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5TH SESSION, 37TH PARLIAMENT

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TUESDAY, OCTOBER 5, 2004

The House met at 10:04 a.m.

Prayers.

[1005]

Orders of the Day

Hon. M. de Jong: I call second reading debate of Bill 57.

Second Reading of Bills

RANGE ACT

Hon. M. de Jong: I move that Bill 57 be read a second time now.

This piece of legislation represents the first attempt in over 25 years to substantially update and upgrade the Range Act. I want to say at the outset that I, as the person presently charged with the task of administering the department of government responsible for the Range Act, am eternally grateful to the work that has been undertaken by, obviously, the officials within the Ministry of Forests — Jim Kirby and now-retired range manager Ken Balaski.

I also point to the successful collaboration that took place between them and their team with Mr. Duncan Barnett, coordinator of the land stewardship committee of the B.C. Cattlemen's Association, and also David Haywood-Farmer, who is the chair of that committee. I am given to understand that those two individuals were largely at the helm in coordinating and working with the committee, which had representation from across the province from cattlemen and cattlemen — ranchers right across the province.

This was a process that was undertaken in concert with that committee and with that group in response to a realization on everyone's part that we had a piece of legislation that was largely out of date. The fact we have gotten to the point we are, where there is support.... I should say this at the outset: I think there are still issues that remain to be dealt with, particularly at the regulatory stage. That work is taking place.

I believe the Cattlemen's Association executive is meeting as we speak and may even be tuned into these proceedings today. In expressing my thanks to them and acknowledging their support, both for the process that was undertaken and the result we have before us in this chamber today, I assure them that I understand — as a result of conversations with Mr. Barnett and others — there are issues that remain to be dealt with, and I offer them my assurance that we will continue in what I think has been a very successful collaborative approach to address those issues.

Let's deal for a moment with the act itself that is before the House. Let me tell members that what we are trying to do as government in this upgrade — or replacement, really — of the old Range Act. I might preface my remarks with this as well. Again, I point to

comments from Mr. Barnett. I think ranchers often feel as if in the legislative halls of Victoria their interests within the Forest Service can be relegated to second place after timber interests. If that is so, and I think perhaps at times in the past it has been the case, then it is incumbent upon all of us to ensure that does not happen, because the contribution the ranchers make to this province in a whole range of ways — if you'll pardon the pun — is tremendous and significant.

[1010]

It isn't like they haven't been without challenges over the past year or two. The combination of BSE and drought conditions in much of the province has meant they have faced their own share of unique challenges. I believe, I hope and I'm confident that the piece of legislation, the update on the Range Act, that we have before us today, once passed and once implemented, will create a tool by which we are better equipped, both government and ranchers, to address some of those challenges — those that are present with us today and those that may come along at some time in the future.

We're trying, with this piece of legislation, to acknowledge the importance of local conditions and to place greater emphasis on the role of local expertise in terms of managing our rangeland. In general terms, I can advise the House that with this piece of legislation, forest district managers will now be able to specify circumstances and impose conditions as appropriate when awarding range licences. There will be more flexibility to take into account the unique local circumstances that might exist.

Forest district managers will have the power, by virtue of this legislation, to adjust forage levels, allowing allocation of temporary increases or reducing the allocation if there is non-use of forage tenure that exceeds 10 percent. That is designed to address circumstances in which, on the one hand, a rancher is confronted by a serious shortage of pasture, of range tenure, and in very close proximity sees grazing land going to waste or not being utilized, so there will be more flexibility in that respect.

Protection of Crown range is improved with the ability to restrict use when conditions such as drought could result in damage to the lands — again, an important power vested in local authorities to be utilized to ensure that this important resource is there not just today but in the future. Also — I'll emphasize this again — it's to be used with a degree of discretion and flexibility, taking into account the unique local circumstances that exist, and to be utilized by the decision-maker in concert with our customers, our clients, the people that are actually relying upon access to rangeland to earn a living and to feed their livestock.

The addition of private land provisions in this bill means that decisions on applications for new tenures will consider and take into account the availability and proximity of private land by the tenure applicant. It is my hope and expectation, and I believe that of the Cattlemen's Association, that this will encourage in-

dustry to invest in infrastructure within the ranching sector.

Bill 57, I can advise the House, also reflects the government's commitment to first nations by providing the ability to issue agreements for treaty-related interim or economic measures. These are new provisions that heretofore did not exist in the Range Act. They also represent a degree of consistency between the Range Act and the Forest Act. In that respect, I feel compelled to point out that those provisions, added three years ago in the Forest Act, have been utilized to a great extent — and I say somewhat immodestly, I suppose, very successfully, with very successful results.

[1015]

What the provisions within Bill 57 will do is allow district managers to directly award tenures. The provision can be used to allocate short-term tenures for unused forage, and that can be utilized across the fold. Those provisions can be used as part direct-award provisions, as part of a first nations treaty-related interim or economic measure or to mitigate the effects of a first nations treaty on an individual licensee — precisely the same provisions we included in the Forest Act some three or three and a half years ago and provisions that have allowed us to sign upwards of now, I think, 72 forest agreements with first nations. My expectation and hope would be that the provisions will be similarly useful in terms of dealing with first nations who have a historical interest in ranching-related activities.

The House should know that under this bill, when government reduces the term or area of a tenure — in this case, a range tenure — the holder of that licence will expect to be fairly compensated. With this bill, government will consider the value of improvements to lands, grazing and hay-cutting rights and, where appropriate, provide market-based recognition for the loss of those rights.

There will be — and again I come back to this word — flexibility for both the district manager and the range tenure applicants in terms of the selection criteria for applications. In fact, when the regulations are completed, the selection criteria that are applied through that process will be more clearly defined and therefore of greater assistance to those seeking to embark on either expanding or acquiring new range tenure.

The changes in this bill acknowledge, I would suggest, the evolving needs of ranchers and other range users and, as I said at the outset, are the result of extensive, lengthy — I think, at times frustrating for the cattlemen and ranchers — discussions. But we have landed at a spot where I think we have made significant improvements over the existing legislative regime that has been in place now for almost three decades.

A lot of changes over the years, whether it's climate conditions, whether it's the kind of animals that range users are tending to, everything from buffalo to alpacas to llamas.... All of these are species that have been domesticated now — in addition, of course, to cattle — and that ranchers are raising in a domesticated setting, species that rely upon access to Crown rangeland. The overall objective, of course, is to ensure that Crown

rangeland is managed in the best interests of the people who own that rangeland, the British Columbians themselves.

To the Cattlemen's Association, the land stewardship committee of the association, Mr. Barnett, Mr. Haywood-Farmer and, I should say, to many members of this House who have taken a particular interest in the discussions and taken the time to inject their thoughts into the discussion, I extend my profound thanks and appreciation. The product we have before us today, whilst I'm sure it is not perfect, is better off and, I think, is destined to be a success because all those people took the time and energy to contribute in a very positive and constructive way to the development of this piece of legislation.

