

January 23, 2009

Hon. Diane Finley, P.C., M.P.
Minister of Human Resources and Skills Development
140 Promenade du Portage
Gatineau, QC K1A 0J9

Dear Minister:

In October, the Canadian Chamber of Commerce concluded its 79th Annual General Meeting (AGM) in Quebec City. One of the highlights of Chamber's AGM is the Policy Session. It is during the Policy Session that resolutions submitted by local chambers of commerce and boards of trade from across the country are debated and voted on by accredited delegates. Once approved, these resolutions become the policy position of the Canadian Chamber of Commerce for three years. This year our delegates issued a clear and decisive national policy mandate that we intend to pursue vigorously with the federal government over the coming months.

Beyond those issues we have already brought to your attention, our renewed national policy mandate includes a number of additional issues that fall within your portfolio.

Encouraging Mature Workers' Participation in the Labour Market by Amending the Canada Pension Plan: The Canadian Chamber asks the federal government to continue to review the net income thresholds for retirement and pension income and, in so doing, apply more than one measure, e.g., the Average Industrial Wage Index, in addition to the Consumer Price Index. We also ask the government to increase the earning exemption for Guaranteed Income Supplement (GIS) benefits and reduce the percent claw-back; maintain the full Age Credit amount for net income below \$66,692; eliminate the requirement to start and stop CPP applications within six months allowing individuals who choose to keep working after they have applied for benefits to collect CPP payments without penalty and to roll funds into an RSP until age 71; allow individuals aged 60 and older to freeze their benefit level at their maximum; and establish a top up amount for the surviving spouse when both individuals are receiving maximum CPP payments.

Temporary Immigrant Work Permits: We urge the federal government to alleviate the shortage of technically/professionally trained workers by increasing the number of temporary work permits allocated and ensuring that permits are allocated to sectors and positions where demand is strong and domestic (national, provincial/territorial, local) supply is inadequate.

Developing a Skilled Workforce for a Globally Competitive

Value-Added Products Industry: There is a shortage of highly trained workers and competitive technology in Canada's secondary manufacturing industry. The Canadian Chamber asks the federal government to work with local, provincial and territorial governments to identify leading edge research, development, technology and innovation initiatives and link information from those initiatives to current and new industries in the value-added products sector.

The Role of Taxation in Enhancing Canada's Productivity Through Encouraging Skills and Training for Small Business:

A number of recommendations were put forward at our Annual General Meeting to utilize the tax system to encourage training and skills development. These recommendations include: providing a tax credit to firms that provide training as part of the federally accredited training program; increasing the Federal Apprenticeship Job Creation Tax Credit to match the highest provincial apprenticeship tax credit; providing an immigrant Workforce Investment Tax Credit to employers who hire and provide job specific language training to an immigrant for their first job in Canada in their field; and developing a mechanism that provides an increased level of tax credit for small and medium sized businesses. The full text of these resolutions is attached and we would be pleased to discuss them with you.

Sincerely,



Perrin Beatty
President and CEO

cc: Mr. Ed Kormarnicki, Parliamentary Secretary to the Minister of Human Resource and Skill Development and the Minister of Labour
Ms. Janice Charette, Deputy Minister – Human Resources and Skills Development

Attachments

Minister
of Human Resources and
Social Development

Ministre
des Ressources humaines et du
Développement social

Ottawa, Canada K1A 0J9

Mr. Perrin Beatty
President and Chief Executive Officer
Canadian Chamber of Commerce
Ottawa Headquarters
420-360 Albert Street
Ottawa, Ontario
K1R 7X7

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Dear Mr. Beatty:

On January 27, 2009, the Minister of Finance delivered the 2009 Federal Budget, Canada's Economic Action Plan. As Minister of Human Resources and Skills Development, I would like to highlight the measures in the Budget that relate to my portfolio or that may be of interest to you.

The Budget reflects a comprehensive plan to help meet our current challenges and create much-needed economic stimulus and support to Canadians. The Budget is investing in people, knowledge infrastructure and post-secondary education through funding to facilities, targeted support to cutting-edge research and increased scholarships for students. To help vulnerable Canadians, the Budget commits significant resources for a wide range of housing supports and tax relief for families and low- and moderate-income Canadians, as well as seniors.

Canada Skills and Transition Strategy

This Budget reflects the Government's commitment to helping Canadians transition through tough economic times by providing a timely and unprecedented investment of \$8.3 billion for the Canada Skills and Transition Strategy. This is a two-year action plan for Canadians, unemployed workers and their families with income support for the jobless and skills development for a range of needs.

