

# CANADIAN BUSINESS AGENDA



May-June 2007

*A monthly update from the Canadian Chamber of Commerce on policy issues affecting Canada's business sector*

*The Canadian Chamber of Commerce has been Canada's Voice of Business™ since 1925. Through our network of local chambers of commerce and boards of trade, at least one in every federal riding, we represent over 170,000 businesses. The Canadian Business Agenda is designed to keep you informed of business issues on a monthly basis. Please contact us on any issue in this newsletter that is of interest to you or your constituents.*

## *Canada Needs to Practice at Home What We Preach Abroad*

At its recently-concluded meeting in Mont-Tremblant, Quebec, the board of directors of the Canadian Chamber of Commerce made a renewed plea for the liberalization of trade among Canada's provinces and territories as the Committee for Internal Trade met in St. John's, Newfoundland. Canadian Chamber Executive Vice President Michael Murphy presented the views of the business sector in St. John's. This is the first time, to our knowledge, that a private sector representative has been invited to address the Committee for Internal Trade.

It is important that Canada make changes to its policies - specifically trade, investment and labour mobility barriers among provinces and territories - that will promote entrepreneurship and enable businesses to prosper and flourish in Canada, establishing them as competitive players in the international marketplace. Canadian businesses need to operate in a domestic environment that allows them to grow to the point where they can compete internationally.

The *Agreement on Internal Trade* (AIT) was signed in 1994. While the inadequacies of the AIT have left many holes in designing a more efficient Canadian marketplace, the *Trade, Investment and Labour Mobility Agreement* (TILMA), signed by the provinces of British Columbia and Alberta, has started to address those shortcomings. The Canadian Chamber lauded this development and some estimates show that the TILMA will add \$4.8 billion to the GDP and result in the creation of 78,000 jobs between the two provinces.

## *Canadian Chamber Welcomes Public Safety Committee Report on Counterfeiting and Piracy*

The Canadian Chamber is very encouraged by the report recently released by the House Public Safety and National Security Committee (SECU) entitled *Counterfeit Goods in Canada - A Threat to Public Safety*. This committee has listened to the concerns of business organizations determined to eliminate unsafe counterfeited goods from the Canadian marketplace. The Canadian Chamber of Commerce is cited throughout the report with the SECU Committee agreeing with the Chamber's views that major changes need to take place.

Fourteen specific recommendations have been put forward by the SECU Committee, including: that the minister of public safety be the lead minister on the file; that CBSA officials should be allocated the power (and needed resources) to search and seize suspected counterfeit goods at border points; that the *Trademarks Act* and the *Copyright Act* be updated to formally prohibit the importation of counterfeit goods in Canada; that the government undertake a public awareness campaign and that the interdepartmental working group on intellectual property report to the minister of public safety before October 2007.

The Canadian Chamber appreciates the SECU Committee's work on this issue and looks forward to the government's response and action in the fight against counterfeiting and piracy.

The Canadian Chamber of Commerce has been very active on the fight against counterfeited and pirated goods. The Chamber has worked very closely with the Canadian Anti-Counterfeiting Network to develop *A Road Map for Change*, a comprehensive document that details the extent of the problem of counterfeiting and piracy in Canada and presents tangible solutions for the government. The Canadian Chamber fully endorses this paper and it is posted on our Web site for your review at [http://www.chamber.ca/cmslib/general/Roadmap\\_for\\_Change070507.pdf](http://www.chamber.ca/cmslib/general/Roadmap_for_Change070507.pdf).

*The Canadian Chamber of Commerce is Canada's leading business organization speaking on behalf of a strong, diverse network of 170,000 members. Our membership of local chambers of commerce, boards of trade, associations and corporations, represents businesses of all sizes and sectors, in every federal riding across Canada.*

### ***Replacement Workers Bill Resurfaces***

Earlier this year, Bill C-257, *An Act to amend the Canada Labour Code (replacement workers)* was defeated on the floor of the House. Shortly thereafter a reworked bill, C-415, was brought back onto the floor as a private member's bill by Liberal MP Mario Silva. The bill attempts to ban the use of replacement workers in federally regulated industries. C-415 – *An Act to amend the Canada Labour Code (replacement workers)* was ruled votable by the Committee on Procedure and House Affairs despite it being substantially similar to Bill C-257.