W. Cobb: It's a privilege to stand up today in the House in support of Bill 57. I will probably reiterate a number of things that the minister has stated, but one of them, particularly, is that it is long overdue.

Over the last number of years, going back probably ten or 12 years, there have been a number of land use changes being made in this province. This bill will allow us, in fact, to incorporate some of those decisions and make it more flexible, more usable for our ranching communities.

[1020]

One of the complaints I have had from a number of my ranchers, of course, is that there wasn't enough time allotment when changes come down, when there were range use issues happening. They didn't have enough forewarning or the ability to make changes. I think the ability now to begin the process two years in advance will, in fact, help some of those issues. It will give more certainty when they know they can get their land use plan or their range permits in place two years prior to the expiration of their old ones.

Many of my ranchers also complained about not being able to deal with the local issues. What this does, in fact, is to allow our forest managers to be more flexible in ways of streamlining some of the decisions that have to be made in a timely manner. They can now adjust the range use, including temporary increases or reductions. I think that is key to this legislation.

Also, as stated by the minister, over time there could have been or there were reductions, whether it was environmental conditions, whether it was land use decisions or what happened. There was reduction of some of the range permits or uses. I also think what this legislation will do is allow the compensation to, or at least the recognition of, the loss of rights when the ranchers now are not able to put their herd on that land.

Also in this legislation is the recognition that the proximity to the deeded land is very important. I know that in a couple of cases, the availability of rangeland is far, far away from where the deeded land is. One particular case is a tourist operator. Their rangeland for their horses is.... They have to haul them miles to get them to their range. When you're using those horses or those animals, particularly on a daily basis, as in this

case, to have to haul them away in a truck week after week and then bring them back when they're needed is far too expensive, and it doesn't make it viable for the operators.

The minister also indicated that we've had input in this case with this bill. We've had input from the industry, and he mentioned two people, Duncan Barnett and Mr. Haywood-Farmer. Both of those ranchers are in my riding, and of course, they keep me posted as to what is happening here. I'd like to read the quote — actually, it was in the press release — from Mr. Barnett: "Access to Crown range is vital to the ranching industry, and the new Range Act provides the secure tenure necessary to facilitate investment in our business." That was a quote from Duncan Barnett. He's the land stewardship coordinator for the B.C. Cattlemen's Association.

He also said that ranchers invest in the development and long-term stewardship of the Crown range resources. "The result is a vibrant and healthy ranching industry that contributes to community stability, the provincial economy and a sustainable environment. We look forward to working with government on making further improvements on the range regulatory regime." I think that's indicative of what's happening here.

As the minister also stated, our ranchers have had a rough couple of years with the BSE, the drought and the fires. Now in some areas of my riding, when the ranchers are bringing in their hayfield, they've had too much rain, and the crops are wet. They can't get them in. It never seems to end for these guys.

[1025]

When the Finance Committee was in our area just last week, we toured the stockyards where there were some cattle sales going on. It was pretty sad to see. When we were there and watching the bidding happening, they were selling steer at 13 cents a pound. So these poor ranchers are getting 150 bucks for a steer or a bull when they should be getting upwards of a thousand bucks. Now, this Range Act isn't going to be the be-all and end-all to this situation, but I just wanted to state that so that people understand the dire straits our ranching community is in and the things that, hopefully, this Range Act will help. It will help make that industry viable.

At that same sale, I was talking to the operator of the B.C. Livestock Producers Co-op, and he was telling me they're holding a six-herd dispersal sale for local ranchers due to the hard economic times. That's six ranchers that will no longer be in business next year because of the conditions they're under. Anything we can do with the legislation will help our ranchers survive.

I look forward and encourage my colleagues to support this bill so that we will have an economically viable ranching industry in British Columbia.

[H. Long in the chair.]

B. Suffredine: I rise to speak in support of this because of the fact that it's a way to give the Forests ministry the tools it needs to be flexible in order to manage the forests in an effective way. In my region at this

time, there's a burning issue about the survival of the mountain caribou. Part of the reason why that issue is as big as it is, is because the Forests ministry and other ministries need to use the tools that are available to them in an effective way that recognizes man's activities do have an impact on wildlife species.

I note in section 16 of the bill that the ministry has given the tool of doing direct awards, in many cases where they're just small contracts and things like that. That recognizes that we don't really want to be having to go to public tender and spend extensive amounts of public funds, for example, to award a cutting licence for a permit that would cut less than ten metric tonnes of hay. Yet it may be desirable for the ministry, for habitat reasons, to be keeping an area relatively open, keeping down noxious weeds, that sort of thing, and creating a habitat that is good not only for animals that farmers graze but good for wildlife animals that graze in the same areas.

I mentioned earlier about the mountain caribou. In our region, there are three herds of mountain caribou, and two of them are bordering on extinction. There's quite a raging debate about the fact that predators are the main cause of the decline in the caribou. There are those who say it's logging practices that open up areas and that we should stop all logging.

Well, we could stop logging in the entire Kootenays, and it would have no impact on these animals for probably 20 to 30 years. The effect on the habitat that is there is there, and we have to recognize that. What we need to do is change the way we manage the forests and recognize the impact of man, in that there are people that go in with snowmobiles and people that go and log areas. How can we manage habitat areas in a way that brings the recovery of a species?

The ministry has to have all the available tools in its toolbox to make that happen. The advent of the mountain pine beetle creates a whole new issue for things like endangered species, like caribou. In the winter-time, typically, the caribou eat a food source called lichen that normally grows on pine trees. The advent of the mountain pine beetle in our region is a dramatic problem for the survival of caribou species, if the spread of the mountain pine beetle succeeds in eliminating the main food source these animals may have in the winter. At this point, there's enough habitat, and there's no evidence that the animals are starving.

[1030]

The other day I flew over an area near Winlaw, where it is very controversial. The timber sales branch is talking about logging a large area on the top of the mountain near Winlaw Creek. It's all red. Those trees are dying. They'll be dead and commercially valueless within a year to 18 months.

People in the region, understandably, are concerned that it's taking a great deal of timber off of one spot, but the truth is that if it's not logged within a reasonable time and the timber loses its value, then it becomes nothing but a fire hazard. If that fire hazard actually materializes into a fire and becomes a fire like what happened at Kuskonook about a year and a half

ago, all of a sudden the top of the mountain will be sliding off into the valley, and the water users that are all concerned about their water quality will be experiencing something much worse than they'll experience if the trees are taken off in the short term.

Again, it's a matter of giving the Forests ministry people the tools to deal with the problems they're about to face and to deal with them in practical and effective ways that address the issue. Instead of saying to people, "Let's just stop logging and wait for 20 or 30 years to see whether caribou survive," let's do something active that actually aggressively takes on the problem. Let's make sure we're managing in a way that takes into account the effects we have but protects the fact that people need to work and live too. We don't want to make the loggers the endangered species in the process. We want to provide a good living for people in all of our communities.

