



Policy Issues Affecting Canadian Business: January 2011

In November, the Canadian Chamber of Commerce asked its members to identify their public policy priorities for 2011. The issues that topped their list include economic and fiscal policy, energy and the environment, Canada - U.S. relations and trade, international trade, transportation, innovation, and skills and training. While the list of priorities is long, the Canadian Chamber's mission is to advance a business agenda that encourages growth and promotes prosperity for all Canadians.

For our members this means creating a business climate that gives businesses the tools they need to be competitive at home and abroad. We look forward to working with all parliamentarians in 2011 to do just that. Improving our competitiveness will, in turn, provide more high quality jobs for Canadians and government revenues to help balance our fiscal books and fund the programs our citizens require.

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

Canadian Chamber lays out its position on the direction of the 2011 federal budget

In November, Canadian Chamber President Perrin Beatty appeared before the House of Commons Standing Committee on Finance to take part in pre-budget consultations. He emphasized the short- and long-term challenges confronting Canada and stressed the need for a strategic approach to balancing the federal budget over the medium-term. Recognizing that the next budget will not be one of big new spending, Mr. Beatty proposed a number of non-spending initiatives to help create jobs and raise the economy's long-term growth potential. The Canadian Chamber's policy paper [Fiscal Policy for a Stronger Tomorrow](#) provides more details.

Local chambers and boards of trade from across Canada also appeared before the Committee - and expressed their views online - to help shape the next federal budget and fiscal agenda.

The Canadian Chamber welcomed the government's announcement that it is proceeding with public consultations on the taxation of corporate groups. We have had a long-standing position on the need for a more formalized system of loss transfers or other form of consolidated reporting. Such a system would reduce administrative and compliance costs, increase cash flow and make Canadian businesses more competitive. We will work closely with our corporate members in early 2011 to make a formal submission to Finance Canada.

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A more productive Canada-U.S. partnership

On December 7, the Canadian Chamber released [*Strengthening Our Ties: Four Steps Toward a More Successful Canada-U.S. Partnership*](#). This paper outlines how Canada's economic relationship with the U.S. has become strained in recent years and highlights four areas where greater attention is needed. Notable progress in trade, the border, regulatory policies, energy security and the environment would usher in a new era of economic prosperity for both countries.

Canadian businesses are eager to deepen and strengthen our relationships with the U.S. This is not surprising since Canada's competitiveness is directly linked to the strength of our relationship with the U.S., our largest trading partner.

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Making Aboriginal and non-Aboriginal business partnerships more productive

On December 14, the Canadian Chamber of Commerce released [*Ready for business: Canada's Aboriginal and Non-Aboriginal businesses as equal partners*](#). This policy paper examines the challenges and opportunities Canada's Aboriginal and non-Aboriginal businesses face as they work together and offers recommended actions to make their relationships more productive.

This paper was inspired by policy resolutions adopted at the Canadian Chamber's 2008, 2009 and 2010 annual general meetings that make it clear that Canadian businesses value their relationships with their Aboriginal partners and believe addressing some key issues would make their relationships more productive. In addition to Canadian Chamber policy resolutions, the content of this paper was derived from input from our members and other stakeholders, who told us that businesses also have a responsibility to work harder to improve their relationships with their Aboriginal partners.

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Providing creditor protection to Defined Benefit pensions and long-term disability benefits would cause unintended harms

The Canadian Chamber and its members understand the devastating impact a bankruptcy can have on pensions and long-term disability benefits. However, we oppose legislation currently before the House of Commons which would grant creditor protection to pensions and disability benefits, because it would undermine the financial structure of existing companies. It would also seriously impede employers' ability to access affordable capital. For some, their financial health and stability would be jeopardized. This would be most seriously felt by companies who are in a weak financial position and need access to affordable capital the most.

The best protection for employee pensions is financially-healthy employers. Measures that aim to protect pensions, but result in compromising the financial health of employers would be dangerous.

The Canadian Chamber encourages parliamentarians to look at another approach. That approach is for the government to work with the provinces and territories to enact legislation that would permit the movement of the assets of pension plans, sponsored by companies that are facing bankruptcy and about to be wound up, to the Canada or Quebec Pension Plans for administration. This would provide plan members with the opportunity to regain some of their plans' solvency shortfalls, rather than facing the prospect of their plans' assets being frozen with no opportunity for growth. We are encouraged to see that the Ontario government has announced this approach for Nortel pensioners.

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Bill C-469 is unnecessary and would lead to increased litigation, investment uncertainty

Bill C-469, *An Act to Establish a Canadian Environmental Bill of Rights*, is being studied by the House of Commons Standing Committee on Environment and Sustainable Development. The Canadian Chamber opposes this Bill and appeared before the Committee on November 15th to express our concerns. The bill would fundamentally change the nature of environmental protection by allowing any person or organization to challenge any project, regulation, ruling or license in court, if they feel it has significant environmental implications. Clearly this approach would increase uncertainty, usher in endless litigation and scare away foreign investment. Currently, the federal government has broad discretion as to how to balance the needs of the environment with other societal needs and concerns. This Bill would take away that discretion and permit the courts to continuously challenge the decisions made by a government or even Parliament. The Canadian Chamber is very concerned that this Bill would, in effect, turn the federal court system into an Environmental Protection Agency.

Contact: Scott Campbell, Director Energy and Environment Policy (scampbell@chamber.ca or 416-352-8530).

Bill C-452 is redundant and raises concerns regarding due process

The Canadian Chamber has reviewed Bill C-452, *An Act to amend the Competition Act (inquiry into industry sector)*, which proposes to amend the *Competition Act* to permit the Commissioner of Competition to commence an inquiry “where grounds exist for the making of an inquiry into an entire industry sector”. The Canadian Chamber opposes this Bill. The Commissioner of Competition already has sufficiently broad enforcement powers to carry out her mandate under the Act. Also, a broadly-worded industry sector inquiry power raises serious questions relating to due process and compliance costs for business. There is no reason to believe that the existing powers of the Commissioner are insufficient to permit her to carry out her mandate. Finally, members of the Canadian Chamber remain concerned about the cost of responding to broad sector inquiries, given the extent of the Commissioner’s compulsory evidence gathering powers upon inquiry.

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