



5th Session, 37th Parliament

OFFICIAL REPORT OF  
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LEGISLATIVE ASSEMBLY  
(HANSARD)

Thursday, October 7, 2004  
Afternoon Sitting  
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THE HONOURABLE CLAUDE RICHMOND, SPEAKER

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**PROVINCE OF BRITISH COLUMBIA**  
(Entered Confederation July 20, 1871)

LIEUTENANT-GOVERNOR  
Her Honour the Honourable Iona V. Campagnolo, CM, OBC

**5TH SESSION, 37TH PARLIAMENT**

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Afternoon Sitting

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THURSDAY, OCTOBER 7, 2004

The House met at 2:04 p.m.

### Introductions by Members

**Hon. G. Abbott:** It's my great pleasure to introduce to the House today a constituent, a friend, a supporter and my former constituency assistant: June Wayslow. I'd ask the House to please make her welcome.

[1405]

**J. MacPhail:** It is a very special day today, and it's the last opportunity I will have to make this introduction. October 7 is the birthday of Jack MacPhail Scott. He is 16 years old. For those of you who think he remained a three-year-old running around the halls 13 years ago, you are 13 years older. I just want to tell you that.

I do want to take this opportunity — because I know he is not listening, and that's the only reason I can do this — to blame the Liberal government for the driving licensing rules for a 16-year-old. Unfortunately, he remembers that it was our government that started that. So I can't get away with that.

I will just tell one story that is terribly embarrassing as a mom of a child who was brought up in politics. At one very particularly intense annual Premiers' meeting that Jack was forced to attend with me, he indicated to anyone who would listen that his favourite Premiers were Mike Harris and Ralph Klein.

**Hon. G. Campbell:** I actually want to stand up and say that Jack always.... At least he used to show good political judgment. The first time I met Jack was at Hastings Park. We were at a baseball game, and he was there with his mom, who was presiding as the MLA. I can tell you this. All of us should remember this. Our kids are always there for us. He has always been there for the member opposite. He is a great guy; he has got a great future. It just goes to show you that sometimes it doesn't have anything to do with the genes. You can turn out great anyway. [Laughter.]

**Hon. J. Les:** It is my pleasure this afternoon to acknowledge several special visitors that we have in the precincts today. They are João Pedro da Silveira Carvalho, the ambassador of Portugal to Canada. This is the ambassador's first official visit to British Columbia, and I had the pleasure of meeting with him this morning. He is accompanied today by Mr. João Luis Laranjeira de Abreu. He is the consul general of Portugal to British Columbia. I would like the House to please make both gentlemen very welcome.

**Hon. R. Coleman:** The Leader of the Opposition can blame me for the enhancements to the graduated licensing program, if that helps with the argument that the 16-year-old now won't get his licence for a year instead of six months.

I'm pleased to introduce Terry and Sherrie Thorne, good folks from Langley who are here to visit us in the

Legislature today. Terry and I ran on a slate in 1986 for council in the township of Langley. He won; I lost. I said I would never run for politics again. I was wrong. It is also Terry's birthday today. I won't give you his age, but they're great folks from Langley. Would the House please make them welcome.

**R. Lee:** In the gallery today we have a delegation from Tsinghua University, one of the best universities in Beijing, China. The delegation members are Prof. Hu DongCheng, vice-chairman of Tsinghua University Council; Prof. Cui Guowen, director of the Centre of Overseas Academic and Cultural Exchanges at Tsinghua University; and Ms. Lang Xiaohong, assistant director of the Centre of Overseas Academic and Cultural Exchanges. They are visiting the universities in this province to establish collaboration and develop exchange programs. Joining them is Pato Chan of the EIC Education Innovation Canada Group. Would the House please join me to give them the warmest welcome.

**B. Belsey:** I have the pleasure today to introduce a fellow from Prince Rupert: Farley Stewart. Farley Stewart is the executive director of the Friendship House Association, which is a strong advocate for first nations and non-first nations in the community of Prince Rupert. I ask that the House please join me in making Farley welcome.

**J. Bray:** Joining us in the gallery today are students, along with their teacher Mr. Lurie, from Christ Church Cathedral School located in here Victoria. This is a relatively new school, an independent school started in 1989 in beautiful Christ Church Cathedral. They've done wonderful renovations to this heritage building. There are 140 boys and girls from kindergarten to grade 8 attending this growing school, providing great education in Victoria. I ask the House to please make them all very welcome.

[1410]

### Tributes

JACK CHILTON

**K. Krueger:** Mr. Speaker, as you know, we lost a leading citizen in Kamloops last week. I wanted to acknowledge his life and death today. Jack Chilton was the only elected mayor ever to serve the municipality of North Kamloops. He was front and centre in the amalgamation of Kamloops and North Kamloops and was named a freeman of the city in 1995. He passed away last week at the age of 91, and the city will really miss him.

### Introductions by Members

**J. Nuraney:** We have in the House today the love of my life, a person who has been a great supporter and a real source of strength for me, my dear wife, Gulshan.

### Introduction and First Reading of Bills

#### SAFE STREETS ACT

Hon. G. Plant presented a message from Her Honour the Lieutenant-Governor: a bill intituled Safe Streets Act.

**Hon. G. Plant:** I move the bill be introduced and read a first time now.

Motion approved.

**Hon. G. Plant:** I'm pleased today to rise to introduce the Safe Streets Act. This bill incorporates several of the important objectives of the private member's bill of the same name introduced by the member for Vancouver-Burrard earlier this year.

People want government to respond to the complex problems of mental illness, addictions and homelessness, and we are responding with initiatives like the newly announced mayors' task force. People also want to be able to pass safely on streets and sidewalks and to shop and operate businesses without the fear of physical or verbal confrontation.

This bill isn't about stopping people from holding a hat out and asking for spare change. It's about preserving the rights of citizens and visitors to our province to go about their daily business and activities without being aggressively panhandled or cornered when they're trying to conduct a routine transaction at a bank machine or wait for a bus at a bus stop. It is about making our streets safer for all of us.

This legislation responds to what local governments, mayors, business owners, citizens and groups all over British Columbia have been telling us that they need as a tool to help make their communities safer. By returning all traffic fine revenue to local governments, we are giving communities the financial resources they've asked for to help support street-level policing. Now, with the Safe Streets Act, we are giving the people of British Columbia an important legislative tool to help ensure that our streets and communities are as safe as they can be.

I move the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 71 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

#### TRESPASS AMENDMENT ACT, 2004

Hon. G. Plant presented a message from Her Honour the Lieutenant-Governor: a bill intituled Trespass Amendment Act, 2004.

**Hon. G. Plant:** I move the bill be introduced and read a first time now.

Motion approved.

**Hon. G. Plant:** I'm pleased to introduce the Trespass Amendment Act, 2004. This bill draws key elements from the private member's Trespass to Property Act introduced in the spring of this year by the member for Vancouver-Burrard. It modernizes our trespass legislation.

Key elements of this bill are that it will deal with unwanted activities on land as well as unwanted presence on land. It goes beyond setting rules for what traditionally has been defined as enclosed land and deals in a more modern context with premises such as structures and buildings, and ships and vessels not in motion. It provides that notice about unwanted presence or a prohibited activity may be given orally or in writing.

This bill will mean that B.C.'s mall and store owners will be able to look to the province's trespass legislation for the authority to verbally direct an individual to leave their premises or to put up signs banning certain activities like the riding of bicycles on their premises. Contravening such an instruction would be an offence. I'll speak in greater detail about the Trespass Amendment Act at second reading.

For now, Mr. Speaker, I move the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

[1415]

Bill 72 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

#### CHARITABLE PURPOSES PRESERVATION ACT

Hon. G. Plant presented a message from His Honour the Administrator: a bill intituled Charitable Purposes Preservation Act.

**Hon. G. Plant:** I move that the bill be introduced and read a first time now.

Motion approved.

**Hon. G. Plant:** I'm pleased to introduce Bill 63. This bill will provide a carefully circumscribed means by which charitable donors and charities may ensure that donations given for a specific charitable purpose will be preserved exclusively for that charitable purpose and will be protected from being used to satisfy the debts and other legal obligations of the charitable organization other than those incurred in performance of that specific purpose.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 63 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

FREEDOM OF INFORMATION  
AND PROTECTION OF PRIVACY  
AMENDMENT ACT, 2004

Hon. J. Murray presented a message from Her Honour the Lieutenant-Governor: a bill intituled Freedom of Information and Protection of Privacy Amendment Act, 2004.

**Hon. J. Murray:** I move that Bill 73 be introduced and read a first time now.

Motion approved.

**Hon. J. Murray:** Bill 73 amends the Freedom of Information and Protection of Privacy Act in response to concerns raised about the USA Patriot Act and to ensure that the personal information of British Columbians continues to enjoy the highest protection of any personal information in Canada.

B.C. is showing leadership by being the first province to introduce tough new legislative measures that ensure that personal information protection is not compromised by laws enacted in other jurisdictions. This government has demonstrated a strong commitment to protecting the privacy of British Columbians, including its recently enacted Personal Information Protection Act. These amendments continue this tradition.

The amendments in the bill place restrictions on public bodies and service providers from storing, accessing or disclosing personal information outside of Canada. They extend the restrictions that apply to public bodies regarding the collection, use, storage and disclosure of personal information to public body employees, public body service providers and employees or associates of service providers.

They add an obligation to report to government any foreign demand for disclosure of personal information that is not authorized by the Freedom of Information and Protection of Privacy bill, and they add whistle-blower protection for employees who report a foreign demand for disclosure of personal information. They add offence penalties for contravening the notice requirements, the whistle-blower protection provisions or the restrictions placed on storing, accessing or disclosing personal information outside of Canada.

The changes in this bill will position B.C. as a leader in addressing privacy issues arising out of the USA Patriot Act, and they will make what is already regarded as the strongest privacy legislation in Canada even stronger.

With that, I move that Bill 73 be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 73 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

TRANSPORTATION STATUTES  
AMENDMENT ACT, 2004

Hon. K. Falcon presented a message from Her Honour the Lieutenant-Governor: a bill intituled Transportation Statutes Amendment Act, 2004.

**Hon. K. Falcon:** I move that the bill be introduced and read a first time now.

Motion approved.

[1420]

**Hon. K. Falcon:** I'm pleased to introduce the Transportation Statutes Amendment Act, 2004. Anybody who has lived in or visited the lower mainland is well aware of our traffic problems. Traffic congestion costs the lower mainland economy about \$1.5 billion each and every year in lost economic opportunities. As we implement our ambitious transportation improvement plan, the Greater Vancouver Transportation Authority is either partnering with us or with others on new initiatives — namely, the Fraser River crossing project, also known as the Golden Ears bridge; the Richmond-Airport-Vancouver rapid transit line; and the Coquitlam line.

Amendments to the GVTA act will provide the GVTA with the clear authority and power to carry out the Fraser River crossing and the RAV projects. The amendments will also provide the GVTA with the clarity it needs to acquire and expropriate land for the use and benefit of specific projects or, in the case of RAV, to transfer an interest in the land to the Vancouver International Airport Authority. It will also allow the GVTA to set and collect user fees for the Fraser River crossing project, provide the property tax exemptions for the RAV-Coquitlam line rapid transit project and the Fraser River crossing project.

Amendments will also be made to the Municipalities Enabling and Validating Act to allow the GVTA to enter into agreements with municipalities regarding the RAV and the Fraser River crossing projects. The amendments will also provide the GVTA with authority to create a parking site assessment role for the purpose of raising revenues.

This bill also includes amendments to the Transportation Investment Act, allowing for performance payments to compensate operators we partner with in running our highways. Finally, two minor amendments are being made to the Transportation Act. The amendments are effectively technical drafting changes.

The amendments contained within this bill will give the province and the GVTA the means and ability to continue working on key transportation initiatives. We are committed to moving people and goods safely and efficiently, and I am pleased that this bill will help us to continue to do that.

I move that the bill be placed on the orders of the day for second reading at the next sitting of the House after today.

Bill 75 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

### Statements (Standing Order 25b)

#### ST. JOHN AMBULANCE AWARDS

**R. Lee:** Last Sunday I had the honour to be a spectator at the annual inspection of the lower mainland divisions of St. John Ambulance brigade. I understand that the hon. member for Richmond East is also a member of this organization. Joining me at that magnificent event were the member for Vancouver-Burrard and the member for Coquitlam-Maillardville.

The Order of St. John has a long history in Canada, dating back to 1636, when the Knights of Malta became the Governor of Quebec. For hundreds of years the St. John Ambulance brigade uniformed volunteers have been working tirelessly to improve the health, safety and quality of life of Canadians.

Last year 1,823 brigade adult members, crusaders, cadets, juniors, therapy dog handlers and therapy dogs provided over 190,000 hours of volunteer services to communities in British Columbia and the Yukon.

During the ceremony at the Seaforth Armoury in Vancouver, ambulance divisions and individuals were recognized for their accomplishments. I would like to congratulate all the award winners, including the 12 recipients of the Duke of Edinburgh's awards from the Vancouver division. From Burnaby, division 389C received the Tinkler Shield as the most efficient cadet division in the lower mainland and won the Maundrell Trophy as the best overall cadet division in the province, while its member Michael Wong received the course commander's award as the top candidate on brigade officer training level 3.

Some other divisions were recognized as well. Division 426 in Richmond is the best adult division in the province, and Division 336 in Surrey contributed the most volunteer hours per member.

Time will not allow me to mention all the winners. Would the House please join me to congratulate all the award winners of the St. John Ambulance brigade and recognize the contributions of this great non-profit organization to British Columbia.

[1425]

#### ECONOMIC DEVELOPMENT IN NORTHERN B.C.

**B. Belsey:** Last week I had the good fortune to attend the Northwest Corridor Development Corp.'s annual general meeting in High Level, Alberta. This is an organization made up of public and private sector representatives, including the utilities, transportation

companies, manufacturers, labour organizations and three levels of government. Their goals include promoting trade synergies and efficiencies for a northern corridor that spans four provinces, the Yukon, the Northwest Territories and even Alaska.

Delegates spent much of their time highlighting accomplishments that northern B.C. has seen in the last three years. Accomplishments include a cruise ship dock in Prince Rupert and an uplands infrastructure project that hosted an estimated 60,000 tourists this summer, and a new international airport that is under construction in Prince George, making Prince George the hub of international air travel for the north.

Participants were excited about the spinoffs resulting from the CN-B.C. Rail Partnership agreement where \$130 million is set aside for northern development initiatives. Many of them praised the initiatives we have managed to put forth, this government. They are excited about the opening of the Hythe rail line that was once closed and now will be reopened to flow grain from the Peace River and northern Alberta to Ridley Island.

They talked about proposed rail links joining Alaska with the CN-B.C. Rail line. Participants had nothing but praise for this government's initiative. We'll see the port of Prince Rupert develop a container port that will rival that and the shipping that goes through that of the port of Vancouver.

