

Turner tells Chamber new budget is key to reviving economy

By **STUART JOHNSTON**
Staff writer

Last week's federal budget provides the first key steps for getting Canada back onto its economic feet again, Halton-Peel MP Garth Turner told a packed Chamber of Commerce breakfast Tuesday morning.

In an interview following the meeting, Turner dismissed criticisms leveled at finance minister Don Mazankowski's first budget.

"People have their own agendas, so of course there is going to be some criticism," he said. "They want more money from Ottawa, believing Ottawa is responsible to fund their programs, so they don't have to make the cuts that the government has to ... Here in Ontario, (Premier) Bob Rae's government increased social service spending, but expected Ottawa to pay for it in the end. Always remember where the criticism is coming from."

Turner, however, agreed with some predictions that next year's federal budget will likely be a "pre-election" budget, where taxes will be cut, or frozen, and government spending increased to appease voters.

"Hey, as long as we don't increase the deficit, then cut away, by all means," he said.

Turner hastened to add that he firmly supports what the Tories are trying to accomplish this year, adding that he would be confident going to the polls now on the strength of the new budget.

Mazankowski's first budget since taking over for Michael Wilson last year promises to reduce the deficit by almost \$4 billion by the end of next year. Personal income surtax is to be cut from 5 per cent to 4 per cent on July 1, and then to 3 per cent by Jan. 1. Up to \$20,000 can be borrowed from RRSPs as a down payment on homes, while the Canadian Armed Forces is to pull out of Europe. In addition, 46 federal boards, agencies and commis-

sions will be wiped out or merged together, eliminating 500 jobs.

All in all, Turner believes that the economy will be stimulated from this point on.

"The belief is that the economy will heal itself within the next 18 to 24 months," he explained to the Chamber audience.

Many of the new policies are three to five year plans, but one audience member questioned how the government intends to follow through with its promises if it loses the next election, expected some time over the next 18 months.

Turner noted that some policies, such as a spending cap of 3 per cent increases per year, will soon be law. He noted the only way for future governments to spend more would be to change the law, something that would be "politically tough to do."

"We're trying to project in the future fiscal responsibility on whoever gets elected," he added. "We're doing the best we can do, given what we have to work with."

Turner was also asked if the current trend of low interest and low inflation may be changed by the Bank of Canada sometime in the future, even though the government prefers them to stay low.

"The Bank of Canada is supposed to operate at arms' length, but I'm not Don Mazankowski so I can tell you the truth," Turner quipped. "The government's goal is low inflation and low interest rates — with both we'll have economic recovery. So, there will be a strong message sent to the Bank of Canada not to tamper with it. I'd be most surprised if the interest rates start to climb again."

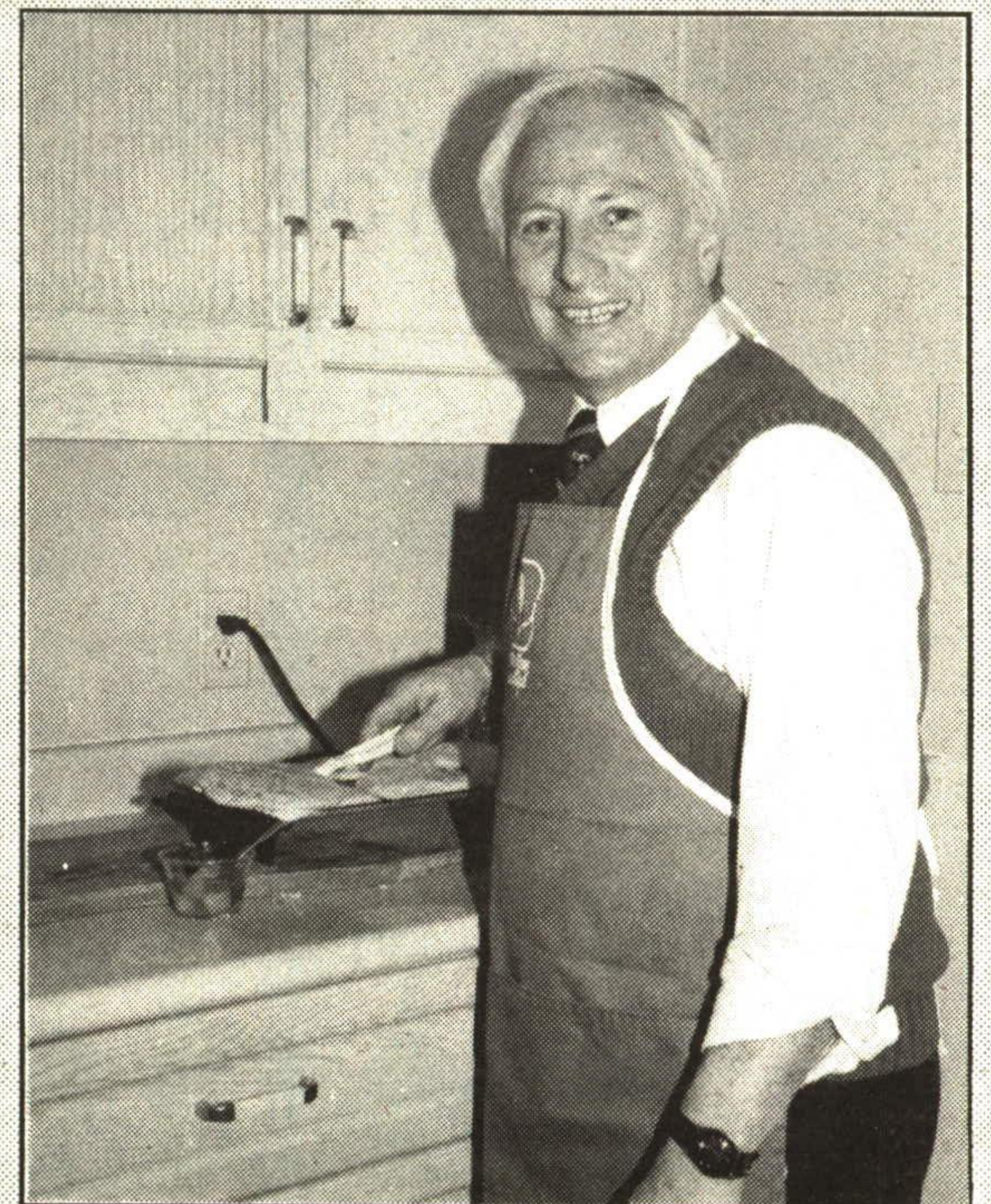
He noted that the current recession looks worse to people than the one that occurred 10 years ago, but "statistically, people are wrong."

