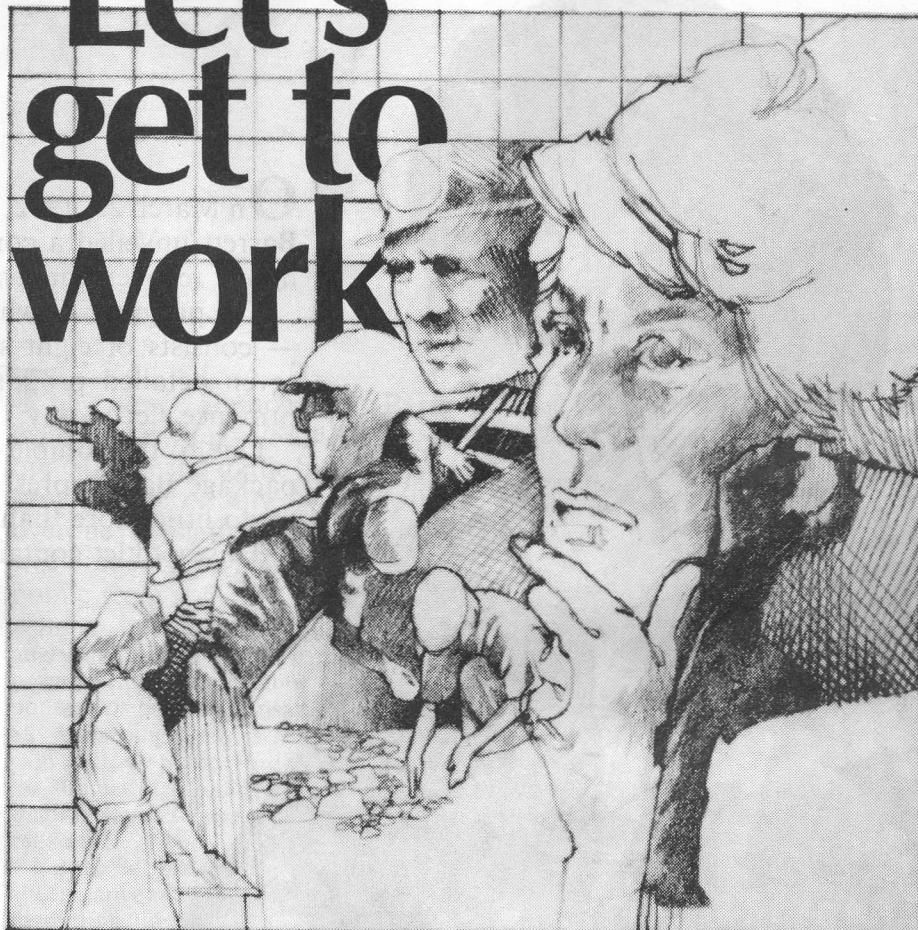


# Let's get to work

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A NEW DEMOCRATIC PARTY ECONOMIC RECOVERY PROGRAM FOR BRITISH COLUMBIA

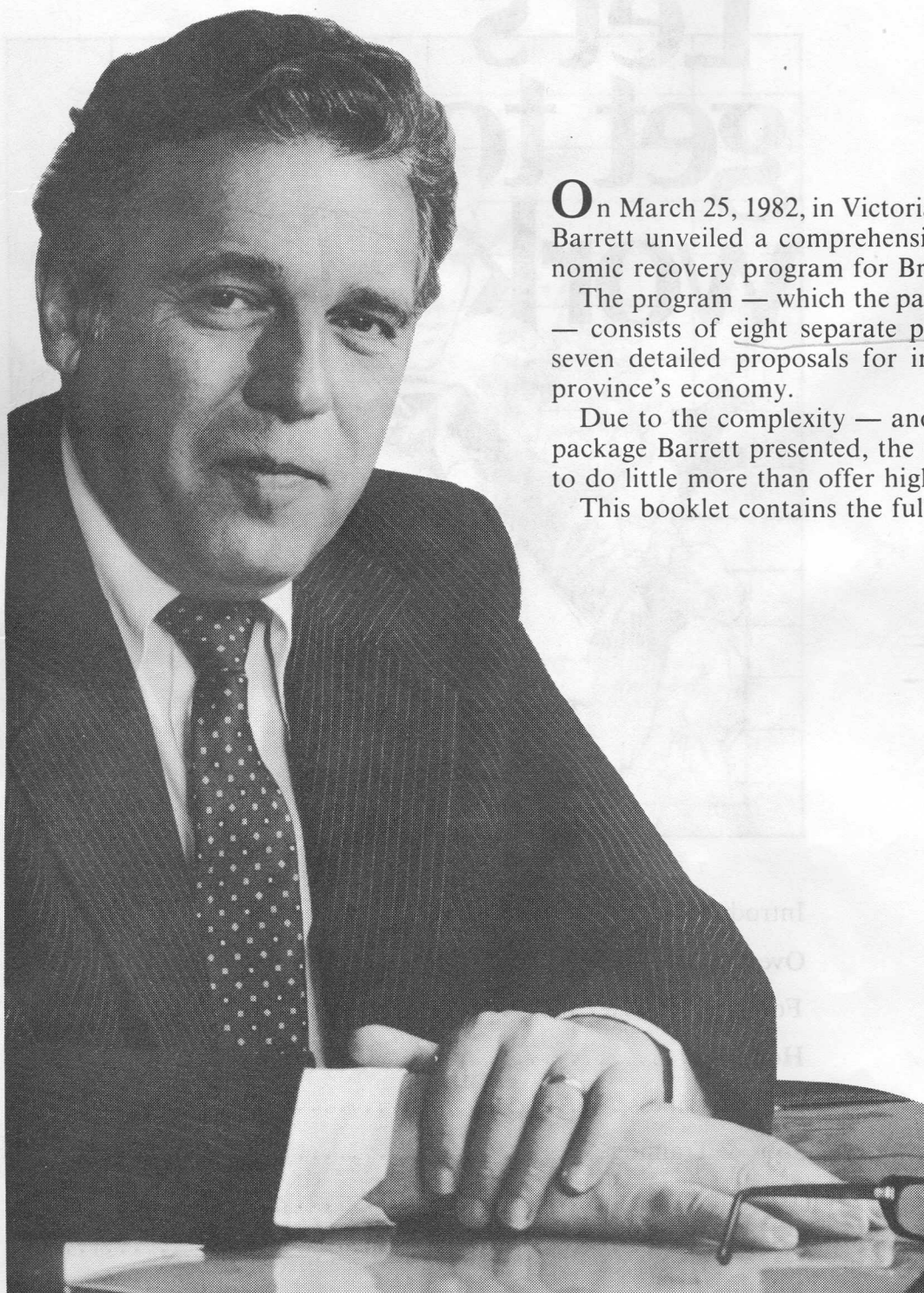
# Let's get to work



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**O**n March 25, 1982, in Victoria, BC NDP Leader Dave Barrett unveiled a comprehensive blueprint for an economic recovery program for British Columbia.

The program — which the party calls *Let's get to work* — consists of eight separate papers: An overview and seven detailed proposals for individual sectors of the province's economy.

Due to the complexity — and thoroughness — of the package Barrett presented, the media could be expected to do little more than offer highlights of its contents.

This booklet contains the full text of the program.

# INTRODUCTION

**T**he New Democratic Party believes it is vital — to the hopes of our citizens and to the health of our provincial economy — that this overdue legislative session get to work urgently on a program of economic recovery.

British Columbians are justifiably angry and tired of waiting for a stumbling government to finally come to grips with our serious problems, instead of continually worsening them.

In 1981, we put forward useful proposals for stimulating the housing, forestry and small business sectors, before they began collapsing.

Yet the Socreds did nothing.

Legislative and fiscal initiatives are crucial to putting this province on the road to recovery.

We must roll up our legislative sleeves because, everywhere we look in our province today, we see a spiral of record unemployment, cutbacks, tax increases, bankruptcies and growing anxiety.

So, let's get to work!

There is much to be done.

