

*Reprinted from the Victoria Times Colonist, Thursday January 2, 2003*

## **Michael Geoghegan: Liberals look to private sector for B.C.'s economic salvation**

Over the holidays readers of the Times Colonist were treated to a couple of yuletide yarns from two prominent New Democrats. The first was by former finance minister Paul Ramsey on Dec. 24 and the second was by Glen Clark's most senior and trusted political adviser, Adrian Dix, on Dec. 27.

Both sought to portray the last NDP regime as a paragon of virtue, which balanced B.C.'s budget while playing Robin Hood by taking from the rich and giving to the poor. At the same time, they portrayed the Gordon Campbell government as a grinch-like monster throwing bonbons to the wealthy in the form of tax cuts while giving the cold shoulder to everyone else, especially the poor.

Such is the fantasy world in which these New Democrats still immerse themselves. If Ramsey had stood up for his constituents when his NDP government tried to bankrupt Carrier Lumber Company perhaps there would be less demand on the food banks in Prince George.

If only Dix could understand the basic premise that the best jobs in the world and real wealth are created by the private sector, not the public sector. You would think that 10 years of regressive economic policies that culminated in B.C. being declared a have-not province in 1999 would have taught him this basic lesson.

But let's get back to the tax cut that Dix complains so bitterly about. The first thing is that during the last provincial election the Campbell Liberals campaigned on the issue of delivering a significant tax cut. British Columbians responded by giving him the largest majority government in the province's history.

To his credit Campbell delivered on his promise of a significant tax cut. He also delivered on another key election promise, to increase health-care funding. He provided an additional \$1.1 billion to the Ministry of Health. Unfortunately almost half of this increase was gobbled up by wage and fee demands by doctors, nurses and other health-care workers.

In his last budget, on page 95, Ramsey himself warned that wage cost pressures from public sector employees would likely push the province into a deficit position in the following fiscal year and that is exactly what happened. Even if the Campbell government had not delivered on its promised income tax cuts and had not increased funding for health and education, the province would be facing a deficit of almost \$2 billion dollars.

The NDP solution is of course to take more money out of our pockets. They believe that government can spend our money more wisely on things such as fast ferries or power projects in Pakistan while you and I might frivolously spend it on home renovations or buying a new car.

But while mega-projects like fast ferries may generate a lot of headlines, consumer spending is the mainstay of our province's economy and it is the small business sector which creates nine out of 10 new jobs.

Far from attacking the poor, the Campbell government wants to create an economic climate where private sector job growth helps people move from social assistance into full-time employment. That is why the province is providing more than \$300 million in result-based job placement and training programs.

The latest survey shows that two out of three income assistance clients who have been off income assistance for six months are employed and earning four times what they would be receiving on income assistance.

For those people who have disabilities that prevent them from obtaining employment, this province provides the third-highest rates of income assistance in Canada. But what must be clearly understood is that B.C. cannot afford to have first-rate health, education and social services without having a first rate economy.

High taxes and excessive government regulation drives away investment, jobs and ultimately leads to a collapsing economy and declining government revenues. Our experience here in B.C. is proof of this.

To turn our economy around we need competitive tax and regulatory regimes, up-to-date transportation, energy and communications infrastructure, and a well-educated, healthy and motivated workforce.

With increased funding to health and education, welfare reform, tax cuts and regulatory reductions, the Campbell government is taking the necessary first steps required to return B.C. to "have province" status. But perhaps what would also benefit our province is to have an opposition that understood economics, and was prepared to offer something other than tax increases and more government spending as the solution to B.C.'s economic and fiscal woes. It's too bad Dix and Ramsey continue to ignore what their disastrous economic policies have inflicted upon the people of B.C. It's certainly going to take much longer than 18 months to undo the damage they created. In some cases, such as the relocation of corporate head offices from Vancouver to Calgary, the damage can likely never be undone.

As the architects of B.C.'s economic decline, Dix and Ramsey have nothing further to teach the people of B.C.

We have already learned our lesson. And if they do wish to see the political revival of the B.C. New Democratic Party, they are the last people that should be speaking out on the NDP's behalf.

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