Now, giving, as we did in section 16, the right to direct awards, there are those people who would say a direct award means it's not advertised, it's not a competition, it doesn't get the best value, and it perhaps may prefer someone. That may be so, but in the case of a very small award, is it really something we should be focusing on, or should the primary goal be to get the result of having that area utilized in the way that is advantageous to the local area?

When I referred to a quantity of hay or a permit to cut hay for less than ten tonnes — less than ten tonnes is probably one trailer load of hay, probably less than a half a day's work — surely, that's the sort of thing we want to encourage. We want to give our local ministry officials the flexibility. We don't want to make it so complicated that they won't bother doing small contracts in small places.

I note, as well, that we're going to give the same flexibility to the minister where it's fulfilment of a treaty obligation. Again, taking away the need of the minister to go through advertising and spending funds when what is happening is the fulfilment of an obligation that has already been created by a treaty makes perfect sense. It's simply giving logic to the direct award system.

When I looked through the direct awards, I had some concerns at first when I saw the words. But when I read it, it made it obvious to me why we give direct awards: to recognize that those are either small or necessary obligations that we expect our people to use their judgment on and that simply aren't big enough to create a problem.

In short, this is a piece of legislation that simply fills out the tools in the tool box for all our ministry officials. It gives them the right to do the kinds of things they need to do to get the job done, to plan their work in any given year in a logical way and to also take into account the impacts that logging has on the environment and on threatened species.

[1035]

J. Wilson: It's a pleasure to stand here today and speak to Bill 57. It has been a long time in the coming

— changes to the act — to make it more flexible and to make it work for the people that need to use it. I have to say I'm very much in support of this bill. I also have to say that there are some areas in here that I'm not quite certain on and that I am going to have to flesh out a little later on down the process, perhaps in committee stage. It's in the details where it makes the difference whether you succeed or fail in your effort to accommodate or legislate.

I'm glad to see and hear that we have addressed such things as non-use on grazing licences or permits or hay-cutting licences or permits. Having some experience in this area, I'm not.... There may be possibilities that we could do perhaps a little more.

I don't have to explain to most people in this House that the ranching industry today is under real crisis. We are faced with possibly the worst crisis in our history. When that happens, you're going to see ranchers sell off a lot of their livestock, and that means their range use will be much less. The resource we have out there should be utilized in a way that is complementary both to the ministry and to the people that need the grass, need the resource.

When we encounter the circumstances we're faced with today, where ranchers may be forced to reduce the herd really significantly or, in some cases, to sell it off completely in an effort to appease the creditors that are there, they have to apply for a non-use permit. Non-use has been a very, very contentious issue over the years. I've dealt with this as a member of the Cattlemen's Association for years, and we had to look at non-uses and try and make decisions that would accommodate everyone. I'm afraid we're going to see an increase in non-uses, because the industry has reached this point.

Now, in the past, a non-use holder could simply hold that range for a period of time, perhaps a year or two years. At the same time, a neighbour or someone — you know, maybe not a neighbour, but someone out there — may have needed more grass, and it was very difficult to allot the extra forage that wasn't being used in a way that would satisfy both parties.

One of the problems with non-use is that you were forced to use it at a later date. If you look at any ranch out there in the interior, if they have a range permit, it becomes part of their.... It's sort of integral to the ability of that ranch to operate. Without it, they've got to find grazing on private land, or they may have to graze their hayfields or a portion of their hayfields just for their cattle. That takes away the viability of the operation.

[1040]

The Crown range is key to the ability of a ranch to operate and to be viable under normal market conditions. Today, we don't have normal market conditions. They are severely depressed, and this year it looks like we may be looking at something like 50 to 70 percent of last year's market. Those prices don't cover the cost of operating. The operator then has to come up with the additional cash to satisfy the moneylenders. That translates into more non-use.

I've always had a problem with non-use — well, not always. Over the past 15 years, I've had a problem

with the way things were conducted, but when things are good, you can actually get by, maybe, and not complain too much. Some time back, if we go back 15 years, if you had a grazing licence or permit or a hay-cutting licence or permit, it operated in the sense that you had a ground rent, which was fairly low. Then, if you used it, you paid the additional rent.

When the previous government came in, they changed it so that you had to pay your ground rent, but you also had to pay the rent that they would have collected had you used it. Say it was a hay-cutting permit, for example. The ground rent might be 20 cents a tonne or 50 cents a tonne, and the actual charge for the forage might be something like \$5 or \$7 or \$9 a tonne. Whether you harvested it or didn't harvest it, you'd have to pay the \$9 a tonne. Now what's happening is that if your neighbour wants to take over your non-use and is successful, then you still pay for the non-use, which is the same rate as if you used it. Plus, the person who takes up the non-use also pays that.

So as government, we collect twice for that resource in a lot of cases. If the industry is healthy and if it's moving forward, that's not a bad thing. I don't disagree with it. But it's one of those little things that kind of comes back and does annoy the people in the industry, especially when their bank account is empty and they haven't got enough money to put groceries on the table.

It's something I think we should look at. Perhaps somewhere in this bill or in the regs, as they are developed, we may be able to tweak some of these things to accommodate people that are being hammered by this BSE crisis. As I said, the ability of the ministry to allot non-use to someone else is a good thing. Maintaining the range unit that is supplied for the non-use may have to be massaged so that the ranch it's tied to won't become worthless in two or three years.

Suppose the operator goes broke and can't afford to stay there and run cattle. They have to, in the end, sell it. If they lose the range, the value of the ranch, which is probably their life savings or a big portion of it — it's all invested there in that land — may have the potential of just evaporating. These are the things that all need to be considered as we go down this road in the next two or three years.

[1045]

The fact that the ministry, the district manager, can say to someone: "Here's all this forage. If you want to use it, then you've got the cattle to put on it or the horses or whatever..." That's a good thing. I'm very happy with that. What we've run into in the past is that people who were expanding were short of range. They would perhaps say: "That person hasn't run any stock for two years. We should get that range."

I think we have to be careful that we don't start non-use.... Use of non-use is a good thing, but the person who takes up the non-use must be cognizant of the fact that that range is tied to someone else's place, and they simply have the option of using it for a period of time. On the other hand, if that place sells, say, and the buyer isn't interested in picking that up and you had

used a non-use permit there — took it over — then that should actually put you in pretty good stead for picking up a little extra AUMs or a few extra tonnes of forage if it's a hay-cutting issue.

As we move through this, the flexibility I see in here is a really good thing for the industry. It gives you the ability to move under changing conditions and changing circumstances, and that's what the industry as a whole needs. It's high time that this happened. There's a lot of stuff in here that we have to work around yet, but we're on the right track. As I see it, this is a step forward for the livestock industry in this province, the ranching industry and those that use Crown range.

