



**METROPOLITAN HALIFAX
CHAMBER OF COMMERCE**

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For Immediate Release

Chamber Alarmed with Rising Provincial Debt

Metro Halifax, Nova Scotia -- June 1, 1999 -- The Metropolitan Halifax Chamber of Commerce is concerned with the provincial government's fiscal direction following the budget announcement today. "Our provincial government must reduce the Province's debt to relieve the burden of the debt servicing costs," says Murray Coolican, Chamber President. The budget indicates an increase of \$850 million in net debt at March 31, 2000 from March 31, 1998. The Chamber is concerned that the Government is not taking appropriate actions to reduce the debt and is, in fact, significantly increasing the amount of debt.

"Increasing the debt year after year threatens the future of programs such as health care and education. The high level of debt increases our debt servicing costs, leaving less money to sustain adequate levels of spending on essential programs," Coolican says.

While the Chamber is pleased that a small surplus of \$1.6 million is budgeted for the 2000 fiscal year, it is considerably less than the \$38 million surplus for the 1998 fiscal year or the \$22 million that was reported for the year ended March 31, 1999.

Excluding the spending related to the \$600 million Health Investment Fund, the Province's budget indicates that spending will increase in the coming year by more than \$120 million from last year. While this is offset by increases in projected revenues, the Chamber believes that the Government should be focusing on spending reductions to allow for budget surpluses that can be used to reduce the debt. In a recent poll of our members, a resounding 98% of respondents said that the Government needs "a sound plan for debt reduction and the political will to carry it out."

The Chamber is also concerned that the Enterprise Zone program announced in today's budget does not provide a level playing field for businesses. The Chamber's long-standing policy has been that investments in the economy should be on infrastructure that allow all Nova Scotia businesses to compete equitably.

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 1,650 corporate members of the Chamber employ more than 50,000 people, representing over one quarter of Metro Halifax's labour force of 194,000. As the voice of business, the Chamber works on behalf of small businesses and large corporations alike. Organizations with 25 or fewer employees represent 78 per cent of Chamber membership.

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