Bill C-257 was ultimately rejected because it did not contain any provisions to ensure the protection of “essential services” in the event of a work stoppage. Bill C-415 attempts to address this issue by ensuring the operation of facilities or production of goods to the extent necessary to prevent an immediate and serious danger to the safety or health of the public. However, such a narrow scope does not take into account services that are essential to Canada and its economy.

Industries under federal jurisdiction are such because they are, in fact, essential. For example, Parliament recognized earlier this year that CN provides an essential service and thus legislated an end to their work stoppage. Using another example, if a work stoppage were to occur in the telecommunications industry and data transmission lines failed, the banks' ability to settle domestic and international financial transactions would be seriously disrupted, damaging the confidence other countries have in Canada, in addition to the crippling effect it would have on domestic financial services.

The Chamber continues to work at defeating this bill due to its detrimental potential for Canada's economy in the event of a strike.

### ***Government Response Positive to Industry Committee's Manufacturing Report***

On May 29<sup>th</sup>, the federal government released its response to the recommendations from the House of Commons Industry Committee's report on manufacturing (released in February). Industry Minister Maxime Bernier noted that the government responded to all 22 recommendations that covered taxation, energy, labour, intellectual property rights protection, regulatory, infrastructure, research, development and commercialization policies. The government's response to many of the recommendations had been previously announced in *Budget 2007* as well as in the recently released science and technology strategy.

The Canadian Chamber is pleased that the government has addressed and endorsed the recommendations in the Industry Committee's report, particularly with regard to: accelerating

capital cost allowance; committing to improving the SR & ED tax credit program; strengthening and modernizing Canada's intellectual property rights regime; working to better assess foreign credentials; committing to review the Canada Student Loans Program (changes will be announced in *Budget 2008*); examining free trade agreements with South Korea and countries in Europe and reviewing overall trade policy remedies; ensuring Canada is a “best-in-class” regulator and continuing to work with the provinces on labour mobility; reiterating support for efficient border crossings and committing to developing a new crossing between Windsor-Detroit; and supporting the Expert Panel on Commercialization's recommendations and support and funding for the Networks of Centres of Excellence.

### ***Canadian Chamber Submission on SPP Priorities***

Earlier this month, the government of Canada requested input on industry priorities for Canada – U.S. in the context of the *Security and Prosperity Partnership* (SPP) initiative. In its submission to the government on May 25<sup>th</sup>, the Canadian Chamber strongly advocated the need for further work to be done on the following: developing a border contingency plan; making improvements to border infrastructure (in particular the Detroit-Windsor crossing, the Belleville International Terminal, and the Lacolle-Champlain crossing); working on regulatory cooperation with the United States and making improvements in Canada's intellectual property protection regime.

#### ***We'd like to you hear from you!***

We've been producing the *Canadian Business Agenda* for six months now - we hope that you've found it an informative piece delivered monthly to your e-mail inbox from the Canadian Chamber of Commerce - the *Voice of Canadian Business*.

Due to summer holidays - yours and ours - we will be putting the *Canadian Business Agenda* on summer hiatus. We'll return in September when business resumes in the House.

In the meantime, if you have comments or concerns you'd like to share with us about issues within this *Business Agenda* or other issues business-related, please feel free to contact us. Our contact information is noted below.

#### **Please note that as of June 15th, we'll be located at:**

**360 Albert Street, Suite 420  
Ottawa, ON K1R 7S8 (613) 238-4000**

**For more information on the  
Canadian Chamber of Commerce & our policy initiatives,  
consult our Web site at [www.chamber.ca](http://www.chamber.ca) or  
contact Chris Gray, [cgray@chamber.ca](mailto:cgray@chamber.ca),  
(613) 238-4000, x251**