Since July, when the last session adjourned, the Socreds have sat idle while 52,000 British Columbians have lost their jobs.

They did nothing, except throw many of them out of work and threaten even more with cutbacks and tax increases that further harm the economy.

February's 130,000 "official" unemployment total is about 10 per cent of the entire labour force.

One in five of our young people is without

a job. Add the "hidden" unemployed — who have given up all hope of finding work — and the rate exceeds 14 per cent, for a post-depression record of 197,000 jobless.

Similarly, since July, monthly bankruptcy rates have skyrocketed 215 per cent, from 81 to last month's level of 174.

The number of new companies incorporating in British Columbia has plummeted 60 per cent, to only 942 in the past year.

Yet, the Socreds have ignored the economic plight of small business enterprises in our province, even though they generate the largest proportion of job opportunities.

This diastrophic trend has not come out of the blue.

For the past six years, unemployment in British Columbia has consistently been the worst of every province west of Quebec.

Since 1975, our jobless rate has exceeded 9 per cent at least once every year.

Throughout 1981, the 40 per cent increase in the number of unemployed British Columbians was the highest of any province in Canada and four times the national average increase, partly due to Socred neglect and *ad hoc* responses, which worsened the situation.

In the past, the Socreds have turned over productive public assets to BCRIC, sold ferries to eastern financiers for lease-back at double the ultimate cost and converted government departments into crown corporations to hide overruns and deficits.

They have doubled the debt of the province and its agencies in six short years, so that the per capita interest burden alone on a family of four has risen to \$1,400 a year.

They have imposed massive cost-escalating increases in virtually every tax and

# OVERVIEW



licence category, even though British Columbia suffered the worst inflation on the continent.

The troubled cries of taxpayers, wage earners and consumers have been joined by business representatives and economists warning that these ill-timed and ill-advised actions would deepen the recession and shatter hopes of generating an upturn.

Instead of reversing these failures with a positive and co-ordinated recovery strategy, the Socreds — in recent weeks — have ordered further cutbacks, which make more jobless.

And a heedless Socred cabinet has raised levies even higher on citizens' costs for services like medicare, by an average of 20 per cent (and for senior citizens by 35 per cent) in the current year.

This will siphon even more millions of dollars of purchasing power out of our economy.

Recovery momentum is being thwarted by a Socred government cannibalising a weakened provincial economy merely to balance its own chaotic political bookkeeping.

It is time for changes offering hope in place of dismay, recovery in place of retrenchment.

They can be achieved by co-operative leadership involving labour, business and community interests.

Let's plan to use our human, financial and material resources to speed recovery and expand our opportunities.

It will take sensitive leadership, co-operative economic planning and practical legislative initiatives to develop and carry through the recovery programs we need — to create jobs as well as ensure our citizens are trained to fill them.

Let's get to work!

Leadership is the crucial element in reviving public hope.

Almost half a century ago, a great Democrat showed the leadership that began to get the United States off its economic knees.

Franklin Delano Roosevelt's first inaugural speech is best remembered for the then-electrifying declaration, "The only thing we have to fear is fear itself".

But he was more than a phrase-maker.

Long after, recalling that speech, FDR wrote: "For many months, people had looked to government to help, but government had looked away.

"I promised a program of action: first, to put people to work; and second, to correct [government failures] which had, in great measure, contributed to the crisis."

The New Democratic Party believes a two-part prescription is the medicine British Columbia's ailing economy needs, without further delay.

The NDP, therefore, will offer 26 proposals for recovery initiatives, in eight sectors, at this session and will take every opportunity

to demand government action both to get British Columbians back to work now, and to permanently strengthen future economic performance.

The first measure, proclamation of the British Columbia Savings and Trust Act, would accomplish both ends in the financial sector.

It would revive needed activity in the key house-building sector, with a ripple effect spreading through the supply and service sectors to the forestry sector, to put some of the laid-off back to work this summer.

It would help put many families into homes at affordable mortgage rates and, thereby, help reduce the soaring cost of living in our province.

It would release some money now in the grasp of mortgage firms, so that consumers could return to buying goods they need and help regenerate production.

The act also could be used to help hard-pressed small businesses in our communities get back on their feet.

The "Going-Out-Of-Business" signs of Socred policies could start coming down along our main streets and our domestic enterprises could begin hiring back their employees.

By establishing a publicly-owned "near bank", British Columbia's economy would be forever strengthened with a powerful instrument that would use our own financial resources — and those available elsewhere in the world — to build and maintain a more diversified economy and smooth out the boom-bust cycle here.

BC Savings and Trust could invest revolving government deposits, of at least \$200 million initially and \$1 billion or more eventually, in such economic programs as a mortgage stabilisation fund, to enable many citizens to buy a home at 12 or 13 per cent interest, as well as providing additional financing options for small domestic industries and businesses throughout our communities.

Only a stroke of a pen is needed.

Legislation to establish BC Savings and Trust was passed in 1975 by the NDP government; a special government-credit union task force was created to develop an implementation plan.

It was delivered in February, 1976, to the present Socred government, which promptly sat on it and did nothing, even though seven of the present Socred cabinet voted for it.

It is a priority measure in our recovery program because of its importance and because it only needs long-withheld signatures to begin working immediately for British Columbians' benefit.

And it would provide the leadership our province desperately needs to regain hope and confidence.

One of our chief problems lies in our almost total dependence on primary resource exports.

As the Columbia River Treaty's sale of downstream benefits amply demonstrated, mega-projects can boomerang if our resources are undersold and the job benefits are essentially exported.

Even construction and maintenance work on mega-projects have a sad history of being too frequently filled by people brought into the province.

It is imperative that the terms of the north east coal and other projects be improved, so that the next generation isn't saddled with the same bitter results of a brief boom followed by long term economic disadvantages, lost revenues and lost job opportunities in secondary industries.

Already, hundreds of thousands of man-hours of work, and millions of dollars of contracts, are being farmed out of the province that could be filled here.

There is an overwhelming need for provincial job training programs, if most of the skills in the coal fields are not to be filled by imports while our own citizens are unemployed.

Co-ordinated and determined efforts to use the coal exports as leverage to create job opportunities for our workers and to provide training to fill them should be undertaken at this session, if we are to avoid the unhappy legacy of the Columbia River downstream hydro resource sell out.

The New Democratic Party government of 1972-1975 foresaw the critical need to diversify the economy with more manufacturing jobs.

It succeeded in attracting the Afton Mine Smelter, first in half a century for British Columbia.

In 1974, it established the Railwest manufacturing plant and began negotiations for a joint-venture steel mill and refinery, with Japanese and British interests.

Since then, the Socreds have closed Railwest and abandoned the other initiatives.

As a result, we have lost ground.

Since 1974, the proportion of manufacturing jobs in British Columbia's economy actually dropped, from 15.5 per cent to only 13 per cent last year.

We are becoming more, not less, dependent on subsidised mega-project sales of our heritage, without adequate long-term economic benefit for our children.

Efforts to diversify our industrial activity by developing regional resource and manufacturing strategies must be made at this session.

The Socred slide in secondary industry job opportunities must be reversed.

At the same time, we must set to work, vigorously giving every support possible to the flagging primary industries and the thousands of laid-off workers, particularly in the pivotal forest sector.

Economic recovery cannot be achieved overnight, or alone; but provincial policies can help, or hinder, it to a considerable degree.

Helpful action is needed for a change.

# OVERVIEW

The New Democratic Party has made special efforts to obtain informed public input, through ongoing standing committee tours and sector-oriented seminars, and these proposals have been shaped by discussion with people at management, working, sales and consuming levels.

They will be offered for House debate throughout this session, and will include initiatives in the forestry, small business, housing, food industry, mining, tourist and job training fields, areas in which the Socreds should stop stalling and get to work on economic recovery.

The proposals would directly create a total of 33,660 jobs.

Using a modest employment multiplier, the program could be expected to generate in excess of 43,500 new employment opportunities, at a time when our province needs them most.

