

**Presentation to the House of Commons
Standing Committee on Finance**

**Speaking Notes for
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Thank you, Mr. Chair. My name is Shirley-Ann George and I'm Senior Vice President of Policy at the Canadian Chamber of Commerce. With me today is our Chief Economist, Tina Kremmidas. It gives us great pleasure to come before the House of Commons Standing Committee on Finance to present the views of the Canadian Chamber of Commerce as you proceed with pre-budget consultations.

As many of you know, the Canadian Chamber is the largest and most influential advocate for business in Canada. Our network is firmly rooted in the main streets of virtually every community in the country, representing 175,000 members of all sizes, in all sectors of the economy, and in all regions. On behalf of our members, we are very pleased to have provided you with a copy of our submission.

I want to turn now to my colleague, Tina Kremmidas, to make a few opening remarks for your consideration before the discussion begins.

Thank you, Mr. Chair, and good morning to the members of the Committee. Canada's economy appears to be moving away from one of the most difficult and challenging setbacks of our lifetime. While the recession may

technically be over, the road to recovery is expected to be gradual and long, with economic uncertainty and market volatility remaining high, especially in the short- to medium-term. In light of this, it is imperative that the government continue with its ongoing efforts to implement the announced stimulus measures promptly and effectively. Concerted effort is needed by all levels of government to ensure committed funds get out the door. Restoring and maintaining confidence, growth and jobs should remain the government's top priority.

Second, we must chart a path back to fiscal discipline. Big government deficits are back federally and provincially. Rising debt and interest burdens will reduce our ability to act in areas that are crucial to our long-term competitiveness – in particular, tackling high marginal personal income tax rates, meeting the challenges posed by an aging population, and investing in education and skills training. I'm sure you would agree that we cannot run deficits indefinitely without eroding our competitive standing, productivity and future prosperity.

The one point we would like to stress today is that in order to build confidence in the future, the government must present Canadians with a

viable plan on how it will balance its books and avoid structural deficits. Repairing federal finances will not be achieved overnight. It will require significant program spending restraint, and a fresh look at programs, like Employment Insurance, to ensure they are designed to maximize long-term growth, and minimize labour market distortions. We must commit to dedicating surpluses (once balanced budgets are achieved) to repay deficits accumulated since fiscal 2008-09 so the federal debt does not rise further. Finally, we must avoid raising taxes – a move that would weaken our global competitiveness.

Besides doing whatever we can to mitigate the severity of the downturn and speed recovery, the government must ensure Canada's economy remains internationally competitive over the long term. It must focus on building the most skilled and competitive workforce in the world; eliminating internal barriers to trade and mobility; creating new market opportunities for Canadian companies; implementing the Competition Policy Review Panel's recommendations with respect to the *Investment Canada Act*; establishing a Canadian strategy that reconciles our need for secure and affordable energy with our desire for a clean and healthy environment; eliminating overlapping regulations; ensuring the coordinated and timely maintenance

and development of our border resources to meet the commercial and security needs of the Canada-U.S. relationship, and make Canada a competitive gateway for North America; developing and implement an objective-based National Transportation Strategy that embodies a North American vision; and championing a strong intellectual property rights regime. It is imperative that the government not lose sight of these longer-term issues.

Preserving the public's trust in the sustainability of public finances is essential. This is why it is imperative that you ensure we take the needed measures to avoid structural deficits. It is also essential that we implement smart policies that promote work, saving and investment, encourage entrepreneurship, stimulate technological progress, boost productivity and economic growth, and enhance our long-term competitiveness. While we keep an eye on reviving the economy, we must focus on the long term, and implement policies with an eye on the future.

We wish the House of Commons Standing Committee on Finance every success as it conducts pre-budget consultations. Thank you for your attention and we would be pleased to answer any questions you may have.