight in front of the car.

Over the last 20 years, we were successful in selling Canada as the country in which you could invest, enjoy a great quality of life and get access to the U.S. market with ease.

But since 9/11, our border has become a significantly greater cost and risk point as we work through security issues. Add to this trade frictions, such as softwood lumber, and you start to realize that border risk, as I like to call it, has become a critical challenge for Canada. I think it runs a serious, serious risk of diverting international investment as well as Canadian investment south of the border. To address it, we need a broad-based, but cohesive, strategy — ranging from transportation connections to trade, regulatory and security issues.

Second, and very much related, we need to shockproof ourselves competitively. We are the most trade-dependent country in the G-7, by far. It's not good enough to be as good as the most competitive economies out there, we have to be better. We have to build a competitive edge, a margin of safety. We have to be the best.

Our part of this includes making sure, as a government, that we are addressing critical market access issues. We can't have railcars stacked up on their way to market or long lineups on highways at the border or rail and road bottlenecks getting to ports.

We have to improve our private sector research and innovation performance, which is weak compared to our major competitors. We need to ensure that new technologies infuse the economy, instead of getting stuck in institutional knowledge traps — the labs and offices of researchers. We are not going to build our future on cheap labour. Our future will be built on technology and the talented people who develop it and put it to work.

There was a great example in the newspapers earlier this week of what research can produce. An international team of researchers, in which scientists from UBC played a leading role, has decoded the DNA of the poplar tree. When I was young I wouldn't have thought a poplar tree had DNA, indeed I didn't know what DNA was. It's the first time a tree's DNA has been sequenced, but I'm sure it won't be the last.

This discovery could have tremendous implications for our economy. Let your mind imagine the development of faster-growing, drought- and insect-resistant forests. Think about the pine beetle and how we could stop it before we finally get that long, well-timed cold snap that would be nature's way of controlling it. Think also about forest regeneration, which will be so critical in the wake of beetles and fire.

Science, technology and research will be central to the competitive edge we need, and Industry Canada will play a key role. One of the issues that I intend to push is one my personal priorities and that will be the integration of the so called new economy with the old economy. I think that many people in this room will see what a transformation occurred when the forest industry came under the guns of the US protectionists, when the environmental movement started to attack the industry. The industry responded by investing more and more in technology, in research, in transforming the industry so that today the forest industry is every bit a high tech industry. In many respects the high tech economy is becoming over time more like a commodity economy. The commodity economy is becoming more and more like the high tech economy. So I think over the next ten to twenty years we're going to see a melding of the high tech and traditional industries to gain and re-ignite growth momentum in the parts of Canada that have more so many decades depended on land, rocks and trees to make a living.

As a government, we also have to move on "smart regulation." That means delivering the outcomes Canadians want and expect, with the least economic drag and disruption. It means eliminating regulatory overlap, conflict and inefficiency between departments and between governments. Believe me I've seen how complex it is just within the government of Canada to get the herd heading north by northwest because there are literally hundreds of different bodies and agencies that you need to corral and get moving in the common direction. Believe me when you start to dig into the economics of smart regulation, it's a far bigger issue than taxation or a host of other issues that we commonly think of a major economic drivers. If you look at environmental regulation, if you look at the Department of Fisheries and Oceans, you look at what the province is doing on the environmental front and you look at all of the layers and layers of regulations and the cost and expense that we pay as taxpayers, and the cost and expense that the private sector operators incur to manage and deal with those regulations you realize that modern supply chains are going to have weed that economic deadweight out of the value chain or its going to be a very serious impediment to our competitiveness going forward.

Shockproofing our economy also means ensuring that our greatest resource, our people, have the skills they need to compete and contribute.

We need to do a much better job in helping Aboriginal Canadians. We need to ensure that the current generation of need in our northern and Aboriginal communities turns into a next generation of economic opportunity... that people left behind today are able to take the lead tomorrow.

In short, we need to have our eyes not on next week or next year, but on a more distant horizon. That is why, at Industry Canada, we are asking ourselves where we want to see the Canadian economy 10 years from now, what policy levers can best be applied to get us there, and we need the discipline and the cohesion to stay the course.

Several months ago, the Prime Minister spoke to the Chamber of Commerce in Kamloops. In that speech, he discussed this province's relationship with Ottawa. He expressed his determination to deal with B.C.'s sense of alienation from Ottawa. He recognized that British Columbia is Canada's face to the Pacific, where growth and opportunity are pulling the world's economic centre of gravity ever closer to Asia. We should realize that the kids born today are going to grow up in a world where China not the United States is going to be in all likelihood the worlds largest economy.

Less than six months after leaving my job as CEO of a major forestry company here in B.C., I find myself an elected Member of Parliament for Vancouver Kingsway (whew, it was a narrow margin) and Industry Minister of Canada.

I have to say it's been a wild ride but I am fortunate to have four other strong B.C. voices at the Cabinet table. Jack Austin, Stephen Owen, Ujjal Dosanjh and Raymond Chan are in Ottawa today for a Cabinet meeting, working hard for British Columbians. But they plan to join us for tonight's banquet and the Government of Canada reception. I also want to salute Don Bell, a former Mayor from North Van. He's out there somewhere. He's our BC Caucus Chair and he's going to have a big role in articulating the concerns of communities from across British Columbia into the government of Canada and you'll be hearing and seeing a lot more of Don Bell in the months ahead.

Together, we are committed to speaking for you in Cabinet, to fighting for B.C.'s interests, to advocating our B.C. agenda and to making sure that no decision is made in Ottawa without solid consideration of the view from the West Coast.

When I decided to take the plunge into federal politics, I promised to stir the pot in Ottawa. For better or for worse, I am doing just that. I am confident we will make a difference and we will make a difference and I look forward to working with you to make sure of that.

Thank you.