The Northwest Corridor Development Corp. continues to provide strong leadership for future transportation issues, continues to raise national and international awareness of the importance of this corridor and continues to support this government's initiative to revitalize communities and industries across northern British Columbia.

#### ALTERNATIVE ENERGY SOURCES

**B. Penner:** Last month I was fortunate enough to spend some time in the great outdoors while attending official openings of renewable power projects in two different parts of this magnificent province. It is a fact that British Columbia became an importer of electricity during the 1990s, and it is tempting to wonder what W.A.C. Bennett would think. Regardless, it is important to develop new sources of domestic supply. That's why the B.C. energy plan, introduced almost two years ago, calls for more investment in our energy sector, not in foreign lands.

Since the 2001 election almost 40 renewable energy proposals have received contracts to deliver electricity to B.C. Hydro. These include two biogas systems — one in the lower mainland and one in southern Vancouver Island — capturing escaping methane gas from landfills and turning it into energy. Wind projects are also moving closer to reality. But the majority of projects currently being developed are run-of-the-river small hydro.

Running water is something British Columbia usually has in abundance, so it makes terrific sense to transform some of it into much-needed electricity. The

45-megawatt Pingston Creek hydro project south of Revelstoke and the 50-megawatt Rutherford Creek project near Pemberton are now delivering zero-emission electricity to British Columbians. Taxpayers were protected against the risk of cost overruns as individual investors took on that risk, bringing with them capital, ingenuity and expertise to develop energy with minimal environmental impact.

Collectively, these two examples of B.C.'s energy plan will pay about \$1.5 million per year directly into the province in water rentals, rural area property taxes and Crown leases. Good-paying construction jobs and demand for local goods and services are extra benefits.

To encourage even more of a good thing, last month B.C.'s Minister of Energy and Mines and the Minister of Finance announced the government's intention to ask the Legislature next spring to provide further tax relief for green run-of-river power producers. Additional projects are now underway, helping to re-energize our growing economy. I encourage all members of this House to visit a green power project in B.C. in the near future. The fresh air will do you good.

**Mr. Speaker:** That concludes members' statements.

### Oral Questions

#### CHARTERED ACCOUNTANTS' REPORT ON B.C. ECONOMY

**J. MacPhail:** As we pointed out earlier this week, the chartered accountants said that the B.C. Liberals cut per-student education funding by 3.5 percent. The Minister of Education said the chartered accountants were wrong. The Minister of Finance challenged my colleague and me to reveal what was in the rest of the report, even though every parent knows that the B.C. Liberals have cut education. We took up the Minister of Finance's challenge.

The chartered accountants also report that manufacturing peaked in 2000. Under the B.C. Liberals it has gone down by almost 6 percent, for a loss of \$850 million. To the Premier: are the chartered accountants wrong about this too?

[1430]

**Hon. G. Campbell:** The chartered accountants, the Conference Board of Canada, virtually every economic think tank in the country and every bank in the country has said this: British Columbia is back. We are number one or number two in economic growth. We are number one or number two in investment, and we are number one in job creation.

**J. MacPhail:** Well, that's not exactly right. But let's see what the Chartered Accountants say about very specific issues. Here is the advice that the Chartered Accountants give to this government: "Government should be concerned not on the cost of labour but on the effectiveness of labour." They say that driving down labour costs leads to a "race to the bottom" and

that this province should aspire to high wages and salaries.

The Chartered Accountants report that under the B.C. Liberals labour costs did decline. Why? "As a result of lower wages, there was virtually zero increase in productivity. All declines are because wages fell." In other words, middle income British Columbians are having a harder time making ends meet under this government. To the Premier again: are the Chartered Accountants once again wrong?

**Hon. G. Campbell:** The Chartered Accountants have been very clear that this government has a record that everyone in British Columbia should be proud of. We've had a plan that not only has worked but is driving our economy forward in a way that they recognize is one of the leaders in Canada. We've had a five-times increase in the number of mines, the exploration in mining. We actually have mines opening up in British Columbia as opposed to closing down, as we saw with the last government.

We watched as last year there was an 18 percent increase in forestry investment. This year it is anticipated to be a 17 percent increase. That means jobs. We have watched as our energy industry has not just expanded; it has exploded and is recognized across the continent for billions of dollars of private sector investments and thousands and thousands of jobs coming right here, to our home, the great province of British Columbia.

**J. MacPhail:** Well, let's actually deal with the facts. The two very most recent economic forecasts say that high commodity prices and low interest rates are driving the B.C. economy.

Interjections.

**J. MacPhail:** I am talking. I'm addressing the Chartered Accountants' points of view about B.C.-made policies. Let's be clear. "In the year 2004 there has been a net job loss compared to 2003." That's Statistics Canada. The Premier has trouble with accountants that address his policies. Here's what they say: "British Columbians are paying millions of dollars out of their own pockets for government ads telling them how good things are." But the Chartered Accountants also report that the B.C. investment-to-GDP ratio is declining and has declined every year under his government.

Again, to the Premier: maybe the Premier will stand up and admit that he's wrong and the Chartered Accountants are right about his policies — not national global policies. Education funding is cut. Investment is down. Personal savings rates...

Interjections.

**Mr. Speaker:** Order, please.

**J. MacPhail:** ...are the lowest in years and the lowest in the country. If he insists...

**Mr. Speaker:** Order, please.

**J. MacPhail:** ...on blowing millions of taxpayer...

**Mr. Speaker:** Thank you, hon. member. The question, please.

**J. MacPhail:** Thank you.

To the Premier: if he insists on blowing millions of taxpayer dollars on supposedly fact-based advertising, why doesn't he include these facts? Why doesn't he include the facts that show how bad his policies are, that don't come from the NDP...

**Mr. Speaker:** Thank you, hon. member.

**J. MacPhail:** ...but come from the Chartered Accountants?

[1435]

**Hon. G. Campbell:** First of all, let me say this. We recognize that global commodity prices are helping everyone's economy, particularly in British Columbia. Let me say this: low interest rates have helped unquestionably in terms of investment.

But you know, with the previous government, we had the most prosperous decade that we'd seen in the global economy, and this was the black hole of the global economy. This was the economy under the previous government that drove jobs, opportunity and investment out of British Columbia. With this government.... The great thing about this government is not only have we left more money in peoples' pockets so they make their own choices; we have turned this economy around from being the worst economy in the country to the best economy in the country.

Let me say this: in Canada, across this country, other provinces are celebrating the fact that British Columbia is not just carrying its full weight but contributing to the country with the best job-creation record of any province in this country since December 2001.

#### WARD SYSTEM REFERENDUM IN VANCOUVER

**J. Kwan:** Next Saturday, October 16, residents of Vancouver will decide if the city will move toward a ward system. If residents vote yes and the council adopts a bylaw, it will still require the consent of this government. To the Premier: a simple question. The Premier has always opposed wards in Vancouver. Will he provide the public the assurances today that if Vancouverites say yes to wards, he will take immediate steps to implement the decision on the request of Vancouver city council? Yes or no?

**Hon. G. Campbell:** Let me say, number one, to the member opposite that she is wrong. I have not always opposed the ward system. In fact, when I was mayor of Vancouver in 1978, I advocated the ward system. We took that, and we put it to a plebiscite, and it lost. I

have been a personal advocate of the ward system for some time. I am interested in what the people of Vancouver decide. The people of Vancouver and the council of Vancouver can decide how they want to govern themselves. I have been for the ward system. I can't tell you how people in Vancouver are going to vote.

**J. Kwan:** Well, if the Premier claims that he supports the ward system, then he would have answered yes to my question. Let me give the Premier another chance. Given the position of the Premier, the citizens of Vancouver have every reason to doubt that his government will implement the results of a successful ward referendum. All they want is a simple yes or no answer. Will this government approve a bylaw submitted by the city of Vancouver that implements wards if the referendum is a yes vote? Yes or no?

**Hon. G. Campbell:** As the member opposite should know, the city of Vancouver has a city charter. We will act within the confines and within the regulations of the city charter. We will do exactly what the city charter requires us to do.

#### GOVERNMENT AID FOR B.C. CATTLE INDUSTRY

**J. Wilson:** My question today is to the Minister of Agriculture, Food and Fisheries.

Interjections.

**Mr. Speaker:** Order, please, hon. members. Would you please start over? We couldn't hear the question.

**J. Wilson:** Thank you, Mr. Speaker. Today my question is to the Minister of Agriculture, Food and Fisheries. It seems unlikely that the Canada-U.S. border will be re-opened this fall to beef exports. Ranchers are now facing a very depressed market. Recently the federal government announced a cost-share holdback program to help prevent the market from being overflooded. To the Minister of Agriculture, Food and Fisheries: what is the provincial response to this holdback program?

[1440]

**Hon. J. van Dongen:** Our government does have a comprehensive response to assist the beef industry in repositioning to the fact that the U.S. border is not going to open this fall. Today I am announcing full B.C. participation in the national calf set-aside program. This program will pay ranchers \$200 per head to set aside calves up until January 1, 2006. We are pushing the federal government hard to finalize the details of this national program.

I also want to remind ranchers of other elements that we have already announced — a CAIS cash advance of \$100 per head. We've announced workshops to assist producers with the CAIS program, and we have also been successful in achieving an extension of the application date to November 30, 2004. So we en-

courage ranchers to participate in all of these programs to assist them in this time of dire need.

#### B.C. CITIZENS FOR PUBLIC POWER

**B. Penner:** It looks like there's a new executive director for the supposedly non-partisan Citizens for Public Power. I wonder what happened to the last guy. The new executive director, Mark Veerkamp, worked as a political operative for CUPE last year, while at the same time that particular union celebrated the election of Carole James as the new leader of the NDP and contributed \$5,000 to her election bid.

To the Minister of Energy and Mines: does this group provide legitimate and accurate information? Or are they simply grinding a political partisan axe by acting as a front for organized labour and their friends in the NDP?

Interjections.

**Mr. Speaker:** Order, please.

**Hon. R. Neufeld:** Interesting question, Mr. Speaker. It certainly brings to light further to all British Columbians that the Citizens for Public Power are just a front for the NDP and grind the axe on a constant basis. Mr. Veerkamp joins a great group of people, such as Marjorie Griffin Cohen, director for the NDP....

Interjections.

**Hon. R. Neufeld:** Listen.

Interjections.

**Mr. Speaker:** Order, please.

**Hon. R. Neufeld:** Marjorie Griffin Cohen, director for the NDP-funded Canadian Centre for Policy Alternatives; Jim Abram, failed candidate for an NDP nomination in 1996; Jim Fulton, former NDP MP for Skeena; Jim Sinclair — and I don't think we have to go into his pedigree — president of the B.C. Federation of Labour, another solid NDP supporter; Blair Redlin, who quite a few in this House will know as a former researcher for the NDP.

Interjections.

**Hon. R. Neufeld:** They share their lists, with the NDP, of people that they've got into their group. I have yet to see something that comes out solidly clear and the truth from the B.C. Citizens for Public Power.

#### TRANSPORTATION INFRASTRUCTURE IN LOWER MAINLAND

**V. Roddick:** My question is to the Minister of Transportation. Traffic congestion in Delta communities is both unhealthy and costly, resulting in inefficient movement of goods and air pollution for the residents.

The necessity for upgrades to Highway 10, 17, etc., connecting to 99 and 91 and to the south perimeter road, is apparent as residents continue to acknowledge the need for transportation solutions to preserve safety, air quality and the community as a whole.

To the minister: what will the government's Gateway initiative do to help solve transportation problems that affect the quality of life for residents in Delta and the lower mainland?

**Hon. K. Falcon:** I know this is an important issue. I had the opportunity to meet with the chamber and the mayor and several councillors some months ago to talk about this very issue. We, of course, as the member knows, have underway, in partnership with the federal government, a \$241 million border improvement program where we are widening some of the key highways and access points for our border crossings.

[1445]

The member correctly points out that that still creates some challenges in Delta. We are, of course, working on a new potential interchange on Highway 91 and 72nd Avenue. As part of the Gateway program, which a lot of thought and work is being put into as we speak.... The Gateway program would include a South Fraser perimeter road, which I believe would go a long way to addressing a lot of the traffic congestion concerns that the folks in Delta have. That would be a road that would go all the way from Langley Industrial Park, swing all the way down to the Delta Port, and improve transportation and remove trucks from our major thoroughfares. That is something that we continue to work on with that member's support.

[End of question period.]

#### Tabling Documents

**Hon. G. Plant:** I have the honour to present the following reports: the *B.C. Treaty Commission Annual Report, 2004*; the public guardian and trustee of British Columbia annual report, 2003-04; the British Columbia Ferry commission annual report for the period August 11, 2003, to March 31, 2004; the final report of the 2004 British Columbia Judges Compensation Commission; the report of the Judicial Justices Compensation Commission, September 1, 2004.

Pursuant to section 15(2) of the Crown Proceeding Act, I table the Crown Proceeding Act report for the fiscal year ended March 31, 2004. I also table, as part of the tabling of documents pursuant to the report of the Judges Compensation Commission, a letter dated September 24, 2004, addressed to the Ministry of Attorney General from the Judges Compensation Commission.

I am obliged to make some observations about the reports concerning compensation of judges and judicial justices. Under section 6(1) of the Judicial Compensation Act, when the reports that I have just tabled are tabled, I am obliged to advise this assembly that pursuant to section 6(3) of the act, if the assembly does not resolve to reject a recommendation contained in the

reports within the time lines established by that act, then the judges and judicial justices will receive the salary and benefits as recommended in the respective reports, beginning for the judges on January 1, 2004, and for the judicial justices on January 1, 2005.

### Motions without Notice

#### MEMBERSHIP CHANGES FOR FINANCE COMMITTEE

**B. Penner:** In my capacity as parliamentary secretary to the Government House Leader, I move, with leave, that the Hon. Brenda Locke, MLA, be substituted by Mr. Blair Suffredine, MLA, as a member of the Select Standing Committee on Finance and Government Services and that Mr. Richard Lee, MLA, be appointed to serve as a member of the Select Standing Committee on Finance and Government Services.

Leave granted.

Motion approved.

#### WITHDRAWAL OF PRIVATE MEMBERS' BILLS

**L. Mayencourt:** With mixed feelings, I seek leave for the withdrawal of Bill M202, intituled Safe Streets Act, and Bill M203, intituled Trespass to Property Act, from the order paper.

Leave granted.

Motion approved.

### Orders of the Day

**Hon. G. Plant:** I call second reading debate on Bill 59.

### Second Reading of Bills

#### NORTHERN DEVELOPMENT INITIATIVE TRUST ACT

**Hon. K. Falcon:** I call second reading of Bill 59, the Northern Development Initiative Trust Act.

[1450]

The economic future of northern British Columbia is getting brighter and brighter. A big reason for this is the billion-dollar B.C. Rail investment partnership, which is allowing our government to commit, out of the proceeds, \$135 million to northern British Columbians. Legislation enabling the \$135 million northern development initiative trust is going to give northern British Columbians in the Peace, Prince George, northwest and the Cariboo-Chilcotin-Lillooet regions the funding, the control and the ability to identify and pursue new opportunities to generate sustainable economic growth and job creation in their regions.