These initial proposals, in summary form, include, besides the financial sector, the following sectors:

#### **FORESTRY**

1. Government and private silvicultural programs planned for 1982 to be carried out in full.

New incentives, if needed, to prevent possible cancellations due to economic downturn.

2. An additional major, new silvicultural program to begin this year, providing 5,000 jobs over the year, at an investment cost of \$62 million, and employing skilled forest workers on high-quality forest lands, selected by the forest service and the industry.
3. Following this year's start, the five-year reforestation program would double present plans for restocking of backlog lands, directly creating 2,000 new jobs and securing the future of at least 3,500 threatened forestry jobs and eventually increasing government revenues.  
Net cost funded through stumpage fees allocated to the forest and range resource fund.
4. Significant increase in government funding of the co-operative marketing development agreement, matched by an equal commitment by the industry.
5. Substantial new incentives and assistance to innovative companies which develop high value-added forest products.

#### **HOUSING**

1. Injection of \$200 million per year in five-year renewable mortgages at 12 to 13 per cent interest.  
Net cost this year of \$12 million to treasury, enabling construction of 2,700 new housing units.
2. Additional infusion of \$10 million capital funds for senior citizens' housing projects, to reduce two-year waiting list.
3. Interest-free loans, of up to \$10,000 per unit, for construction or conversion of 5,000 additional co-operative housing units.

4. Home insulation program for senior citizens and low-income families, to retrofit 15,000 older homes before next winter.

This will supplement the federal CHIP and provide work for 1,000 British Columbians.

#### **SMALL BUSINESS**

1. Revive and expand this sector, where a majority of new jobs can be developed, by enactment of a Small Business Protection Act to: force banks to obtain court permission before any small business is put into receivership; implement rescue plans with a court-appointed consultant where feasible; and establish regional "storefront" offices to assist small businesses.
2. Start a three-year phase-out of corporation capital tax and provide new tax incentives for manufacturing, processing and energy conservation initiatives.
3. Establish a British Columbia Trading Corporation to aggressively market BC small business products across Canada and abroad.
4. Pay full cost of BC government paperwork imposed on small firms.

#### **VOCATIONAL TRAINING & STUDENT EMPLOYMENT**

1. Establish an independent British Columbia Trading Commission, to monitor and develop apprenticeship programs, forecast needs and administer funding from province, industries and federal government.
2. Inaugurate, this year, a training program for 3,300 new apprentices in critical areas.
3. Revive course-related summer work program for 10,000 students.

#### **TOURISM & COMMUNITY DEVELOPMENT**

1. Establish a Tourism Development Fund to provide low-interest, forgivable and joint-venture financing of employment opportunities.  
Priorities set by federal/provincial TIDSA studies.  
Projects selected through regional boards of industry and community representatives, to ensure non-partisan decision-making procedures.
2. Immediate construction and improvement program for publicly-owned facilities such as campsites, small boat moorages, breakwaters, etc. to provide 1,000 jobs this year.
3. Commit funds and convene co-operative negotiations among government, community and tourist industry representatives to begin building affordable trade and convention centers in Vancouver and Victoria, providing 1,000 construction jobs this year, more later.

#### **FOOD INDUSTRY**

1. Launch efforts to increase provincial food production, and therefore jobs, by opening new farmlands.  
Specific programs include replanting of vineyards to accommodate switch from red to white wine tastes, replacement assistance for orchard stocks, dyking in the Fraser Valley and weed control assistance.
2. Assistance to encourage establishment of co-operatives and small secondary processing plants for BC agricultural products.
3. Inaugurating strategies and incentives to increase the province's share of jobs and investment in marine food production, by reducing the \$100 million worth of fish and fish products imported into or through British Columbia.  
Substituting BC-caught and processed products for these imports would inject a new economic stimulus and capitalize on the 200-mile limit economic zone added to our shoreline.

#### **MINING**

1. Upgrade the benefits, terms and conditions obtained from more than \$1 billion of public investment in the north east coal deal by seeking: improved selling prices for coal exports; contractual preference to British Columbian and Canadian companies, in order to prevent contract awards such as the \$273 million which have already been given to foreign firms; and negotiate a requirement that 25 per cent of the coal shipments be carried in BC-built, Canadian-staffed ships.
2. Develop a policy of "linkage" of resource development to a secondary manufacturing strategy, by insisting on a full range of industrial spinoff benefits as a basic condition for new export deals.
3. Revive a joint study with NKK of Japan to develop a steel mill in British Columbia, using our resources.
4. Institute negotiations with industry to achieve working arrangements for development of a new world-scale copper smelter in the Highland Valley near Kamloops.

This catalog is certainly not complete.

But it indicates the great range of actions, some requiring funds and others only leadership, which can help our distressed province over the next few months.

There is enough in this package to ensure both an economic and a psychological turnaround.

The cost of these initiatives has been estimated at \$309 million for the first year, with lesser sums required in subsequent years.

Where will the money come from?

Three sources:

First, as of 31 December 1981, BC Petro-

# **OVERVIEW**



leum Corporation held retained earnings of \$93 million.

That would be shifted into the provincial treasury, to help fund the economic recovery program immediately.

Second, funds would be reallocated by shifting budget priorities.

For example, the New Democratic legislators identified some \$82 million of "frills" — such as fattened advertising, travel, office furniture and facilities and computer expenditure proposals — which should have been cut back.

We estimate \$100 million could easily be found in the coming year's estimates, particularly considering reports of a \$7.5 billion spending program for 1982-83.

Finally, some of the money would be generated as government revenue from putting people and firms back to work, a fact ignored by the Socreds' retrenchment policy.

The economic recovery proposals advocated by the New Democratic Party would result in 43,500 BC citizens obtaining jobs, directly and indirectly.

They would generate almost \$1 billion of economic activity in the first year.

That by itself would enrich government revenues at least \$100 million over the course of the year, without tax increases.

The money can — and must — be found to bring jobs, activity and hope to many citizens.

We need the will and a determination to get to work this session on an immediate recovery program.

But we also need formal planning and budgeting processes, to prevent future self-inflicted economic wounds and to buffer external pressures.

For instance, part of our problems have been created by Socred mismanagement and reactive — instead of creative — responses to a changing world.

The Socreds have demonstrated repeatedly they are so far behind events they cannot even present an annual budget to the legislature in advance of the fiscal year.

This will be the third year, since 1903, that a provincial budget has not been delivered before the previous budget year expired.

The other two occasions were 1978 and 1979.

The Socred approach to fiscal matters is a monetarist mess.

The Bennett government supported federal high interest rates when they were devised.

It has followed a policy of cutbacks, no matter what the price in jobs, and high taxes, no matter what the cost in inflation.

Obviously, the uncertain lurching of government muddling can itself threaten the province's economy.

Even the business community has lost confidence in the Socreds, as evidenced by recent demands for a recovery program without tax increases.

Successful enterprises do not operate from month to month, or one year in isolation.

They plan their activities over a period of years, in order to even out financial peaks and valleys, enhancing stable, efficient operation and capital investment.

Besides many firms, some state governments in the USA use budget procedures suited to longer-term cycles than just a twelve-month calendar.

It permits scheduling of public projects during periods of economic slowdowns, so they don't conflict with periods of private spending.

It enables orderly reduction of taxes, if necessary, to stimulate consumer spending and investment during a slump.

It permits a significant increase in expenditures, to speed recovery, while planning to balance expended reserves with surpluses during high employment portions of a cycle.

At the same time, it is necessary to retain the present parliamentary accountability of an annual budget speech, estimates debate and public accounts scrutiny to which we are accustomed.

Yet it should be possible to retain these traditional safeguards while introducing acceptably flexible and modern forward-planning business techniques.

That would permit gearing of public sector fiscal measures — including crown corporations, local governments, hospital boards and so forth — to avoid repeating the dislocating and reactive policies which have worsened British Columbia's current difficulties.

The NDP Members of the Legislature have always argued for democratic, decentralised, economic planning, which considered the public's general interests ahead of politicians' partisan interests.

Accordingly, we should learn from the hard lessons of present government inadequacies and establish a blue-ribbon committee to examine existing public and private sector techniques and to recommend a method of modernising the provincial budgeting and planning processes.

