

## Premier envisions 'Asia-Pacific century'

But the coast forest industry wants tax reforms

**Michael Kane, with a file from Gordon Hamilton**

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Tuesday's budget commitments were built on the foundation of a strong economy that the provincial government will continue to encourage, Premier Gordon Campbell said Wednesday.

At the same time he called on British Columbians to apply their imaginations to finding new solutions to challenges ahead in areas such as health care, the environment and education.

"Imagine the goals and objectives that you would set for our province and that is how you will help British Columbians to lead Canada into a healthier, brighter future," Campbell told the Vancouver Board of Trade.

"Together we can lead Canada into the Asia-Pacific century, where British Columbia is recognized as a centre of opportunity and hope and entrepreneurial drive and excitement and learning and opportunity."

Campbell said the government's investments in education, health care and opening up the province to the rest of the world are only possible because the economy is strong.

That's why the budget offered support to the resource sector and small business while applying "long-term thinking" to issues such as housing through the housing endowment fund, the post-secondary education fund for today's newborns, and the clean energy fund, he said.

"New solutions are the key to success in the province. We can't continue to do the same old things in the same old way and expect to get something different out of that process," he said.

Challenged for touting the budget as "a \$2 billion housing plan" that was mostly \$1.5 billion in income tax cuts, Campbell praised Finance Minister Carole Taylor for pointing out that tax cuts are important for people who want housing.

"When we are keeping people in their homes, when we are providing more affordability for housing, and leaving more money in their pockets, that gives

them a chance to make their own decisions."

In response Wednesday, the coastal forest industry said the budget did not address industrial tax reforms forest companies say they need.

The government's housing strategy is going to require a strong forest industry, said the Coast Forest Products Association. "We need to ensure that budget 2007 builds a housing legacy out of B.C. wood," said Rick Jeffery, president of the 22-member Coast Forest Products Association. The association's membership includes companies such as Interfor and TimberWest, who have traditionally supported the B.C. Liberals.

Coastal producers have been lobbying for tax reforms to improve productivity and encourage investment, saying they face the highest marginal tax rates in North America.

He said the association will continue working with the government on tax issues, specifically the impact of provincial sales tax on investment and the burden of property tax on heavy industry.

But Campbell said Tuesday's income tax cuts will be a boon to business suffering from skills shortages.

"I think it is not a bad thing to be able to say to people, whether they are from Alberta or Saskatchewan or New Brunswick, 'You are going to pay the lowest level of personal income tax of any jurisdiction in Canada as long as you are making \$108,000 or less.' "

The former mayor of Vancouver chided residents who say they don't want special facilities for addicts in their neighbourhoods because they don't want any of 'those people' here.

" 'Those people,' they have forgotten, are actually us. We have to build some community literacy about this."

He also repeated his call for 25-foot building lots in Vancouver, saying they would dramatically reduce the cost of housing.

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