

SPECIAL  
REPORT

# DIALOGUE

ON BUILDING A BETTER B.C.



## Government cutting has continued for too long

Canadians' perception of the size of government is completely out of whack with reality." That was the stark message delivered by Will McMartin to about 150 participants in a dialogue on building a better B.C. held March 20 at the Vancouver public library.

McMartin, a veteran political advisor and analyst who has been affiliated with the Conservative, Social Credit and Reform parties, is a contributing editor with TheTyee.ca.

McMartin said the public sector in Canada today is 80 percent of what it was 20 years ago, and the cuts are continuing.

"A conclusion you might reach today is that government cutting has gone on too long," he said.

While groups like the Fraser Institute and the Canadian Taxpayers' Federation push for more cuts, and say spending is too high, they fail to recognize that governments' share of the economy has steadily fallen.

"By international standards, Canada's public sector is one of the smallest," he said.

McMartin pointed out that when you look at trends in government spending, you can't look at dollars alone. You must also take into account inflation, population growth, the size of the economy and changes in accounting policies.

B.C.'s population grew by 700,000

Please see "Under new budget," page 2



More than 150 people – representing dozens of community, arts, environment, student, senior and labour organizations in B.C. – gave up a sunny Saturday to debate and share ideas for building a more caring, inclusive society in British Columbia.

## Under new BC budget, real spending per capita will contract by 1.2 percent annually for years to come

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people in the 1990s, and by another 448,000 during the B.C. Liberals' time in office.

This means the province has more taxpayers, and more people who require services. Accommodating those changes does not mean the proportion of public spending has increased.

Even though the number of dollars spent on public services has gone up, the amount per person has gone down and continues to go down.

McMartin cited a BMO Capital Markets analysis of the March 2 provincial budget. It found that after inflation, public spending per capita in B.C. will "contract" 1.2 percent annually in the next few years.

When the B.C. Liberals took office in 2002, public expenditures in B.C. were 22.7 percent of the Gross Domestic Product (GDP). Under Gordon Campbell, it will soon be under 15 percent.

The tendency, McMartin indicated, is for people to assume that "over-spending" is the cause of government deficits. He cited a recent Ekos opinion poll in which 46 percent of respondents favoured cuts in public services and spending.

"The empirical evidence," he said, "is that spending is not out of control."

Canada and B.C. rely on commodity exports. When commodity prices go up or down, that has a large impact on both jobs and revenues.

"That's what's happening today in both Ottawa and Victoria" -- current deficits are due entirely to falling revenues, not over-spending.

McMartin also cited a Harris-Decima poll which demonstrated that Canadians are increasingly ambivalent about government, and losing confidence in the ability of governments to follow through. For example, 61 percent of respondents favoured cutting corporate taxes to stimulate economic growth.

Of course with less revenue, governments can do less, and that is reflected in the wide-ranging cuts seen in B.C. today.

McMartin said that compared to international factors and commodity prices, tax policies have a negligible ability to either stimulate or shackle economic growth.

On the other hand, the corporate tax cuts introduced by the Campbell government are costing British Columbians between \$1.5 billion and \$2 billion a year – and the government is continuing the tax giveaways to corporations and wealthy individuals.

As an example, McMartin said the government has eliminated the minimum tax on banks. Despite billions in profits, the banks apparently can't afford to contribute \$20 million to public services in B.C.

And the HST, of course, represents another \$1.9 billion tax shift from corporations to individuals.



Adam Lynes-Ford is one of the three co-chairs of the Coalition to Build a Better B.C. He opened the dialogue with a call for “a productive session where we share information, learn from one another, and build our vision for a B.C. where everyone can participate and share in a quality of life that is recognized around the world.”

# An inspiring day of conversation and action

**M**ORE THAN 150 people came together March 20 to participate in a full-day dialogue on how we can work together to build a better B.C.

The gathering was remarkable for its diversity, its sense of common purpose, and for the high level of energy that the participants brought to the discussions.

The sessions and discussion topics were largely self-directed, under the guidance of facilitator Bliss Browne.

Browne is the founder of *Imagine Chicago*, a non-profit group with a mission to cultivate hope and civic engagement.

Browne’s focus is to help harness people’s imagination for the public good, to empower people and organizations to participate in creating hopeful futures for their families and communities by encouraging both discourse and action.

Throughout the day she certainly did that.

Early in the day, Browne asked each person to write down one item that gave him or her “grief”, as well as his or her “hope” for the future. The griefs included:

- Cuts in funding for arts and culture, education, health care, and services to people with special needs or disabilities.
- Environmental degradation.
- Welfare of seniors.
- Status and welfare of women.
- Poverty and disparity.
- The HST.
- And political priorities, including concern about “thin democracy” and a lack of connection.

Hopes for the future involved collective action to promote:

- Social justice.
- Welfare of children.
- A healthy environment.
- Funding for education, health care, housing and the arts.

- Respect for women.
- Tax reform.
- And greater citizen involvement in the decisions that affect them.

Throughout the day, participants engaged in group discussions and debate on the issues that concern them – issues that were identified by the participants themselves – and what we can do to build a better B.C.

Considering the multi-cultural, multi-generational nature of the coalition, the consensus that emerged is both refreshing and exciting.

Participants repeatedly emphasized the need to work for positive goals. A common theme reported back from the discussions was the desire to work for a just society that values and includes every individual.

By working together, it was felt by many, we can reach out to people who feel excluded and influence the politicians whose decisions can have such a profound effect on individual lives.

**Mark your calendar!**

**Fun!**

**Family-friendly!**

**Rally  
to build a  
better BC**

***Plan now  
to be there!***

**Noon, Sat. April 10,  
Vancouver Art Gallery  
800 block, W. Georgia**

**[www.betterbc.ca](http://www.betterbc.ca)**

# The hope for a better future for people in our province

**W**E'RE ONTO SOMETHING right," said Jim Sinclair, President of the B.C. Federation of Labour, in concluding remarks to the Dialogue on Building a Better B.C. "The hope of this province lies in gatherings like this."

By working together, we can challenge the ideas and beliefs of what our province can and should be, he said.

Meeting the challenge means bringing together organizations that haven't worked together before -- "to be in rooms full of people we don't know. None of us can do it alone."

"It's so important to people who haven't seen a response to (government) cuts that we show the public we're fighting for them. We can do it together. We can't do it alone."

"We need a movement this wide," he said, stretching his arms, "that reaches right across the province."

Sinclair noted that there are people who benefit when services are cut, people who benefit from child poverty, people who benefit from keeping B.C.'s minimum wage at the lowest level in Canada. "It's not that they don't get it."

The challenge, and it's a huge one, is to create a new consensus of what we can build in B.C. "We need to talk about the world we want, the world we believe in, not just stop the cuts. We need to change what exists today and move forward," he said.

"I want to be back in a room a year from now with three times as many people, and three times as many ideas to improve the world."

That vision of a better future must be based on fairness, decency, and a sense of collective responsibility to each other.

Together, we can build communities that provide health care for those who need it, educational opportunities for young people, and don't abuse the planet, he said.

