

LETTER TO THE EDITOR

October 19, 2009

The Editor
Prince George Citizen

Your Oct. 19th editorial (Snake oil salesmen) does a disservice to public debate, resorting to name calling and making absurd statements purporting as facts. Let me be clear – the decision to move to a HST was first considered at the end of May, after the election.

Quite simply, we had to act fast or risk putting British Columbia at a competitive disadvantage – to other provinces and more than 130 other countries – that also have a value-added tax like the HST. If we didn't make the decision now, there would have been an unacceptable delay – and it's immaterial whether that delay would have cost us six months or two years – because B.C. needs to position itself now for the recovery.

Business leaders and others are speaking out in support of the new tax system, because they know it will allow them to reinvest in their businesses, improving B.C.'s economy and providing the foundation for more jobs. In addition, the \$1.6 billion in transitional funding from the federal government is real money that the Province is using to ensure vital services are protected.

The Budget tabled in February projected a deficit of \$495 million – and knowing we controlled the spending levers, we were confident we could deliver on that until June. It was only then that it became obvious the loss in revenues was so rapid and severe, that a much larger deficit was needed to ensure our social fabric remained intact.

I challenge anyone to look at the February Budget and all the assumptions included in that, and show me they were not realistic and the prudent forecast – even lower than the average of 12 private sector economists – was not attainable.

We were elected to manage B.C.'s economy through what is the worst economic downturn in 27 years. That's exactly what we're doing – we're putting our own house in order, cutting spending on things like advertising, public servant travel and professional services – resulting in literally hundreds of millions of dollars in savings.

We're also striking the balance by reducing discretionary spending in some areas, so the greater public good is maintained in others – such as hundreds of millions of additional dollars to support individuals and families in need of income assistance, to fight a record forest fire season or prepare for the H1N1 flu.

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