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**WHAT'S HAPPENING IN BC?**



**WHAT KIND OF BC DO WE WANT, STEELWORKERS ASK MLAs**

By Kim Pollock

What kind of BC do we want? That's what Steelworkers asked members of the BC Legislature last week. Our economy was in bad shape even before 2008, USW told members of the Legislature's Select Committee on Finance; the economic crisis has made things much worse.

And we warned that a lot of our mounting problems are *directly* due to current government policy. Gordon Campbell's government has not only watched the BC forest industry deteriorate; he's made it worse with a succession of misguided policies.

From 2001 to 2008, BC *already* saw falling investment, slumping productivity, reduced exports and increased imports. Most workers' real wages fell. And the decline of our manufacturing and industrial base and falling incomes are *directly linked* to the province's growing social problems: poverty, especially child poverty; mounting homelessness – 2600 people lived on Vancouver's streets in April, 2008 – growing health problems; skyrocketing household debt. "Connect the dots," as Steelworkers' Western Canada director Steve Hunt says.

Now the economic crisis makes things *appreciably worse*. It seems to have caught the Campbell government unawares – they were *unprepared* for rising welfare caseloads and high unemployment, even though *everyone else* saw them coming. But they were deep in pre-election denial. Finance minister Colin Hansen even claimed BC would *avoid* the recession!

Chief among the policies that helped undermine our economy were the Liberals' permissive attitude toward raw-log exports, allowing companies to export millions of cubic meters of timber instead of creating jobs in BC's sawmills and wood-processing facilities. Campbell's support for the Canada-US Softwood Lumber Agreement ensured that *hundreds of millions* of dollars were spent on US sawmills, not BC mills; the deal encouraged even *more* raw-log shipments. The Liberals sat on their hands as profitable wood-processing plants were closed and workers were laid off.

Regressive tax policies – tax cuts for corporations and wealthy individuals, the 2008 gas tax and now the harmonized sales tax – *further* eat into most British Columbians' wages and incomes. When you remember that 70 percent of our gross domestic product depends on consumer spending, you can see how this just helps *deepen* the recession. The government's mulish refusal to raise the minimum wage – now Canada's lowest – *further* erodes many families' spending.

Sixty-seven thousand *more* British Columbians were unemployed in August than in August 2008. Employment in goods-producing industries is down by 13.1 percent; manufacturing by 12.3 percent. Welfare caseloads are expected to peak at 147,000 in June 2010; it seems the government miscalculated the number of people expected to be on welfare next year by about 28 per cent, according to a leaked report from the Ministry of Housing and Social Services.

Now they're panicking. As the budget problems worsen, Campbell's ministers are flailing around to find things to cut: one day it's health-care spending, the next education, then grants to non-profit and arts groups, then services for victims of family violence. Some of the cuts were withdrawn – but they desperately need to cut *somewhere* because they don't have enough revenue.

Until we have a government that ensures that BC resources create BC jobs, things will just get worse. We will increasingly *not* have enough revenues or spending power to provide decent services or address our growing social problems. More and more of us will be unemployed, poor and even homeless. What kind of BC do *you* want?

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