

# Tax Cuts or Debt Reduction: What are Your Priorities?

October 16, 2000

## BACKGROUND

Given that one-quarter of our national revenue is being used to simply pay the interest and make regular payments on our national debt, the Chamber has for several years taken the position that the federal government needs to take a three-step process to manage its finances:

- 1) Control spending and achieve surpluses,
- 2) Bring down the massive federal debt, and
- 3) Reduce personal taxes and then provide corporate tax cuts.

The government has just announced a budget surplus of \$12 billion for the last fiscal year and it appears certain that a federal election will happen, at the latest, by next spring. Pressure on the government is reaching new heights to deliver new program spending and immediate tax relief.

The Chamber would like to get your feedback on whether your priorities, as articulated in the three-step process above, have changed. Your responses to the following questions will assist the Chamber's Federal Finance Sub-Committee in preparing our annual submission to the Finance Minister and the Standing Committee on Finance. **Please complete and fax back to 468-7333 by October 20th.**

## QUESTIONS

- 1) Recognizing that by reducing taxes we would take money away from debt reduction, do you support putting tax reduction ahead of debt reduction as a fiscal priority?  
*(Please circle one)*

yes          no

Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**2) Please rank the following (by numbering them on the left) in order of priority, with 1 being the highest priority:**

- ( ) Debt Reduction
- ( ) Spending Control
- ( ) Personal Tax Relief
- ( ) Corporate Tax Relief
- ( ) Other - please specify \_\_\_\_\_

**3) Assuming the government does proceed to cut taxes in the next five years, what priorities would you place on specific tax cuts? Please rank the following (by numbering them on the left) in order of priority, with 1 being the highest priority:**

- ( ) Cut to personal tax rates
- ( ) Elimination of high income surtax
- ( ) Reduction in EI Premiums
- ( ) Reduction in CPP Premiums
- ( ) Increase Small Business Exemption
- ( ) Increase RRSP limits
- ( ) Other, please specify \_\_\_\_\_

*Editor's note: Federal Finance Sub-Committee Chair Michael Schmid is looking for some additional members with expertise in the areas of taxation and finance. If you are interested, please contact Nancy Conrad at the Chamber office at 468-7111 or Mike Schmid at 468-2688.*

