

British Columbia Premier felled by anti-tax campaign

Keith Jones

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British Columbia's Premier Gordon Campbell resigned abruptly Wednesday, after nine-and-a-half years at the helm of a Liberal government that steered Canada's third most populous province sharply right.

Campbell had an approval rating of just 9 percent in a recent opinion poll. But in the two weeks prior to his resignation, he took a series of steps aimed at demonstrating his determination to remain in office. These included shuffling his cabinet, reorganizing his staff and delivering a rare prime-time televised address during which he announced a 15 percent cut in the provincial income tax rate on income under \$150,000.

The *Globe and Mail* attributed Campbell's sudden resignation announcement—he will relinquish the premiership after a Liberal leadership convention in the new year—to an incipient revolt among the Liberal legislators. “According to several sources, party members had begun a plot to force [Campbell] out of office,” reported yesterday's *Globe*.

The Liberals were re-elected to a third term in government in 2009 and the next provincial election is scheduled only for May 2013. But several Liberal Members of the Legislative Assembly are currently under threat of being recalled via petition and forced to seek re-election.

The recall initiative is the latest stage in a campaign aimed at forcing the repeal of the Liberals' Harmonized Sales Tax (HST), a combined federal-provincial value-added tax that came into force last July. This campaign has already resulted in the first-ever successful petition campaign under BC's “citizen initiative” legislation and the Liberals bowing to popular demand for a plebiscite on the tax.

The 12 percent HST is designed to shift the burden of taxation from businesses to consumers. By combining BC's 5 percent provincial sales tax with the 7 percent federal Goods and Services Tax, the HST also

significantly enlarges the provincial tax net. A Statistics Canada study found that the HST will cost the average BC household more than \$500 per year.

The anti-HST campaign has been spearheaded by Bill Vander Zalm, a right-wing populist who, as the Social Credit Premier of BC from 1986-1991, attacked workers' rights and pressed forward with the downsizing of public services initiated by his predecessor, Bill Bennett.

The social-democratic New Democratic Party (NDP), BC's Official Opposition, and the trade unions have shamelessly collaborated with Vander Zalm and his anti-HST campaign.

The HST is, to be sure, a right-wing measure—a regressive tax that the Liberals introduced at the behest of big business. But it is only one element in the Liberals' right-wing agenda. Like governments across the country, the Liberals are intent on balancing the budget through further cuts to social services and, with the ostensible aim of attracting investment and creating jobs, are promoting privatization and deregulation.

By assisting Vander Zalm in making the HST the focus of opposition to the Liberals, the NDP and unions are in effect helping foment a right-wing anti-tax revolt whose real target is public services. Vander Zalm, for his part, has made no secret that he hopes to use his anti-HST campaign to create a populist, right-wing alternative to the big business Liberals.

The NDP's tail-ending of Vander Zalm in his anti-HST campaign is the product of a three decade stampede to the right on the part of the social democrats and the unions.

It was the austerity measures and other right-wing policies of successive NDP governments in the 1990s that opened the door for Campbell and his Liberals to sweep to power in the 2001 BC election on a program of cutting social spending and slashing taxes on big business and those with high incomes.

When the Liberals implemented this program during

Campbell's first term as premier, slashing public services and gutting collective agreements in the health and education sectors through legislative fiat, they encountered fierce resistance from the working class. But a series of militant strikes—several in defiance of antiunion laws—were isolated and suppressed by the unions and NDP.

Most infamous was the short-circuiting of a 2004 strike by 40,000 hospital workers. The strike prompted wildcat sympathy strikes by public sector and forest industry workers and in an attempt to contain the movement, major unions called for a province-wide “day of action.” On the eve of the one-day walkout, the BC Federation of Labour and Hospital Employees Union (HEU) announced they had reached an agreement with the Liberals that enshrined massive job losses and imposed a 15 percent wage cut. They then instructed the tens of thousands of workers poised to take to the streets in support of the poorly-paid hospital workers to “stand down.” (See: “British Columbia: Rank-and-file outrage at betrayal of hospital workers’ struggle”)

Canada's political and business elite have responded to Campbell's resignation by lavishing praise on the outgoing premier.

Canadian Prime Minister and Conservative Party leader Stephen Harper said Campbell, “through his considerable efforts,” had “returned British Columbia to prosperity.” Federal Liberal leader Michael Ignatieff was equally laudatory. “Under Premier Campbell's leadership,” affirmed Ignatieff, “British Columbians prospered.”

British Columbia's most influential newspaper, the *Vancouver Sun*, called Campbell “one of B.C.'s great leaders.” “By lowering taxes and cutting red tape, he persuaded investors that British Columbia was once again not just a nice place to live, but a great place to do business.”

The *Sun* praised Campbell's decision to resign, clearly hoping that his departure will enable the Liberals to extricate themselves from the HST crisis, so as to continue the offensive against the working class. Campbell, said the *Sun*, “showed leadership again this week in recognizing that he can do more for the province now by leaving than he can by fighting to hang on to the job he loves and has performed so ably for almost a decade.”

In its lead editorial Thursday, the *Globe and Mail* also termed Campbell—who has the bearing and outlook of a corporate CEO, callously indifferent to the needs of working people and ruthlessly fixated on swelling

shareholder value—“great.” Referring to Campbell's pursuit of “free market” policies, it said the Liberal leader had “consistently pushed the boundaries of the possible, in terms of both politics and policy.”

It praised Campbell for transforming the province's finances, that is for slashing taxes on business and the well-to-do, and for “beginning to change the way health care is delivered,” i.e. contracting out cafeteria, janitorial and other “non-frontline” medical jobs in hospitals and experimenting with the privatization of health services.

Needless to say, neither the *Globe* nor the *Sun* editorials mentioned that BC has the highest percentage of children living in poverty and the country's lowest provincial minimum wage, although no province has a higher cost-of-living.

What Harper and Ignatieff and the corporate dailies are celebrating in Campbell's legacy is his success in restructuring class relations to the detriment of working people.

Statistics from before the eruption of the world capitalist crisis in the fall of 2008 show that under the Campbell Liberal government the real incomes of the most privileged sections of society swelled, while those of working people stagnated or declined. Indeed, in no province did social inequality grow more rapidly than in BC during the first decade of the twenty-first century.

Using information from Statistics Canada, a Canadian Centre for Policy Alternatives' study found that 60 percent of BC families had lower real after-tax incomes than did families in the late 1970s.

Particularly stark has been the plight of manufacturing workers. Between 1998 and 2007, the hourly real earnings of manufacturing workers declined by 7.1 percent. Meanwhile, the hourly pay of management occupations rose in real terms by 13.4 percent.

The author also recommends:

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