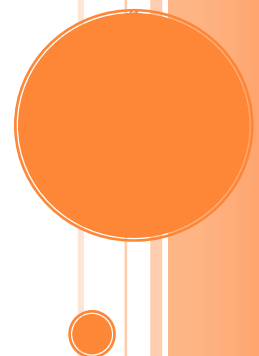


# ECONOMIC RECOVERY IN BC'S NORTHWEST

*REAL INVESTMENTS FOR GOOD JOBS*

A Final Report on the Townhall Forums on the  
Economy conducted by Member of Parliament  
Nathan Cullen

January 14 – February 19, 2009



# TOWNHALL FORUMS ON THE ECONOMY

## ***Final Report***

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# WISDOM FROM THE NORTHWEST

Thanks to everyone who came out to the recent riding tour on the economy. The events were very successful and the great conversations generated plenty of ideas that help our team to know what to fight for in the Northwest. People shared their thoughts and opinions on the social safety net, small business, bailouts, infrastructure, taxation, the environment, and many other topics. We've sent a brief summary of each forum to the regions that participated, but I encourage you to continue the dialogue in your community. We're thinking of making these tours an annual event and are really keen to hear what folks in the riding thought of this year's tour and how we might improve things in the future. Please be sure to continue to send us your thoughts on this and any other matter. Once again, my heartfelt thanks go to all those who participated. It is inspiring to me to meet with so many engaged folks and I am honored to be a part of rebuilding our economy in the Northwest.

All the best,

A handwritten signature in black ink that reads "Nathan". The signature is written in a cursive, flowing style.

Nathan

# TOWNHALL LOCATIONS

**Smithers**  
January 14  
Senior's Activity  
Centre

**Prince Rupert**  
January 15  
NWCC Prince  
Rupert Campus

**Terrace**  
January 16  
Elk's Hall

**Kitimat**  
January 17  
Riverlodge Rec  
Centre

**Hazelton**  
January 21  
Mountainview  
United Church

**Fort St. James**  
January 22  
Senior's Activity  
Centre

**Burn's Lake**  
January 23  
Chamber of  
Commerce

**Houston**  
January 24  
Community Hall

**Queen  
Charlotte City**  
February 18  
Community Hall

**Masset**  
February 19  
Green Church

## *GENERAL SUMMARY*

There were many highlights from the Economic Town Halls, however, one element stood out consistently above all else. This was a near universal acknowledgement that the Town Halls were exactly the right approach to take, when trying to navigate through difficult waters. The communities that have been living through economic downturns often have the best perspective on what needs the government can fill. The Town Halls were designed around the principle that non-partisan approaches can lead individuals to feel free to participate openly and freely in the discussion. There was consensus that perspectives from all points on the political spectrum would be required if we are to pull through these tough times as a riding and as a country. The twin values of openness and inclusion were seen as strengths of the Town Halls.

Beyond the inclusive format of the Town Halls there were two specific items that stood out consistently across the riding. There was near total agreement that the time had come for the Government to get off the sidelines and engage in the work of putting the economy back on track. It was determined that the hands off or 'do nothing' approach, that has been the hallmark of Canadian governance since the mid-nineties, was no longer an acceptable framework. There was near-unanimous agreement on two specific files. The first was on the need to reform the Employment Insurance (EI) system to allow for faster receipt of benefits for those who have recently lost their jobs, and to make more people eligible to receive the EI benefits that they have been paying for their entire working lives. The second specific recommendation was that money spent in the riding by Government in an attempt to stimulate the economy should privilege the use of local workers for any projects. The very reasonable conclusion was drawn that money spent in the

Northwest should go to individuals in the Northwest so as to maximize the stimulus effect of government spending.

There were other conclusions that will be identified in the analysis of the Town Hall sub-groups, here is a summary of the key overarching conclusions:

- **Let's do it Again:** Town Halls are a great way to connect directly with voters. This is a good approach that should be repeated in the future
- **It's Time for Leadership:** Government must take a lead role in the fight to turn the economy around
- **Make EI work:** the system must be reformed – easier to get it, get it more quickly
- **Northwest First:** Stimulus spending should employ local employees and make use of local materials to maximize the benefit.