An independent board of directors will be established by northerners and for northerners to make strategic investments in their own future. These investments might be in forestry, pine beetle recovery, transportation, tourism, mining, energy, Olympic opportunities, small business, sustainable economic development or other related endeavours as that board may see fit. This \$135 million will be theirs to invest completely as they wish.

The \$135 million is separated into three parts: \$25 million will be in the form of an operating endowment to generate interest and other income that will be used to cover operating expenses for the delivery of the initiative and to cover off the head office, which will be located in Prince George; \$50 million will go into a fund to support cross-regional economic investments to maximize developments across the north; the remaining \$60 million will be divided four ways, so that the four regions I mentioned earlier — the Peace, Prince George, the northwest and the Cariboo-Chilcotin-Lillooet regions — will receive \$15 million each to invest according to their own regional priorities.

The board of directors will comprise 13 members: two representatives from each of the four regional advisory committees, which I'll go into in more detail in a moment, as well as five members appointed by the provincial government to share their expertise on northern investment. In conjunction with the board of directors, four regional advisory committees will also be established, as I mentioned — one in the Peace, one in the northwest, one in the Cariboo-Chilcotin-Lillooet and one in Prince George. These committees will be comprised of elected officials from each region: mayors, regional district representatives and MLAs. Together they will determine spending priorities for their \$15 million share of the allotment. They will also select two non-MLA members to sit on the main board of directors to provide input and implement spending of \$50 million on cross-regional projects.

To get started, the province will establish a temporary board consisting of the mayors of the first- and third-largest municipalities from each region. Mayors from municipalities with a population greater than 500 will serve on the initial regional advisory committees, as well as the chairs of each regional district within the region and MLAs from the region. Mayors from the region's second-largest municipalities will chair those regional committees. These temporary committees and board will get things set up and establish how they want to conduct business. After six months the committees themselves will select two members to serve on the board, and the regions will have decided on the membership of their committees. After six months, this initiative will be up and running independently. While the initiative will be activated by a one-time instant grant of \$135 million, this investment will generate significant economic growth in northern British Columbia for many generations to come.

In addition, the bill contains other appropriations related to renewal as a result of the B.C. Rail investment partnership. These include \$200 million for the

B.C. Transportation Financing Authority's multi-year capital plan, as well as added support for sport, recreation, volunteer initiatives, Asia-Pacific market development, fuel cell research and other related initiatives. This is the legacy of the billion-dollar B.C. Rail investment partnership that this government has worked so hard to make real and that I am so proud to stand here today and introduce.

[1455]

In conclusion, let me say this. The future has never been brighter for northern British Columbians. A new private sector railway will be investing private sector dollars to create the kinds of efficiencies that will revitalize northern British Columbia, coupled with the proceeds in the northern development fund that will empower British Columbians to invest those dollars — that \$135 million — to ensure that we have future opportunities for future generations of northern British Columbians. With that, I say that the future is indeed bright for northern British Columbians.

**P. Nettleton:** Thank you for this opportunity to respond in second reading to Bill 59. I'm going to first of all mention a few things that I like about this bill and this initiative.

I think this government has learned a lot from the office of the northern commissioner, which was an office established under the previous administration. I certainly was one of the critics of that office and the politicization of the whole business of economic development in the north as seen within the office of the northern commissioner.

It was my sense that leaders in the north — be they mayors, councillors, directors or regional districts — appreciated the whole notion of government at the provincial level getting involved in terms of the creation of economic opportunities in northern and central British Columbia. But it was their sense, as I had indicated earlier, that in fact that office had been politicized to the point where it was really of little effect.

The other thing that we saw under the previous administration with respect to that office and their commitment to northern economic development was really an unwillingness or an inability to commit the necessary resources to that office and to leaders in the north in terms of establishing serious economic initiatives. The fact that there were not the resources tied to that office, as there could have been and should have been, again, was a problem.

I should also say that at the same time, under the previous administration we saw the establishment of the office of the northern commissioner, an office which was abolished shortly after the election of 2001. We had an administration which, under the Minister of Energy and Mines — namely, Dan Miller — directed B.C. Rail to bleed B.C. Rail and divert dividends from that rail to general revenue. I believe in one year it was somewhere in the range of \$40 million. At the same time, of course, there was a real need for scarce resources to be directed or redirected into the northern and central interior.

I should say that while I'm criticizing the former office of the northern commissioner in the context of a discussion with respect to the legislation before us, I have the utmost respect for the northern commissioner himself, Mr. Backhouse. He is someone who has, over many years, contributed not only to Prince George but beyond, but I think he was seriously hamstrung by the structure of his office. To his credit, he worked very hard and did some good work, even given the limitations of that office. I know that a lot of people respect him and wish him well.

One of the things, of course, that one looks at when we have before us, as we do, a bill of this sort, is the structure of the northern development initiative trust, in contrast to the office to which I have made reference — that is, the office of the northern commissioner. Again, talking about what I like about this legislation, I like — and it's my sense from talking to folks in northern and central British Columbia that they like them — the regional advisory committees and the establishment of temporary committees.

[1500]

I think there's nothing in the structure that certainly strikes me as being problematic. If anything, as I say, I think government has learned from the experience of the office of the northern commissioner — an office which has been abolished, in fact — to develop a structure that provides for the kind of widespread involvement of members of the various communities and regions of the northern and central interior to ensure that we don't have the kind of politicization with respect to this northern development initiative that we saw previously.

One of my experiences with respect to economic development initiatives in the north really goes back to my time as critic for B.C. Rail when, as a member of the B.C. Liberal opposition shortly after 1996, I met with Paul McElligott, the CEO of B.C. Rail, in his North Vancouver office, as I did on other occasions. On that occasion I discussed with him the prospect of economic initiatives — the provincial government, by way of B.C. Rail, developing and investing in the north. He was at that time excited about the prospect of doing joint ventures with the private sector along the line — bearing in mind, of course, that B.C. Rail at that time was much more than just the freight rail. It involved a telecommunications arm and Vancouver Wharves; it had a real estate division and other divisions.

Again, B.C. Rail was viewed — certainly by him and the board of B.C. Rail, and I'm sure there were those within government and even under the previous administration — as a publicly held rail, a Crown corporation, a vehicle to involve the private sector to open up and develop the north and ensure long-term prospects for jobs and other forms of security. That did not happen, unfortunately. The previous administration, it seems, got into some difficulty with respect to their need for revenue and, as I had mentioned earlier, turned to B.C. Rail and demanded of them dividends of such a nature that it spelled real difficulties for B.C. Rail — not only in terms of the long-term prospects for

B.C. Rail but also in terms of their hope, as expressed by Paul McElligott in my discussions with him, to involve the private sector and invest in northern and central British Columbia.

[J. Weisbeck in the chair.]

The difficulty I have with the legislation before me and that my constituents have with respect to Bill 59, the Northern Development Initiative Trust Act, is that the dollars outlined in this act are tied to the sale of B.C. Rail. I also recall, as a former member of the B.C. Liberal team both in opposition and in government, taking the very public position that B.C. Rail would not be sold. I know government still contends that is not the case. I think that's problematic too — that in real, practical terms we have seen the passing of this public asset into private hands and we have yet to hear government acknowledge that is the case. That is certainly a problem. It's a problem for the electorate; it's a problem for folks I represent. They do expect that government at the provincial level should invest and reinvest in the northern and central interior. Initiatives of this sort would be wonderful initiatives if they were not tied as they are to the sale of B.C. Rail.

To oppose this legislation is not, as some critics have suggested, to oppose the province investing in the northern and central interior. That's simply not the case at all. There are many of us, many folks who I represent, who have long argued and have long lobbied various administrations to invest and reinvest in the north.

[1505]

The complaint has been for many, many years that resources have flown southward. Moneys derived from those resources have gone to general revenue, and very often, very little is returned to the communities in which those resources are harvested. That is certainly a problem for the folks I represent, for the most part.

As I say, people do want to see government moving, as they have with an initiative of this sort. They do not, however, accept that in this instance, this initiative is tied as it is to the sale of B.C. Rail — a broken promise, a new-era promise broken, much to the chagrin of those of us who want to see the northern and central interior prosper.

For those reasons I will oppose this bill.

I look forward to comments with respect to Bill 58 later on today, I expect, from the first nations perspective with respect to the sale of B.C. Rail and its impact on them. Thank you very much for this opportunity.

**W. Cobb:** As the Minister of Mines often says: more good news. Well, this is not just good news. In my mind, this is excellent news. As has been indicated by the previous speaker, previous governments have tried to put economic indicators and initiatives in place to build the north. They have been unsuccessful. Why have they been unsuccessful? In my mind, and to put it in the words of what we would say in the Cariboo: because they never had the balls to back it up with

bucks. We are backing it up with bucks, and we're backing it up with bucks not from the sale of B.C. Rail but from a partnership we have with CN. We've done that. We've backed it up with bucks.

We understand that the north is the economic driver in our province and that in many cases it's the breadbasket of this province. We have huge economic opportunities here with this \$135 million. There are the tourism opportunities. There's a passenger train that we've talked about. I mean, it was gone. Now we have the chance to get it back. Not only that, but with the funds and the way the funds are allocated, we are putting them in the hands of the communities who know best what they want to do and the vision they have for their future. We also have the security for our industry — the forest industry, the mining industry in the province — because we now have good operators on the rail line.

As I travelled back home from Victoria on numerous occasions while we were waiting for this to go to the competition bureau, the mayors of my communities continually said: "Walt, where's the competition bureau? Why is this not happening? Let's get on with it." Well, I say: let's cut the rhetoric, let's cut the debate, and let's pass this bill.

**Hon. J. Les:** It's a pleasure for me to be able to rise in the House this afternoon to speak to this legislation at second reading. Mr. Speaker, as you well know and as members of the House well know, I am not from the north. I am from the southern part of the province, but I know this much. This is extremely important legislation for everyone in British Columbia. The investment that this enables in the economic infrastructure of the northern part of this province is key to making sure that collectively we have a thriving economic future in British Columbia.

I have spent a fair bit of time in my ministry role in the last several months visiting the various communities across northern British Columbia, and I'm impressed with the tenacity of the residents of many of those areas, who have faced a lot of adversity in the last decade and more.

They haven't given up on British Columbia. They know that the assets are still there. They know that they as people are still there to help build a future. They are very appreciative of the fact that there is now a government in Victoria creating conditions that are going to enable them to take advantage of all of the assets they have throughout the north.

[1510]

The CN deal with B.C. Rail has produced numerous benefits, starting right from the very top with the repayment of \$500 million of debt. That is a debt that has been lifted off the shoulders of British Columbians collectively. That is a debt that our children and grandchildren won't have to repay in the future. That is the first benefit, as I see it, from the B.C. Rail partnership.

What this bill, of course, is going to do is provide \$135 million that's going to be directed and invested by people who live in the north, the community leaders

and others in the north who know what needs to be done to ensure that the economy of the north can grow, expand and prosper. I think that's one of the hallmarks of this legislation. What's happening here is that the government is saying: "Here's the money. You know best what your needs are across northern British Columbia. You work with this money as you see fit without interference from Victoria."

I've heard several references in the previous remarks from the member for Prince George-Omineca, who apparently was quite enthused at one time about the northern commissioner, as he then was. That northern commissioner, of course, was first of all known as a political hack, and indeed he was, but that northern commissioner also had next to zero resources to work with and was listened to even less of the time. That person had \$2 million a year. It's unclear what results, if any, ever transpired. The governments of the day rarely, if ever, listened to any recommendations that the northern commissioner made. I would suggest to the member for Prince George-Omineca that the then northern commissioner was a rather pale example to follow and one that we had best consign to the dustbin of history.

This is a real, robust economic development model. I know that the mayors across northern British Columbia greeted the tabling of this legislation yesterday with a great amount of enthusiasm. They are excited. As the member for Cariboo South just indicated, they've been waiting for months now for this legislation to be presented. They were impatiently waiting throughout the spring and summer of this year as the competition bureau did its work and, of course, ultimately approved the B.C. Rail-CNR deal.

The Leader of the Opposition has referred to this \$135 million that is being put in the hands of northerners as a meagre disbursement of funds. I'm not sure exactly what would be considered a lot of money in the Leader of the Opposition's mind. I can tell you that to me and many people that I know, \$135 million is indeed a very significant allocation of funds. But then, of course, we're quite accustomed to the NDP not being too terribly conversant with figures, particularly when it comes to dollars. Apparently the writing off of hundreds of millions of dollars in the fast-ferry experiment didn't concern them too much either.

As we look across northern British Columbia today, we can see the economy of that part of the province emerging again. We see the mining industry, which has had a tripling or a quadrupling of investment in the last several years. We see the prospect of the emergence of the port of Prince Rupert, not only on the provincial stage or the national stage; this is truly going to be an international-scale piece of infrastructure that is going to contribute mightily to the future of not only Prince Rupert but the entire province.

I don't think there are many people in British Columbia who truly understand today the potential that exists in the port of Prince Rupert. I can tell you this, Mr. Speaker: there are many people internationally who understand very clearly that Prince Rupert enjoys a very strategic location. Prince Rupert has deep water.

Prince Rupert is a year-round port that never freezes up. With Prince Rupert located where it is, if you're shipping from Asia, you can get your goods to Chicago in the Midwest three days faster than via any other port or railway system. In short, all I can say at this point is: watch Prince Rupert. It's got a great future ahead of it — and the areas around Prince Rupert.

[1515]

Indeed, that applies not only to Prince Rupert alone. When that port facility is built, when it starts to process through that port hundreds of millions of tonnes of goods a year, the communities in the area, like Kitimat and Terrace and Smithers and Prince George and on down the line, too, are going to feel the very beneficial impact of all of that world commerce moving through that part of the province.

There is an explosion of goods being moved by container around the world today, with double-digit increases every year. It is the mode of transportation that is most favoured and increasingly so. If you watch the average freight train going by today pretty well anywhere, the boxcars are being moved off the rails, and flatcars with containers are what you'll see most of the time. If you watch those world trends, you know that the asset we have at the port of Prince Rupert is indeed going to come into its own in the very near future.

I have no doubt that the directors of the groups that are being set up under this legislation are going to keep the port of Prince Rupert foremost in their minds as they move forward. Also, in the tourism industry across the north, there's a great deal of anticipation, as we continue to open up British Columbia, that tourism is going to be a significant beneficiary.

The cruise ship industry for the first time touched Prince Rupert this year, of course, with over 30 cruise ships docking there and a very, very positive impact on the commercial community in Prince Rupert. I was there just a couple of weeks ago, and although the cruise ship season is now over, there's still a great buzz in town, given the very positive effect the cruise ships have had this past summer. In the months ahead, in the summer of 2005, I am told there will be as many as 50 or more cruise ships that are going to be pulling into Prince Rupert to enjoy the tourist attractions that are available there.