We have things in here that deal with compensation. We've never heard of that before, and some of them I don't quite understand. I need to flesh them out a little bit. But for the most part, if you can encourage the permit holder or the licence holder to go in and do stuff that will enhance the resource, that is good stewardship. So I would like to see this move forward.

The people that make a living out there on the land, that use the range and take pride in what they're doing have now got a window to enhance the resource. The Forest and Range Practices Act that was brought in gave them that option. That was something we needed to do, and we've done it.

Under this one, if something comes along, some unforeseen circumstance.... We can't all have a crystal ball to look into to see what's going to happen next year or the year after. The only thing we can be sure of is that there is always change in this world. As we move forward, changes do happen. If it impacts on the viability of an operation, here we have a means of dealing with that — perhaps either compensation or some other way of ensuring that the operator, that permit holder, can still stay in business and still be viable.

That has been a long time in coming, and it's very, very important to the industry, to the people who use these resources. At the same time, under the other act, we are encouraging good stewardship and good management, and it gives the people out there that use it the ability to enhance the resource. This is another tool that gives them the ability to enhance it. This also gives the Minister of Forests the ability to enhance the resource, so it's something you work at from both sides.

Anyway, I think I've covered off most of the things I wanted to, and I look forward to further discussions when we get down the road on this bill. I think it's going to be very good, and I thank you for this opportunity to stand up today and speak to it.

[1050]

B. Lekstrom: It's a great privilege to rise today in support of Bill 57, the Range Act. Many of my colleagues before me have spoken about the need for this. This is the first substantial revision to this act in 25 years, and a lot has happened in the ranching industry over that time. Today we're facing significant challenges, but I've spoken many times on the issue of ranchers in our province. They're a group of people

that will do what it takes to survive and make it through the tough times, and we're seeing some extremely tough times today.

This act is about enhancing the security of tenure, whether it be grazing leases or licences, for forage or hay, and it's about the ability, when I talk about the security, that our ranchers depend on. They depend on the ability to access Crown range land to run their herds, to make sure they can build those herds to an economical size and can provide for their family, which, in turn, supports the regions around them and the communities.

It's a lot about the ability of our ranchers to work with government, and it's about their ability to enhance the land base, because that's what our ranchers do. It isn't just a tenure that's given to our ranchers, and I'll speak to the grazing lease or licence issue. They don't just get the Crown land and go out and utilize it by doing nothing. Their input back to their land is substantial.

Their stewardship of the land and how they utilize that, whether it be the amount of grazing.... I know that once we get into committee stage of this bill, there will be much debate on the ability of our local managers to have some decisions on a good year. If there's an ability to enhance the grazing capacity within that tenure, that can be looked at. Likewise, in a bad year, if there's a drought, we don't want to devastate the land base.

It has always been interesting to me: we bring in legislation and talk about this as governments of the day, but I can tell you that for the most part, with the people I know in the ranching industry, there are no better stewards of the land than those people themselves. They know what will work, because they aren't about to affect their own land base and their livelihoods. They make the right decisions, and they work cooperatively with governments. This new piece of legislation, this act, is going to enhance their ability to work with us.

When I talk about ranchers investing in the land base, I think that all you have to do is look around at their commitment to the land and the animals they raise and at their commitment to the industry itself. When we see what we faced the last two years, with the BSE crisis, particularly, and now this year in the Peace region with some devastated crops that were affected by some heavy snowfalls in the last two to three weeks, the people, although they're worried.... You can be the greatest farmer or the greatest rancher in the world, but if Mother Nature doesn't cooperate, you have to find a way to make it through.

Another issue in this piece of legislation is the ability for local decisions by our local managers within their areas. I think that's key. I've always believed that nobody knows an area better than the people who live and work in that area, and it's our job as a collective government to make sure those people who are working for government and utilizing the Crown land base have the ability to bring their ideas forward, to implement what they believe will work and what won't

work and to voice their opinions on the issues that are put forward.

It's a very substantial bill, Bill 57, but I believe it's a vast improvement for our ranching industry and for people that are going to use Crown tenure. I can't speak enough about the need for security on that grazing tenure and the ability for our ranchers to plan long range. We see what has taken place with our cattle industry today.

The mindset today is all over.... I mean, do we have too many cattle? Should we look at downsizing the herds right across our country, or should we not? But one fundamental issue we need is the ability to graze our animals and to do it in a substantial and sustainable way. Through this act.... I know there will be much discussion on it. It's a very substantial act. There are some issues in it that I believe there'll be many questions about, but overall, it's a good act.

I rise today to speak in support of this act. I look forward to the debate at committee stage to go through it clause by clause to find out if all of these clauses are going to work and, if they're not, what we can do to improve them. That's what debate on this floor is all about. I thank you for the time. I look forward to this, and I wholeheartedly support Bill 57.

B. Bennett: I rise to speak in support of the new Range Act. I'd like to use my time to speak just a little bit about the ranching industry and its value to British Columbians and to Canada in general. I would also like to say I look forward to third reading in the committee stage, where perhaps we'll have an opportunity to discuss the details of the act and also to ensure that it is everything we need it to be.

[1055]

Ranchers came to the west, here in this country, only after the wave of European trappers that came across the continent, so they were the second group to be here. They are in a very difficult and challenging but very honourable industry. It's definitely one of our primary industries in this country. It can't be much more primary than an industry that actually supplies the food we eat.

Ranchers, as some of my colleagues have indicated, have had to struggle — over the last few years, in particular. I think it's always a challenging industry. Farming in general is a challenging industry, but over the last few years in particular, it has been difficult. We've had drought to deal with. My colleague from the northeast has had floods to deal with. There are always low prices to deal with when you're in the ranching industry, and since the BSE crisis, we're actually dealing with no prices. They often can't sell the product they're growing. It's been a tough time for ranchers.

The role of range, which is covered by this legislation, as my colleagues have indicated, is a key component to successful ranching. Without access to Crown land on which to graze their livestock, the industry just would not be able to function. One of the interesting and idiosyncratic components of ranching and of depending on Crown range is that there are multiple us-

ers of that Crown range. The rancher can't, in fact, always manage that range most effectively — often can't do the things the rancher would like to do to improve the quality of the range and is often at the mercy of third-party activities that happen on the range that, really, the rancher has no control over at all.

I refer specifically to the problem in some areas with forest ingrowth — in the Kamloops area, I think, in the Okanagan and my area of the Rocky Mountain Trench. Because of decades of fire suppression, we have all these tiny little trees that I've spoken about before in this House that tend to encroach on the best grass-growing areas — areas, in fact, that in terms of what is natural and what was there prior to fire suppression, used to be great areas for grazing, not only for cattle and other livestock but for wildlife as well.

