



Current Policy Issues Affecting Canadian Business: September 2009

Canada's national, provincial and territorial chambers of commerce are not waiting to find out whether those who say the recession is over are correct. We continue acting to remove barriers to businesses getting through the current economic downturn and to lay the groundwork for a stronger, more competitive, Canada post-recession.

A recent example is the communiqué¹ co-signed by the Canadian Chamber and nearly all of the provincial/territorial chambers of commerce to the Council of the Federation members in advance of their Regina meeting. Together, we asked Council of the Federation members to work with their federal counterparts to address three issues that are critical to Canada emerging from the recession stronger and more competitive. These issues – U.S. protectionism, an enhanced economic partnership with the European Union and removing inter-provincial/territorial barriers to trade, investment and labour mobility – need to be tackled quickly and effectively to meet Canada's, and Canadians', current and long-term economic needs.

It was important for our political leaders to know that Canada's business community is united in its focus on what is needed to get the country through - and out of - the recession. Our expectations of our political leaders are high. We stand united in our willingness to work with them to deliver the results on these issues that our businesses – and all Canadians – need.

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

The Canadian Chamber expresses employers' views to the Employment Insurance (EI) Working Group

On July 21, the Canadian Chamber of Commerce contacted the EI Working Group members to express its views on their mandate and on the need for long-term reform of the EI Program. Our perspectives were outlined in our policy paper *Reforming Canada's Employment Insurance (EI) Program*².

¹ The communiqué is available at
<http://www.chamber.ca/images/uploads/Letters/joinChamber310709.pdf>

² This paper is available at
http://www.chamber.ca/images/uploads/Reports/Updated_Reforming_Canadas_Employment_System20-07-09.pdf

Canada's employers paid \$10 billion in EI premiums in fiscal 2008-09; 58 percent of the total collected. The importance to Canadian business of any additional changes to EI – particularly those that would add cost to the program – cannot be overstated. EI is a payroll tax and a tax on jobs. Changes that would add even more cost to EI could have the unintended consequence of not only curtailing new hiring, but of causing employers to lay off staff, exacerbating our economic/employment crisis, rather than improve conditions for workers.

Our proposals would streamline the EI Program, rejuvenate its insurance role, and reduce overall employment costs. They would enhance the competitiveness of Canadian business and, as a result, the country.

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

'Buy American' waiver would speed up economic recovery in Canada and the U.S.

The Canadian Chamber of Commerce applauds the leadership shown by the government in forwarding an offer to the United States' government to lock-in U.S. access to Canada's procurement markets in exchange for a waiver from 'Buy American' provisions in U.S. economic stimulus legislation.

The 'Buy American' provisions in the U.S. stimulus package have blocked Canadian companies from bidding on billions of dollars of state and municipal public procurement projects.

The Canadian Chamber supports a rules-based procurement deal with the United States that keeps our markets open. With \$1.6 billion in daily two-way trade and 7 million U.S. jobs - and 3 million in Canada - dependent upon Canada-U.S. trade, both countries need to work together to come out of the current economic downturn stronger and more competitive. The agreement put forward by the Canadian government would create jobs, get stimulus money moving, and speed up the economic recovery in Canada and the U.S.

Contact: Ryan Stein, Director, International and Transportation Policy, (rstein@chamber.ca or 613-238-4000 ext. 250)

Government urged to remain vigilant in restoring economic growth, confidence and jobs

In its pre-budget submission to the *House of Commons Standing Committee on Finance*, the Canadian Chamber of Commerce urged the government to remain vigilant in its efforts to restore economic growth, confidence, and jobs. A concerted effort is needed by all levels of government to ensure committed fiscal stimulus funds get out the door.

The up-front cost of these measures, combined with slower revenue growth, has resulted in a significant deterioration in the government's fiscal position. A string of deficits is projected both in the near- and medium-terms. The Canadian Chamber called on the federal government to present Canadians with a viable plan on how it will balance its books and avoid long-term structural deficits. Rebalancing the government's books sooner rather than later is imperative to regaining the fiscal flexibility needed to tackle areas that are crucial to our long-term competitiveness – in particular, high marginal personal income tax rates (especially as they apply to individuals with modest incomes), and the challenges posed by an aging population.

The government must also address long-standing structural impediments that negatively affect the operation of markets, and the capacity of businesses to operate efficiently. This entails removing all internal barriers to trade and mobility, eliminating overlapping regulations, minimizing tax administration and compliance costs, and tackling the issues that impede Canadian market access opportunities internationally.

The Canadian Chamber's pre-budget submission is available at <http://www.chamber.ca/images/uploads/Reports/Submission-Pre-Budget0809.pdf>

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

Copyright reform is long overdue

The Canadian Chamber was pleased to participate in a copyright reform consultation with Industry Minister Tony Clement on July 21. This provided an opportunity for the Canadian Chamber to present its views on reforms to copyright and intellectual property rights.

Reform is long overdue. Canada's *Copyright Act* must align with international standards and today's technology. The Canadian Chamber supports some of the key principles in Bill C-61 that was introduced in June 2008 to update copyright legislation.

First, updates to the *Copyright Act* must support creativity and innovation. This is critical to growing and maintaining the knowledge-based economy.

Second, exclusive rights awarded under the *Copyright Act* must provide rights holders with the recognition and remuneration essential to sustaining creativity and innovation. These rights must be properly balanced with ensuring that consumers have access to - and ease of use of - these works. Copyright protection under the *Act* should also be updated to include the recognition of technical protection measures in a manner that promotes cultural innovation, competition and investment. Getting the proper balance in new copyright legislation is vital.

The Canadian Intellectual Property Council (CIPC), which falls under the Canadian Chamber's banner, is focused on improving intellectual property rights protection in Canada and will continue to advocate for much-needed copyright reform.

For more information, please visit www.ipcouncil.ca

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