I think it's fair to say that some years down the road, as we look back at the year 2004, when this legislation was passed and marked the event that these resources were put into the hands of northern British Columbians, we will increasingly come to understand that this has been a turning point in the fortunes of northern British Columbia. This is a time when we put resources into their hands so that they could build their future, which I think is going to be remarkably robust.

We are currently facing a situation, of course, as a result of BSE, where ranchers throughout the interior of British Columbia are in great difficulty. One of the ideas that has been touted recently is the construction of a tender beef co-op, where they would slaughter cattle and test them all for BSE. I think there's a lot of merit to that idea, and it may well be that the directors

of these funds decide that is something that is worthy of their support. I think it would be a way to put the beef industry back on its feet throughout the interior of British Columbia.

I am sure the directors of these funds with \$135 million worth of resources at their disposal are going to look at a wide variety of opportunities that are available to them, and I am sure they are going to make much better decisions than would otherwise be made by folks from Ottawa, Victoria or other places. These are people who live in their communities, people who know the aspirations of their communities far better than anyone else.

I know they're excited about the opportunities I've talked about briefly this afternoon, and there are many others as well. There are, you know, ideas around a northern pipeline. There are the industrial parks that several of the communities would like to develop; hydro projects, run-of-the-river and others that may well be coming forward; liquid natural gas plants that are being thought about and are being moved forward in a couple of locations.

[1520]

Airport expansions in several locations. Currently in Fort St. John and Prince George the airports are being expanded. Those are significant additional assets to help grow the economy. I think it was in the 2003 throne speech that we talked a fair bit about opening up British Columbia. That means not only road infrastructure but also airport infrastructure — very important to enable people to travel around this province conveniently and comfortably. As I've travelled around the north, it certainly has been good to see the additional investment in airport infrastructure, and I know the people in those communities are very excited about the impact those assets will have in their communities.

To summarize, I think this is extremely enlightened legislation. The approach that we are taking is something that has people across the north very excited. It has them feeling very optimistic about their future. I know that as they move forward with this empowering legislation the results are going to be seen across the north in a very short period of time.

**D. MacKay:** I am pleased to stand today on second reading of the Northern Development Initiative Trust Act, which was introduced into this House yesterday for the first time.

This is more than a piece of legislation. This is about a vision — a Premier with a vision who realizes the importance of the northern part of this province. He understands the value that resource extraction that comes from the north has generated for the benefit of all British Columbians. The Premier of the day looked at the north and asked what he could do and what we could do as government to benefit the people of the north.

The legislation that's in front of us today for second reading stems from the partnership between the BCR and the CNR for the operating rights to allow a major railway company that knows what they're doing to take over the operation of the B.C. Rail line. That has

now come to fruition. The competition bureau of Canada has signed off on that, and the province is going to realize some considerable money from that — about \$1 billion to be exact.

Before I go there, I'd like to talk just very briefly to show how closely the provincial NDP and the federal NDP are tied together, because I don't think they understand, nor have they done anything for the north. I can recall a federal NDP candidate who was parachuted into Bulkley Valley–Stikine to run in a federal election. He was asked the question: what do you think of the B.C. Rail line? Should it be extended? His answer was yes, he supports the B.C. Rail line. He said the B.C. Rail line should be extended to the Queen Charlotte Islands.

Well, I shouldn't have to remind anybody that it's a 12-hour ferry ride across from Prince Rupert to the Queen Charlotte Islands, but that was his response. That was his understanding of the north — just how big the north was. He wanted to extend the B.C. Rail line from the present location over to the Queen Charlotte Islands. That shows you how much the federal NDP party has in common with the provincial NDP party. They don't understand the north.

For the first time the northern part of this province is going to have some funds. They're going to have \$135 million, and that \$135 million is going to be spent by people who live in the north. The decisions on how that money is going to be spent will be made by the people who live in the north.

But before I go there, I just want to stop for a moment. Let's have a look at what the provincial NDP government did for the northern part of our province over the last ten years. There's a great example, and I'd like to read from it now. It's from the *Times Colonist*, dated October 7. It talked about what the NDP did for the northern part of our province for three years. That's when they had the northern commissioner. I'm going to quote now from this article. It says: "The NDP effort ran for three years as a patronage gig and never budgeted higher than \$2 million a year." Two million dollars a year is a far cry from \$135 million, and northerners are finally going to have a chance to decide on how to spend that money.

[1525]

To continue my quote: "It was run by a northern commissioner, but one example shows how much impact he had on the government of the day. It spent a couple of years and a few hundred grand exploring whether the offshore drilling moratorium should be lifted, only to have the former Premier, Ujjal Dosanjh, unilaterally endorse a continued freeze without even consulting the commission."

That's what's so different about the northern commissioner's position and this new northern development initiative. The people, the mayors and the regional district chairs who live in the northern part of our province are going to have a great deal of say on how that money is spent.

I want to talk for a moment about mining, because mining is critical to the north. We rely on resource extraction for the revenues that we all need to spend for

the social programs throughout the province. Well, I shouldn't have to remind you, but I'm going to. We lost one out of every two jobs in the mining industry in the dark nineties under the former NDP government. Not only did we lose one out of every two jobs....

We just have to look at what happened to the mining exploration with the tight regulations that were imposed unilaterally. They actually chased the mining industry out of the province. As I said, we lost one out of two jobs. We saw mining exploration dwindle to \$25 million in the last year of the NDP reign from the \$150 million that it was when they took over government in our province. That's a huge and dramatic drop in revenues and job creation in the north, and I refer to the north again.

Forestry throughout the province of British Columbia took a big hit. We saw 17 mills close throughout the province, and we saw 10,000 people in the forest industry lose their jobs.

What about health care? I can recall when the federal government contributed some money to the province. And you know how that money was spent? It was spent on transportation, bringing people down from the north so the Premier of the day and the NDP government of the day could take credit for the extra funding that had been received to spend on health care. I don't know how much of it actually went into health care, but I do know a considerable amount went into transportation, bringing people down from the north and throughout the province so they could make a photo op out of public funds that were to be used for health care.

I happen to live in the north. I do a lot of driving in the north. It's a big province. I just recently went on a tour of the northern part of my riding. I left on June 29, and I came back around July 10. I visited small communities throughout the north. When I came back, I had put on 4,200 kilometres of driving just visiting the northern part of my riding. I have to tell you, there's a lot of road up there.

Under the previous administration, I don't recall seeing any upgrades to the roads in the north. I'm not aware of a single upgrade that happened in the north that I can account for and give credit to the previous administration for. That's a shame.

What about hydro? We consume and we're going to be consuming at a rate of about.... We need about 3 percent more every year of hydro to run our province. I have to be honest that once again, I'm a little bit miffed when I stop to think for a moment: what did the NDP do to generate more power for the people of this province? I suspect there's nobody in this room who could come up with one option or one program that was developed. But there is one that the NDP embarked on, and that was in Pakistan.

**J. MacPhail:** Have you heard of Keenleyside and Brilliant? What have you guys done?

**D. MacKay:** Quite a bit.

Interjection.

**Deputy Speaker:** Order, please. Member, let's listen to the member speaking, please.

**D. MacKay:** I heard the Leader of the Opposition speaking in the House the other day about post-secondary education, how they froze tuition for schools. For post-secondary education the tuition had been frozen. You know what that did to post-secondary education? It deprived a lot of students who live in the north of the right to attend schools. There were no new spaces being created — no new spaces at all.

Nothing is free in this province. Nothing is free in this life. Everything has a cost associated with it. Somebody has to pay for everything that we do in this province, so nothing is free.

[1530]

We also saw this province go from the number one economic driver in our country to number ten in ten years under that previous administration. We went from the number one province to a have-not province. We actually started receiving funds from this Confederation that we belong to. That's a cost-sharing program that has been developed over the years for those provinces that aren't doing well — for those provinces that are doing well to be able to share the wealth. We actually went into the have-not situation under the previous administration. That's not a very nice legacy to be proud of.

I've told you what the NDP did under their previous administration. Now I'd like to tell you what we've done in three short years. Let's talk about mining for a moment. I've heard several people talk about mining and how important mining is to our province. Well, I happen to live in the northern part of our province, where I know mining activity is extremely active. I've driven up Highway 37. You can't get a hotel room up north. You can't get a helicopter up north. You can't get a drilling rig up north. Every one of those pieces of machinery and highway.... Motel rooms are full to capacity. They're running overtime. That's what we've done in three short years.

The number of jobs that have been created through the mining industry speaks for itself. The jobs that are being created in the north are being created for people who live in the north. Mining exploration requires expeditors to service those mining industries. The drilling companies that provide the drills for the exploration that takes place are manned and built by people who live in the north. So yes, we are building a large number of jobs.

As a matter of fact, I think we've generated 156,000 jobs in the province since being elected.

Interjection.

**D. MacKay:** The Leader of the Opposition wants to know how many jobs we've created. I just told her — 156,000 since December 2001. That speaks for itself.

In health care. When we were elected, we said we would provide more funding for education and health

care as the economy grew. The economy is now just up and running to where it should be. It's still a little slow in some parts of our province, but the economy is finally starting to move again. Even while times were tight, our government committed to spend extra — over \$2 billion on health care. That's \$2 billion more than the previous government did on health care.

Have we reached the utopia yet where everything is great? No, it isn't. Health care is still a problem. It'll be a problem for governments for decades to come and into the future. But we've made a great contribution to shorten the wait-lists and look after people who do need health care, by the \$2 billion infusion. I expect more will come as the economy continues to grow.

As I said, the exploration side of the equation is interesting too, because we took over as government when the exploration company was spending \$25 million a year. That's not enough to create new mines; it's not enough. They need to spend in the neighbourhood of \$100 million to \$150 million a year in order to look for new mines.

Well, as I said, we took over when exploration was at a low of \$25 million. I'm pleased to report today that mining exploration is upwards of around \$125 million, and I expect that a lot of that mining exploration is in fact taking place in the north.

Let's look at forestry — forestry revitalization. The new investment dollars being put into processing facilities in my part of the riding are quite remarkable. We have the large mill at Houston, which is the world's largest sawmill, producing 600 million board feet a year. West Fraser in Smithers is spending roughly \$25 million and upgrading their mill.

Roads. As I said before, under the previous administration I did not see any roads being improved or any new roads being built. I want to remind you that under our government and under our Premier, we have committed to spend \$835 million on upgrades and new roads in the northern part of our province — \$835 million. Because I travel on the roads all the time and they're great distances, I can tell you that I've already seen the improvement in our roads.

[1535]

Highway 37 alone is a 600-kilometre road that runs from Kitwanga up to the Yukon border. We're spending \$40 million on that road in the next three years. In 2005 that road will be 100 percent legal axle loading, which will allow those new mines that are being built up north to travel with all that ore concentrate and create jobs for the people in our part of the province and pay for the social programs that the people in Vancouver and the people in the north want. That's what we're doing with roads.

There's lots of new investment going into highway infrastructure.

Interjection.

**D. MacKay:** She keeps asking me to name them. I'm not going to respond to her, but I've already told you how much we're spending and given her a couple

of examples of how much we're actually spending on roads.

Hydro is another one. I spoke very briefly about Pakistan. Well, we've actually asked independent power producers to generate the new power that we need — that 3 percent that we need year after year. We've signed off on \$800 million worth of new power projects — green power projects. I've got one in my riding. It's a \$225 million project. It's a run of the river. They're going to borrow water from the top of the Iskut canyon. They're going to build a 3.5 kilometre tunnel and put the water back in below the canyon. They're going to generate 110 megawatts of power.

That is such good news. The present hydro grid ends at Meziadin Junction. It's 118 kilometres up to this new power project that's being built. We're going to see an extension of the B.C. Hydro grid — 117 kilometres north from its present location.

That is such good news for those mines that are up there. The mines consume a great deal of power, and diesel generation power is not an option; it's not an environmental option. What we need is the cheap hydroelectric power that this province produces and makes available to our mining industry and the residents of this province who consume this electricity.

We have some of the lowest power rates in this country. One of the things that brought the mining industry back to our province was the availability and knowing full well that our province will look after the mining industry with cheap hydroelectric power as these mines develop, the infrastructure develops and the roads develop to create these jobs.

I want to get back on topic now. I've wandered off my topic, talking about the northern development initiative. I spoke for a few moments and wanted to let you know that we now have \$135 million for the north, which is considerably more than the \$2 million that the previous administration gave to the northern commissioner — \$135 million. It's going to be broken down into a couple of programs. There's going to be \$50 million for cross-regional investments. Because the northern part of our province is so massive and so huge, there's obviously going to be some cross-regional initiatives that they're going to want to embark on, and that's \$50 million that they're going to be able to draw from the funds.

There's \$25 million that will be an endowment, which will cover the operating costs of this northern development initiative. There's also going to be \$60 million available to the four regions of the north, particularly the northwest, the northeast, the Prince George area and the Cariboo-Chilcotin-Lillooet area. They're going to have \$15 million each to spend on whatever they want — whatever they think is valuable to them. Economic drivers, I would suggest, would be the most lucrative ones that they should embark on, but they won't be told from Victoria how to spend that money. Those decisions will be made by the people who live in the north and in the best interests of those people that live in the north.

Their head office, of course, will be in Prince George, which is almost in the centre part of our prov-

ince and makes sense. The makeup of the boards as we get started.... We're going to see two mayors from each of the four regions, and they're going to be composed of the first and third largest communities in each of those four regions. Those mayors will sit as an eight-member board, along with five government appointees, to get this program up and running. In six months they will be required to nominate two candidates to represent this board into the future.

They can spend that money. They can spend the money on roads, if they want. They can spend it on mining. They can spend it on any economic activity that they want, or they can flush it down the toilet, but the province will not be able to tell them how to spend the money. They're going to make those decisions. The best part of this whole program, this whole initiative, is that it's local control. It'll be local decision-making, and it will be local spending.

[1540]

As a northerner I have to ask: how can anybody that lives in the north and understands the north not support a piece of legislation such as this? I can tell you that I speak on behalf of a lot of people who live in the north, and I speak on behalf of the mayors. I have seven mayors in the riding that I represent. I haven't spoken to all of them yet, but for those mayors that I have spoken to, I can tell you that they support this northern development initiative. They stand behind me in this because they realize that they're going to have a say in how that money is spent.

In closing, I would just like to reiterate that I stand here in very, very strong support of this program, which was a piece of paper that was introduced into this House, that's going to create some wealth in the northern part of our province. It's going to be spent in the best interest of the people who live up there by the people who live in the north. Thank you for this opportunity to stand in support of this motion.

**Hon. R. Thorpe:** I am very, very pleased to rise in this House to let it be known that I'm going to support this bill. But most importantly, what I'm doing in speaking today is rising and speaking in support of my northern colleagues.

I've had the privilege over the last three and a half years to visit the north many, many times. I was in Rupert a couple of months ago, and I can tell you what a difference a year makes. People are happy; people are smiling. People are looking at opportunities. People are excited about their future. That is what the spirit of British Columbia is about. It's about people having hope and the opportunity for prosperity as they go forward so that they can stay in the north, they can look after their families, and their children can come back home.