Strengthening Benefits for Canadian Workers

A major feature of the Canada Skills and Transition Strategy is to enhance income support for Canadians facing job loss while they secure new jobs. This includes enhancements to the Employment Insurance (EI) Program over a two-year period, beginning in 2009-2010, that will provide support for various needs.

We will make available nationally the five weeks of extended EI benefits that have previously been available through a pilot project only in regions with the highest unemployment, and we

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will increase the maximum regular income benefit duration to 50 weeks from 45 weeks, at an estimated cost of \$1.15 billion over two years. To facilitate re-employment and encourage training among unemployed long-tenured workers, EI income benefits will be extended under Part 1 for those eligible workers pursuing longer-term training, and earlier access will be granted to benefits for those pursuing training purchased using all or part of the income received as a result of a lay-off. To help employers and workers avoid lay-offs, where possible, the federal Work-Sharing program will be temporarily enhanced by extending the duration of work-sharing agreements to 52 weeks and relaxing the eligibility criteria for work-sharing agreements by easing the expectations of employers' recovery plans.

The Government is also committed to ensuring timely and efficient delivery of EI benefits, while making certain that the EI account is managed transparently. Furthermore, to reduce the burden on employers and employees, EI premiums for 2010 will be frozen at the same rate as 2009, providing a projected stimulus of \$4.5 billion relative to break-even rates over these two years.

To further protect workers from non-paying employers following bankruptcy, the Wage Earner Protection Program will be extended to cover severance and termination pay owed to eligible workers to the current maximum of four weeks of insurable earnings. In addition, I will be establishing an expert panel to consult Canadians on how best to provide self-employed Canadians with access to EI maternity and parental benefits.

Enhancing the Availability of Training

The second major element of the Canada Skills and Transition Strategy is to enhance the availability of training. Skills development is one of the key ways in which Canadians can secure good jobs in the short term, while building resiliency and a globally competitive economy in the long term.

Budget 2009 commits \$1 billion over two years, in addition to the current funding of \$1.95 billion annually, to expand the availability of training delivered through the EI program by provinces and territories. This will provide training and support measures for an additional 100,000 workers who are eligible for EI. We will also provide \$500 million over two years for a Strategic Training and Transition Fund to meet the different training needs of an additional 50,000 workers, whether they are eligible for EI or not. Because the impact of industrial adjustment is not uniformly distributed across the country, both investments will be allocated based on each jurisdiction's share of unemployed persons.

During the economic downturn, there are particular challenges for older workers in communities that rely on a single employer or industry facing difficulty. That is why the Government of Canada will continue to support older workers as they adapt to a changing economy. The

Government will increase funding to the Targeted Initiative for Older Workers by \$60 million over three years, and expand the number of eligible communities to include vulnerable cities with populations of less than 250,000.

It is also important to enable Aboriginal peoples to benefit from economic opportunities and secure skilled jobs in and around their communities. To this end, we are providing an additional investment of \$100 million in the Aboriginal Skills and Employment Partnership program that matches skills and jobs with real economic opportunities, and \$75 million for a new Aboriginal Skills and Training Strategic Investment Fund to strengthen partnership- and results-based skills training needs. Budget 2009 further commits \$25 million for 2009–2010 to maintain current Aboriginal Human Resources Development Strategy funding until a new successor program is put in place.

The Government also recognizes that there is a shortage in the skilled trades which is expected to continue, and we are therefore implementing a \$2,000 Completion Grant for those completing a Red Seal Trade apprenticeship program, estimated to benefit 20,000 apprentices per year at a cost of \$40 million.

To provide valuable job opportunities to students, we will contribute an additional \$20 million over two years to Canada Summer Jobs Program for not-for-profit sector jobs, as well as \$20 million over two years for federal public service employment programs. In addition, a one-time \$15 million grant to the YMCA and YWCA will be awarded for youth internships in not-for-profit sector jobs, with a focus on environmental projects.

Canada's future prosperity will be affected by the ability of employers to harness the skills of newcomers and reduce the barriers to their participation in the labour market. As announced prior to Budget 2009 at the First Ministers Meeting, the Prime Minister and Premiers agreed to work on a common framework to recognize foreign credentials by September 2009 and to ensure immigrants can quickly integrate into the Canadian labour market and put their valuable skills to work. The Budget provides \$50 million over two years to support this on-going work.

Investments in Knowledge Infrastructure and Post-Secondary Education

As part of the economic stimulus focus of the Budget, infrastructure investments were announced, including knowledge infrastructure. Up to \$2 billion will be allocated to colleges and universities to repair, retrofit and expand facilities. This will not only ensure that additional capacity is available to meet the needs of Canadians seeking training and skills upgrading now, but will also help meet the evolving needs of students and researchers well into the future. Moreover, these investments will create jobs in construction and related occupations to expand and modernize learning facilities.

