

Editorial ? Feds right to target deficit

Budgets from government, especially the federal government, are by their very nature lengthy, complicated and very difficult to capsule into just a couple of lines.

But in the very confusing pages that comprised last week's budget brought down by Finance Minister Jim Flaherty, one point that came through clearly is a desire to get rid of the government's deficit soon. The Harper government has set a target of two years. That might be optimistic, but if efforts are heading in that direction, we would say that's a good thing.

The problem is we have been hearing about the need to get rid of deficits for at least 20 years, if not longer. And getting rid of the deficit doesn't mean happy days are back. It just means the debt hole we have dug for ourselves (or more accurately, the debt hole we have let government dig for us) is not getting any deeper. The debt still has to be repaid. The money to address paying off creditors is money that is not going to health care, national security, the environment, better transportation infrastructure, lower taxes, etc.

While it's nice to avoid debt, there's nothing wrong with getting into it, as long as there is a plan to get out of it. Those of us who have ever had a mortgage have been in debt, and those of us with any brains try to make sure we pay it off as soon as possible. The same applies for government. In times when the economy is in the tank, when consumption and income takes a hit and the demands on the public purse increase, it stands to reason that government books are not going to be balanced. That means the time to balance them is when the economy recovers.

There are some who wonder if government debt is really that evil.

Well, we would argue that it is, especially if it gets too high.

We have to wonder if officials in Cyprus realized what kind of mess they were heading into.