



Sleep-walking to fiscal oblivion

If New Brunswick's Tory government sincerely wishes to rouse a citizenry that remains demonstrably sleepy, at a time when fiscal oblivion beckons them from their beds, it should start by taking pabulum off the menu of provincial politics.

As it was, November's Speech from the Throne concluded with all the spiciness of a bowl of porridge: "Over the course of this session, ministers will provide more details regarding the initiatives and legislation contained in this Speech from the Throne. Your government will also provide details on other programs and policies of importance to all New Brunswickers."

Indeed, the tract reminded its audience, "Your government began its first steps towards changing the culture of government. To achieve this goal together, the people of New Brunswick have been engaged in historic levels of consultations under the banner Government Renewal."

Yawn!

"The results of these efforts will include a legislative and budgetary agenda to be considered by this Assembly that will lay the foundation for rebuilding New Brunswick. To be sustainable, however, this new foundation must be built upon the bedrock of trust and collaboration. Only then can our province get back on the road to prosperity while addressing New Brunswickers' priorities, including investing in jobs; supporting healthy families and an enhanced quality of life; and continuous Government Renewal."

These declarations were worse than meaningless; they were patently misleading.

Building a sustainable economy in Canada's second-smallest province does not depend on "a bedrock of trust and collaboration" (though it would be nice if it did). In fact, New Brunswick's long-term prospects for prosperity rest on the shoulders of public office holders who, having consulted with the people, still choose to face

and seriously discuss tough, even deeply unpopular, options.

The debt stands at \$10 billion. The annual deficit hovers at \$550 million.

What's the fix?

Is it, for example, to hike all tax rates? Should the provincial government, instead, erect toll stations on highways, cut the provincial public sector by at least 50 per cent, or consolidate (read: close) public schools and hospitals?

Should Cabinet curtail grants, loans and guarantees to businesses (mostly small) that don't regularly create jobs, stop subsidizing rural governance, toss social development programs into the rubbish bin?

Should Premier David Alward's team do all of these things? Some? None?

And, if the answer is none of the above, then what are the clear, articulated, credible, plans in store to keep the lions of Wall Street's bond markets from pressing a button and turning New Brunswick into yet another basket case of the developed world?

You won't find them in the Throne Speech, because, according to conventional wisdom, this is not the place for them. The 6,000-word address is the exclusive reservation of government writers and their prosaic absurdities: "Our economy is adjusting to international forces, our population is shifting, and our expectations are increasing with new standards and technology. As a province, we are learning to live within this new reality."

But this is precisely the point: No, we're not.

What we are learning to do is shut our droopy eyes to the reality of our fiscal circumstance, which is, simply: We can't afford ourselves. And, apart from Newfoundland and Labrador, neither can this region's other provinces. (Nova Scotia's outstanding debt stands at \$13 billion; Prince Edward Island, which boasts a population less than Sudbury's, reels under nearly \$2 billion in long-term obligations.)

Private enterprises live and die by the relative worth of their balance sheets. Unless they are big enough or lucky enough to score a government bail-out (which is a different, though not entirely unrelated, problem), their debts drive them to the brink of bankruptcy, and frequently over.

If you imagine that the unthinkable can't happen to a modern industrial state, consider wayward Greece, whose profligacies are wreaking havoc across the Eurozone, where even mighty Germany has had well-publicized trouble raising capital to finance its spending commitments.

Should this fate befall New Brunswick, it will be a rude awakening that no amount of pabulum can assuage. | ABM

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