## WHAT YOU SAID: THE ISSUES

### Infrastructure

There was widespread agreement that Infrastructure improvement was something that could greatly improve the day to day business for the people of the Northwest. The point was made that on top of the practical upgrades that infrastructure spending could provide, there are many social and cultural benefits to be derived from carefully targeted infrastructure spending. However, the most fundamental agreement on the infrastructure sub-topic was that all government dollars spent on projects in the riding are best used if local workers are given priority for the execution of the work. In terms of actually benefitting the Northwest directly there was no debate that all spending needs to directly create jobs. There was also widespread agreement that infrastructure dollars would be well used to create cultural and recreational facilities in municipalities across the riding. Furthermore, there was concern that if infrastructure funding is ‘tied’ to municipalities matching any federal funding, this would be greatly detrimental to the Northwest where many towns are simply out of money. The point was well made that if funding matching is required this will lead to the communities that need funding the most being passed over for municipalities that currently operate with a greater fiscal capacity. In a nutshell the matching model allows the rich communities to get richer, at the expense of those communities that need help the most.

“I highly recommend to improve the highway corridor all the way to the Port of Prince Rupert... Our Northern Economy depends on this “Lifeline” to prosperity. Take advantage of idle heavy equipment and use it while you can!”

- Fiena

- Infrastructure spending should make use of local labour to engage in the work and create jobs.
- Projects should include cultural and recreational facilities; critical resources in small communities.
- Funding should not require ‘matching’ funds from cash strapped municipalities.

## **A New Green Economy**

Here in the Northwest we have been living through economic downturn for over two decades. We are also certainly no stranger to environmental costs of the old economy; clear-cut bald spots, depleted salmon stocks, and pine-beetle devastation. The Northwest knows that the rebuilding of the economy must be environmentally sustainable if it is to provide steady livelihoods for years to come.

This message came through loud and clear at forums across the riding. It is not about choosing between the environment and the economy; economic and environmental recovery must be one and the same. The people of the Northwest had lots of creative ideas for building a green job future in the region.

- Managing our fisheries: a better funded, local area management model for the Department of Fisheries & Oceans would create well paid local jobs and lead to better ecological and economic management of our fish stocks and waterways.
- Repowering our communities: Developing renewable alternative energy sources could help create construction and technician jobs and guarantee communities clean, self-sufficient sources of energy. Participants identified wind, solar, tidal, geothermal

and biomass resources that could repower the region for generations to come.

- Green Business opportunities: The Northwest could support all sorts of green businesses including geothermal greenhouses to provide local fresh food, ecotourism projects, green home renovations and green power generation.

## Taxes

On the taxes side there was a diversity of opinions. One point of agreement was that cutting taxes as a silver-bullet cure-all has proven a very ineffective approach. This approach of reflexive tax cutting is seen to be a failed strategy, especially when the recipients of the tax cuts are the wealthiest in society. There was some agreement that tax cuts targeted at low income Canadians may provide some economic stimulus. Some frustration was expressed with the huge tax cuts that some of the country's most profitable companies have received in recent years. If there are any sectors that don't need tax cuts it is those that are currently the most profitable.

- Tax cuts not always the solution
- No tax cuts for the richest corporations
- Targeted tax cuts for low income Canadians

## Strengthening the Social Safety Net

Canada and the Northwest is built on the hard work of communities and the understanding that when neighbours fall on tough times we lend them a supporting hand to get back on their feet.

It is this principle

that guided the creation of EI, healthcare, and other elements of our social safety net. Forum participants felt strongly that in times of economic crisis we must strengthen this system which defines us as Canadians.

"I believe a priority area should be in social housing. It will be those in the most desperate situations which will feel this crisis most significantly. Investing in social housing will provide a new jobs for construction workers in the region, and will ensure that proper housing is available for those encountering homelessness."

- Mae Davidson

- EI reform that works: It should be easier to qualify for EI. Government should decrease the number of hours required to qualify for EI to reflect the seasonal nature of work in the Northwest. Benefit terms should be extended to help those hurt by the serious economic downturn.
- Protect our pensions: the CPP and OAS must be protected for the many who are counting on this income to support them in their retirement.
- Education for Employment: We must invest in our education system at the post secondary level to train the workforce that will help to pull us out of the economic downturn into a knowledge economy. Students need support to pay off student loans. We

should also focus on skills re-training especially for low-income people and those who have lost their jobs.

- **Build affordable housing:** new green housing stock could increase employment in the construction trades, use local building materials and relieve financial stress on low-income families.
- **First Nations Health:** We must invest more in healthcare in our First Nations communities including preventative programs in healthy diets and recreation facilities for kids.