The object is to ensure that helpful, instead of harmful, policies will be used to meet the problems of the next cycle.

Such a committee should include representatives from the provincial government, crown corporations, local government and other public bodies, as well as appointments drawn from nominees of the business, labour and general communities.

We are all suffering from the current mismanagement.

It is time we learned how to balance our economy better, not just the political books.

Roosevelt's most famous inaugural speech identified the cause of the leadership vacuum which preceded him.

"They know only the rules of a generation of self-seekers," he said.

"They have no vision, and when there is no vision, the people perish."

British Columbia is reeling from the blunders of a coalition of self-seekers.

It needs, and demands, vigour and vision from its legislature.

There can be no excuses if this session fails to give our people hope and action.

Let's get to work!

## ■ FORESTRY

The importance of forestry to the BC economy cannot be overstated. Directly and indirectly, the industry employs 25 per cent of the labour force and accounts for 58 per cent of BC's exports and 50 per cent of all BC manufacturing.

Without a healthy forest industry, BC simply cannot sustain a healthy economy.

Long before the current downturn, however, it was apparent that our forests had been mined for their wealth, without thought for the future.

The most recent figures available show there is a backlog of Not Satisfactorily Restocked (NSR) land of 661,000 hectares (ha). A further 496,000 ha. have been recently

logged and are awaiting natural regeneration or replanting: a further 768,000 ha. are covered with brush and non-commercial weed species.

Thus, almost 2 million ha. of forest land await silviculture treatment, out of a total of some 35 million ha. of productive forest. (*All figures from the Forest and Range Resource Analysis; pp. 197-99.*)

Between 1971 and 1978, just one in every three hectares clearcut was replanted.

Despite all the talk of a "new era of forest management," the backlog continues to increase.

It has been estimated that BC's available timber supply will be inadequate to meet

existing industrial needs within the next 10 to 20 years.

Supply deficits will appear much earlier in many areas, threatening many single-resource communities with the prospect of economic disaster.

The closure of the WFI mill at Honey-moon Bay demonstrates that short term lay-offs are just the tip of a far greater, long term problem.

The current depression in the forest industry has forced thousands of skilled forest workers into the ranks of the unemployed.

This social tragedy demands immediate action on the part of the provincial government. Pious hopes for an upturn in world markets are no solution.

An imaginative job creation program in

# FORESTRY

the forest industry can create needed jobs now and secure a brighter future for our forest-based economy. Work done now in reforestation and intensive silviculture will generate important future returns, in the form of increased timber supplies.

The five year forest program begun by the present government represents a minimal commitment to intensive forest management. Indeed, funds committed to the program have been looted to make up for cuts in the regular ministry budget.

Even if full spending were to continue, we would still be planting only half the seedlings needed to fill the backlog.

In response to the employment crisis in the forest industry, and in response to the serious shortfall in present silvicultural efforts, the NDP proposes a major new forestry job creation program.

This program is in addition to the public and private silvicultural program already planned for 1982. If industry is unable to finance its share of the current five-year program, new incentives will be extended.

This commitment will ensure that the existing silvicultural industry works at full capacity in 1982, despite the downturn.

The new program will be primarily directed to providing employment for skilled forest workers who are unemployed or on temporary layoff.

#### **SILVICULTURE PROGRAM FOR 1982**

Because of constraints in nursery capacity, it is not possible to begin a major increase in tree planting on short notice. Nevertheless, it is practical to plant an extra 5 million seedlings this year.

At an average cost per seedling of 16-20 cents, an additional expenditure of about \$1 million would be incurred.

The direct cost of tree planting — net of administrative costs — varies from about \$180 per ha. in the Vancouver Forest District to \$240 per ha. in the Cariboo Region.

At a rough average of 1,000 seedlings per ha., the surplus capacity of 5 million seedlings could be used to plant 5,000 ha.

The direct cost of planting would be approximately \$1 million. This would create 15,000 person-days of employment over a six month period — 2,500 in each of the six forest regions in BC.

Two labour-intensive silvicultural programs could be significantly expanded on relatively short notice.

Site preparation and rehabilitation basically involves removal of alder, other weed species and brush from forest land which would otherwise be commercially productive. Slashing of alder and brush is generally followed by broadcast burning and other treatment to prepare the site for later planting.

The cost of clearing land varies from \$360-\$600 per ha. Clearing 60,000 ha. would, then, cost approximately \$30 million.

This is labour-intensive activity which would use the skills of forest industry employees, who would be paid at the normal rate.

Given that projects would be phased-in over a period of time — and that employment would build to a peak — we would estimate that this commitment would create about 2,500 jobs.

Further work on cleared lands would be necessary in later years before it was planted, following an expansion in nursery capacity.

A substantial program of site rehabilitation on this scale would bring impressive future returns. It would permit reforestation of the backlog lands on a vastly accelerated basis.

Juvenile spacing refers to the practice of thinning forest stands in order to promote a faster rate of growth. Gains have been conservatively estimated to be in the range of 15 per cent over the growing cycle of the stand which is treated.

The cost of spacing varies widely depending upon the number of trees in a particular stand, the nature of the site, and size of the trees and other factors. The practice is labour-intensive and has hitherto been largely confined to the Vancouver Forest Region.

In many European countries, forest stands are thinned several times over the course of the growth cycle to maturity, with timber from later thinnings being available for commercial use.

A rough average cost of juvenile spacing would be \$600 per ha. The labour requirement is — again very approximately — five person days per ha.

A \$30 million expenditure on juvenile spacing in 1982 would allow for the treatment up to 50,000 ha. and would create approximately 2,500 jobs.

This new silvicultural program for 1982 would be concentrated on the highest-quality backlog and overgrown forest sites on the coast and in the interior. Full backing would be given to projects developed by industry and the balance of the work would be organised by the forest service.

We believe that this is an eminently practical and valuable new silvicultural program. Workers are available. Funding will be provided. It will be up to industry to organise worthwhile projects and we are certain the forest service is capable of doing its part within a short period of time.

In total, this program would create the equivalent of 5,000 full-time jobs in the current year. We anticipate that projects would be carried forward over a longer period and that productive work would be available to many more forest workers over the course of the year.

Such an emergency program would bring substantial long-term benefits to the forest industry, in the form of increased timber supplies and greater security of employment.

#### **PLANNING FOR THE FUTURE**

Under the current five-year forest program, the massive backlog of NSR land will continue to increase. The level of planting planned for 1985 will just about balance the timber cut.

To take the Prince George region as an

example, 56.4 million seedlings must be planted annually, just to keep pace with the harvest. Only 25 million seedlings were, in fact, planted in 1981, and the total will be increased to no more than the 40-50 million range by 1985 under the existing program.

An NDP government would double the planned basic silviculture program of the ministry of forests in the earliest practical period of time. A realistic target would be the planting of 200 million seedlings annually by 1987. This would give five years' lead time to expand nursery capacity to double the capacity already planned for 1985.

Planting 200 million seedlings per year would permit reforestation of the best half of the NSR lands over about a 15-year period. We would thus be keeping pace with logging and reforesting the best site NSR lands at the rate of 5 per cent.

The total direct cost of doubling the basic silviculture program would be about \$60 million per year. Much of this investment would be recovered.

The extra planting of 100 million seedlings would increase the timber harvest by 7 million cubic metres — sufficient to generate \$49 million in additional government revenues directly attributable to the forest industry. Thus, the net cost to the government over a period of time would be relatively modest.

This expanded silviculture program would create 2,000 new jobs and would secure the future of at least 3,500 current forest industry jobs.

Expansion of the silviculture program would be financed through a new injection of funds into the Forest and Range Resource Fund. We believe that stumpage revenues should be re-invested in our forests, not rolled in with other revenues.

#### **INTERNATIONAL MARKETING OF BC FOREST PRODUCTS**

The BC forest industry is hostage to the economic fortunes of our major trading partner, the United States. This dangerous over-reliance upon one market accentuates the boom-bust character of our leading industry.

