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October 27, 2008  
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Vancouver Sun  
Opinion Piece  
by Jim Sinclair, President

For the millions of people reeling from the largest financial meltdown since the depression, the most important story last week wasn't Gordon Campbell announcing yet another four tax cuts, three aimed directly at his business supporters. No, the big news for those wondering what happened, was the admission by Alan Greenspan, U.S. Federal Reserve Chief for years and a self proclaimed free market cheerleader, that he made one big mistake - he trusted the banks. Under his leadership the Americans tore up the regulations ensuring banks and financial houses operated properly, rules that date back to the last depression, when things also got dramatically out of hand.

It turns out we are in this mess because governments of all political stripes, but mostly right-wing ones, believed that the problem was too much government regulation and if only the banks were left to make their own rules, all would be fine. Deregulation and privatization became a religion and greed triumphed over prudent financial decisions and the public interest. The result is a world-wide disaster.

Here in British Columbia, we have seen the equivalent of the financial collapse in our forest industry where the Liberal government embraced the same blind faith in deregulation. The Liberals watered down all the rules ensuring trees would be processed in BC; they took away all the limitations on license transfers so companies were free to close mills and sell the trees, and they removed all controls on massive private land holdings. The result - more than 40 mill closures, 15,000 layoffs, record log exports and traditional forest land now sold freely as real estate.

Times have been tough, especially in rural BC, but they are going to get tougher. This crisis touches everyone. Canadians have watched their pension assets drop \$100 billion this year. Major projects are on hold as the economy grinds down and unemployment is climbing upwards. The drain of good paying manufacturing jobs to foreign countries will accelerate unless we act. For governments, the crisis means falling revenue. Already financial analysts are predicting a \$10 billion federal deficit next year.

In the face of this crisis, what does Gordon Campbell do? He cuts taxes, mostly for business and vows never to run a deficit. He also threatens another round of layoffs and downsizing of an already stretched public sector at a time when British Columbians need the services the most. Why would you cut taxes further when you know the revenue you need to provide services is going to decline? The Premier's decision is more about polls and politics than prudence and protecting the public interest - the number one job of government.

There are actions that can be taken now to set the stage to protect people and start growing the economy again.

1. Set up an economic advisory council which would include industry leaders, labour leaders and community leaders who would provide critical insight and advice to the government from different perspectives;
2. Despite a record construction boom we have thousands more homeless people and tens of thousands more who can't afford decent housing. Institute a massive public works program to build supportive housing for the homeless and affordable housing for thousands of others;
3. Tough times mean higher unemployment. Right now we have the worst track record in the country when it comes to helping young people get an education. The government should revamp completely the funding and support for students and apprentices to ensure they have access to the education they need, and we get the skilled workers we need to build the province;
4. At a minimum place a moratorium on cuts to public services including education and healthcare so that British Columbians know that at least the services they depend on will be maintained and expanded where necessary to deal with the real problems they are facing; and
5. Raise the minimum wage to \$10 an hour. Despite massive increases for the Premier and his staff (54 percent and 43 percent) the minimum wage has been frozen by the government for seven years. In the so-called good times the gap in BC between the rich and the rest of us grew and during the downturn we must act or this will accelerate even more.