



POLICY UPDATE

News and views from the Metropolitan Halifax Chamber of Commerce **June 4, 1998**

Cautious Optimism About Provincial Budget!

Background - Each year your Chamber President, General Manager and Government Affairs Committee representatives participate in the "Budget Lock-up", in which they have a chance to look at the provincial Budget and ask questions of various government officials. Immediately upon leaving the lock-up session, the President responds - on behalf of the Chamber - to the media. The situation often demands a judgement call when speaking on behalf of such a diverse membership as the Chamber.

Following is the release which the Chamber made to today's budget. We would very much like to hear from you as to whether or not you agree with the position taken on your behalf.

The Response -The Metropolitan Halifax Chamber of Commerce is "cautiously optimistic" says Chamber President Jim Mills after hearing the provincial budget which was brought down today. "This budget meets all three goals which the Chamber set for the government in our pre-budget meeting", stated Mr. Mills. "The budget is balanced, the majority of the provincial surplus has been used to pay down the debt, and the rest has been used for broad based tax relief."

\$27 million of the \$37.4 million 1997-1998 surplus will be used to pay down the debt and the remaining \$10 million will be rebated from the HST residential consumers of electricity. With no new taxes, balanced budgets projected for the next three years and a new, private sector driven Economic Advisory Council, this is a good budget for business.

The new Economic Advisory Council will be tasked to find ways to broaden economic growth in Nova Scotia. The Council will also be leading the way in reducing the regulatory burden for business - a goal long sought by the Chamber and its membership.

Valerie Payn, the Chamber's General Manager, says the high job growth reported in this budget and the higher than expected revenues from the HST support the position that the Chamber has taken all along on the HST. "As the Chamber predicted", Ms. Payn explains, " by simplifying the tax system, the government has spurred the economy and created benefits, not only for business, but for all Nova Scotians."

The challenge for the government in the future is to meet the razor thin margins projected in balancing the budget over the next four years. The Chamber is concerned that one time revenue sources like money from the HST transition fund and savings from the public service pension fund may not be available in future years. The business community also has substantial concerns about the growth in the net provincial debt by another \$400 million in the next four years. This will see our provincial debt to GDP ratio remain second to worst in all of Canada. These challenges must be addressed by the government as it moves forward.

Be the Voice of Business -- Fax Back to the Chamber at 468-7333.

1) Do you agree with the position the Chamber has taken on your behalf?

Fully Agree Agree Somewhat Disagree Somewhat Completely Disagree

2) Do you have any comments about this position?
