



Election taxes our patience

Written by Heather Douglas, President & CEO
As published in *Calgary Sun*, Thursday, September 11, 2008

"Tax his land, tax his wage, tax his bed in which he lays.
Tax his tractor, tax his mule, teach him taxes is the rule.
Tax his cow, tax his goat, tax his pants, tax his coat.
Tax his ties, tax his shirts, tax his work, tax his dirt.
Tax his tobacco, tax his drink, tax him if he tries to think.
Tax his booze, tax his beers, if he cries, tax his tears.
Tax his bills, tax his gas, tax his notes, tax his cash.
Tax him good and let him know, after taxes, he has no dough.
If he hollers, tax him more; tax him 'til he's good and sore.
Tax his coffin, tax his grave, tax the sod in which he lays.
Put these words on his tomb, 'taxes drove me to my doom.'
And when he's gone, we won't relax, we'll still be after the inheritance tax."

-- anonymous Norwegian poem

Canada's great election of 2008 should give its citizens pause. There are warning signs this country is drifting towards another fiscal crisis as we grapple with high energy prices, rising unemployment in the East, skilled worker shortages in the West and sagging productivity.

Whom do we want to mind this country's public purse and how do they intend to pay for their vision of Canada's future?

In the 1970s, Canadians supported the creation of a just society. The government launched new social programs and the country adjusted nicely to its (affordable) entitlements -- generous health care, equalization payments and subsidized housing.

Then the first energy crisis hit and the feds borrowed from international bankers to pay the operating bills.

In the 1980s, Ottawa introduced the free-trade agreement, the GST and poured large sums into poorer regions. Politicians realized the national debt had ballooned but were loathe to cut education, health care, or poge. Instead, they introduced 43 new types of taxes and raised personal income taxes from 13% to 20%.

In 1995, Canadians realized this country teetered on bankruptcy. We were shelling out \$100 million daily, 365 days a year, just to pay interest costs, so we supported an aggressive debt and deficit-reduction plan.

During the late 1990s, families were fatigued with the tax load, so the feds cut both spending and taxes, offloading most of its fiscal problems to the provinces.

They retreated from trying to generate employment by letting the business community create more jobs.



In 2008, average Canadians sent about 40% of our yearly incomes to government coffers. This burden is onerous and is a barrier to attracting the best and brightest talent from around the world.

The Calgary Chamber of Commerce believes the next regime must prudently manage the public purse by reducing personal taxes:

- Cut middle-class tax brackets 2% each (from 26% to 24% and 22% to 20%).
- Decrease the highest tax bracket 1% to 29% and increase the income amount at which this applies.
- Raise the personal exemption to \$12,500.

Politicians rightly earmark billions to pay for top-notch educational systems, responsible community policing and comprehensive health care. Citizens cough up the billions needed to provide these services.

Generally, everyone forgets how large a billion is. According to an American ad agency, a billion seconds ago was 1959. A billion minutes ago Jesus lived. A billion hours ago was the Stone Age. A billion dollars ago was only eight hours and 20 minutes, at the rate all parties are promising to ramp up their offerings as they roll out their public policy ideas and how they'll pay for it.

The Chamber applauds a bold, imaginative vision for Canada. We want Canadians to be competitive, productive and prosperous in this new future.

We want a government that minds the public purse. No one wants another painful fiscal crisis.