They have this forest ingrowth issue that they try to deal with, but really, it's out of their hands. That's something that government — this government, in particular — has taken notice of. We're doing more prescribed burning. We're clearing lots more land than was previously cleared, that used to be clear, as I say, so it's a natural thing.

Noxious weeds are another problem that ranchers face on Crown range. Most often, it's noxious weeds and the spread of noxious weeds on Crown ranges — something, again, that the ranchers have, really, little or no responsibility for. There are recreators with ATVs. There are train tracks going through their Crown range. There are roads and so forth. There's logging. All are ways to spread noxious weeds. That's another problem ranchers have with Crown range.

Again, I think this government has done a good job of starting to attack the problem of invasive species. We put considerably more money into the management of invasive plant species in the province, just within the last six months. That also, I think, will help in the long term. We need to do more on that.

In my area, in the East Kootenay, there's another problem with Crown range that is not unique. They certainly have the same problem in the Peace region and, I expect, in the Cariboo as well, and that is the happy proliferation of wildlife species. In the East Kootenay, in the Rocky Mountain Trench, we have 25,000 elk; roughly 10,000 whitetail; 5,000 or 6,000 mule deer; and countless other species of wildlife — which we're actually pleased about, but they are out there competing with the cattle for the grass on the Crown range. That's something that ranchers, again, have really no control over, yet are faced with as a business problem, just as they are faced with the noxious weed problem and the ingrowth problem.

[1100]

The fourth and final element of the challenge ranchers face in B.C. that I wanted to mention is the fencing of Crown range, which, again, is a problem that sometimes the ranchers don't have any impact on. One situation we run into is where recreators — and I love to ATV myself; I support that type of recreation.... There are a few people — probably 5 percent of the population out there recreating with ATVs and snow-

mobiles — who tear down the fences and don't put them back up. They leave gates open and that sort of thing. That's just another challenge that ranchers have on Crown range that they have very little control over.

Given all the things that seem to be stacked against them, I'm certainly glad to see us as the government recognizing the industry as an important industry. It's a proud industry. There's nobody that works any harder than a farmer or a rancher. I'm glad we've been able to do the things we have been able to do on invasive species and fencing and some of the other elements of this. I'd like to see us do more. This Range Act is obviously a very good start for us in terms of providing some more flexibility to ranchers.

With that, thank you for the opportunity.

D. Chutter: I'd like to speak in support of this bill and briefly mention what I believe are three important and positive aspects of Bill 57, the Range Act.

One of the three strengths of this bill is that change is made to give greater rationale or financial justification to the ranching business owner for range users to invest in the Crown land. I think we can all appreciate the challenge of any business to justify expenditures to land it does not own. The result of this encouragement to invest in the Crown land is, I believe, a win-win for both the range tenure holder and the public Crown lands — in other words, the public — as it results in more or better forage and healthier public rangeland.

Secondly, what is important about this bill is that it outlines principles of compensation that, again, are very important, that are critical to encourage investment in the Crown range.

The third strength of this bill is that the Range Act will offer local district managers greater flexibility for managing localized situations such as temporary increases or reductions in range use. This is certainly relevant considering the feast and famine that we experience with heavy rainfalls versus severe droughts.

I have many ranchers in my riding of Yale-Lillooet, and I also as a rancher appreciate the comments by the minister to continue to work with stakeholders such as the B.C. Cattlemen's Association's Dave Haywood-Farmer and Duncan Barnett to resolve the outstanding concerns that were acknowledged today. Considering the very difficult market situation that range users are now facing, Bill 57 is certainly welcome to assist range users in their very, very tough job of making a living off the rangelands. With that, thank you.

R. Visser: I just wanted to say a couple of things about Bill 57 and the ranching industry, because I had occasion at the UBCM to run into a couple of the more famous and notable ones: Mike Rose and Duncan Barnett, who I think led this.

I want to put this in context. Many of the members here, both in their private home lives and certainly in their constituencies, have been impacted firsthand by BSE, by drought, by the fires, by pine beetle — by all of those forces of nature right now and trade law that are preventing success in that industry.

I just want to say a couple of things about the ranching industry. Back when I was given the little job of helping to work on the Forest and Range Practices Act to revamp that into a results-based world where we gave more flexibility, where we invited them to be innovative and creative in how they manage range and how they act on the land from an environmental impact perspective.... Cattlemen came to the table. They come to the table every time.

Cattlemen are involved in local government. They're involved in community projects. They're involved in the discussions of the big-P provincial issues. They take time to advocate and support and promote their industry. I think there's a lot we can learn from cattlemen across this province and the people that raise them — whether it's Judy Guichon or Mike or Dave Haywood-Farmer in Kamloops, all of those folks. There's just a lot we can learn from them and how they lead their communities.

[1105]

I think we've learned a lot as a government. I know I wanted to say that the Forests minister and the minister responsible for range has invited them in, and they have been active and important partners in developing this act, Bill 57 — the first change in 25 years, the first major overhaul in 25 years. They've been active in the Forest and Range Practices Act in developing that and, through to the regulations, making sure it works for them. They've actually done a great job in convincing this government, unlike many, many governments in the past, that things like noxious weeds are a large and considerable problem that affects their ability to be successful — and the environment to be successful — in this province.

I like that kind of leadership. It's an important kind of leadership. They're always there. And you know what? They are there when they're getting 13 cents a pound for a steer at auction, as the member for Cariboo South said. They keep showing up. They keep caring about their industry. They keep caring about the environment they live in, and they keep caring about their livestock. They really care about this province and their communities. I think they should be commended for that.

There is a lot left to do on this. We have to go back and write the regulations that will give force and life to this bill. It is implemented in January, and I know that people like Duncan, David Borth, Dave Haywood-Farmer and all of them are going to be there at that table. I know that the Forests minister and the Minister of State for Forestry Operations are going to work hard to make sure that this is a give-and-take, that it works for this industry. Right now they need all the support they can get from the people of the province.

One last thing. I see we are going to look for a new chief forester. If I could make a small recommendation from the floor of this House as we search for a new chief forester, it's that we pay careful attention to the needs of the ranchers and look for someone who has a considerable amount of experience in dealing with these folks and making sure we can build this relation-

ship, which I think is a good relationship, with staff in the Ministry of Forests, staff in Water, Land and Air Protection and in the industry — and that we move forward.

Thanks very much. I look forward to this bill being passed.

Deputy Speaker: The Minister of Forests closes debate on Bill 57.

Hon. M. de Jong: To all members, I am obliged to them for their thoughtful contribution to the discussion this morning and for their interest in this issue and the process by which this legislation has been developed.

I will say only this, and I think I am echoing the words of virtually every member of the House that stood up to speak. The contribution that the people in the ranching sector make to life in British Columbia can never be overstated and is often underestimated. They have been confronted by some serious challenges, whether it is mad cow disease, drought in one part of the province, flood in another part of the province or noxious weeds. I should pay tribute, as well, to the work that members in the House have done to advance the cause of a more aggressive strategy and approach to the battle against the spread of noxious weeds.

