



POLICY UPDATE

News and views from the Metropolitan Halifax Chamber of Commerce February 16, 1999

Too Much New Spending in Federal Budget, Chamber Says

The Metropolitan Halifax Chamber of Commerce is very disappointed with the high level of new spending in this year's federal budget. The Minister of Finance had an opportunity to aggressively reduce the staggering \$580 billion national debt – the number one priority ranked by Chamber members - and make significant cuts to income taxes. This opportunity has been missed.

"We do not have our debt under control yet," says Michael Schmid, Chair of the Chamber's Federal Finance Sub-Committee. "If the Canadian debt was a credit card with a \$2,500 limit, we have succeeded in reducing the balance to \$2,490. It is definitely not time to go shopping yet!"

Going into this budget, the Chamber was firm in its position that any increased spending on programs should come from reducing other expenditures. Our members do not support new program spending.

We recognize that there are severe problems with our health care system – the costs are rising while it is the public perception that service is decreasing. Before throwing more money at this problem, however, the government should demonstrate the political will to make the reforms within the system that are needed. This would ensure that any new spending is used to its greatest advantage on behalf of all Canadians.

Chamber President Jim Mills says the Chamber would have supported properly targeted personal tax cuts. Unfortunately, the cuts in this budget were too small and targeted on the wrong people. "Minister Martin should have put the money where it would do the most good – into the hands of the consumer who is going to spend it."

The bottom line is that any tax cuts are overshadowed by the unexpectedly high levels of new spending. Continued spending increases of this magnitude will make any tax cuts difficult to sustain.

METROPOLITAN HALIFAX CHAMBER OF COMMERCE

P.O. Box 8990, Halifax, NS B3K 5M6 Tel. 468-7111 Fax. 468-7333

This Update is also available on our website ~ www.halifaxchamber.com