

### **Wanted: a road map for the trip ahead**

**February 4<sup>th</sup>, 2009**

**By Valerie Payn**

After I watched the Honorable Jim Flaherty deliver the federal budget last week, I was both shocked and heartbroken. I was shocked by the size of the deficit. I was also heartbroken that we had abdicated the hard-won financial stability our country recently achieved.

I said last week and I repeat now: “If we are going to deliberately put ourselves in a major deficit after years of balanced budgets, it had better be worth it.”

Our federal government delivered its financial statement. Other provinces have finished theirs. Nova Scotia is working on its now. Yes, we can rationalize spending our way out of a recession. But what concerns me more is that no political leader in this country has the courage to make the budgeting process clear to Canadians.

It should be utterly unacceptable to any Canadian to have any budget that says it will stimulate the economy out of a recession without showing us how. Our leaders must show exactly why they are taking certain measures, and tell how these will generate economic activity. Once we understand why certain actions are taken, we demand assurance that we are not burdening future generations. Above all, we need to agree what being “out of deficit” means. And by introducing timetables, accountability and clarity, we get the added benefit of reducing the politicization of the budget process.

For all those in government who have created budgets and those who are working on one now, here’s a suggestion from the Halifax Chamber: First, clearly set out the annual budget separately from the stimulus package. By doing so, you commit yourself to taking care of the public’s money. The budget, without the stimulus package, should be balanced. Show us that you are dedicated to balancing the budget on a year-to-year basis, with the management discipline that you have promised – exclusive of any stimulus package. Is this too much to ask?

Next, any stimulus package must be shown separately from the regular budget. It must be transparent - clearly showing the money directed at stimulus measures. It must be separate from your operational budget for the year and should show where funds will be directed and how choices were made in directing money.

Let's use a real-life example. If an average citizen were asking for a bank loan, he or she would have to show a plan on how the money is to be spent – and would agree to a repayment schedule with start and end dates. And when all payments were completed, could he or she show increased net worth – as opposed to, for example, just having paid off their credit card balance? In the real financial world, showing no accountability means that you are shown the door – and quickly.

All we want is for political leaders to treat our money as though it were their own. Instead of wistfully talking about 'when we are out of a recession', we want our representatives to define what being out of a recession means. If it means, for example, two consecutive quarters of positive growth in the gross domestic product, then say so upfront and stick to it.

Then tell us how you will bring us back to financial health. By employing these simple steps, you might be surprised that Canadians would support you in unprecedented numbers.

As Atlantic Canada's largest Chamber of Commerce, we apply "filters" or criteria to make the best decisions possible for our members. In the case of stimulus decisions for the economy, this straightforward process can be distilled into a single question: "Will this investment or expenditure make us more productive, more competitive and more environmentally sustainable five years from now?" Our leaders can devise a clear priority list with their responses.

Canadians need the economic activity promised by recent and future budgets. But if we are shown no clear path out of deficit and future generations are burdened with staggering debt for no reason, it is inexcusable.

Our leaders owe us this: a detailed road map out of the red and into the black.

*Valerie Payn is the President and CEO of the Halifax Chamber of Commerce.*