You know, many speakers have said here today that the opportunities that Prince Rupert is going to have as a result of this deal.... But that is just one community, and as I've travelled across corridor 16, I've heard community after community speak with one voice, speak of the opportunity of growth, speak of the

opportunity that they are going to be a new gateway for North America. All of those communities are working with one voice.

You know what this fund does — this \$135 million? It takes it out of the hands of people in Victoria. It puts it into the hands of people in the north who are going to work on a board to establish their cross-regional priorities. It's going to give them the opportunity to have funding so that they can have a group that is going to bring people together. It also gives them, in four regions, the opportunity to work on their regional priorities.

You know, when I'm in Quesnel or Williams Lake, people are excited about this opportunity, as they are in Chetwynd, Dawson Creek and Fort St. John. This is a huge, huge opportunity, one that we committed to doing with the B.C. Rail investment partnership, one that we said the northern communities and the northern citizens of British Columbia deserve — the opportunity to be able to make their own decisions so that they're unfettered from people in Victoria and Vancouver, so that they can establish their priorities in their communities, whatever they may be.

You know, I think this is going to create a huge opportunity for the spirit of the communities to come together; for families and members of families to come back to the north; for the opportunities that they are going to be able to create for themselves, their communities and their families. I hear the member of the opposition speak against this, as she does most other great things that are happening in British Columbia. But it's about real people. It's about going into Smithers and hearing people.

[1545]

As many know, Smithers used to be the jumping-off point for the mining industry in British Columbia. Under the dark decade of the nineties, it suffered dramatically. In talking with one lady at Smithers about how her business has grown over the last three years in providing services to the mining community of the north, it exhibited to me once again that this is about people. This is not about elected officials here in Victoria making great decrees; it's about people in their community building the future for their community.

I am very strongly in support of this bill. I am very strongly in support of the communities of the north, because I have seen over the last three and a half years what they can achieve with a vision and the enthusiasm and their commitment to success. Whether it be Kitimat, Prince Rupert, Terrace, Smithers, Houston, Burns Lake, Vanderhoof, Prince George, Williams Lake, Quesnel, Chetwynd, Dawson Creek, Fort Nelson, Fort St. John or all of the other communities and regions of the north, this is a great opportunity and one that we should be celebrating. This, in fact, is a new era not only for the north of British Columbia but for all of British Columbia, and I proudly support this bill.

**J. MacPhail:** Today we start debate on Bills 58 and 59, which is this government's distribution of the proceeds from the sale of B.C. Rail. I want to make two

things clear from the beginning. First, the sale of B.C. Rail is an absolute betrayal of trust — absolute. The Liberals promised not to sell or privatize B.C. Rail. They ran in the last election making that promise, but that is exactly what happened. They sold B.C. Rail.

The Liberal government seems to be a little bit in denial about that, just like the President south of the border is in denial about what's going on in Iraq. This government is exactly the same — in denial about the fact that they've sold B.C. Rail. B.C. Rail Ltd. is now 100 percent owned by CN. Not one single person can dispute that. It's sold. It's in black and white in the transaction agreement that the Liberals hid for months.

The Premier, the Minister of Transportation and all of the Liberal backbenchers would have us believe that they kept their word, that they didn't betray the people of B.C. How do they try to have that denial seep through? Because they only leased the right-of-way. That's all they did. They only leased the right-of-way. For how long? For 990 years. British Columbians are supposed to say: "Oh yeah, that's right. Gee, that isn't a sale." It's 990 years. It's the new millennium line, Mr. Speaker. That's in the ownership of CN — 990 years. But somehow that's all they've got left to defend against their betrayal.

It's time this Liberal government stopped treating the people of the province like they have no common sense. This piece of dirty Liberal laundry has been through the spin cycle so many times that it's been torn apart, ripped to shreds and nearly dissolved. Yet the Premier clings to it, wearing the remains in a desperate and feeble attempt to say that he kept a promise. Well, the people of the north are not fooled. It is ridiculous for the government to claim that they haven't sold B.C. Rail. The people of B.C. know very well what happened. The Premier deliberately told them one thing and then did another. He went back on his word. He betrayed the people of British Columbia.

To make matters worse, British Columbians had to endure all this spin while the government kept the details of the deal a secret. It took months of questions, leaks and police raids to extract any concrete details. But once we finally got the truth, we could see just how far they had tried to pull the wool over our eyes. The sale of B.C. Rail Ltd. and the 990-year lease of the right-of-way were and continue to be an absolute betrayal.

[1550]

Now we come to the second point that I want to make clear. The money being distributed to first nations groups and impacted communities is welcome. We will not dispute the benefits this money can provide to the interior and northern communities that have been left behind by this government. As I have travelled the province with the Finance Committee, I have seen the need for infrastructure in the north and the impacts of the pine beetle. I can tell you this, Mr. Speaker: the demands and the needs of the north far exceed the amount this government is doling out today.

Let me give one example. This is from the homebuilders association of northern B.C. in a presentation they made last week in Prince George. Yes, they were

thankful for all the investment of infrastructure in the north in the 1990s.

Interjection.

**J. MacPhail:** In the 1990s. You know, I hear some bellowing minister from the other side. I think he's currently the Minister of Provincial Revenue, but he bellows that I should give my head a shake. Well, it's actually in *Hansard*. The presentation is actually in *Hansard*.

The homebuilders association of the north was grateful and the mayor of Prince George was grateful for the infrastructure investment in the 1990s, but they are desperate to have infrastructure begin now under this government.

Mr. Speaker, I'll tell you, the piddly \$15 million going to the northwest corner of this province in this legislation won't cover but one request from one community.

Interjections.

**J. MacPhail:** Now, let's just talk about the Les Leyne article this morning in the *Times Colonist*. I wasn't going to bring it up.

Interjections.

**J. MacPhail:** I wasn't going to bring it up, because it's always difficult. But I see the backbenchers have seized upon that. Well, what Mr. Leyne focuses on.... Believe you me, he is an excellent journalist and columnist, but he was wrong today. He was completely wrong today to compare the northern commissioner's office to what real investment took place in the north. He was dead wrong. I don't begrudge him that; he's a busy man.

He completely overlooked the hundreds of millions of dollars invested in infrastructure in the north, like roads into the oil and gas fields — over \$50 million in roads into the oil and gas fields alone; a huge investment into the forest and pulp sector in the northwest, which is an absolute disaster under this government, an absolute disaster.

It was embarrassing, the article in the *Vancouver Sun* yesterday about that. Investment in hospitals, schools, universities.... Yesterday I heard the president of the university council say that the University of Northern British Columbia was built in the 1980s. Well, now I can correct the record. It's celebrating its tenth anniversary today. That would mean it was built — when? It's 2004, so minus ten — in 1994.

And the courthouse....

Interjections.

**Deputy Speaker:** Order, members. Order, please. Order. Let's keep it down to a dull roar here, please.

**J. MacPhail:** And who built the new courthouse in Prince George and the new hospitals in the north? Let's

see. And all those new schools? Not this government. I hope I can sit down with Les Leyne and explain to him that all of that investment occurred....

To date, in three and a half years under this government, the investment has been piddly — less than a few million dollars. In fact, I'm hard pressed to name an investment. I'm just kind of giving the benefit of the doubt. I can't name an investment.

They've closed down hospitals, they've closed down schools, and they've closed down colleges.

[1555]

Interjections.

**J. MacPhail:** That, Mr. Speaker, is what I can remember.

Somebody asks: why did they throw us out? I guess we'd look at what the support is for this government in the north. I don't know whether anybody's got the latest polls.

Has anybody got the latest polls about how it's going in the north? Well, I don't know. It's maybe 15 to 18 points of people saying to this government: "We like the other political party better." I don't know. I could be wrong.

Mr. Speaker, it is an absolute shame that this government has chosen to give less than 20 percent of the proceeds of a profitable company back to the communities. Let's be clear. The \$135 million awarded by this legislation is equal to two years of B.C. Rail profitability. Two years of B.C. Rail profitability is the same as the absolute sale and giveaway of B.C. Rail to CN and the one-time money given back of \$135 million.

We give away a profitable Crown corporation actually serving the north and the interior, and the community gets back, actually, the equivalent of less than two years of profit for B.C. Rail — less than two years, less than 20 percent of the price tag for a profitable, efficient and productive Crown corporation. That's all a broken promise is worth, and that's why the opposition cannot and will not support this bill.

We 100 percent support providing our communities with the tools and resources they need to develop and grow. However, we cannot support where this money comes from. It comes from a betrayal and a broken trust, and the people of northern B.C. and the interior of B.C. understand that. It comes from secrecy and deception.

The resources being allocated to establish these trusts could have come from other sources. The Finance minister is sitting on a \$1 billion surplus created by commodity prices of goods coming from our interior and north. That's where the billion-dollar surplus came from — oh, and out of the pockets of students. A hundred million dollars out of the pockets of students created the surplus as well. The government could easily have taken \$135 million and established these same trusts if it wanted to. In fact, it could do more if it wanted to. It could easily have done more.

We support our communities, and we wish them well with managing the spare change they're getting

from a billion-dollar giveaway to CN, but we cannot vote in favour of Bills 58 and 59 — not because we do not support those communities, but because we do not support the government's broken promise and decision to sell off B.C. Rail.

We cannot support betrayers, and that's what this government is — a group of betrayers. Their decision betrayed British Columbians when they sold out British Columbians. It's an absolute betrayal.

I think the only comfort we can take from this is that the regions will have control of the funds. And what's that a model of? Who created that model? It's a model similar to the Columbia Basin Trust, a model that the previous administration created — the NDP administration. It's very similar. The communities impacted by this sale, those that will be seeing job losses....

It's interesting. Someone stood up and bragged....

Interjection.

**Deputy Speaker:** Member, let's keep the debate confined to the member, please.

Leader of the Opposition, proceed, please.

**J. MacPhail:** I understand that the odds are even in this chamber, believe you me. I understand that it's fair odds, but I welcome the chance for the Minister of Labour to get up and talk about the job losses as a result of this sale. I welcome his opportunity to get up and deny the hundreds of job losses as a result of this sale. In fact, I'd be happy to give my place to him so he can explain the job losses.

[1600]

They talk about new jobs going to Prince George. What is it — a dozen new jobs? How many are being lost in Prince George — over 200? Oh, let me try and do the math there. That would be a net job loss as a result of this, and that's added to the net job loss in this province for 2004. It's not me; it's Statistics Canada.

There is a net job loss year to date in this province in 2004. I didn't see any ads saying that. I wonder if the Minister of Labour forgot to put that in their most recent ad — huh? Or did they forget to mention in their ad that they're throwing away hundreds of jobs as they sell off B.C. Rail to CN? Well, the communities impacted by this sale know that. They know that they will be seeing job losses and reduced service, and of course, they deserve to have control over the meagre funds. The Liberals have done enough damage.

I am well aware of what's to come. As soon as I sit down, government member after government member will charge that we do not support the communities of this province. I can hardly wait for them to get up and say that. Nothing could be further from the truth. It is this government that turned its back on B.C. when it decided to sell off a profitable Crown corporation, close courthouses, throw people out of work, shut down schools and reduce health services.

I note that my colleague behind me didn't mention the dozens of closed schools in the north — I think he

must have forgotten that — or the dozens of closed hospital beds in the north. I think he forgot to mention that. I sincerely hope the communities with access to funds are able to do many positive things with the money, but we cannot forget how we got to this point.

[H. Long in the chair.]

The government never had a mandate to sell B.C. Rail Ltd. They never had a mandate to lease the right-of-way for 990 years. The Liberals campaigned on a new-era commitment to not sell or privatize B.C. Rail, but that promise has magically disappeared from the Internet. There is no *New Era* document left. That document — it doesn't exist on the Internet anymore. I find it amazing how this government is so ashamed that they think they can wipe the record clean by taking it off their Internet site. Do they think British Columbians are stupid? Well, British Columbians remember the promise this government made to not sell B.C. Rail, and their constituents took them at their word. Despite that, the Liberals broke the promise and tried to cover it up with weasel words.

The spin never fooled CN's CEO, Hunter Harrison. He said that CN paid \$750 million to buy the business. That's what he said. Maybe he's the member of the chartered accountants institute. I don't know. I better check. I don't think he is. I don't think he's a member of the chartered accountants institute. I think he's just straight-up smart and knew when he got a good deal, and he told the shareholders the truth, unlike this Liberal government telling their shareholders anything but the truth.

The story doesn't end with that broken promise. That's only the beginning. The sale of B.C. Rail has become infamous — raids at the Legislature, inside information, leaks, the cancelled spur line deal of B.C. Rail, and relentless misinformation and secrecy.

During the months after the announcement over a dozen mayors and councillors represented by these Liberal backbenchers, from Squamish to Fort St. James, asked for the deal to be opened up before it was voted upon in this Legislature. The government refused every step of the way. We were all to take them at their word — what was the problem? — a word that had already been broken.

[1605]

We were supposed to believe them when they said there would be no surprises. Member after member of that front bench said there would be no surprises. Well, there were surprises. There were a lot of surprises. Some were uncovered by the media. Some were uncovered by the opposition, and some were even uncovered by the police. Even the police uncovered some surprises, and that's why this government had to shut down the sale of the B.C. Rail spur line.

Oh, where's the heckling now? Hello. Is there anybody out there? Where are all the denials on that one? Oh, dead silence. There's dead silence as this government should hang its head in shame that the police had to shut down the sale of the spur line of B.C. Rail.

Let's run through some of those details. The government tried to tell us that they were selling off a Crown corporation that was a burden to the taxpayer. I heard some city MLA, the member for.... No, no. It was the Minister of Labour saying: "What about the debt?" In fact, here it is, right in my remarks. "We're getting rid of the debt," the ministers all cried. "We're saving taxpayers money," the ministers all cried, and they continue to cry that today.

Well, let's just look at that. Let's look at how that's not true. Taxpayer dollars have never for a moment been involved with the debt of B.C. Rail. It is a non-taxpayer-supported Crown corporation, and not one dollar of taxpayer money went to support the debt of B.C. Rail — not one. On top of that, B.C. Rail was making a profit every year. Now, I know that this government doesn't understand many business principles, but getting rid of the debt on B.C. Rail doesn't make one iota of difference to those who are paying for the debt, and that's the shippers. Not one iota of difference, because CN will pass on those costs, just the same way that B.C. Rail did. Absolutely.

Interjection.

**J. MacPhail:** I see the member for Victoria-Beacon Hill looking like a.... I guess he doesn't understand that concept. I guess he doesn't understand it — that the people who were actually paying for the debt, the shippers of B.C. Rail, are completely unaffected by this. In fact, there isn't a dime of savings to the taxpayer for the payment of this debt. So there we go.

But these people won't hesitate from standing up and reading from their spin-cycle spin message again, eh? Go through the spin cycle. Okay, but that information wasn't forthcoming from the government. It had to be dragged out of them. In fact, their message box actually said taxpayers were going to save \$30 million a year until they were forced to admit that wasn't true. Once the public discovered this, they got a little curious about the deal itself.

