



## Current Policy Issues Affecting Canadian Business: December 2009

What a difference a year makes. Last December, Canada was facing an international economic downturn compounded by a political crisis the likes of which we had not seen in a generation or more.

Fortunately, MPs listened to the voices of their constituents and got down to the work of governing – and taking the measures needed to help Canada ride out the economic storm – early in 2009. Parliamentarians are to be congratulated for allowing the economic recovery plan to be put in place. As a result, a year after we entered the recession, Canada finds itself experiencing the first signs of at least modest growth, and standing strong compared to much of the industrialized world.

There is still much work to do not only to return us to real economic strength, but also to position Canada to compete successfully in the “new normal” of the global economy. That said, the Canadian Chamber has every reason to believe that, if Parliament can focus on the goal of moving the country forward, we can become stronger in these uncertain times and beyond. We remain committed to working with all parties to lay the public policy foundations for a more successful and prosperous future.

Hon. Perrin Beatty, President and Chief Executive Officer  
The Canadian Chamber of Commerce

### *The Canadian Chamber of Commerce's policy mandate shaped by members' resolutions*

In October, the Canadian Chamber of Commerce concluded its 80<sup>th</sup> Annual General Meeting in Victoria. During this meeting resolutions submitted by local chambers of commerce and boards of trade from across Canada were debated and voted on by accredited delegates. Once approved, these resolutions became policy of the Canadian Chamber for three years. In 2009, delegates endorsed resolutions related to the environment and natural resources, finance and taxation, industry, international affairs, justice, social policy, and transport.

These full texts of these resolutions are available on the Canadian Chamber's website at <http://www.chamber.ca/index.php/en/policy-and-advocacy/C78/>. A member of the Canadian Chamber's policy team would be pleased to discuss one or more of them with you.

Contact: Susanna Cluff-Clyburne, Director, Parliamentary Affairs ([scluff-clyburne@chamber.ca](mailto:scluff-clyburne@chamber.ca) or 613-238-4000, ext. 225)

### *A Canadian Sustainable Energy Strategy*

The energy sector is one of the cornerstones upon which our country was built. What happens in the industry - from rising and falling prices, to increased investments and the development of new technologies - is felt across our economy. To realize the full potential of our investment in the energy sector, it is important to understand those impacts and exploit every opportunity to create jobs and prosperity for all Canadians.

In October 2009, the Canadian Chamber of Commerce released a report entitled *Powering Up Canadian Prosperity*. The paper calls upon energy-industry leaders, energy users and all levels of government to come together to develop a Canadian Sustainable Energy Strategy, one that will ensure Canada has access to a stable, secure and flexible supply of affordable energy now and in the future.

Moving forward, the Canadian Chamber will be championing the need for a Canadian strategy and will be developing a number of follow-up papers building upon issues raised in this report. *Powering Up Canadian Prosperity* is available on the Canadian Chamber's website at <http://www.chamber.ca/index.php/en/policy-and-advocacy/C214/>

Contact: Scott Campbell, Director, Environment and Energy Policy ([scampbell@chamber.ca](mailto:scampbell@chamber.ca) or 416-868-6415, ext. 228)

### *The Economic Edge: It's Canada vs. The World*

Following its Economic Edge '09 conference in October, the Canadian Chamber of Commerce released *The Economic Edge: It's Canada vs. The World*.

This paper lays out what must be done if Canada is to come out of the recession ready to compete in the "new normal". It also includes a compilation of the views of some of Canada's leading CEOs on what our country needs to make us more competitive, including their proposed calls-to-action for government.

The Canadian Chamber has every reason to believe we can succeed even in these uncertain times. Time is short and the challenges are large, but by acting now with a sense of clear purpose, together we can lay the foundations for a more successful and prosperous future.

The report is available on the Canadian Chamber's website at <http://www.chamber.ca/images/uploads/Reports/EconomicEdgePaper09.pdf>

Contact: Tina Kremmidas, Chief Economist, ([tkremmidas@chamber.ca](mailto:tkremmidas@chamber.ca) or 416-868-6415 ext. 222)

### *Harmonized Sales Tax will create economic benefits*

In late November, the Canadian Chamber of Commerce wrote to all federal party leaders, the Minister of Finance, and the opposition finance critics urging them to support legislation enabling the provinces - in this case Ontario and British Columbia - to move forward with sales tax harmonization.