In total, 43 per cent of all BC's foreign exports to the US, and 58 per cent of all our exports, consists of forest products. It is little wonder that the current depression in the forest industry has crippled the BC economy.

In 1978 — the latest year for which figures are available — over 65 per cent of all lumber production in BC was shipped to US markets. Over 75 per cent of the total increase in production since 1955 went to the American market.

In the considerably understated words of the ministry of forests, "... growing reliance upon the US market has made the industry increasingly susceptible to cyclical variations in the rate of American housing starts." (*Forest and Range Resource Analysis*, p. 30.)

In 1978, just 6 per cent of all BC lumber production was shipped to Japan, just 3 per cent to the UK, and just 3 per cent to other



EEC nations. More than 95 per cent of lumber production in the Interior was shipped to North American markets.

BC currently holds just 5.2 per cent of the EEC market for lumber, just 5.2 per cent of the Japanese market, and just .4 per cent of the market in all other nations outside North America.

While the export performance in pulp is better, over 80 per cent of BC newsprint production is destined for the North American market. We hold just .1 per cent of the West European market and just 5.1 per cent of the Asian market.

This appalling trade performance cannot be explained by distance from markets and other competitive factors. The truth of the matter is that the BC government has not attempted to aggressively open up new markets. A few innovative companies have achieved considerable success, but they have been given scant assistance.

An NDP government would actively pro-

mote the aggressive marketing of BC forest products in new export markets. We would make available substantial new funding to the Co-operative Overseas Market Development program and would expect industry and the federal government to do likewise.

### ADDING VALUE TO OUR FOREST RESOURCES

Our forest resource-based industries — lumber, pulp and paper — account for close to 50 per cent of all manufacturing activity in BC.

Yet the value added to these resources is low by comparison to other industries and our competitors abroad. Thus, we tend to produce lumber, rather than finished building materials such as doors and window frames, newsprint, rather than fine quality paper, and so on.

This performance is highly unsatisfactory. Work in remanufacturing plants is three times more labour-intensive than modern

sawmills, yet we have too few of the former. Over the long run, we will be unable to create many new jobs in the forest industry if the nature of our industry remains the same. Future jobs must be created by adding value to a resource which is already exploited at close to its maximum potential.

An NDP government would actively support and work with those companies which produce and market high value-added products. We would ensure that they could count on a stable supply of Crown timber and have access to investment capital at reasonable rates of interest.

We also see potential for the creation of new high-technology industries producing chemicals, plastic and fibres from wood. Research in such uses of our basic resource would be actively encouraged and seed money would be available through institutions such as BCDC and BC Savings and Trust.

## HOUSING

**H**ousing is a crucial priority for rekindling employment, because housing remains one of the most serious social problems in British Columbia.

At the same time we create jobs in this area, we help alleviate some of the very serious problems of inadequate housing and affordability which plague hard-working citizens of our province.

A job-creating program in housing must focus on four areas:

- Rekindling of construction of private market housing;
- Senior citizens' housing;
- Co-operative housing; and
- Retrofit of existing housing stock to extend its useful life and improve energy efficiency.

### MARKET HOUSING CONSTRUCTION

The New Democratic Party of British Columbia has, on several occasions, made known its intentions to provide low-interest mortgage funds to British Columbians, through the BC Savings and Trust Corporation. This intention was carried through to the extent of passage and royal assent of the Savings and Trust Corporation Act of British Columbia on 26 June 1975.

Further elaborations of this proposal were made in a 1975 publication by the then government of BC.

These policies have since been refined and detailed in speeches to the Union of British Columbia Municipalities (17 September 1981) and the New Democratic Party convention (18 October 1981).

In summary form, the proposal is to invest a total of \$1 billion in five-year term mortgages over a period of five years. The net retail rate to British Columbians would

be substantially below that in the private market. In October, 1981, a commitment was made to provide such mortgages "through credit unions into five-year term, renewable mortgages as low as 13½ per cent for first-time homebuyers". Present indications are that such mortgages could be provided in the 12 to 13 per cent range.

In essence, the proposal would see the addition of \$200 million into the housing market for low-interest mortgage loans in the first of five years.

This infusion of new mortgage funds should provide for construction of some 2,700 dwelling units, if half were committed to single-family dwellings and half to the multiple-unit variety.

This would provide badly-needed housing jobs. Moreover, appropriate safeguards developed at the start of the program would help start up plywood and planing mills, through the purchase of BC building materials.

The prime justification remains, however, the prospect of new, affordable housing for British Columbia families for the first time in many, many years.

Again, BC Savings and Trust is not designed as a privilege for the lucky few, who happen to be at the right place and to make connections at the right time. It would be an ongoing venture — co-operative partnership between government, the credit unions and the people — to provide realistic financing for housing needs.

The cost would be the difference between the best international bond rate available to the BC government and the wholesale rate at which these funds must be loaned to the credit unions to yield 12 to 13 per cent retail

mortgage rates. The amount of this spread is in the range of 6 per cent.

This would yield an effective cost to the Savings and Trust Corporation of \$12 million to support \$200 million worth of mortgage lending in the first year. This might, or might not, be offset by other activities of the BC Savings and Trust Corporation. It can, however, be described as the "cost" of this program in the first year.

### SENIOR CITIZENS' HOUSING

Among those with the most serious housing needs are senior citizens. Apart from the health care problems of our seniors, which often go unmet, basic self-contained and affordable care accommodation remains an elusive dream for too many of our seniors.

The backlog is now so severe that only a multi-year program can begin to make a dent.

The cities of Vancouver and Victoria have made repeated representations in respect of projects which have been well thought-out and documented.

The time is now to respond favourably to these proposals, to provide housing for our seniors and jobs for our unemployed.

Emergency infusion of \$10 million in capital funds this year would facilitate construction of 1,000 new homes for senior citizens. This would provide some 1,800 construction-related jobs.

### CO-OP HOUSING

When thousands of low-to middle-income British Columbians cannot afford to pay market rents, let alone purchase a home of their own, it makes no sense to allow the housing construction industry to follow the rest of the economy into recession.

The NDP is committed to the concept of co-op housing, a form of tenure which brings most of the advantages of individual home ownership at substantially lower cost.

An NDP government would commit a minimum of \$50 million to co-op housing starts and conversions in 1982. The program would provide a low-interest \$10,000 loan for each of 5,000 units. Such funding would be in addition to existing CMHC funding for co-op housing, though attempts would be made to harmonize programs to prevent any duplication of effort.

In terms of employment, the construction of 5,000 units would generate some 3,000 construction and directly-related jobs. Further jobs, perhaps one-half as many, would be created in indirectly-related industries and in the production of materials and supplies, to bring the total to 4,500.

Use of BC lumber in construction and finishing would be encouraged, to ensure the benefits to the provincial economy of such a program were maximized.

There are trade unions which have shown their interest in supporting co-operative housing. Several examples are already operating. The only safe statement to make about the future of co-ops in BC is that the surface has barely been scratched because, historically, the difficulties have proved overwhelming for many groups.

Close co-operation between the three levels of government follows, rather than precedes, provincial government leadership. Yet that is precisely what is required to break the logjams and get the supply of co-op housing flowing again.

Much of the cost of the program would be recovered, in the form of provincial sales taxes and provincial income tax. If each of the 6,000 direct jobs created by the program went to workers who are currently unemployed and would otherwise remain unemployed in 1982, and if each of those workers paid \$2,000 in provincial income tax in 1982 as a result of being employed, the program could be indirectly recovered through increased tax revenues.

Immediate funding for the program would be provided through loans from BC Savings and Trust.

### HOUSING INSULATION FOR SENIOR CITIZENS AND LOW-INCOME FAMILIES

Many senior citizens and lower-income families live in older housing which is poorly insulated. These are the households which have been largely bypassed by the federal CHIP (up to \$500 per household). As stated in Thompson's report for the program evaluation division of CMHC, "low income households, the owners of older, energy inefficient houses, cannot afford to pay for insulation materials and for labour before receiving the grant. As a result, the older houses are not being insulated and fuel will continue to be wasted".