For months we asked to see the details, and for months we were stonewalled. In estimates debate we learned that there was no reason for the government to withhold the deal — nothing. The competition bureau didn't say it had to be kept secret, and nothing in the deal itself prevented the government from being open with the public. Only this government's secrecy kept the details from the public. We know why. It was the government's unilateral decision to withhold information. It took months to get the information.

Oh, then there was the fairness report. Let's talk about the fairness report. Now, that was paid for by the taxpayers. Uh-huh. That was paid for. Charles Rivers Associates were paid \$300,000 for a report into the fairness of the bidding process, and the government waves it around and goes: "Look, look, look, all you naysayers, accusing us of not being fair. Here is the Charles Rivers report." Well, despite the discovery of a critical leak of confidential and commercially sensitive information, they found nothing wrong.

[1610]

The report didn't even look into the actions of the Premier, and the Premier continues today to refuse to answer questions about his meetings or lack thereof with people involved in the bidding process. I don't know why the Premier continues to refuse to answer those questions about whether he met with the then CEO of CN, Paul Tellier, but he does. We spent weeks and months asking the Premier and both ministers, both the present one and the former one, for information about the leaks. It took hours of cross-examination in the ministry's estimates in the spring before we got any useful information.

Here's what we learned. We learned from the minister that the leak was commercially sensitive information that should only go to the successful bidder. It took a few more hours, but we managed to get more out of the minister. The minister let it out that CN had received information about the costs associated with interline agreements.

CN was in the middle of a bidding war where they had offered up a 5 percent reduction for interline shipping rates. I'm trying to make the terminology clear for members who are going to speak to this in a minute. All of a sudden, there was a leak of confidential information about these agreements, and CN ups the offer to a 7 percent reduction in interline shipping rates. The fairness report said this was all fine.

Let's talk about that 7 percent reduction in shipping rates. The member for Victoria-Beacon Hill was calling over: "Hey, what about those reductions in rates?" Let's talk about that. Okay.

Well, the Premier boasted endlessly about that reduction — wonderful news, he said. He failed to mention that the 7 percent reduction was an average. We only found that out later. He didn't mention that the 7 percent only for interline shippers covered only one-third of all of the shipping in the province. He didn't mention that. We had to find that out later. No help for grain or sulphur shippers, because they rely on intraline shipping. Intra-line shipping, which is 66 percent of the shipping business, got zero reduction in rates. Really, the 7 percent reduction in rates turns out to be about 2 percent overall.

Then the minister was also forced to admit that the reduction came into effect on the day that the transaction was complete, but he couldn't guarantee how long it would last — no. It could be for six months. It could be for a year. It could be less. He couldn't tell us how long that reduction would last.

The kicker to all of this? The minister finally coughed up the detail that the taxpayers would actually be on the hook for a portion of the reduction. Ah, isn't that interesting? The taxpayers were going to be on the hook for it.

I'll go through that in a minute, because the minister's forgotten this detail.

What other surprises were there? Here's one. After Mike Smyth of the *Province* got a copy of the revitalization agreement, we learned that the government could sell off Crown land to CN for a buck. Was that in the

original announcement? No. I checked today to see whether that was in the original announcement — no.

We also learned that CN could abandon various lines after five years. The document also showed that the lease will last for 990 years, since the government will not have the ability to buy back the rolling stock. They've sold all of the rolling stock. What are they going to buy back?

**Hon. K. Falcon:** The rolling stock.

**J. MacPhail:** Oh, the minister says they're going to buy back the rolling stock. Oh my God. I can't believe they finally admitted to that. What of the business acumen of this minister? He's claiming that the proof of the pudding that the lease is not for 990 years.... The government at any time could buy back the lease, but they'd have to buy back rolling stock as well. Well, let's see. Why, if it's not for 990 years, did they sell the rolling stock in the first place?

The government is still trying to say it's not a sale. I love it. The minister stands there and says: "Well, we'd buy back the rolling stock." Okay, I think that's a sale — don't you? — if you have to buy back something in order to make the lease less than 990 years. Hmm.

[1615]

Then just a few weeks ago we learned the true value of this one-for-the-millennium lease: \$52 million. Oops. Gee, the minister wouldn't admit to that in estimates — the value of the lease, \$52 million. But there it is in the first quarter report of this government, which was tabled September 14 of this year.

Here's what page 19 of that first quarter report says. Now, this is a government document, so I hope the minister won't stand up and say it's wrong. But you never know — right? He could, because it makes him look silly. I quote: "Fifty-two million dollars of the transaction gain relates to the operating lease for the right-of-way and railbed assets and will be spread out over the term of the lease."

Let's take the best-case scenario for the government. Let's say the lease is for 90 years, not 990 years. That's \$577,000 per year to lease the hundreds of kilometres of railbed and rail line — half a million dollars. Wow, did they ever wrestle CN to the ceiling. Wow. No wonder the minister didn't want to reveal the cost of the lease in estimates, because he'd look like a silly fool.

Then there's the costs spent on the transaction — \$14 million on lawyers. I wonder if those lawyers are happy — \$14 million on lawyers, accountants and communications. Oh, by the way, that's the same amount of money that the whole northwest sector is going to get. The northwest corner is going to get \$15 million out of this. Lawyers and accountants got the same amount of money. I wonder if those lawyers and accountants live in Prince Rupert. I think I'll ask the minister at committee stage the names of the companies.... In fact, he should write this down. The names of the lawyers and where those lawyers and accountants reside and the communications firms where they actually live.... I sure hope it's Smithers. I sure hope it's

Prince Rupert. I sure hope it's Houston and Prince George where those lawyers live so that at least the community got some investment back. That money alone could have established the first nations trust. Isn't that interesting? That's exactly the amount of money that the first nations are getting.

Those expenses aren't the only hidden costs. Once again it took months of questions and months of evasiveness, but the minister finally coughed up details that the government — here it is, Mr. Speaker — is covering the land transfer taxes. Yeah, he had to admit that he estimated that would be between \$12 million and \$14 million.

Now, when you and I buy something, Mr. Speaker, we have to pay those transfer taxes. I make \$75,000 a year. I'm not CN. But when I buy a piece of property, I have to pay those land transfer taxes. My colleague to my right and my colleague behind have to pay those land transfer taxes as well. People who are in long-term leases have to pay those land transfer taxes. But CN didn't. Poor little CN. The minister says it's because the government transferred the land. Well, isn't that a scam? He actually admits that he performed the scam and said it was him that transferred it, even though it is CN that has the lease.

The lease for CN. It's the long-term lease that's subject to the land transfer tax. He said: "Oh, CN, don't worry about it. We'll finagle the law so that you won't have to pay the transfer tax." In fact, the Minister of Transportation, if he is going to....

Interjection.

**Deputy Speaker:** Order, member. The Leader of the Opposition has the floor.

[1620]

**J. MacPhail:** Well, I look forward to the Minister of Transportation reversing what he said in the media on this matter. He has been forced to reverse himself in the House before. I got my information on this from the Minister of Transportation himself that yes, they did make a deal so that the land transfer tax wouldn't be paid by CN when it should have been, under the law.

I look forward to him standing up and saying how he was wrong when he gave that information, and reversing himself. It wouldn't be the first time that the Minister of Transportation has had to reverse himself around B.C. Rail.

Interjection.

**J. MacPhail:** I think the minister's getting a little sensitive. I certainly hope my comments aren't getting to him. I certainly hope they're not. I look forward to him reversing the statement he made around this matter. Then we'll have to start all over again about what the truth is in this deal.

Let's just imagine what that land transfer tax giveaway to CN, which every other person would have had to pay, would have meant. Imagine what that amount

of money could have done for the communities in the north and the interior. All of this information only came to light because of persistent questions and digging. The government refused to share any information. Most of the time it seemed like they were as caught off guard as the rest of us when these details came to light. In fact, we see the Minister of Transportation and his heckling flip-flopping again today. I can hardly wait for him to answer these questions. I expect he'll know now that committee stage will be quite a detailed discussion. They were so caught up in their own secrecy, and we now know why.

But to cap it all off, there were the raids at the Legislature and a criminal investigation that found itself in the office of the former Minister of Transportation. While the results of the investigation are still outstanding, we do know one crucial thing: on March 10 of this year the current Minister of Transportation, on the advice of the RCMP, advised the public that he was cancelling the deal into the Roberts Bank-B.C. Rail spur line sale — wow, on the advice of the RCMP. Here's what the minister said, and I quote: "Significant confidential information may have compromised the government's negotiating and financial position." He had to cancel the deal.

More scandal, more leaks, more uncertainty and more wasted money. The cost of the cancelled deal was just under \$1 million — that they will admit to. I'll be asking more questions about what the final costs of that were, because they admitted to under \$1 million to date. That's more money that could have gone to projects up and down the B.C. Rail line.

The B.C. Rail sell-off was bumbled and full of scandal from beginning to end. Nothing the government members can say or do will ever make up for their decision to break a fundamental election promise and betray the trust of British Columbians.

I have no doubt that our opposition to this bill will be misrepresented by this minister and the rest of the Liberal MLAs. They will suggest that the NDP is opposed to investment in rural and northern British Columbia. Well, I will tell you that B.C. Rail as a Crown corporation did more for the investment of northern British Columbia and the interior of British Columbia than this government will ever purport to do, and it should have been kept as the viable Crown corporation that it was. This government promised it would be there in the last election. Nothing could be further from the truth, as will be made exceptionally clear in the weeks and months leading up to the election.

[1625]

But we are opposed to the sale of B.C. Rail. It was the wrong thing to do in 1996, when the government said it was going to sell it and lost the election. It was even more wrong to do after 2001 when the Premier promised that he would do exactly the opposite. Let there be no doubt: the sale of B.C. Rail was a broken promise. It's bad public policy. It's a sellout of historic proportions. The opposition cannot and will not support any aspect of a deal that will damage our economy and dismantle our provincial economic heritage. Why?

Because British Columbians deserve better. It is clear that nothing about this betrayal in the sale of B.C. Rail is anything but bad for British Columbia.

**J. Bray:** I am very pleased to rise and speak in favour of Bill 59, Northern Development Initiative Trust Act.

I was listening with great interest to the Leader of the Opposition. What I must say is: what a palette to work from. It astounds me that as we celebrate northern British Columbia — we celebrate the opportunities of northern British Columbia, we celebrate the potential, we celebrate the dreams of northerners, we celebrate the revitalization of that great part of our province — the NDP stands up and says they're against that.

It's amazing that the Leader of the Opposition actually stood up and said that \$135 million for northerners to help northern initiatives, controlled by northerners, is a bad idea. I'm glad she repeated it several times, because I found it difficult to actually believe that she would say that. Now, I know that the leader of the NDP, the member who will not run in a by-election and actually take a place in this Legislature, Carole James, is against that.

Of course, she was against a lot of things before she ever learned about them. I found it interesting that she was against the B.C. Rail-CN partnership before she found out that the result of that was going to be a brand new containerization port for the city of Prince Rupert — the number one economic initiative that that community has called for, for years. Their own MLA that used to be up there — I think he lives down here now, but when he was up there — didn't listen to those calls. The government didn't listen. I don't think they could find Prince Rupert on the map. That community struggled when the New Democratic government ignored them.

This government got elected in 2001, and this B.C. Liberal Party ensured that we had an MLA that was elected in Prince Rupert — North Coast — to actually come down and carry the message. What did this government do? We listened to Prince Rupert. They came to us and said: "We have great potential in the north. We have great potential to be a gateway for all of British Columbia and, in fact, for Alberta, for Saskatchewan. We could be a gateway to the Midwest of the United States, to Chicago, to the great transportation hub in the central part of the U.S. All we need is some help. We've got the dream; we've got the people. We need the assistance of the province."

When that member, the Leader of the Opposition in the House, was in government, she never listened. We listened, and the northern development initiative has provided the direct dollars for that community to engage in its dream.

Before I even talk about the actual monetary values in this act that will go to the various four areas of the north, let's talk for a minute about what I heard and what members of the Select Standing Committee on Finance heard just in the last several weeks as we've

travelled the north as a result of that one initiative out of this \$1 billion partnership with CN. This is just one initiative and what it's doing for the north. Many people now realize and have heard that Prince Rupert is a day-and-a-half closer to the Pacific Rim than Vancouver-Ladner-Deltaport. That is an important advantage for shippers not just in British Columbia but right across this continent.

Prince Rupert said: "We could be the second gateway. Everything doesn't have to go to the southwestern corner of this province. We can supply the kind of shipping expertise and shipping service that people right across Canada want but also what American markets want and what Asia-Pacific markets want to get back into the North American market if we have an investment with the private sector, the province, the federal government and our own dollars as a municipality to actually make that containerization port happen."

[1630]

When we travelled up to Prince Rupert and we saw their new college, we saw their new cruise ship port and we stood on the site where that new \$500 million containerization port project is going to be realized, we were literally inundated with the enthusiasm of the citizens. The retailers, the commercial fishermen, the tourist operators, the construction people who are busy doing the uplands development and the port authority itself were ecstatic about the future they have, not only for themselves but for their children, who can now either move back to Prince Rupert or stay in Prince Rupert to take advantage of this.

It's the families in Prince Rupert who are going to benefit the most from this one initiative of the containerization port. But it doesn't stop there. In fact, the Leader of the Opposition was on this tour and heard this in community after community. We were in Terrace, and they talked about the development opportunities they see to support the transportation and shipping industry that is going to Prince Rupert. They talked to us about their desires to feed into that prospect.

The first year when we toured in the Finance Committee and we went up to northern communities like Prince Rupert, Smithers and Terrace, right after the decade of decline that that member of the opposition was an architect of, we heard pleas from the north: "Just please pave something; build something; do anything up here. We've been ignored for a decade." Now, only three years later, they talk about how excited they are. They talk about their plans. They talk about the fact that families are starting to move back. They talk about the fact that private sector companies from around North America are knocking on the doorstep looking at opportunities. Now they're talking to us and their MLAs and the Finance Committee about strategic opportunities. They now know what's available. Just from the port initiative alone, they see potential in manufacturing.

This is really critical, because the NDP talked for ten years about increasing manufacturing, about value-

added products in wood and all these other.... But they did nothing to encourage that in communities like Houston, Chetwynd, Dawson Creek, Fort St. John, Fort St. James, Fort Nelson, Quesnel or Prince George. The reality was that under the old system of transportation it was too expensive for anyone to manufacture in those parts of the province and get their product to market. Now they have a whole new world of potential manufacturing in those communities because they can use the new containerization port at Prince Rupert with the new, better B.C. Rail-CN service to get their products to market in a cost-effective way that allows them to be competitive on the global market.

Now companies are coming and saying: "You know, we could do certain types of wood products and ship straight through Prince Rupert. We're prepared to start looking at actually building from the ground up manufacturing plants that will employ people to build them and employ hundreds of people in secondary manufacturing — not just remand work but actual manufacturing work." That was not something they thought about three years ago. That is just from this one initiative with the port containerization.