An additional investment of \$750 million will be directed to leading-edge research infrastructure through the Canada Foundation for Innovation. The Budget also provides \$87.5 million in funding to the federal granting councils to temporarily expand the Canada Graduate Scholarships program, which supports Canada's top graduate students, and which will provide for an additional 500 doctoral scholarships and 1,000 master's scholarships.

Housing Investments

The Government is providing a total of \$7.8 billion through Budget 2009 to improve housing quality, stimulate construction, encourage home ownership and enhance energy efficiency. Measures include a Home Renovation Tax Credit providing up to \$1,350 in tax relief to an estimated 4.6 million Canadian families, a First-Time Home Buyers' Tax Credit that will provide up to \$750 in tax relief for first-time home buyers, increased withdrawal limits under the Home Buyers' Plan and funding to support an estimated 200,000 additional home retrofits through the ecoENERGY Retrofit program.

In September 2008, we announced more than \$1.9 billion for housing and homelessness programs over the next five years. Budget 2009 provides over \$2 billion over two years in additional support to build new and retrofit existing social housing. Of this total, \$1 billion will go to renovations and energy retrofits for up to 200,000 social housing units on a 50-50 cost-shared basis with provinces. Specifically, we are continuing to support vulnerable groups through investments of \$475 million in new social housing for seniors and persons with disabilities, and funding of \$600 million to build new social housing and retrofit existing social housing in First Nations, Inuit and Métis communities and in Canada's north.

To address the challenges faced by municipal governments, Budget 2009 makes available up to \$2 billion over two years in low-cost loans to municipalities through the Canada Mortgage and Housing Corporation. These low-cost loans will significantly decrease the cost of borrowing for municipalities, and can be used by them to fund their contribution for cost-shared federal infrastructure programming.

Tax Relief for Low- and Moderate-Income Canadians

A number of significant tax measures will provide personal income tax relief to Canadians and low- and moderate-income families for 2008–2009 and beyond. About one-third of the tax relief in 2009 will go to Canadians with incomes under \$41,000. These measures include increasing the basic personal amount and the top of the two lowest personal income tax brackets by 7.5% above their 2008 levels, effective January 1, 2009. The Government is also raising the income level at which the Canada Child Tax Benefit and the National Child Benefit supplement are phased out, providing increased benefits for families with children. The support provided by the Working Income Tax Benefit, a refundable tax credit that supplemented the earnings of about 1 million low-income workers in 2007, will be effectively doubled. Additional tax relief includes the Age Credit amount for seniors, which will be increased by \$1,000, providing tax savings to about 2.2 million seniors in 2009.

Pensions, Financial Literacy and Other Measures for Persons with Disabilities

The Government will help to address issues facing federally regulated private pension plans by consulting on the legislative and regulatory framework for these plans, with a view to making permanent improvements before the end of 2009. Furthermore, the Government will assist the Office of the Superintendent of Financial Institutions in providing further pension funding flexibility while ensuring continued pension plan member protection.

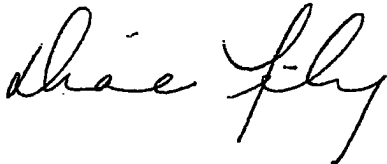
The Government will help consumers build their financial literacy, in part by establishing an independent task force that will make recommendations to the Minister of Finance for a cohesive national strategy on financial literacy. The task force will be created by spring 2009 and consist of representatives of the business and education sectors, volunteer organizations and academics, and will be supported by a federal secretariat.

The Budget confirms the Government's intention to extend the 2008 deadline for Registered Disability Savings Plan contributions to March 2, 2009. A greater number of individuals will therefore be able to benefit from assistance in saving to financially support a child with a severe disability. It is also proposed that the First-Time Home Buyers' Tax Credit be made available to existing homeowners in respect of a more accessible or functional home purchased by an individual eligible for the Disability Tax Credit (DTC), or for the benefit of a DTC-eligible person who is related to the individual purchasing the home. The Budget also commits to improving the accessibility of federally owned buildings for Canadians with disabilities, for example, through the installation of tactile signs.

These extraordinary Budget measures will help Canadians in the hardest-hit sectors, communities and regions to weather the current economic downturn, while also laying the foundation for future resiliency.

For more information on Budget 2009, I invite you to consult the Government's Budget Web site at www.budget.gc.ca. You may also wish to consult the Web site of the Department of Human Resources and Skills Development at www.hrsdc.gc.ca in the near future for related information on Budget measures. I look forward to working with you in the coming months on these important initiatives and to supporting Canadians during these challenging times.

Yours sincerely,



The Hon. Diane Finley, P.C., M.P.