This, I think we have agreed in this chamber, represents a tool that we can use going forward to better address those issues as they emerge and also to ensure on behalf of all British Columbians that we have a mechanism by which we can find, or try to find, the elusive balance that is always the objective when dealing with competing interests or competing uses on the land base.

[1110]

To my colleagues in this chamber who have been so instrumental in helping this process along; to the officials within the Forest Service who have spent a lot of time in developing this final legislative product; but most of all, to the ranchers, the cattlemen, the land stewardship committee and all of the members of that committee.... Besides trying to run a business in some very difficult times, they took time out of their schedules to provide incredibly valuable input and ensure that the product we are about to vote on is one we can vote on with some confidence as addressing their needs.

With that, I would close the debate.

Motion approved.

Hon. M. de Jong: I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 57, Range Act, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. M. de Jong: I call second reading of Bill 65.

FORESTS STATUTES
AMENDMENT ACT (No.2), 2004

Hon. M. de Jong: The bill we have before us today, though not particularly lengthy, is one that addresses two fundamentally important issues. I hesitate to call them emerging issues, because they have been with us for some time now, but they are certainly issues that are taking on a new life and new complexity. These two issues of which I'm about to speak are somewhat interrelated.

The first, of course, is the mountain pine beetle epidemic. I think — in fact, I know — that every member of this chamber is fully aware of the magnitude of the problem we are now confronted by: on the one hand, natural phenomenon; on the other hand, a natural phenomenon that is going to the heart of forest health in a vast and growing part of the province.

It's a natural phenomenon that has also been influenced by human behaviour. We have heard earlier discussion in this chamber about the impacts of more aggressive fire suppression activity over the latter half of the last century. That, too, is having an impact on the spread of this insect and the damage it is causing. Make no mistake about it: the damage is substantial.

We are talking about lodgepole pine stands in excess of 200 million cubic metres. We get a sense of the magnitude of the problem. Now, it took me a while to drum up the courage to admit that I didn't actually know what a cubic metre was. The best way I've had it described to me is that a cubic metre is roughly the equivalent of what you see when you are looking at a telephone pole — not precise, but roughly speaking. When we're talking about 200 million cubic metres, you get a sense of the magnitude of the problem.

I suppose the good news is that every year we replant in excess of 200 million trees in this province, but it takes a long time for those trees to grow, and the beetle shows no signs of abating in terms of a voracious appetite that is taking it out of traditional feeding areas and into an ever-expanding area.

It creates a whole host of challenges. Ironically, the worst of those challenges don't begin to visit upon us, as a province and as forest-dependent communities, for a number of years. It is, unfortunately, one of those natural disasters — and I use that phrase purposely — for which the worst of the impacts remain hidden for a period of time, and public officials can be lulled into a false sense of security.

We in this chamber, those that may follow us in this chamber and governments at the local level need to be vigilant and aware that if we are to address this issue, we need to start now. We need to begin to take an account of the impact it's going to have not just next week, next month, next year, but five years, ten years and 15 years down the road. That is, in part, what this legislation is designed to address.

[1115]

Now, we have done some other things, and this bill and the provisions of this bill dealing specifically with the mountain pine beetle dovetail nicely. We have in

the past developed specific tools that a designated official — Bob Clark, who we have come to refer to as the beetle boss — can utilize in terms of emergency management zones and other things that are part of the beetle action plan.

I think we all have to acknowledge that we are now confronted by an infestation on an order of magnitude that we had hoped for, five years ago — or even three years ago or two — that we weren't going to have to deal with. We have not received the natural assistance from Mother Nature that we were hoping for at that time. As a result, the beetle has continued to spread at the alarming rate that we have seen.

There is a philosophical argument that one needs to consider in addressing this problem. It goes kind of like this. There is an argument that says this is a natural phenomenon. Let nature run its course, however devastating that may be. At the end of the day, the balance will be returned, however difficult and however long it takes. There are proponents of that approach.

There is another argument that says we have vast tracts of dead timber and that the value of that timber begins to depreciate immediately. Depending on where you are in the province, it depreciates at varying rates. But anywhere from three to 12 or 14 years out, those dead trees will have no value. The question is: to what extent do you attempt to recoup some of the value before they become, in fact, valueless?

I and the government and, I believe and hope, most members of this House are of the view that we should try to recoup the value of that timber, and the most significant provisions of Bill 65 provide a mechanism by which we can do that. We need to spell out in explicit terms, in legislative terms, the priority that we are attaching to harvesting timber — at this point, in fact, the correct term is probably salvaging — and prioritizing for all licensees in and around the affected area our interest in getting in and salvaging that timber and recouping that value.

Key provisions of this bill and the amendments to the Forest Act that they represent will enable the Lieutenant-Governor by regulation to specify an area of Crown land as a mountain pine beetle salvage area. By doing that, the Forest Service will be able to include specific requirements to be included within the terms of forest licences sold within that salvage area, which may direct harvesting and/or restrict harvesting to priority areas of beetle-killed timber.

[Mr. Speaker in the chair.]

It is a mechanism — and we need to be clear on this — by which the Forest Service acquires additional abilities to direct harvesting activities within a designated mountain pine beetle salvage area. That's the first thing. As well — and this is also fundamentally important — these amendments allow us to encourage new processing opportunities while protecting the public interest. Let me explain what that is designed to mean and what is intended to flow from the application of these legislative provisions.

[1120]

The chief forester, who sets the annual allowable cut in British Columbia — independent of this government, of governments in the past, based on science and forest health issues — has provided significant harvest uplifts, which is again consistent with our objective to go out and recoup some of the value of that dead timber.

Here is the problem. If we simply harvest that timber and endeavour to turn it all into structural products — 2-by-4s, 2-by-6s — for insertion into the traditional North American lumber market, two things are going to happen. First of all, there will ultimately be a finite amount of wood consumable.

In the meantime, as this proliferation of structural lumber becomes available, it is destined to have an impact on price — prices that have been, happily, very good. We have to be cognizant of that, even as we set out to harvest as much of this timber as possible. The bill is intended to provide the Crown with the ability to encourage the development of alternate products, non-traditional forest products, value-added products, and also to promote entry into different markets, markets outside of continental North America.

Now, there's nothing new about that, at least in the life of this government. For other reasons relating to the dispute we've had with the Americans around softwood lumber, we have been promoting that strategy, in any event. The progress we've made in places like China and elsewhere is noteworthy for that reason.

Nonetheless, the proliferation of timber destined to hit the markets as a result of this pine beetle infestation adds the impetus or adds an element of importance to us following through on that. What we have included is an amendment to the Forest Act that allows the Crown to offer a new type of licence.