What does the NDP say about that? What does the NDP think about that? They're against it. It's a bad thing. That whole private sector involvement, that whole employment, that whole repopulation of the northwest — "we're against that." Somehow that is a betrayal. In fact, during the 1990s the entire north was betrayed by the government. The government certainly liked to take whatever resources they could out of it and put nothing back. In fact, we're talking in this bill about \$135 million that will go to the north and be managed by northerners for their priorities without any interference from government.

When they tried to support the north, they had a \$2 million fund that was nothing more than a patronage exercise for them to employ some of their pals to sit in offices and talk about development and do absolutely nothing. It's stunning to me that the Leader of the Opposition somehow calls \$135 million paltry but is proud of the \$2 million patronage program they had in their Northern Development Commission that achieved nothing.

[1635]

This initiative — the proceeds from this new partnership going to the north — is going to benefit every single community. As we saw when the bill was introduced, the mayors are down here, and they are celebrating. They are dreaming about what they want to do. They're talking about their potentials, and they now have the direct resources to achieve their potentials through this.

The Leader of the Opposition talked about \$15 million being some paltry amount to the northwest sector, yet look at what's happened in the northwest sector in the last three years. Look at the kind of investment that's coming in. The cruise ship terminal, a strategic investment that this government made and supported, has brought in, I believe, 37 cruise ship visits this year alone, in its first year of operation. The director of the

port authority told us he calculates that between \$20,000 and \$30,000 is left in his community every single time a ship docks there.

That's jobs for families. They are excited about it. In fact, we were told that people come from Smithers to the Crest Hotel to have dinner, to see the excitement in the town, to see these ships come in, to see this kind of economic activity.

The Leader of the Opposition is against that. That \$15 million investment is turning tourism on its head in the northwest. It's bringing in thousands of people, 85 percent of them American, who are going to learn about northern B.C. culture. They have opportunities now to take tours to go and visit first nations culture or to walk around the town of Prince Rupert or learn about our fishing history. The town is building. There are cranes in there. There are people working to build. That came from this government to the northwest sector.

The new college we toured when we were on the Finance Committee. They are literally now putting together the finishing touches that will provide 400 full-time student positions for people in the Prince Rupert and northwest sector to pursue their dreams and take advantage of the opportunities that are now emerging in Smithers, Terrace, Houston, Prince Rupert and Stewart because of the opening up of the north.

We talk about the containerization port, a separate part, as I mentioned earlier — \$17.5 million going towards that project because of this B.C. Rail-CN partnership. Now we get to, in the bill, \$15 million additional to all of that support that will be controlled by the northwest sector to meet northwest priorities.

I'll tell you, in meeting with people from the northwest over the last three years as I've travelled the province on committee work, that their number one priority is their families — their children, their spouses, their partners, their parents. They want their community to be strong and vital for their families, so it's a good, healthy place to raise their families and live in. They're excited. I can tell you that that's what the \$15 million ultimately means for those communities — the kind of economic initiatives that will strengthen families and bring families back together.

Now let's look at the northeast sector, which also has a \$15 million pot that's there as a result of this bill and the creation of the northern development initiative. The NDP doesn't really like to talk about this, because their leader is against any kind of energy development and oil and gas. In fact, she's dead set against offshore oil and gas. But the northeast sector's economy, on a long-term sustainable basis, is thriving.

Are commodity prices helping? Absolutely. But commodity prices are available for every jurisdiction in North America. That's not unique to British Columbia. Oil is oil is oil; natural gas is natural gas is natural gas; coal is coal is coal. It doesn't matter whether you're doing it here or in Alberta, Saskatchewan or Oklahoma. The difference is that we created a regime that encouraged investment, that encouraged production, and now we have people working.

[1640]

I want to tell you a story about what's happening in the northeast, because this is, I think, critical to what the NDP wants to destroy and what we want to build. Last year I was in Dawson Creek at the oil and gas trade convention. Outside they had Prairie Crane, which was displaying one of their large 135-foot cranes, and they had a box that two people could ride up in just to see what it was like to go up 135 feet. They would strap us in.

Myself and the member for Malahat-Juan de Fuca rode up, and there was a 23-year-old young fellow who was the employee riding up and down with us. We asked him how things were going. He said: "Things are going great now." We said: "Are you finished your school for your ticket to do this?" He said: "Yeah, I'm finished all my schooling. I'm fully ticketed to be a crane operator." We said: "Do you feel like you're going to get lots of work up here?" He said: "I haven't had a day off since I finished school. I work for a great company, and we're working all the time." I said: "Do you think you've got a future up here in Dawson Creek in the northeast?" He said: "My girlfriend and I just bought a house." He's 23 years old.

He is working and getting schooling because we created a royalty regime that encouraged investment to come back from Alberta, to come back from the Gulf of Mexico, to come back from everywhere else into British Columbia. That young man is going to have a solid future in the community that he wants to live in to raise his family because of the kinds of economic developments that we have provided.

I know that the Leader of the Opposition thinks that's a bad thing. In fact, her leader, who refuses to run in the by-election to sit in here, has said: "We don't want any activity on the land that's going to disturb the land." Guess what. By walking we disturb the land. The question is: do you have a regime that ensures that you protect the environment? We have the strongest regime in oil and gas in North America, but she has already made a commitment that that type of activity is not going to happen. She has told that young man in Dawson Creek that he doesn't have a future under a government she would lead because she's going to stop that kind of production. The Leader of the Opposition doesn't give any credit for the northerners who are working and investing in their community.

They now have an additional \$15 million that they will control and that they can determine how they might move in other economic directions to expand and diversify their economy. Or they might use it to expand the oil and gas, perhaps to do additional initiatives to extend the drilling season. They might use it to provide additional training to get some more employees to come into their area.

You know, people couldn't find work in 2000 in Fort St. John, in Dawson Creek and in Taylor. In 2001 things were looking pretty bleak when we first went there with the Finance Committee. Now they come down to my community and do job fairs. They've got so many jobs that they can't find the people. Their cities

are growing. People are building houses there because they know they have confidence that we have created a regime that will be sustainable in the future. But the NDP doesn't want that to happen.

Let's talk about Prince George. Prince George was a city that was completely off the NDP's map. In fact, they never looked past Hope. Prince George — working to make itself the transportation hub of the north, to make itself the capital of the north, to try and invent itself — kept coming to the NDP government and saying: "We just need some help to achieve our own goals." You know what happened? Nothing. Nothing happened. Oh, there was the University of Northern British Columbia. That was a great initiative, but we came in, and we've expanded the seats, the capital program and the satellite services of UNBC to other communities. Beyond that, nothing was happening.

Now they're going to be the head office of this new transportation system. They're going to expand their airport as a direct result of the CN-B.C. Rail partnership. We know that when you have an airport that can handle international traffic and you go out and market yourself and the things you have, they will come. They have been asking for that for years. When that member was Finance minister, do you think she heard? No. Do you think that when the MLA from that very city was the Finance minister, he listened? No. We heard, and we found a way, using private sector funds, to make that dream a reality.

[1645]

With Prince Rupert being the international gateway for North America to the Pacific Rim, it will work in conjunction with Vancouver-Delta port and Ladner port. Now we've got Prince George going to be the international gateway to the north for air traffic. They're excited. They're also going to have the new wheel shop. That wheel shop is coming in from outside the province as a direct result of this partnership. That's great news.

The other thing is that the Leader of the Opposition continually misunderstands the whole prospect of job creation. The reality is that government cannot create a job, but a good government can create the opportunities for jobs to grow. With tourism and passenger rail coming on line as a result of this new partnership, that means jobs up and down the line for British Columbians, for tourist operators and for many others.

I heartily support the northern development initiative. I have been on the Finance Committee for four years, and time and again I've heard northerners say: "We provide a lot to this province. We feel we should have some backing. We feel we should have some control." We're delivering that. We're delivering what northerners have asked for. I know that northerners are excited about it, and I'm very pleased to support the Minister of Transportation, the Premier and this government on an incredible initiative that benefits everybody in the province and especially northerners.

**R. Visser:** I also wanted to take a few moments and bring my own little, I think, unique picture or unique

commentary to this bill and this initiative, the B.C. Rail-CN partnership, and to what I believe the benefits are for places like Vancouver Island, especially the North Island and its future.

The \$135 million in investment money controlled by and forwarded to northerners is a great legacy. It is a good starting point. It is something that people have asked for, for a long time, and it has been granted to them in a way that empowers them, makes them responsible, allows them to take their own initiative and allows them to move forward.

One of the things I've come to know from this job — in being a member of this Legislature and having to reach out to other parts of this province, having to understand how this province works socially, ethnically and geographically — is that there are some unique challenges here. That's what I wanted to talk about. This initiative, this fund, is going to play a key role.

I have noticed over the last three years that the mayor who the mayor of Campbell River has the most in common with isn't the mayor of Nanaimo or the mayor of Abbotsford or the mayor of some other southern community. The mayor who the mayor of Campbell River has the most in common with is the mayor of Prince Rupert, funny as it seems.

The mayor of Prince Rupert, the mayor of Campbell River, the mayor of Port Hardy, the mayor in Terrace and others have to get together constantly to talk about some critical issues. They talk about fisheries. They talk about oil and gas development. They talk about cruise ships. They talk about ports. They talk about marine traffic, marine safety and marine transportation. They talk about the marine environment. We talk about weather. We talk about fog horns. There are lots of things that we have to talk about.

In order for us to get together, we all have to fly to Vancouver. That's the easiest way for us to get together. The fascinating thing I have noticed about this relationship is that while I have a ton in common with my colleagues from North Coast, Skeena, Bulkley Valley-Stikine and others — because we're resource-based communities with hard-working people out there on the land base — that's not how the world looks at us. We've got a great opportunity, and our opportunity is in circle routes. Our opportunity is in attracting people to our part of the world for a little bit of a visit.

[1650]

I want to rise today and talk about and support this bill, because I want to put a marker in. I want to put a marker in that says to those mayors, the mayors on the Highway 16 corridor — Herb Pond, Jack Talstra, Jim Davidson in Smithers, all of them — to think about this, think about the connection to Port Hardy. Think about that ferry.

I talk to Herb about it all the time. We don't think about it; if we've got to get together, we fly to Vancouver or drive to Vancouver or get to somewhere where it is convenient. We don't understand that everybody — outside of our little world and our interests — gets on Vancouver Island, drives up to Port Hardy, gets on that ferry and goes to Prince Rupert, or gets on Vancouver

Island, drives up to Port Hardy, gets on that ferry and goes to Bella Coola.

At Bella Coola, they get on that road, Highway 7, and drive through Anahim and then into Williams Lake. They get on that road from Prince Rupert — Highway 16 — and they go to Terrace, and they go to Smithers, and they go to Vanderhoof. Along the way they stop in Burns Lake, and the world — North America — opens up to them. They eventually wind up in Jasper and find their way back to Vancouver or down to wherever they came from.

That's the world we're trying to attract up there. That's why we need to strengthen the connection between my part of the world, the North Island, and the north coast into Bella Coola — that beautiful highway up the Bella Coola valley through Hagensborg and up the hill, that great hill that we've been investing in constantly since we've taken office to make it better, and then into Anahim. There's some storied lake-fishing up there — world-known, world-renowned. It's a great opportunity. They're both fantastic opportunities for circle routes.

I just want to say that this type of fund allows us to get together and build that vision. It allows us to get together and add another little piece to that big economy we're trying to create up there, add a little piece to the hope and opportunity that people in the north want — people on the north coast, people on the North Island, people in Prince George and everywhere else.

Mr. Speaker, I think this is a great bill. I think this is a great partnership. I think these are great opportunities for northerners, because they're great opportunities for all British Columbians. I think this government has done a great job in delivering for the people of this province.

**B. Belsey:** I appreciate the number of members that have spoken today about my community, the community I live in — Prince Rupert, the community I represent along with many others across my riding. We've heard a lot about Prince Rupert as we've talked about this bill and the benefits we will receive all across northern British Columbia.

I would like to take a few minutes and talk about what this trust really means to northerners. Let me count the ways. There are so many different ways that this trust is going to benefit northern communities. I can't believe that member opposite would sit there and say that she can't support this. It's mind-boggling.

We've finally got funding going into northern British Columbia that is going to be under the direction of northern British Columbia and managed by northerners — not by Victoria, not by something down south. It is going to be managed by people who live in the north, who understand the issues, who live and breathe the concerns that northerners have to live and breathe on a daily basis. They're going to be the ones making a decision.

There is going to be a regional advisory committee put in place in my particular area in the northwest. We're going to have the mayors of Terrace and Prince

Rupert and Kitimat and Port Edward and Port Clements and Masset. They're going to sit on that committee. They understand what the problems are, and they will have input.

[1655]

We're going to have the regional districts, which include an even greater area in the north. We'll have the regional district from Skeena-Queen Charlotte and from Kitimat-Stikine, and Central Coast is going to have a chair on that committee. Then we're going to have the MLAs. The MLAs from Skeena and Bulkley Valley-Stikine are going to be part of the committee that is going to have a say in how that money is going to be used.

It's going to be used for northerners. It's going to be used in northern development. It's going to be used for northern industries. It'll be used for northern communities. It's going to be used for northern initiatives.

In my region alone, of the \$135 million that's earmarked for northern British Columbia, we're going to see \$7 million put into four different regions — mine, of course, being the northwest, but we're going to see it in other regions like the Peace, Prince George and the Cariboo-Chilcotin-Lillooet region.

All of these communities have good ideas as to what kind of economic opportunities can be created by this kind of funding. It doesn't necessarily have to go into industry. It could go into a community project. Maybe they might want to fund an ice rink. Maybe they might want to build a new swimming pool. Maybe they might want to put in new track-and-field facilities. These are great opportunities.

When I travel around my riding and go into a community such as Ocean Falls, they tell me that gee, if they just had about \$5,000, they could cover over an area, or they could contribute enough funding to get some of their PEP program equipment. These are all small issues. They're not looking for large amounts of money. All they're looking for is to make their lot in life a little more comfortable, and they'll do that with this kind of funding.

[J. Weisbeck in the chair.]

I sat here and listened to the member opposite talk about how she views this government and the CN-B.C. Rail Partnership agreement. You know, I have to shake my head. She talked about someone telling her to shake her head. Well, I sat there and shook mine, because I can't believe what she has shared not only with this House but with the people out there that are viewing. She talked about our government not having any idea about northerners. How ironic. That's the same person who sat in this House and said: "Where are the heartlands, anyway? Tell us where the heartlands are." The same person.

Not all that long ago.... No, we have to go back a few years, I guess, back to when she was very involved with the previous government. They went on one of the NDP boondoggles, where they were going to travel

around the world. They were going to show the world the economic opportunities in British Columbia.

They took a map of British Columbia along with them to show everybody what we have to offer. You know what? That map didn't even have Prince Rupert on it. It was left off the map. That's how much they care about northern British Columbia and certainly about my riding. There is no concern whatsoever. Her leader, the two of them sitting here and their supporters out there.... Every time we've talked about some kind of economic development that's going to benefit northern British Columbia, they have spoken out against it — especially in my riding.