Recognizing the transition to a harmonized sales tax (HST) will inevitably create challenges, the Canadian Chamber highlighted the net economic benefits for Canadian business and Canadian workers stemming from harmonizing sales taxes, including:

- an increase in capital stock,
- improved worker productivity,
- a reduction in compliance and administrative costs by combining paperwork and related efforts into one system instead of two, and
- more competitively prices exports.

The Canadian Chamber concluded that harmonization will help our companies emerge from the economic downturn in a stronger and more competitive position. A copy of the letter can found on the Canadian Chamber's website at <http://www.chamber.ca/index.php/en/policy-and-advocacy/C72/>

On December 4, the government tabled Bill C-62 *An Act to amend the Excise Tax Act* which would enable Ontario and British Columbia to implement HSTs. The Canadian Chamber supports this legislation, which is now being reviewed in the Senate, and urges all parliamentarians to do the same.

Contact: Tina Kremmidas, Chief Economist, ([tkremmidas@chamber.ca](mailto:tkremmidas@chamber.ca) or 416-868-6415 ext. 222)

### *Canadian Chamber urges the federal and provincial/territorial governments to take a balanced approach to retirement savings*

On December 11, the Canadian Chamber wrote to the federal and provincial/territorial finance ministers in advance of their December 17-18 meeting in Whitehorse where the issue of ensuring that Canadians continue to have adequate retirement incomes will figure prominently.

The Canadian Chamber believes that while Canada's current retirement savings system is one of the most robust in the world, there is an opportunity to improve it rather than fundamentally changing it. Canadians' pension needs vary significantly and Canadian businesses need the flexibility to choose retirement savings solutions that fit their business models. Therefore, the Canadian Chamber has recommended that the federal and provincial/territorial finance ministers consider a balanced, competitive approach to retirement savings that includes more private sector options for businesses and employees that focus on improving Defined Contribution pension plans and group RRSPs to make them less costly and easier for small and medium-sized businesses to offer to their employees. The complete text of this letter is available on the Canadian Chamber's website at <http://www.chamber.ca/index.php/en/policy-and-advocacy/C72/>

Contact: Susanna Cluff-Clyburne, Director, Parliamentary Affairs ([scluff-clyburne@chamber.ca](mailto:scluff-clyburne@chamber.ca) or 613-238-4000, ext. 225)

#### *Canadian Chamber of Commerce to host the 2010 G8 Business Summit*

On April 28-29, board chairs and executives from the G8 member countries' most prominent business associations will gather in Ottawa for the fourth G8 Business Summit. Last year's event in Italy witnessed business leaders from the G8 countries reaching consensus on 31 important issues. The signing and release of the Joint Declaration, containing the conclusions and recommendations of the G8 business leaders, is a key part of the event and will subsequently be presented to the G8 Heads of Government to aid their preparation for the G8 Leaders Summit in June.

A roundtable on the important Canada-EU Comprehensive Economic Partnership Agreement negotiations will immediately precede the Summit.

More details will follow as the agenda is finalized. We hope that parliamentarians will plan to attend all or most of the Summit.

Contact: Anne Argyris, Director, G8 Business Summit ([aargyris@chamber.ca](mailto:aargyris@chamber.ca) or 613-238-4000, ext. 223)

#### *Innovation and intellectual property protection*

Under the auspices of the Canadian Chamber of Commerce, the Canadian Intellectual Property Council (CIPC) has been very active in 2009 pushing for policy and legislative changes to Canada's intellectual property rights system. We have held forums and released a policy paper on the future of intellectual property rights in Canada. We have met with many parliamentarians to discuss Canada's intellectual property situation and what can be done to improve it.

And we have also worked closely with the Canadian Intellectual Property Office to make more businesses aware of their intellectual property rights and avenues to exploit them. The CIPC was pleased that the government took a small step forward to better protect intellectual property rights by allowing the proceeds of crime derived from copyright offences to be seized.

However, two significant legislative gaps still remain. Canadian businesses need an up-to-date and effective copyright bill. The government also needs to take action to ensure that counterfeit goods at Canada's borders and gateways are subject to search and seizure, an authority that the Canada Border Services Agency presently lacks. By addressing these two intellectual property issues, the government will take the essential step of assuring businesses in Canada and around the world that it takes the protection of Canadians and Canadian businesses intellectual property seriously. Given that our future is directly tied to our knowledge-based industries, this step is long overdue.

Contact: Chris Gray, Director - Canadian Intellectual Property Council, ([cgray@chamber.ca](mailto:cgray@chamber.ca) or 613-238-4000 ext. 251)