I would say this to the chamber: but for the impact of the pine beetle, I wouldn't be sponsoring this legislative initiative, because it runs slightly counter to the direction we've demonstrated we believe the forest sector and the province need to go. However, I think of the analogy with a football team. When you get to the line of scrimmage and the circumstance on the other side of the ball has changed appreciably, you'd better be in a position to adapt. That's what the pine beetle represents in terms of what's taking place out there. This represents something of an adaptation to take account of that fact.

I should say that insofar as that's concerned, I am very much obliged to the work of my friend and colleague the Minister of State for Forestry Operations, the member for Skeena, for the work he has done in terms of promoting this concept and also working with a vast array of licensees and potential licensees who have said this represents a tool which, if used properly, can help us address the magnitude of this problem.

I should also say that the Minister of State for Forestry Operations has done great work in terms of collating the results of the invitations for expressions of interests that went out earlier this year in the spring and summer. We have upward of 60 or 70 ideas. It's a

rather novel approach, where we said: "These uplifts are taking place. Rather than the Crown simply presenting licences that it thinks address the problem, you give us your ideas. You give us your ideas about what you would do if you had access to the timber."

We now will have — on the assumption and my recommendation that this amendment becomes law and part of the Forest Act — a mechanism on which to act upon those expressions of interest. Therefore, I am commending this to the House and seeking support from the House for its passage into law.

[1125]

The last thing I want to highlight at this stage of the debate as it relates to this bill are some general provisions around salvage. There are at least two members of the House that I need to single out for commendation, if I might. One is now the Minister of State for Mining, the member for Prince George North, who some time ago agreed to chair a committee of MLAs who dealt specifically with the issue of small-scale salvage. The irony, of course, is that with the pine beetle... I'm not sure small-scale salvage is any longer the appropriate term, because there's not a lot that's small scale about some of these areas we need to get into.

In any event, they made a series of recommendations, and one of those recommendations related to the impediments the existing Forest Act presented to getting into somewhat larger areas, especially those areas affected by the pine beetle, because of... These were legitimate constraints. The Crown has an overriding interest in ensuring that silviculture work gets performed.

Mr. Speaker, you will recall... In fact, I think you were instrumental in a former life in ensuring that some of those security mechanisms were in place and operated appropriately for silviculture, for reforestation work, to take place.

The dilemma we faced was that for small-scale salvagers wanting to get into larger areas, there was no mechanism by which we could ensure that that silviculture work would be done. It wasn't the fault of the salvagers. They were proposing all sorts of ideas about levies and appropriations that would ensure a sum of money was there to conduct the reforestation work. The committee addressed that, and I am very much obliged to them for having done that work and made that recommendation.

The member for Cariboo South brought that issue home to me, in concert with some colleagues of his and the mayor from 100 Mile House, Donna Barnett. It was a very specific example where there was a plethora of merchantable timber that no one was getting access to because of the legislative impediments represented by the Forest Act, particularly the need to secure a proper means to conduct the reforestation work.

I said it on the weekend when I was in Williams Lake, and I will say it again on the record to you, Mr. Speaker, to the member and to those innovative salvagers from in and around 100 Mile House who, in concert with the Forest Service officials, settled on an approach by which this could happen, where a levy

would be attached and that money would be paid into a special account dedicated to the reforestation work: that's what this section does. It represents the legal mechanism by which that can take place. It represents the legal tool by which that special account can exist and the levy can be awarded.

I'm happy to say that as a result of the meetings we've had, most recently on Saturday at that icon to interior culture the Overlander Hotel in Williams Lake, there is, I believe, broad support amongst the salvage community for this approach. It's going to give us the means to much more aggressively pursue that level of salvage operation. It's going to put a lot of people to work, I'm convinced. At least that's my belief, and I'm happy to say it's a belief shared by the member for Cariboo South and the people we had around the table on that day.

Again, I commend to this House this proposed amendment to the Forest Act. I should say, as well, that there are several other issues dealt with here. I always got nervous as an opposition MLA when ministers talked about housekeeping amendments. I think that broadly speaking, though, they do fit into that category.

[1130]

There is an amendment relating to the Protected Areas Forests Compensation Act to address an issue that arose during the course of an arbitration mechanism, where there seemed to be some doubt about who had responsibility for setting the AAC in an affected area — an arbitration panel versus the chief forester. There is an amendment in this act that removes that doubt and makes clear that for all purposes, it is the chief forester who sets the annual allowable cut on Crown land and within portions of a tree farm licence that might be affected by a take in a park or protected area.

There may be other questions that arise from some of the sections I haven't touched on specifically. I have endeavoured to highlight for members what I believe to be the key provisions of this bill and, as I say, I commend it to the House for passage.

W. Cobb: It is not often that I get the chance to stand up twice in one morning, as a matter of fact, and speak on a couple of bills that will have a positive effect on our resource communities.

I'd like to thank the minister and his staff for listening to what was heard as we travelled around or as I travelled around my riding, particularly on the small-scale salvage committee. I would also like to thank those people who participated in those committees and in those hearings around my riding. I thank them for participating and, I guess, acknowledge that we are listening. We heard what they said.

The minister has now enacted most of those discussions in this bill. They were brought forward by the small-scale salvage committee, and we are enacting them now. There were also some of the concerns that were identified as we were implementing our revitalization plan. We heard some of the issues there, and they're addressed in this particular bill as well.

I'm going to zero in particularly on the beetle infestation, as the minister did. He talked about the beetle infestation. Of course, that's one of our biggest problems, particularly in my riding, but I have to say that under the NDP regime, they did absolutely nothing on this issue. It started out in the Cariboo as an issue. They sat back with rose-coloured glasses and were dreaming in Technicolor as they sat there and waited for the cold weather to hit.

Well, it didn't happen. Now we have an epidemic, and it is because of that epidemic and that lack of dealing with the issue that we're having to do what we're doing today. As the minister stated, if it wasn't for the pine beetle, we would not be doing this because of our forestry revitalization plan. But we have an epidemic here, and we have to deal with it.

We all know that in recent weeks, actually, there has been an announcement of the AAC uplift, and there's going to have to be more in the future, but as the minister also stated, we must find new ways of using this wood. Just to continue to produce 2-by-4s in a spaghetti factory, as they call it, isn't going to do us any good. We have to find new ways to utilize this beetle-kill wood.

The minister also stated that we have put out some expressions of interest for utilization, and I think that is imperative. But what this bill will also allow is other tenures and licences, so that if there are.... I know there will be. I know that in the Cariboo, particularly, we're very creative in ways we can utilize this wood.

Actually, I sat two weeks ago with the mayors of my biggest communities, and we talked about ways of mitigating the impact of the beetle infestation and what we're going to do at the end of the day. So we are moving forward, and we will find innovative ways. This bill will allow us, when we find those ways, to access any amount of timber — whether they're small amounts or large amounts — so that we can take care of the beetle infestation.

