

Bill Rea ? Who's right about budgets?

Like every other way of life, there are certain things that are inevitable for newspaper guys like me.

True, like everyone else, we have to concern ourselves with death and taxes, but we also have to accept the inevitability of deadlines and making some people mad. I had one guy in the last week tell me he had the urge to kick me in the butt (he didn't use the word ?butt?) over something I wrote a while ago. I've known this fellow for going on 25 years, and he and I have always gotten along rather well, so I came away from the encounter uninjured.

Another inevitability is budgets. That doesn't mean its something we complain about. Indeed, I rather look forward to budget time, if for no other reason than I know it will mean I have something to write about. Be that as it may, I would prefer not having double doses of budgets in the same week.

Budgets, by their very nature are important, at both the micro and macro level.

Does your household keep a budget. If you don't, you should. It's not hard to do, but it is crucial.

It's almost a tradition in my household that I spend the final days of the year making my best estimations of what our expenses will be and what contributions to the joint account my wife and I will regularly have to make to cover those expenses. I also keep track of how things are going throughout the year. I even set up separate pages for each expense (telephone, hydro, groceries, insurance, vacation, etc.) Thus I keep constant track of how good my year-end predictions were, and know what adjustments need to be made for the following year. So getting bills never causes us a lot of concern, and Beth and I never have to scramble to find the money to pay our expenses.

The nice thing about such budgeting is I have control over it, with Beth's approval, of course.

I'm not sure how many of you do that, but I'm willing to be a lot of you don't. People run into financial problems for a reason, and I'm sure one of the main reasons is failure to budget.

Budgets at the macro level are important too, because they determine how much taxes you will pay (property taxes is another item Beth and I budget for too). They also set out what services those tax dollars will be used to pay for.

The problem is you and I don't have the kind of control over these budgets that we do over those we set (or should set) for our households. We elect the people who have the final control over those budgets. It is true that public input is often sought for these budgets, but such solicitations get rarer as we progress higher through levels of government.

During the budget deliberations, Caledon council usually holds sessions for members of the public to offer input on what's about to come. Their effectiveness is, at best, debatable. It is a fact that it's usually easy to find seats at such meetings, meaning they are seldom well attended.

I have noticed over the years that the Province holds meetings throughout Ontario for the public input on their budgets. I get media releases every year advertising these meetings. As I have never personally attended one, I cannot comment as to their effectiveness, but the offer is at least there.

I have never seen any such invitations for public input to federal budgets. In the more than 30 years I've been in this business, I have covered MPs who solicited such comments. But no such solicitation came from the top. We are all free to wonder at the significance of that.

The fact is, we all have the chance for input on government budgets, at all levels. Those occasions are known as elections. The big problem is none of us agree with each other, so a lot of us get ticked off at budget time. Those differing opinions also mean we end up getting bad governments. Case in point: The Dalton McGuinty Liberals rode to power in Ontario in 2003 on a promise not to raise taxes. In their first budget, they raised taxes substantially, via the Ontario Health Premium (since this is income tax time, all of you must be familiar with that). The Liberals have not been out of power in Ontario since then. Have you noticed an appreciable improvement in health care over the last 12 years?

I'll get off my soapbox now, at least for the moment (I'll get back on it soon).

In both cases, the budgets we were treated to last week amounted to little more than political victory laps. Not a big surprise, as far as the feds are concerned. This is, after all, an election year.

On the other hand, the federal budget brought down by Finance Minister Joe Oliver didn't raise a whole lot of eyebrows. The biggest ticket item seems to be allowing people to increase their contribution to the tax-free savings account to \$10,000, for the benefit of those of you who have that kind of money to set aside. It struck me as kind of a nothing budget brought down by a government that figures it should cruise through the coming election if it doesn't cause too much turbulence. Harper and his crowd are also cutting the national debt, which currently stands at \$627 billion, according to last Wednesday's Toronto Sun. As a man who has very limited use for Stephen Harper (I regard him as a poster boy for the need for Parliamentary reform), I also hate the thought of the amount of my

tax dollars that go to paying interest on that debt. A tip of the hat goes to him.

With regard to the Provincial budget, we're talking about a government that was handed a majority last year, meaning that can do just about anything they bloody-well please for the next couple of years.

So they're going to treat us to about \$130 billion in new infrastructure. I'd probably approve, if this were not a government that's projected to be almost \$320 billion in the hole in a couple of years (the interest payments on that debt fill me with no joy either). For sure, we could use the infrastructure, but we have to find the money to pay for it. I could use a new car, but I have to find the money to pay for that too.

That budget came down last Thursday. The reaction started coming in later that day, and I was swamped with emails Thursday and Friday from countless groups reacting to it.

The Ontario Federation of Labour didn't like it. Neither did the Ontario Lung Association. The Ontario Home Builders' Association seemed pleased with it, but that was not the case with the Canadian Union of Public Employees. Like me, the Ontario Chamber of Commerce is worried about the mounting debt. The Ontario Confederation of University Faculty Associations had some problems too, as did the Canadian Federation of Students (Ontario).

And who's right or wrong when it comes to reaction to the budgets?

Who knows?