A \$2,000 insulation/retrofit will insulate homes by retrofitting would cut mushrooming energy costs for those who are most in need. A program to meet this objective would also cut BC's overall energy requirements and could help defer the need for massive new power generation projects.

Such a program would also create badly-needed jobs. Housing insulation is highly labour-intensive, and much of the labour is relatively unskilled, meaning that no lengthy training period would be required. It would bring British Columbia into line with similar programs in Portland and Seattle.

It has been estimated that the cost of insulating a home to a high standard of energy efficiency is approximately \$2,000. (*This and all subsequent cost and labour estimates are extrapolated from David B. Brooks, Economic Impact of Low Energy Growth in Canada; Economic Council of Canada Discussion Paper #126*). About half of the cost of an insulation/retrofit program is accounted for by labour. A \$2,000 retrofit requires five man days of labour (representing wages of \$400 per week) and an equivalent amount of labour in the production and distribution of insulation material.

A \$2,000 insulation/retrofit will insulate attics and walls with mineral wool and will cut average space heating costs by about 30 per cent. Clearly this represents a very substantial saving to senior citizens and lower-income families, who have been most penalised by rising energy costs because they have not been able to afford to take conservation measures.

As a first step, an NDP government would

## — SMALL BUSINESS —

Small business in British Columbia is in a crisis situation. The last survey by the Canadian Federation of Independent Business in November, 1981 showed:

- 770 jobs were lost in the BC small business sector during the first 10 months of 1981, because of high interest rates;
- 86 per cent of BC small business firms had shown a reduction in profits during this period; 11.5 per cent said they are now losing money.

If anything, the situation is much worse since this survey was conducted. The NDP Caucus Standing Committee on Small Business has met with hundreds of businesspeople in British Columbia who are on the verge, and falling over the edge, of bankruptcy.

The crux of the problem is that the banks are taking a hard line against small business in the current recession and are forcing many small businesses under.

Unlike other jurisdictions, such as the United States, Canadian legislation does not restrict the ability of banks to call loans, seize deposits and force firms into bankruptcy. The inevitable result of continuing the *status quo* will be the wholesale destruction of large portions of the BC small business sector, which has taken years of sweat and toil by thousands of BC entrepreneurs to develop.

The BC NDP will not stand idly by and let this happen.

immediately spend \$30 million to retrofit 15,000 older homes over a six-month period.

Such a program would create about 450 jobs in the actual installation of insulation, and a further 450 jobs in the production and distribution of insulation material. Existing plants to manufacture this material are located in BC. Taking into account the labour content of organising and administering such an insulation program, at least 1,000 jobs would be created over the initial six-month period.

CMHC has recognised that the CHIP has left senior citizens and lower-income families in poorly-insulated homes. It is, therefore, anticipated that the federal government would be prepared to allocate at least part of the 1982-83 CHIP budget to a provincially-initiated insulation program. It is anticipated that a common program outline could be achieved using federal and provincial funds under a single administration. Given the valid social and energy objectives, a 50-50 share of costs between the two governments is a reasonable objective.

If there was no agreement, the provincial program could be organised on the following basis: funds would be loaned by the province to households covered by the program. These households would then apply for the CHIP grant, and then return the loaned funds to the province. At \$500 per household, this would amount to \$7.5 million.

An NDP government in BC would pass legislation, entitled the Small Business Protection Act, which would:

- Force any bank wishing to throw a British Columbia small business into receivership, by calling a business loan, to first apply to the Supreme Court of BC. In cases in dispute, the court would be directed to engage a consultant, who would contact the parties concerning the possibility of a rescue plan. The court would not grant receivership and liquidation of assets unless the consultant reported the situation was hopeless, that there was no hope of recovery in the foreseeable future.
- Press for changes in the Bank Act, along the lines of Chapter 11 of the US Bank Act, which provides breathing space for small businesses dealing with banks. However, we cannot wait forever for federal action.
- Where a court-appointed consultant was able to devise a rescue plan, provide for a co-operative role between the banks and the BC Development Corporation to carry it out. The role of BCDC would be limited to loan guarantees for term indebtedness and management advisory services. The objective would be to ensure that small business remained independently-owned and managed.
- Step up and decentralise the activities of the ministry of industry and small business

# SMALL BUSINESS



development. Regional store-front business assistance centres, incorporating all federal and provincial programs, would be opened throughout BC. This one-stop approach would make government programs more accessible, understandable and more effective.

#### TAX INCENTIVE

Instead of using the tax system almost exclusively as a revenue-generating and punishing device, as the Social Credit government currently does, an NDP government would offer immediate tax incentives in two areas for small business:

New equipment for manufacturing and processing purposes; and

Equipment related to the manufacture, sale, supply and installation of energy-conserving equipment.

These two measures would be invoked for a limited period of time, to enhance the economics of investment in these two areas. Both are capable of producing long-term, steady employment. It is this type of employment, as opposed to more short-term employment, which the province so desperately needs.

The cost of these two items is estimated at \$20 million for one year. These would be in

the form of a provincial tax credit, which could be applied either against tax owing from other operations, or a cash refund for new businesses without a major cash-flow position.

Also, in recognition of the current business conditions, an NDP government would phase out the corporation capital tax in BC over a three-year period. Smaller firms would be exempted in this first year and total elimination would be achieved in three. First year cost is estimated at \$25 million.

#### EXTRAPROVINCIAL TRADE

The approach of the present government in this area has failed to get beyond the junketeering stage.

Following the landmark publication of the Report of the Special Committee on a National Trading Corporation in Ottawa in June of 1981, serious consideration has been given in many quarters to providing real assistance for small business in this vital area.

While such initiatives must be taken carefully, and in consultation with the business sector, an NDP government would begin an early start on a BC Trading Corporation. The NDP Caucus Committee on Small Business has already received a number of

favourable submissions on this point, showing that interest among BC business people is, indeed, high.

The role of government is to provide organisational assistance and seed money, not ownership and control.

#### GOVERNMENT PAPERWORK

Small businesspeople continue to be frustrated and confused by the amount of paperwork which government asks them to do. This extends beyond tax returns to survey questionnaires and requests for information which accompany any movement of goods and services.

Starting almost immediately, an NDP government would begin compensating small businesspeople for the work which is imposed by government agencies. This would be calculated using salaried employees to complete these forms. Every time such a form was completed, direct financial compensation would be paid for the time and effort required to do this work.

Apart from compensating small businesspeople for this work, it would make government agencies think twice about the need for some of the information which is demanded of businesspeople, for use within government departments.

## JOBS & TRAINING

British Columbia has the dubious honour of having one of the finest and best-educated — but unemployed and under-employed — work forces in the world. At the same time that there is a shortage of skilled people in virtually all sectors of the BC economy, over half our unemployed are under 25 and do not have the skills needed to compete for the available jobs.

BC's economic development is stifled because skilled people are not available to work on projects essential to our development. The NDP realizes it makes good economic sense, and is good social policy, to ensure that British Columbians have the skills necessary to fill available jobs. It makes sound economic sense to concentrate on job training during periods of high unemployment, when unskilled and semi-skilled workers are forced into career idleness.

Here are some examples of the need:

BC hospitals are short of nurses. There were 472 vacancies for nurses in December, 1981. There are 1,300 people on waiting lists for nursing training at BC colleges.

Dental hygienists are in short supply. There are 180 seats and 410 people on waiting lists. There are 200 jobs waiting for hygienists to fill them. UBC graduates 20 people a year and the Douglas College course was scrapped by the ministry of health, with no consultation, for lack of funds.

The mining industry expects to be short

more than 400 heavy duty mechanics by 1984. The industry also expects to be short 200 millwrights and 160 industrial electricians. To eliminate shortages by 1984, over 1,000 more apprentices are needed now.

The forest industry expects to be short 180 millwrights and 167 heavy duty mechanics. The industry needs over 600 additional apprentices to avoid a shortage in 1984.

The pulp and paper industry expects to be short 140 millwrights and 40 industrial electricians by 1984. The industry could use another 350 apprentices to avoid a shortage in 1984.