## **Bailouts**

On the topic of bailouts there was not universal agreement. On the whole those at the Town Halls seemed reluctantly in favour of Government money going to companies so that job losses could be avoided. From the perspective of those in Northwest it is sometimes hard to watch high-paid business leaders getting millions when our friends and neighbours have received no such support. However, for the greater pursuit of saving jobs there was an acknowledgement that bailouts did have a role to play. There was agreement that all bailout money needed to be closely monitored to assess the effectiveness of the bailout. While many believed all bailouts should be repaid, others thought it was a worthy way for government to spend money should jobs be saved as a result. One interesting proposal was to create a framework whereby those companies receiving the bailouts would have to repay the government, interest free, over a long period of time should the bailout be successful in reviving said company's fortunes. It was also noted that companies in the Northwest should receive a fair share of any money the government spends bailing out struggling companies.

- Sometimes necessary to protect Jobs
- Should be repaid wherever possible
- Companies from the Northwest should get a fair share

## **Small and Medium Enterprises**

The people of the Northwest are famous for their independent and resilient spirit. Having faced decades of economic challenges with the decline of traditional resource sectors like mining, forestry and fishing, the region is ready for a rebirth. Key to this rebirth will be innovation and entrepreneurship to create local jobs in small and medium businesses. People who came out to the community forums had lots of ideas about how the government can support the growth of local businesses and ensure that they contribute to the economic recovery of the Northwest.

- Financing the future: we must work to ensure that credit is available to those wanting to start, grow, or maintain their business. Micro lending and flexible credit could spur job creation in small start-ups.
- Local jobs first: participants suggested we should work towards a ‘made in region’ approach which would use local materials and local labour to provide the maximum benefit to the region’s economy.
- Export products not jobs: people are concerned about the closures of mills throughout the region while we continue to cut trees only to ship raw logs south to the United States. We need to come up with new innovative ways of adding value to our natural resource products – and jobs to our communities.
- Upgrade infrastructure: the success of local businesses depends on access to efficient and cost effective transportation and communication infrastructure.

Businesses need to be able to receive orders and ship products to their customers. Possibilities for improvement include twinning of the Hwy 16, better railroad, broadband internet expansion and secure mail service.

## *INDIVIDUAL REPORTS*

### **Smithers**

Participants in the Smithers' Forum were as hesitant about the recently proposed bailouts as other constituents in the riding due to the fear that there is no control or accountability once the money is out the door. There was an overwhelming sense that any such effort should focus on the worker rather than the company.

Of particular importance to this group were significant improvements to those programs intended to support people who need them. Greater access to affordable housing was stressed with emphasis on the living conditions of seniors and help with interest rates. People felt that there should be increased assistance to those who require child support. It was argued that job training and education need to be made affordable and that the minimum wage should be higher.

The detailed and extensive discussion surrounding infrastructure covered such topics as improving transportation corridors like Highway 16, expanding power lines, developing tourism projects, upgrading the hospital, broadening libraries and museums and better managing our renewable resources (especially fisheries). The group also highlighted the use of northwest labour wherever possible. Finally, there was general support for considering any infrastructure spending through a green lens. The government should, it was felt, focus on green technology and job creation opportunities in the tidal, wind and geothermal sectors as well as through recycling initiatives and the greening of homes. More importantly the group encouraged the promotion of northwest successes such as the Telkwa meat packing plant. Facilitators included: Dave Stene, Steve Hidber, Bob Henderson, Meara Brown, Bob Haslett and Rick Apperson

## Prince Rupert

The stop in Prince Rupert was another example of the great depth of great ideas that exist here in BC's Northwest. As challenging as the economic downturn has been it seems to have sparked the imagination of many in the coastal town. Ideas included not reducing taxes but, having smart tax policy. The example of the GST cut was used as an example of what not to do. There was significant trepidation on the topic of bailouts, but some felt that they may be necessary so as to keep Canadian business competitive with the Americans. Like elsewhere in the riding, it was agreed that having matching funds for federal infrastructure makes no sense at all. Those communities hardest hit will only suffer under such a plan.

"Now that the "free enterprise" experiment has proven to be a colossal failure, replete with layoffs and business closures and leaving Canadians feeling its bitter sting, it is time to have integrity restored to the Employment Insurance Plan." – Terry Intermela, Prince Rupert

There was no shortage of ideas for specific infrastructure programs available in the riding, such as housing and child care developments, along with transportation initiatives and further development of the port. In concert again with the other stops it was agreed that EI needs urgent fixing, and that the solutions of tomorrow will not pit the economy vs. the environment. The solutions will meld the two to greater a greener a more prosperous country.

