



**For Immediate Release**

## **Prosperity not a sure thing, yet**

Vancouver, June 30, 2014 –

First quarter reports that emerged this week on the U.S. economy are a wake-up call for British Columbians, organized labour and local governments that demand government spend more.

According to the U.S. Commerce Department, the U.S. economy shrank by 2.9 per cent between January and March. This is the largest contraction since the recession five years ago. This disturbing number is a stark reminder that despite our province's vast natural resources and diverse economy, our future prosperity is still not a guarantee.

With our economy so linked to the success of the United States, we continue to feel the repercussions of their economic rebounds and woes. For example, as the U.S. housing market slowly slumps upward, B.C. will see an increase demand for our wood, more mills open, more workers are hired and communities slowly start to build. And when their economy contracts, we feel the effect too.

Have we let our guard down? Are British Columbians lulled into a false sense of security about the strength of our economy?

Yes, we're walking out of the dark financial woods that saw world economies crumble. Yes, we fared better than many other jurisdictions. And yes, there is reason for optimism.

However, we are clearly not out of the woods. Personal debt levels are high. Concern looms around the sustainability of the housing market. Our population is aging and we are in store for projected labour shortages.

We must continue to tread cautiously and carefully because our economy remains fragile.

At a minimum, these worrisome numbers from the United States economy should reinforce our current provincial government's position that now is not the time to return to what some see as the good old days when governments were 'shoveling money off the back of a truck'.

This means holding the line on government spending and not giving into every special interest request or organized labour's unaffordable wage demand. It means being smart about how every single one of our hard earned dollars is spent and maximizing the taxpayers' return on investments in health care, education and social services – even if that includes the private and non-profit sectors doing more.

Regardless if the poor U.S. economic stats are a blip caused by a few extraordinary weather events, they remind us how quickly things can change and how important it is to govern our fiscal affairs meticulously.

Being responsible fiscal managers will stimulate growth and help bring prosperity to B.C. If we truly want to reach prosperity, there is significant work ahead.

We must continue to draw investment into our province. We must have a smart and efficient regulation and a competitive tax regime. Attracting multinational companies to invest in a new industry in Liquefied Natural Gas will create numerous and wide ranging benefits for B.C. including thousands of jobs in construction.

We must continue to chase down new markets for our goods. China and India are two of the fastest and largest growing economies in the world. Delivering our natural resources will only fuel growth here at home.

Most importantly, we must continue to say yes to responsible resource development. A new LNG industry and projects like Kinder Morgan's Trans Mountain pipeline expansion, BC Hydro's Site C will provide our province with the unprecedented economic growth.

We simply cannot take our province and the strides we have made for granted. We must continue to tighten our belt, spend within our means and seize the opportunities ahead.

If we do this right, the potential for prosperity for our province and country is within our grasp.

Sincerely,  
Philip Hochstein  
President, Independent Contractors and Businesses Association of B.C.