They're against raw log export. Let's talk about that for a second. We have created jobs and opportunities for loggers, truckers, scalers, boom-boat operators, longshoremen, another type of scaler, crew boats. All of this has been created because we said that if we can't sell the logs in British Columbia, then we will continue to create some form of employment in the north, which needed it.

[1700]

She says no to that: "They shouldn't be doing that. All those people shouldn't have opportunities to put food on their tables. They shouldn't have opportunities to put their kids in school. They shouldn't be living in the north." That's basically what she's saying to us.

She has said that we shouldn't have offshore oil and gas. The leader of the NDP has stood up a number of times and said: "Not now and not ever." Well, I'll tell you — and I spoke about this earlier this week — that the development of offshore oil and gas is going to lead to the revitalization of northern British Columbia. It's going to give opportunities to those that are unemployed — maybe not as lead hands on drilling rigs. But you know, they may be forklift drivers in a sorting yard in Prince Rupert. They may be workers with CN that are going to see drill string or pipe or chemicals or whatever they may use in the drilling industry. They may get a job handling that equipment.

If you take a look at the job creation on the east coast in the oil and gas industry, approximately 70 percent of those in that industry are from the east coast. Those are the same opportunities that we will create in northern British Columbia. Again, I say that those two members sitting there are the ones who are saying no to revitalization in my community, no to offshore oil and gas, no to raw log exports.

I'll tell you another one that they're dead set against. They're dead set against finfish aquaculture. Finfish aquaculture on the coast of British Columbia can create opportunities. Properly managed and working within the rules, guidelines and regulations that the Minister of Agriculture, Food and Fisheries has put in place, it is a safe industry. It's a safe industry here. It will be a safe industry, and it does create job opportunities. Estimated in the province of British Columbia alone — 4,000 jobs in finfish aquaculture.

We have a number of areas in which these two members here have said no to opportunities for northern British Columbia, no to the families in northern

British Columbia. I need everyone in this province to understand what we have done to create opportunities in the north with this legislation and that the greater deal is the legislation and the agreement that was signed by CN and B.C. Rail, that partnership agreement.

We heard earlier today how it's a sale and that the *New Era* document said we wouldn't sell B.C. Rail. Well, you know what? We didn't sell B.C. Rail. It's a partnership agreement. It's an agreement where two companies have come together, have put assets together. We still have a B.C. Rail out there. I'm not sure it's still called B.C. Rail, but they still own the rights-of-ways. We have another company out there called CN, and it owns the rolling stock that we sold, and it owns the tracks. It owns all those things that are going to need maintenance. They're going to need maintenance dollars. That's what CN owns. British Columbia owns the rest.

What we now have is a strong rail company that has links from northern to southern British Columbia. It's got links from the east coast of British Columbia right through Alberta, right down into the States. You can go right down in the mid-states. You can go to the east coast of the mid-states. You can go right down to the Gulf of Mexico. What a unique opportunity for any shipper in British Columbia — knowing that he can take his products, load them on that rail and get them down to international markets.

But you know what's even more unique? Now we've created opportunities for manufacturers and small businesses to ship their products offshore. With containerization we've done that as part of this agreement.

I heard this member here say that we sold it for \$15 million, and that's all we got for northern British Columbia, for my riding, for my area. That's absolute hogwash.

[1705]

Interjection.

**B. Belsey:** It's that too.

This agreement is going to help small businesses reach offshore markets. Imagine that you're a log home builder. We have a number of them in the north. In Williams Lake there are four or five of them. I know there are some in Quesnel, Prince George and, I'm sure, further north. There's some in the Houston area, I believe. There are a number of log home builders. What they've had to do now is find somebody that'll buy a home. You've got to load it on a truck. If they do sell it offshore, it's got to go down to Vancouver. It gets stuffed in a container. From there, it's shipped to lord knows wherever. That's expensive. That is what prices them out of the market. They can't compete.

But now we've got facilities in northern British Columbia. Now they can have a container in their yard. They can produce that log home. They can stuff it into that container or two containers or whatever they may need. That can be loaded on a truck, off to the port and out. What a great opportunity for log home builders.

If you were a specialty grain grower in the Peace... We know that some of the grains cannot be mixed. Certainly, the genetically modified grains can't be mixed. They have to be kept separate. That's a difficulty for anybody growing the grain — shipping it. How do we get it to someplace? How do we guarantee that it's kept separate from other types of grains? Well, you know what? With containerization in the north, as a result of the CN-B.C. Rail partnership agreement, they are going to be able to do that. They're going to be able to grow some sort of specialty grain, whatever it might be — maybe the genetically modified types of grain. They're going to be able to load it into containers in their area, and it's going to be sealed, shipped out to Prince Rupert on a ship and sent who knows where — wherever.

What a great opportunity. These are all opportunities that were never there before, opportunities where it was too expensive. They couldn't get into these markets. Now we've given them that opportunity. There are lumber mills; there are pulp mills. The amount of freight that now goes in containers has been growing steadily over the years.

All we've ever been able to handle in the north is break-bulk — that is, pallets full of materials. That might be two or three lifts of lumber lashed to a pallet. You had to handle that and get it onto a ship. All these ships nowadays are designed to carry these containers. They have the ability to move them offshore. They've got the ability to bring them this way. They have the ability to handle containers in large quantities that reduce the cost of shipping and freight, which is the huge advantage to northern British Columbia manufacturers, industries and communities.

When I think back to where we were in the past and what we've been able to achieve in the last three years, especially with this agreement, with this funding — the northern development initiative — I see nothing but good times. We are going to be able to rebuild some of the industries that have fallen off from that decade of despair, that dark decade where we spent all our time running industry off, running the mining industry out of the province. Some of the best and the brightest in the world were here in British Columbia, but we ran them off.

Now the world knows where Prince Rupert is. Any map you get from the province of British Columbia — Prince Rupert is right on there. That's unique to my good friends that sit opposite.

[1710]

People in northern British Columbia are excited. They see an initiative with Bill 59 that is going to give them funds to do some of the projects, to complete some of the infrastructure, to do some of the economic development that they direly need. They are going to have that. Not only is that funding going to be there for them, but they are going to have some say in how it's managed. That is a credit to the Premier, to the Minister of Transportation and to all those who worked so hard to put this deal together.

I listened to the member opposite, and she talked about raids on the Legislature. She would stand back in

all her theatrics and say: "Oh my goodness me, that's terrible that we've done that." You know, there were a number of things her government did that she didn't want....

Interjection.

**B. Belsey:** I'll do that routine for you later.

There were a number of things her government got into that are as questionable. We talked fudge-it budgets; we talked Bingogate. There were a number of them, and she didn't want to talk about any of those.

**An Hon. Member:** What about Casinogate?

**B. Belsey:** Casinogate. Yes, there was Casinogate. There were decks and knives and all kinds of things that transpired, but she didn't want to talk about all those things. All she wanted to talk about was all the bad things. She has constantly — her, her party, her leader — done everything she can to stop any economic development in the north, and we're now a government that has turned that around. We're doing as much as we can for northern British Columbia.

I'm proud to be part of this. I think this legislation is excellent. I support it, minister, and I look forward to when we have the opportunity to stand up and vote.

**B. Penner:** The member for North Coast is a difficult act to follow, and no more so than today after that wonderful speech he just gave — a very illuminating performance telling us all about the wonders of his constituency and the particular region of the province he comes from.

I have just a couple of further comments I'd like to make. Of course, this is good news for the northern part of the province, but you know, as the north succeeds, so does the rest of the province. Let's not forget that although in the lower mainland and southern Vancouver Island we can feel pretty good about how the economy is going, a lot of that economic generation is coming from the northern part of the province.

The port of Vancouver essentially wouldn't exist except for all the natural resource materials that are shipped to our purchasing countries, our customers, around the world. That's how that port got developed, so we are all very much connected to what happens in the north. As the north succeeds, so do we.

The member for North Coast very aptly and I think appropriately referred to the fact that the previous government, when they put out an official government publication designed to market the province to the rest of the world, left out the port of Prince Rupert when they did that. I happen to have a copy of that glossy brochure. It's in my office.

I first discovered that during the 1997 Team Canada trade mission to Asia. You may remember that I crashed the party, as our then party's trade critic traveling at my own expense to Bangkok, Thailand. Lo and behold, I found that the publication that the province was handing out — actually, the minister responsible

at the time was Dan Miller, responsible for employment investment — failed to even mention his hometown. That's something I'm sure the current member for North Coast would never do, which is to forget about the place that he's from.

So picking up that document in Bangkok, I came back here eager to debate the then minister, Dan Miller, about why his community was left off the map of this very glossy and expensive publication. He didn't have a good answer for it, but I thought we had made our point. There was some local newspaper coverage about it in Prince Rupert, and I thought the government would learn from the errors of their ways.

Much to my surprise, when the next edition of that very glossy and expensive publication came out, there it was again — extolling the virtues of the port of Vancouver, talking about its advantage in terms of shipping times over Los Angeles in terms of accessing the markets in Asia, Korea, Japan, China. No mention of the port of Prince Rupert. Why was that a significant oversight? Not just for the feelings of the people of Prince Rupert, but there was a strategic advantage to using the port of Prince Rupert. It's a day or day and a half closer to Asia than sailing out of Vancouver, so it actually brings British Columbia closer to our customers, to our potential markets, if we can sail out of the port of Prince Rupert rather than out of the port of Vancouver.

[1715]

Now, the port of Vancouver is always going to have an important place, an important role. It's a very successful port, and it has earned that, but we have other things we can do in this province. We need to diversify. Certainly, the north needs those advantages of being closer to the Asian market.

Yet for a second time that previous government, the NDP government, decided under the leadership of Dan Miller, the minister responsible for that portfolio, to leave Prince Rupert off the map. That was very frustrating for the people in the north. I know from the people who worked at the port authority in Prince Rupert that they were bewildered and could not understand that. I think that highlighted — to me anyway — how that particular party, the NDP, was very urban-focused. If it didn't happen in Vancouver or southern Vancouver Island, it didn't happen at all, or it wasn't important.

I think we have broad representation in our caucus, which illustrates that we do have people who care about the rest of the province. We do think that what happens in the rest of the province is important, and we're acting accordingly. That's why this northern development initiative will really help spearhead economic development in the north. It's guided by people from those regions. It's made up of a wide cross-section of people. The board is very diverse. It's located in Prince George, which is good for Prince George, but it represents a broad cross-section of people from different backgrounds and different parts of the province in the north to make sure that the funds are put to the best possible use.

Now, I know that the port of Prince Rupert has recently been succeeding in attracting cruise ship traffic for the first time. That's big, and it's just the start. A couple of weeks ago I had the opportunity to attend a cruise conference in Seattle, meeting with representatives of the cruise industry and talking about their plans not just for next year but for 2006, as they make their marketing plans and decide what they're going to go out and market to travel agents around the world. Prince Rupert is on their map. That's the great news. It wasn't on the NDP's map, but Prince Rupert is on the map of the world's largest cruise ship companies as they're actively looking to diversify their runs to Alaska.

Just one last comment before I move adjournment of this debate. At the outset of the session this week, the fall session, which is an innovation that our party campaigned on and we delivered — having a regular fall sitting of the Legislature — the NDP was quoted as saying that this week they were going to come up with a bunch of surprises. They said: "Just wait. We've got a bunch of bombshells, incredible surprises." Well, perhaps the only surprise is that there's been no surprise from the NDP opposition. We've heard nothing but negativity from the NDP, completely ignoring the economic revival that's happening in the province, speaking against this initiative to help northerners take control of their own future to revitalize the north.

The only surprise from the NDP is that they haven't changed at all and that they just can't seem to learn. Mr. Speaker, with that, I will move adjournment of this debate.

B. Penner moved adjournment of debate.

Motion approved.

**Hon. R. Coleman:** I call second reading of Bill 58.

#### B.C. RAIL BENEFITS (FIRST NATIONS) TRUST ACT

**Hon. K. Falcon:** I move the bill now be read a second time.

When this government was in the process of negotiating the best partnership for B.C. Rail, first nations communities along the rail corridor were of key importance in our considerations. We told proponents that not only would they have to work within the parameters of continued public ownership of the railbed, the tracks and the rights-of-way, but that they would also have to demonstrate what benefits they could offer our local first nations along the line.

The partnership we forged with CN provides new opportunities for those first nations up and down the rail line. In fact, in a letter about rail revitalization to the Prince George *Citizen* in December, a McLeod Lake Indian band chief wrote: "As chief of a directly affected first nation and a citizen of B.C., I applaud the business decision of the B.C. government to convert an ailing Crown asset into a tool for economic growth and pros-

perity. All of the positive benefits derived from the partnership will better serve to transform Prince George into a major new transportation gateway and will bring prosperity to our first nation."

Our government is proud of our history of developing programs and partnerships with many of its first nations neighbours, and we wanted to recognize the strength of that relationship. That's why we ensured that CN promised to retain existing first nations programs and staff. That's why we ensured that CN committed to continuing the D'Arcy, Lillooet and Takla shuttle services, which they have.

[1720]

As a result of the billion-dollar proceeds from this partnership, this government is also establishing a \$15 million B.C. Rail benefits trust for first nations to support economic development, educational advancement and cultural renewal for those first nations. Participation in this trust is absolutely voluntary. This \$15 million trust is going to open up a number of new opportunities for those first nations who wish to participate — including potential projects like, for example, the possibility to provide seed capital for aboriginal enterprises and joint partnerships or to develop programs to protect and promote first nations languages and to support aboriginal youth apprenticeship training.

Ultimately, decisions on how to spend this money will be left up to an independent board of representatives. Discussions with those first nations involved have determined that the board's composition will reflect the following principles. The size of the board will be manageable enough to ensure workable decision-making and proper accountability, and board members will be appointed by the participating first nations to ensure their ongoing control of the trust and its board.

I have to admit that when standing in this House, sometimes there is some legislation that is much more exciting to talk about than others. I am extremely proud today that the first nations trust is about to become a reality as a result of the hard work of this government, of our Premier and in particular, as a result of the tremendous benefits that flow from our billion-dollar partnership with the B.C. Rail investment partnership that we were able to negotiate.

It's going to improve opportunities for the beneficiary first nations, and it's going to allow them the freedom to decide how best to invest those funds with no strings attached from Victoria. In short, it's another tool in the toolkit for first nations as they begin to build exciting, sustainable communities for all of their peoples.

Mr. Speaker, noting the time, I move that we now adjourn debate.

Hon. K. Falcon moved adjournment of debate.

Motion approved.

**Hon. R. Coleman:** Noting the time and noting that everybody would like to get back to their families, I move adjournment of the House.

Hon. R. Coleman moved adjournment of the House.

Motion approved.

**Deputy Speaker:** The House stands adjourned until Monday, October 18 at 10 o'clock.

The House adjourned at 5:22 p.m.