Facilitators included: Avis Hopkins, Kathy Bedard, Peter Lantin, Richard Wilson, Lucia McCann, Janet Hultkrans, Danielle Dalton and Bobbi Parnell

## Terrace

The stop in Terrace was a great success. Held at the Elk's Hall on January 16, the event was a chance for people in Terrace to get together and discuss what they thought should be included in the up-coming budget. The theme for the evening was 'Building a Better Budget for the Northwest'. The discussion unfolded with many good ideas being shared, all with the goal of building a stronger and more prosperous Northwest. After a short presentation by Nathan everyone in attendance broke off into six smaller groups to have focused conversations on topics that were of particular interest.

On some topics there was general agreement, on others there was thoughtful dialogue that occurred when there were disagreements. One general sense of accord was that it is time for the Government to do its share to help the most vulnerable in our society make it through these tough economic times.

"I really appreciate the fact that my input was asked for. It seems like too often politicians make assumptions about what the people think without asking" – Terrace

Overall, it seemed like expectations were not only met but surpassed. While there was some discussion that perhaps a larger venue would have been more accommodating, all agreed it was a good initiative on the whole.

Facilitators included: Stacey Tyers, Sam Harling, Sasa Loggin, Wade Bennett, Andrew Williams, Wes Law

## **Kitimat**

There were many common themes at the Kitimat forum seen in other regions. Among them was a skepticism about bailouts from government to industry, the point was emphasized that profitable companies should not be eligible for the bailout funds. Where bailouts are deemed essential it is key to maintain rigorous oversight to ensure the money does what it is intended to do.

There was agreement that the EI system is in need of a serious overhaul. The hard earned money that workers have paid into the EI is often not available to those who have lost their job. The point was made that EI is not the same as social assistance or welfare, in that the money comes directly from workers to be used should they one day lose their job. Also there was some frustration that many government employees tasked with delivering EI were not overly familiar with the rules themselves.

Environmental concerns were also of concern, and the idea of applying a Green lens to any infrastructure projects was well received. In terms of infrastructure projects it was emphasized that the benefit to the local community is exponentially higher when local labour is used to carry out the jobs. Also, the formula that calls for local communities to match dollars to receive funding for infrastructure projects was resoundingly rejected. This backward plan does nothing but make rich communities richer and leaves those places that need the most help without the aid they need.

Facilitators included: Joanne Hildebrandt, Tony Brady, Denise O'Neil, Roger Leclerc, Cheryl Rumley, Austin Byrne

## Hazelton

Participants at the Hazelton forum insisted that any financial support from the government should meet long-term needs and objectives and that this support should be made conditional on performance; thought should be placed into doing what's best for the community, not just simply what's cheapest. The shortage of skilled labour was acknowledged, as was the need for more money to be invested in non-traditional businesses like community recycling. Of particular interest was the promotion of creative initiatives including encouraging young people to think of a small business career and the development of cultural and ecotourism.

The lively discussion on the social safety net lead to recommendations including: better funding for First Nations health programs, focusing on preventative and proactive health initiatives, increasing the length of the Employment Insurance Benefit, improving addictions assistance, developing secure and healthy local food options and offering green housing assistance.

In regards to infrastructure, the group felt that a regional planner could be introduced to support the development of a big picture plan. Particular interest was expressed in building trails, social housing and a new arena with a focus on employing youth 18 – 25 who should be supported to develop new skills.

As a final point, those present stressed the need for a strategic economic development community plan that is clean and green. The region has its success stories and government should study why they worked.

**Facilitators included:** Neal Erickson, Peter Newbery, Shannon MacPhail, Scott Graham

## Fort St. James

There was general agreement that now is the time for the Government to come off the sidelines and get involved. In such tough economic times as these, there is a need for intervention to help kick start the economy. Many saw this crisis as an opportunity to invest in the hardest hit communities and give a helping hand to the most needy and vulnerable in our society. In terms of specifics, there was agreement that reform to the EI system is a must, along with investment in infrastructure projects. The point was raised several times that now would be the perfect time for real commitment to 'Green' energy sectors, like wind and bio-energy. Furthermore, there was some concern that the upcoming budget would be urban-centric and neglect to take account for the real needs of rural communities.

"How about some forethought and training the forestry and auto workers how to build wind turbines or solar roofing shingles? Something, anything to get us off our fossil fuel dependency and on the path to a greener future and thus a greener economy." – Jennifer

All in all, the entire event was a big success. There was great enthusiasm for the idea of coming directly to the people to hear, unfiltered, what the key issues of today are. A giant thank you to everyone who made it out to the Fort St. James forum. We couldn't have done it without you.