"From 1986 to 90, we experienced the best years this country's ever had, so it looks worse now from that perspective."



Shrove Tuesday samplings

Parent volunteers Gail Thompson (left) and Janice Fendley found themselves surrounded by a crowd of hungry grade 7-8 students as the Parent/Teacher Association of St. Joseph's School in Acton served a hearty menu of pancakes, sausages, and plenty of syrup to all the students as they celebrated Shrove Tuesday. At right, Stu Robbins serves up the pancakes at the St. John's United Church Shrove supper. The dinner was the first major event in the newly renovated kitchen.

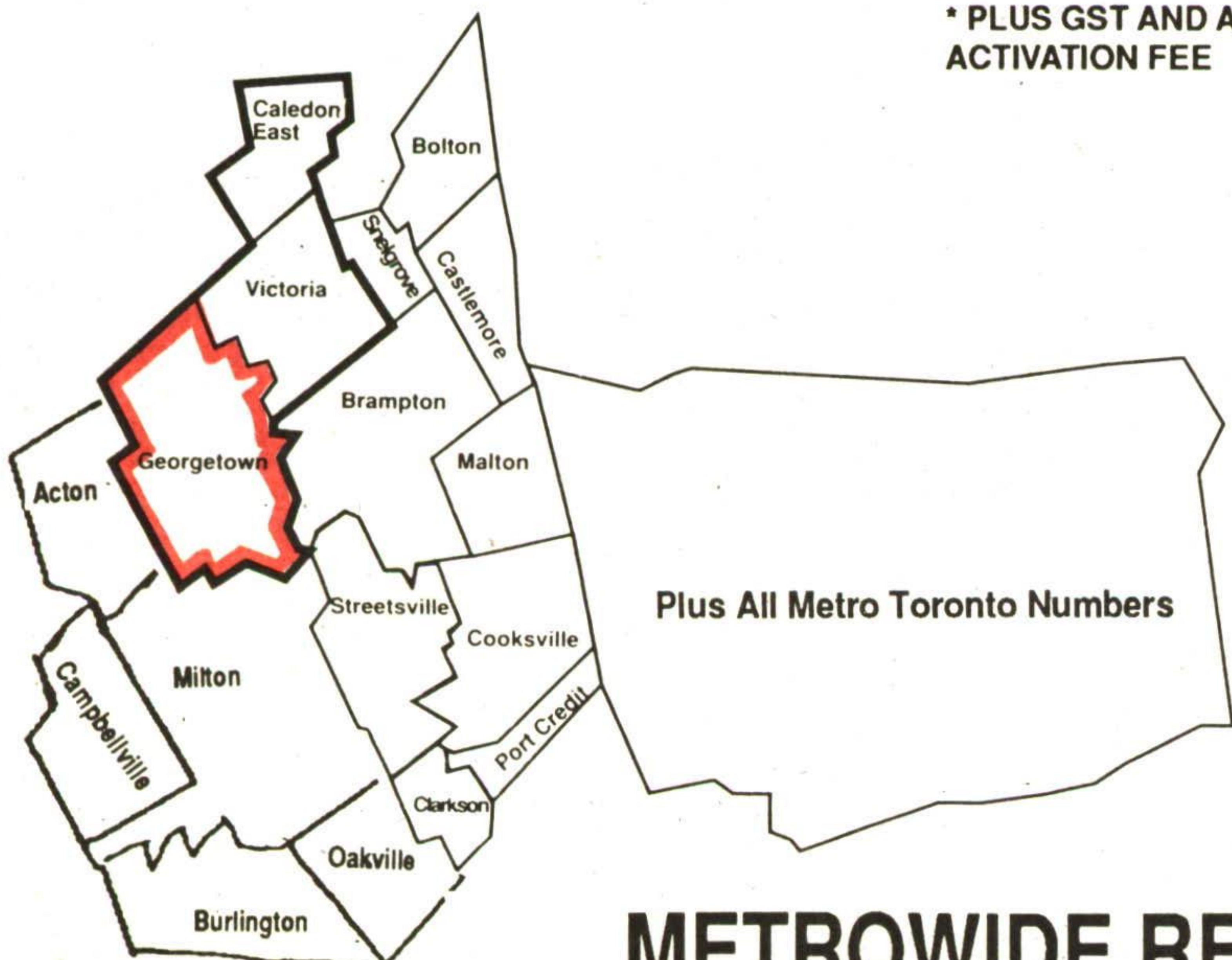


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