

What are you looking for in the Federal Budget?

With the announcement of February 24 for the Federal Budget, the Chamber's Federal Finance Working Group is swinging into high gear. The group has been working hard over the last several months to develop a focus for the Chamber's look at this year's federal budget.

We would like to hear back from you on what you think of the issues that the Chamber has focused on.

Some of the key points that the Working Group has identified are:

ECONOMIC DEVELOPMENT

Our members continue to strongly oppose grants to business and feel that a more appropriate role of government in economic development is to provide infrastructure to allow business to grow and be more efficient. An increase in the limits on the small business tax deduction would, for example, leave more funds available within a small business for

investment and encourage companies to retain these profits for investment.

DEBT REDUCTION

The only responsible treatment of the much discussed "fiscal dividend" is to use a majority of any surplus to reduce the level of debt. Suggestions that only 50% be used for debt reduction, with the balance going to increased spending or tax decreases, are premature until the federal debt is reduced.

INCREASE THE NUMBER OF SKILLED WORKERS

The Chamber is also concerned about the high cost of securing advanced education; the resulting decrease in students securing this education; and the limits this places on the ability of businesses to secure qualified employees.

Rather than forgiving student loan balances, or increasing repayment periods for student loans, we recommend that the government investigate the cost

of making the interest on student loans tax deductible. These costs are incurred to earn employment income and as such should be deductible in any case.

TAX DECREASES

On the taxation front, the Chamber's November 10, 1997 poll on provincial budget issues showed our membership supports personal tax reductions as a priority over corporate tax reductions. This pattern should be followed in the introduction of any federal tax relief.

PAYROLL TAXES

Another major concern of our members is payroll taxes. Continued growth in the employer portions of CPP and EI are a disincentive to job creation and economic growth. The Chamber continues to believe that the employment insurance premiums should be reduced and that the accumulated surplus in the EI fund be capped at a reasonable level.

What do you think? (Fax Back to 468-7333 by Wednesday, March 17)

Your responses will be used to form the basis of the Chamber's lobbying efforts, and in communication with the Federal Minister of Finance to reflect the views of the business community.

Do you agree with the position on? (please circle)

1) Economic development?	Agree	Somewhat Agree	Somewhat Disagree	Disagree
2) Debt reduction?	Agree	Somewhat Agree	Somewhat Disagree	Disagree
3) The number of skilled workers?	Agree	Somewhat Agree	Somewhat Disagree	Disagree
4) Tax decreases?	Agree	Somewhat Agree	Somewhat Disagree	Disagree
5) Payroll taxes?	Agree	Somewhat Agree	Somewhat Disagree	Disagree

6) Do you have any additional comments about issues relating to the federal budget?