The manufacturing sector will be short over 600 machinists, 450 steel fabricators, 130 industrial electricians and 160 sheet metal workers. By 1984, nearly 2,000 manufacturing jobs will go begging, or be filled by non-British Columbians, unless the provincial government takes action to train local people for these jobs.

Municipalities and school boards expect they will need another 70 heavy duty mechanics, 210 carpenters and 60 auto mechanics by 1984. Altogether, local government expects to be short 600 people with the skills for available jobs by 1984.

These examples are well documented. There are other sectors where skill-shortages are likely, although the provincial government has not collected the data to enable a detailed estimate to be made. (Source:

*Occupational Training Council, Critical Trades Study, 1981.*)

For instance, British Columbia is well-suited to diversify further into high-technology industries, but companies cannot start up or relocate here if we lack the skilled workers to do the job.

Traditionally, a person left school and entered a profession or trade for their entire working life. Since the early seventies, the pace of technological change has accelerated to the point where the silicon chip will render some jobs obsolete, though, and the notion of the lifelong job or career is inappropriate for the late twentieth century.

Hence, the province's programs should address two distinct but complimentary needs: the person entering the workforce for the first time; and the seasoned worker whose job has been replaced by technology and who needs to develop new skills in order to qualify for new jobs in areas of skill shortage.

The person entering the workforce for the first time may be a young person, just leaving school; or an older woman, seeking to enter the paid workforce for the first time after many years' experience as a homemaker and mother; or a disabled person seeking, through work, the kind of independence that many British Columbians take for granted.

The list is not exhaustive. But each candidate for training may require special counselling to make sure they will be able to make the most of the training.

In 1935, the Vancouver Labour Council and employer groups persuaded the BC

# JOBS & TRAINING

government to formalise apprenticeship training. The last revision, in 1979, has not materially changed a program which has been in effect for nearly 50 years.

The provincial government has also used college/institute-based vocational education programs to help maintain a supply of skilled people for the workforce.

These programs have evolved on a more-or-less *ad hoc* basis; they lack a set of goals against which the effectiveness of the programs can be evaluated.

Accordingly, the NDP proposes that there be an independent Training Commission, under the direction of a board with representatives from labour, business and some of the groups which are presently experiencing barriers in the work force.

The Training Commission would be responsible for:

- Monitoring the progress of the ministry of labour's efforts to discharge its responsibilities;
- Developing a reliable skill-shortage forecasting model;
- Advising the ministry on problem areas and possible solutions;
- Entering into funding agreements with the province (including use of federal monies);
- Administering the funding mechanism *vis-a-vis* employers; and
- Developing goals against which the programs will be assessed.

Since it is broadly in the interest of all employers, both public and private sector, to have available a supply of skilled people, the funding for the program should be on the basis of a levy on the employer. Any employer, including small businesses, providing training which satisfies the Training Commission should receive grants to cover their costs.

The commission would be equipped to provide funding for 3,300 new apprenticeship positions in critically short occupations. The commission would administer these positions on a rotating basis, using a grant levy system. The total cost of this program, including commission operations, would be approximately \$60 million per year.

One of the most important means by which students at colleges and universities pay their way through school is by working in the summer months. Despite record unemployment, the Social Credit government has severely curtailed provincial programs in this area. The government still expected students to save towards their next year's tuition.

On-the-job experience is a vital aspect of the educational *milieu*. Recognizing this fact, and desiring insurance that post-secondary training is available to all persons regardless of family status, the NDP pledges to expand the provincial programs for

student summer employment: 10,000 jobs for students would be provided, in conjunction with the private sector, at a cost of \$25 million. About 6,600 of these jobs would be on a matching funds basis with the private sector; 3,400 of them would be in the

## TOURISM

Tourism is a major generator of external revenue for the British Columbia economy. It is an industry which requires planning, financial support and co-operation between the private and public sectors.

To provide higher levels of employment, and the creation of new travel enterprises, the NDP proposes the establishment of a Tourism Development Fund. It would achieve direct employment opportunities through planning, upgrading and construction of public and private tourist facilities.

The Tourism Development Fund would incorporate current provincial financial aid through TIDSA and several other programs. It would participate in low-interest loans, guarantees and venture capital to assist BC tourist operations. The Fund would vigorously pursue additional federal assistance and provide new provincial money.

The prime criterion would be job creation. The Tourism Development Fund would assist proposals consistent with a provincial tourism development strategy, as generally indicated by TIDSA studies.

High priorities for the development of new tourism facilities would be regions suffering high unemployment and those single-industry communities facing severe economic hardship.

The Tourism Development Fund would be assisted by an advisory council, comprising regional, industrial sector, labour and management representation from all elements of the industry. This is vital, to ensure that political considerations do not predominate in the decision-making process.

In addition to current funding, we would provide an additional \$30 million in the first year of the economic recovery program for general tourism development purposes, providing for 1,400 new jobs in the industry. A further 1,000 jobs would be created in the construction of trade and convention centres in Victoria and Vancouver.

### PUBLIC FACILITIES

Direct employment opportunities for the construction and improvement of public facilities, such as campsites in the provincial parks, small boat facilities, moorage, breakwaters and piers.

In co-operation with the ministry of agriculture, funding would be made available for upgrading or construction of permanent facilities at agricultural fairs.

Special emphasis would be placed on proposals of historical significance.

work-in-government program, which will be re-established.

The program would be phased in such a way that students who spend part of their summer at classes would still be able to find work when their classes ended.

Under this program, a full year's work for 1,000 people would cost \$18 million. If the federal government were persuaded to continue joint funding of such projects, as has been the case under the TIDSA agreement, the cost to the province would be \$9 million per 1,000 jobs.

### PRIVATE FACILITIES

We would invest an additional \$12 million to help create some 400 new jobs in the private sector. This includes financing the development upgrading of private tourist facilities.

This would include hotel, motel and campground projects to increase recreational opportunities and projects aimed at enhancing of tourist attractions.

Small businesses and co-operative civic or provincially owned ventures would be eligible for funding, taking the form of low-interest, forgivable loans or matching grants similar to the highly-successful Recreational Facilities grants implemented by the former New Democratic administration.

Regrettably, these grants have been suspended by the Socreds.

A portion of these funds would be recoverable as loan repayments.

### NEW PROJECTS

Implementation of specific proposals aimed at creating employment and tourist generators in areas in need of stimulation. Some examples:

- Development of the east Kootenay area as a major tourist destination, rivalling Banff and Jasper, with emphasis on skiing facilities, hot springs resorts, outdoor activities, hiking trails, boating;

- Expansion of the Royal Hudson train excursion to Squamish, to include a circle excursion involving travelling to Lillooet by the Royal Hudson, then a sightseeing trip by paddlewheeler down the Fraser River from Hope, in a re-creation of paddlewheeler history;

- Promotion of the Lillooet area as a regional destination for tourists, involving development of the Meager Creek area as a hot springs resort, remote area trips by horseback, backpacking, hiking from Lillooet, development of Lillooet as a major alpine skiing centre;

- Preservation of the Kettle Valley Railway and the development of abandoned communities along the rail route on a heritage theme;

# TOURISM



- Development of an excursion train, similar to the Royal Hudson, on the E & N Railway line on Vancouver Island, carrying tourists up-island for winter skiing at Mount Washington and summer visits to Pacific Rim Park facilities in the Alberni area, with bus connections to Long Beach;

- Development of the Lakelse Hot Springs, 20 kilometres south of Terrace;

- A commitment to the community-owned recreational facilities such as that proposed in Salmon Arm; and

- Other proposals to be invited and assessed by the Tourism Development Fund.

The British Columbia Development Corporation would play an important role as banker to many of these projects.

## TRADE AND CONVENTION CENTRES — VANCOUVER AND VICTORIA

These long overdue facilities are vital to a healthy and growing tourist economy. The NDP regrets that previous convention centre proposals have been mismanaged into oblivion by the provincial government.

The NDP proposes convention centres for Victoria and Vancouver as a means of creating construction jobs now and tourism jobs for the future.

