



For Immediate Release

Government Lacks Long Term Focus

Metro Halifax, Nova Scotia – February 28, 2000 – The Metropolitan Halifax Chamber of Commerce is disappointed with the federal government's total lack of commitment to debt reduction in its 2000-2001 budget announced today. With the economy in high gear and balanced budgets or better for the next several years, Canada has a real opportunity to reduce our staggering national debt and improve our financial flexibility in anticipation of any downturn in the economy.

"On the surface, this is a very attractive budget," says Chamber President Murray Coolican. "But, the tax reductions and spending increases will be difficult to sustain with our current debt levels." Any increase in interest or slowdown in the economy could return us to the days of deficit spending and threaten the gains announced today.

Contingent debt reduction is a good hedge in times of economic uncertainty; in a growth economy, it represents a lack of political will. "This government has reduced the debt by just one half of one per cent in each of the last two years," says Coolican. "We need fixed and aggressive debt reduction targets that take maximum advantage of the projected growth in revenues and the balanced budgets or better being projected for the near-term."

While the Chamber is pleased to see federal tax cuts, it fears they may only last over the short-term. "The reduction in personal and corporate taxes is welcome relief, particularly for small business and high technology, but can we sustain them?" Coolican asks.

The focus on health care, education and innovation is laudable. Increasing our spending is not. "As our priorities shift, our spending priorities need to shift too," Coolican says. "Minister Martin can't simply keep looking to increased tax revenues and a growing economy to pay for new priorities while maintaining spending in all other areas."

The continued use of the EI fund surplus is another example of the misuse of taxpayers money. This money, which belongs to workers and employers, should not be spent on new programs.

The re-indexing of personal taxes to inflation is the single most important long term initiative contained in this budget. For 15 years, the government has allowed the spending power of Canadians to deteriorate; that money will now be set loose in the economy to create jobs and drive economic growth.

The Metropolitan Halifax Chamber of Commerce is a voluntary, not-for-profit organization that represents business interests and provides vital leadership that benefits Metro Halifax and the Atlantic region. The 1,800 corporate members of the Chamber employ more than 50,000 people, representing over one quarter of Metro Halifax's labour force of 194,000. It is also the oldest Chamber in North America -- celebrating 250 years this year -- and was the first certified to the ISO 9002 international standard of quality.

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