

November 26, 2007

The Honourable Gordon Campbell, MLA
Premier
Government of British Columbia
PO Box 9041, Stn Prov Govt
Victoria, BC
V8W 9E1

Dear Premier:

We support your government's efforts to strengthen and enhance British Columbia's business community. As you know, a strong and vibrant economy in British Columbia depends upon the province's ability to retain and attract businesses that create employment, production, trade opportunities and development. Diversification of the business sector is a key factor that contributes to provincial productivity and prosperity and continued business investment and growth.

The financial services sector plays a major role in British Columbia's economy. Together, banks and credit unions employ more than 27,000 British Columbians in knowledge-based jobs which represents 1.24% of all employment in British Columbia. In fact, bank employees generate 2.91% of the province's GDP and every banking job results in the creation of an additional spin-off job in British Columbia's economy,¹ particularly in the high-tech sector and other support services such as law, accounting and economics.

The City of Vancouver has the potential to become a major international financial centre serving the Pacific Rim. As an international financial centre, Vancouver can attract investors from all business sectors who in turn will rely on the services provided by stable, robust and diversified financial institutions.

However, British Columbia's financial services sector currently faces a disincentive to investing further in the province through the imposition of a discriminatory and punitive capital tax that is applicable only to financial institutions. Alberta has already abolished all capital taxes. Other Canadian jurisdictions such as Ontario and Quebec have moved to eliminate all capital taxes on corporations, including financial institutions. It is widely recognized that capital taxes impose a penalty on job creation and discourage investment.

The business community of British Columbia strongly recommends that the government act to ensure the financial services sector can compete on a level playing field with other major provinces and continue to contribute to the growth and success of the provincial economy. The removal of the capital tax on financial institutions in British Columbia will signal your government's willingness to create a more competitive investment climate. Given the federal government's 2007 budget announcement of an incentive to encourage provinces to do away with capital taxes, we believe that now, more than ever, Mr. Premier, is the time for British Columbia to eliminate the capital tax.

¹BC Ministry of Labour

We look forward to working with you to ensure British Columbia can take full advantage of the economic growth and opportunity that a thriving financial services sector can provide.

Sincerely,



Jerry Lampert
President, C.E.O., Business Council of British
Columbia



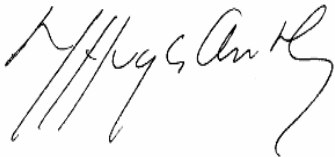
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