The NDP proposes the establishment of a Convention Centre Corporation in Victoria and Vancouver. It would comprise civic, industry, labour and provincial representatives. It would have borrowing authority guaranteed by the province.

We propose to build **affordable** convention

centres in Victoria and Vancouver. They would be fiscally-responsible projects, to which the province would commit \$10 million in Victoria and \$50 million in Vancouver over two years.

An NDP government would actively pursue financing from the business community and, in the case of Vancouver, the \$17 million and \$9 million earlier offered by the federal and local governments, respectively. Co-operative negotiations would be initiated with the city of Victoria.

It is estimated that the two convention centres would provide some 1,000 jobs in construction over two years.

The community-based leadership of the two Convention Centre Corporations is key to the successful reorganization of these vital job-producing projects.

## FOOD INDUSTRY

It is well-known that British Columbia is a net importer of food products due to geographical limitations; however, both our land-based and marine-based capacity to produce food, and hence employment, has been ignored by the Social Credit government.

A major effort can be initiated today to increase farming production in British Columbia by:

- Assisting farmers through the BC Savings and Trust to allow capital investment; and
- Expanding the Farm Income Assurance Program to include a broader range of products.

Farming is British Columbia's third most important resource industry. A 10 per cent increase in the total value of provincial agriculture and food production would add \$270 million to the gross provincial product and create 4,500 new jobs.

### SPECIFIC PRODUCT-RELATED EXAMPLES

**Grape-growing:** BC grape-growers have been adversely affected by a shift in consumer tastes from red to white wine. Growers need to respond by uprooting old vines and planting new varieties. Such work must be done in the spring and lead time must be given so that new vines can be purchased. The BC grape-growers say that, if notice was given, a replanting program would enable them to replace vines, a labour-intensive process. A \$500,000 provincial investment could produce 200 three-month long jobs. The increased value of provincial grape production would more than repay this investment within a short period of time.

**Orchard industry:** A similar seasonal, job-intensive program could be organised to replace BC orchard stock and to intensively manage existing orchards.

**Dyking:** There is a clear need for dyking of agricultural land in the Fraser estuary. This would improve land productivity and is labour-intensive. Federal funds are available. BC has magnificent, untapped agricultural potential in areas which require irrigation to become productive.

**Weed control:** There is scope for a summer job program for weed control and range improvement. Students with agriculture and science skills should be hired to research weed and pest control.

### SECONDARY FOOD PROCESSING

BC has undeveloped potential for secondary processing of its agricultural products.

Assistance to co-operatives and small business enterprises could assist in the development of a "processed at home" food industry.

It is estimated that vegetable processing plants in BC have the potential to create thousands of jobs after only a few years of development. (*See Small Business Paper.*)

### MARINE BASED FOOD PRODUCTION

The greatest untapped employment potential is most certainly our food production capacity from our coastal waters. This industry is foreign-controlled and adapted only to markets determined by these foreign-owned companies.

Over \$100 million of fish and marine animal products are imported into BC ports each year, to be consumed in BC and adjacent provinces. A major portion of this \$100 million import figure is for products we can produce ourselves and export internally, through Canada and abroad.

Fish processing, particularly specialty processing (smoking, jarring, packing specialty canning, etc.) is highly labour-intensive.

It is also possible, by harvesting various species other than the dominant salmon and herring (such as ground fish species — cod, hake, ocean perch and the various shellfish), to stabilise the labour force year round.

For example, specialty jarred salmon can be done from quick-frozen stock in the off-season, as can smoking operations and specialty preparations.

Within BC's 200-mile limit, Russian and Polish ships take 25,000 metric tonnes of hake. This fish could be processed in BC, generating hundred of jobs.

The main problem at the moment is that there is not the political will and policy from the Social Credit government to negotiate higher levels of secondary fish processing here at home in British Columbia and to develop a vigorous import substitution program.

Our fresh, frozen fillets of salmon are exported with a minimal labour component.

It is estimated that \$5 million in oyster products are imported into BC each year, from Japan and Korea, when we have an under-utilised growing capacity ourselves to produce oysters in our own coastal mariculture industry.

Oakland Industries of Victoria, as an example, is capable of producing 300 jobs at peak season. However, with processing of groundfish, a smaller, but stable, workforce could be employed year-round, through specialty productions mentioned previously.

Both fish processing and fish farming are labour-intensive operations and, if properly managed, could create large numbers of jobs year round, jobs which are well adapted to our existing economic strengths.

# FOOD INDUSTRY

**B**y July of this year, almost one-third of the employees in mining, BC's second-largest industry, will be unemployed or on temporary layoff. As in the forest industry, our reliance upon the production of staple commodities — coal, metallic ores and concentrates — has sustained and compounded the problem of an unstable, boom-bust economy.

The NDP believes there is a better way. Our mineral wealth should be processed to the highest practicable degree here in BC, and resource developments should be used to promote the growth of new secondary manufacturing industries.

The Social Credit approach to resource development is best exemplified by the north east coal deal. This massive project has been subsidized by a public investment of more than \$1 billion, yet the benefits will flow to the Japanese steel industry, rather than to the BC economy.

The existing coal deal is inadequate for BC. We are selling non-renewable resources for much less than the full cost of development; and we have committed ourselves to massive exports without attempting to alter the unequal terms and conditions under which we participate in the world markets.

As part of the deal, we could and should have insisted that:

- The selling price of the coal gives BC taxpayers a rate of return on their investment at least equal to that of the companies involved.
- BC and Canadian companies be given a clear preference in the award of all development-related contracts. (To date, at least \$273 million in contracts have been let to foreign companies.)
- At least 25 per cent of the coal shipments be carried in ships built in BC and staffed by Canadian crews. (As things stand, four ships are being built in Korea and Belgium, at a cost of \$160 million.)

An NDP government would improve the terms of the coal deal to maximise spinoff industrial benefits for the BC economy and to lever new forms of secondary manufacturing and marketing development.

In a world of shrinking resources, it is possible for BC to insist upon a full range of industrial benefits as the basic condition for new exports. In all future resource export deals, we should insist the secondary sector of our economy gains a fair share of all contracts and that the potential for creating new industries is fully explored.

A major priority of an NDP government would be to double the production and employment in the shipbuilding industry. At least 3,000 new jobs could be created in Vancouver and Victoria, if the coal deal was improved and we began to build enough ships to carry just 10 per cent of Canada's west coast exports.

It is worth recalling that, had it not been closed by the Social Credit government, the Railwest plant would have been busy for two years, producing the 2,000 rail cars which will be needed to move north east coal.

With a reasonable but hard-headed insistence upon capturing these, and other, industrial spinoffs from resource developments, the BC economy would be able to support a medium scale steel plant, such as the Interprovincial mill in Regina.

An NDP government would immediately recommence the 1975 NKK feasibility study for a steel mill in Prince George. This plant would be built as soon as it could be demonstrated to be economically viable. We estimate that at least 5,000 new, permanent jobs could be directly created, with perhaps 7,000 more in related industries.

In the metal mining industry, an NDP government would actively encourage and facilitate the further processing of our resources. The construction of the Afton blister copper smelter in 1975 showed that co-operation between an NDP government and the mining industry could work to the benefit of the provincial economy.

We believe that a new world-scale copper smelter could be built in the Highland Valley, near Kamloops, when new mines already in the planning stage are developed. An NDP government would work with the industry to make this happen.

More specifically, we would consider participation in a joint venture, on the Saskatchewan model, or an accelerated tax writeoff of new private investment, provided these future returns were divided equitably between the public and the private sector.

We also see considerable scope for the production of fabricated metal goods from metals which are smelted in BC and would facilitate such developments.

While looking to the creation of new secondary jobs, the NDP is committed to the future of a strong primary mining industry in BC.

As a first, and necessary, step, the NDP proposes a special allotment of \$1.5 million toward strategic planning of the three major initiatives indicated.

The money would be used to assemble a highly-skilled group of some 15 professionals who would, through various arrangements, lay the groundwork for securing future jobs in the industry.