



Windsor & District Chamber of Commerce

## Federal Pre-Budget Assessment

**February 18, 2003**

As the federal government is set to deliver its budget we are anticipating the Finance Minister John Manley to announce significant spending increases by the federal government. The Windsor & District Chamber of Commerce has always supported a strong fiscal discipline from governments especially in the area of spending. We welcome all federal funds that will help our business community in coping with their expenditures. We strongly support greater transparency, accountability and prudent review of spending programs to ensure that these resources are not being wasted.

More spending on Health Care to improve our publicly funded health coverage makes good business sense and, like all other anticipated spending increases, needs to be done within a balanced budget framework while maintaining a competitive business environment. This growth in spending needs to be sustainable and should not lead to deficits or tax increases.

Our Chamber would further stress the need to relieve the business community and Canadian taxpayers from the already high tax burden. Elimination of Capital Taxes and addressing our personal income tax will be a step in the right direction for the federal government in stimulating growth in our economy. The burden of our debt should also be addressed; the same should be reduced and maintained at a smaller percentage of our GDP.

The following points are the Chamber's recommendations for the federal budget:

- The Windsor & District Chamber of Commerce believes that the Canadian government should not return to deficit financing.
- Federal government debt as a share of GDP should be reduced to 30% (from the current 49.1%) by 2010.
- Our Chamber is expecting to see in the budget that the government is implementing a strategy that will "reallocate funds from programs that have already served their purpose to those that meet the immediate needs of Canadians."
- The government should limit growth in spending to approximately three per cent per annum in order to maintain the real value of government programs to Canadians. The new needs that arise must be accommodated within this budget constraint.

We will also be anticipating progress in the budget in the following priority areas of tax policy:

- Eliminating capital taxes
- Raising the RRSP contribution limits

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- Further reducing Employment Insurance (EI) premiums to get to the break-even level rate (i.e. the level where premiums collected equal the amount required to fund program payouts) as soon as possible. We would like to see the EI operate as a true insurance program respecting its original goal to provide insurance against unintended unemployment.
- Addressing our country's very high marginal personal income tax rates (all income levels).
- Reducing the Air Travelers Security Charge, which is excessive and does not have a clear link between the fees that air passengers are paying and the level of security service they receive.

The Windsor & District Chamber of Commerce believes that by implementing the recommendations we have outlined would ensure that the federal government increasingly plays a positive role in maximizing long-term economic growth. It will ensure a higher standard of living in the future and improve our competitiveness in the international arena.