Facilitators included: Byron Goerz, Joan Burdeniuk and Cam McCormick

## Burns Lake

Those who met in Burns Lake expressed considerable concern regarding the recent bailouts. This concern centered on worries that the Northwest tends to be forgotten and neglected by such programs, and that generally speaking bailouts prove to be no more than band aid solutions. It was further suggested that money would be far better spent if invested in training and education.

There was broad consensus amongst the participants that cuts to Income Tax and the GST do not lead to worthwhile savings or the significant reinvestment of more money back into the economy; a far more beneficial course of action would be a decision on the part of the government to provide incentive tax credits for job training and green retrofits to homes and businesses. Our social safety net, according to those present, defines us as Canadians and is worth protecting, especially in rough times, which prove more difficult in rural regions. Once again the conversation turned to better training programs which would reduce the number of people in need of social assistance.

A good deal of the conversation focussed on road work including twinning Highway 16, building another road to Granisle and finishing the Smithers-Granisle cut-off. Participants likewise advocated for a new hospital and improvements to CN and BC Hydro. Lastly, the conversation turned to topics including the development of food security through the use of greenhouses and growing more locally, as well as the promotion of green research and development.

Facilitators included: Stuart Abbels and Doug Montaldi

## Houston

Those who met in Houston felt that it was important for the government to have the foresight to think outside the box. There was general consensus that one can't continue to pour money into the "old economy" rather than investing proactively into a new economy. Of particular interest was a concentration of effort on job training. Here it was felt that the government should look at new models of training that are flexible enough to adapt to specific communities.

The group stressed relief for those living in lower income situations and felt that such relief would then be reinvested in the economy. Understanding the magnitude of job losses in the forest industry was also considered essential. It was generally agreed that it is not prudent to trim back the social safety net at this time.

A good amount of the conversation focused on improving the highway corridors through Houston. Additionally, improvements in technology, including greater access to the internet, were mentioned. The group also emphasized the need to make sure that all new projects be completed in a sustainable manner and looked forward to a time when green technology could power the whole region.

The group emphasized the need for government to "recognize the strength of our town, our resources and people."

Facilitators included: Bob Henderson, Sandi Lavallie and Dee McRae

## Haida Gwai'i / Queen Charlotte Islands

After a few delays, two forums were held on Haida Gwai'i/ Queen Charlotte Islands. The first meeting was held in Masset and the second in Queen Charlotte City. A number of people came out for very productive and energizing conversations. A key focus of discussion was the need to reform the EI system. We need greater flexibility for those seeking temporary help after a job loss and need to create eligibility requirements that accommodate seasonal workers. Participants also said that we should look at letting small business owners participate in the EI program.

Rural communities must not be neglected when discussing government spending, particularly infrastructure projects. People pointed out that the islands need recreation, health and education infrastructure in order to attract and retain people in shrinking communities. These projects should make use of local labour and materials to get the most economic bang for every buck. There was specific mention that broadband internet services need to be a priority for governments moving forward.

There was considerable opposition around the room to full-scale government bailouts. Many felt that bailouts merely reward incompetence and are generally not beneficial. Instead we should be creating legislation that encourages social and green enterprises which could create both economically and environmentally sustainable jobs for the future.

On the subject of taxes there were differing points of view. Some felt taxes are simply too high, while others felt that if government services were to improve and service fees reduced, there would be less objection to higher taxes.

In spite of logistical challenges in setting a date, the forums were well worth the wait for all the enthusiastic participants.

## Conclusion

There are numerous conclusions to be drawn from the round of Economic town halls - however, one stands above all others. That one conclusion is that there is an appetite for direct consultation and a need to conduct these types of community town halls again in the future. It is also imperative to mention that the quality of input received from those in attendance was remarkably high. This comes as no surprise as, I know very well, the people of BC's Northwest are chock full of ingenuity and ideas. The events were a great success and its all thanks to you.

Specifically, there was clear agreement that the EI system needs an overhaul. People are fed up with paying into an emergency fund that, all too often, they are denied access to. EI is not government welfare, its money from workers that's supposed to be there should a rainy day ultimately arrive.

On the infrastructure side it was made very clear that having a formula where communities must match dollars to get funding does nothing but make the rich richer. This approach might be consistent with conservative thinking, but didn't mesh with the ideas brought forth at the forums. Secondly, there needs to be an emphasis that all infrastructure projects employ local labour.

There were tons of other great ideas and no shortage of lively discussions. Once again, thank you to everyone who came out to help Build a Better Budget for the BC Northwest.

Sincerely,