[1135]

The stumpage issue was also addressed in the small-scale salvage committee, and it is addressed in this legislation. It was loud and clear from my salvage operators particularly and, as the minister stated, not only for the blowdown. I was pleased we were able to address that within the existing legislation in the 100 Mile area. We had huge amounts of blowdown. As the minister stated, because of the silviculture component, we were not able to access that wood.

That was very valuable wood, by the way. The wood went to our log home builders, who are getting top dollar for it. If the minister had not done what he did, that wood would have been totally useless in a matter of six to eight months, and we would not have got the value out of it for those log home builders. I understand it kept four log home builders in operation over this summer, just with that small change we were able to do alone, so I thank the minister again for that.

The salvage and the stumpage issue, as I stated, was a major discussion during our tour. I think that with the changes, we will now allow our salvage op-

erators to go out there and harvest this wood, and then we will know that in fact, at the end of the day, our forests will be replanted and the silviculture work will be done.

In closing, I once again encourage my colleagues to pass Bill 65 so that we can get on with revitalizing our forest industry, so that we can make sure our forests are reforested and that we do have a healthy forest for future generations.

R. Visser: I just wanted to rise today and make a couple of comments. One is that fortunately, or unfortunately, we don't have the pine beetle on the coast of British Columbia in the coast forest industry. Interestingly enough, and fascinatingly enough, actually, the forest industry in British Columbia has a dividing line, and that's those mountains. On one side of the mountains, it is the interior industry. On the other side of the mountains, it's the coast industry.

We are separated by a gulf of issues, and the coast has really suffered over the last eight or nine years in terms of its ability to be competitive, its ability to innovate and its ability to reinvest in itself. The interior industry, on the other hand, has seen some of that reinvestment, but they've also seen some extraordinary challenges.

I think that's why this is important. Amendments to the Forest Act and Forestry Revitalization Act are critical to recognizing those regional, geographic, biophysical, economic and all those other differences that exist. You know, people up my way don't understand the magnitude of the pine beetle infestation. We don't have a physical way to think about it on a daily basis.

The minister is right. It's going to take extraordinary measures and extraordinary action, new ways of thinking and new ideas, to combat this challenge, and I think this is the right step. Two hundred million cubic metres of dead wood is a lot of wood. The allowable annual cut on the coast of British Columbia today is about, nominally, 17 million to 20 million cubic metres. I mean, that's a lot of wood that is dead in this province.

I think these are the right things to do. They are thoughtful. They are flexible. They are innovative, and they actually say to investors out there and to people willing to take risks out there: "Give us your ideas." This is good thinking. It isn't top-down thinking where government gets in a room and says: "Oh, I think if we did this and this and this, we would have these and these and these results, if we just put this kind of money into it."

That command-and-control type of approach to legislation, that command-and-control approach to challenges in an industry or challenges in the economy, is long past us, I think, and I believe the results of amendments to this act will bear great fruit over time.

[1140]

I like the changes to the salvage initiative. Again, just like pine beetle, salvage is unique to different parts of the province. On the coast of British Columbia, salvage is driven largely by western red cedar in the

shake block industry. It's vastly different from a blow-down in or near Williams Lake, Prince George, Penticton or Vernon. There is high, high value to it. Often, there are no silviculture obligations in and around a cedar salvage operation, and the area is generally smaller.

Having said that, though, we do have large blow-down incidents. We do have different challenges down there. We do need the flexibility that allows salvage operators in there for some of the white woods — the balsams, the hemlocks, things like that — that have less value and more of an economic challenge around bringing them to market in a small way, especially if they are up some inlet — Mackenzie Sound — or somewhere a great distance from population or marketplace.

I think these types of changes allow us to adapt, allow district managers to adapt, allow this industry to adapt and evolve. It's an important part of the fabric of the coast of British Columbia. It's an important part of the economic makeup of coastal communities up and down the Island, and I think it behooves government to be flexible, to understand what those needs are and to allow that industry to grow and prosper.

It takes time. I know there are challenges out there around salvage and salvage operators, and they're feeling challenged. They would like those shackles removed so that they could again get out and work. But this does take time. One size does not fit all in this case, and we need to pay careful attention to it.

I wanted to talk a little bit about Bill 65 and forest revitalization, where we are today on the coast of British Columbia and some of the issues that are upcoming. Amendment acts like this, Bill 65, really fine-tune what we're doing. They recognize that government policy and legislation that gives force to that policy and the regulation therein are living documents and that you cannot foresee all eventualities. I think that these small changes along the way are helping.

There are some challenges. We are now in the process of the licence-by-licence reallocation — finding out where that 20 percent that's coming back to the Crown for first nations, community forests, small entrants and the timber sales program, where all of that is coming from. We're starting to put that on maps and have people talk about that and realize those impacts in places that... It does visit workers, and it does visit communities. We have made no bones about that. We've also put in place trust funds and appropriate mechanisms to deal with that.

We know that the upside of what's going on is going to be good. We're seeing that upside now. You know, there's a small sawmill in Campbell River. It's not so small anymore. They've added 120 employees — average age about 27 or 28 — over the last year. The average entrant wage is \$23. That's a significant employer now, doubling and almost tripling the size of that mill — well, doubling the size of the mill. Instead of converting 450,000 metres, they may get just shy of a million metres this year.

We're seeing that sort of revitalization. For the first time in years and years and years the coast of British

Columbia is going to hit its AAC this year. We're starting to see changes in the MPS stumpage system be realized and be flexible and can watch it track the market up and down. Industries are rethinking the way they work. Industries are rethinking the way they approach their opportunities and their obstacles. I think we're seeing some good, innovative benefits from that.

[1145]

I'll speak more to this in committee stage, but I am supportive of these small changes along the way. They're important to do. It is important to understand and support and remind people in this province that legislation is living, that we do come back, that we do amend and that we do move this stuff forward. We do want to see opportunity in this province, whether it's in beetle wood, whether it's in salvage or whether it's just in simple broader forest revitalization activities. This government is about opportunity and realizing that opportunity time and time again.

Mr. Speaker: Minister of Forests closes debate.

Hon. M. de Jong: Thank you, Mr. Speaker, and again, to the members who have provided their contribution, my thanks. There are, as the member for North Island has mentioned, provisions that go beyond those impacting on the pine beetle and salvage generally. He identified at least one of them, and I am confident that

as we move through the specific 20 or 24 sections in committee, we'll have a chance to highlight why some of that fine-tuning is believed to be desirable and why we believe it will further the objectives set out in the forest revitalization plan. I am confident, as always, that members will participate fully in that exercise.

With that, I would move second reading of Bill 65.

Motion approved.

Hon. M. de Jong: I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 65, Forests Statutes Amendment Act (No. 2), 2004, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. M. de Jong moved adjournment of the House.

Motion approved.

Mr. Speaker: The House stands adjourned until 2 o'clock this afternoon.

The House adjourned at 11:47 a.m.