

November 6, 2008

The Right Honourable Stephen Harper, P.C., M.P.
Prime Minister of Canada
House of Commons
80 Wellington Street
Ottawa, Ontario
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Dear Prime Minister:

On behalf of the 175,000 members of the Canadian Chamber of Commerce network, I want to express our strong support for your decision to hold a first ministers' meeting on November 10 to discuss the impact of the global economic turmoil on Canada.

As global economic prospects deteriorate, the ongoing financial crisis is taking a severe toll and is threatening to push the country into uncharted territory. Despite our many strengths, Canada can not escape the slowdown and our economy appears likely to grow very little, or possibly even shrink, in the coming months.

These developments are being felt across the country. Central Canada, the heartland of Canada's manufacturing sector, is experiencing and will continue to experience the weakest growth. Lower energy and base metals prices, combined with weaker demand, are also reducing growth prospects for western Canada. No region is immune to global economic shocks.

While the concerted efforts of monetary and government authorities will strengthen confidence and allow financial institutions to soften their credit conditions, many businesses – large and small – are having trouble. A number of our members have noted a rapid deterioration in business conditions, tighter credit markets, and uncertainty and lack of confidence over future economic prospects. Some need to raise capital as declining stock prices and slumping sales put pressure on their balance sheets, and are having difficulty doing so. They are asking the federal government for assistance so they can survive and remain in business during the liquidity crisis. There is also concern that actions taken internationally to help ailing sectors may put Canadian companies at a competitive disadvantage.

The first ministers' meeting provides an excellent opportunity to assess how the global economic slowdown is affecting Canada's regions, what problems key sectors are facing in each province and territory, when government assistance is appropriate, and to move quickly to develop a concrete, aligned response with prompt and appropriate measures to ensure the sustainability of Canadian businesses, employers and exporters that have been sideswiped by the ongoing crisis of liquidity and the downturn in the economy.

In our view, the upcoming first ministers' meeting must also focus on the long-term structural reforms required to boost our nation's innovative capacity and improve Canada's prosperity and competitiveness. Promoting and enhancing the flexibility of our economy is key so that businesses of all sizes can readily adapt to current and future circumstances. Governments must work to eliminate all internal trade barriers to the free flow of goods, services and people by 2010, accelerate the approval and funding process for major infrastructure projects currently in the works, harmonize provincial sales taxes with the GST, ensure Canada's tax environment remains competitive, and focus government spending on productivity-enhancing areas that will maximize economic growth. Strong action is needed.

Finally, the first-ever meeting of G-20 countries at the head-of-government level on November 15 in Washington provides the backdrop to once again reflect on the dramatic changes in the global economy. It presents an additional forum to promote cooperation on the financial crisis and build stronger regulatory and institutional regimes for the world's financial sector. We hope that Canada will demonstrate a commitment to the G-20 as a vital forum, given that it includes for the first time all major emerging economies of the world as full participants. Decisive action and further coordination with our international counterparts is necessary to achieve open and competitive economies, as well as trade and investment liberalization. We need to ensure governments do not put in place protectionist barriers or measures that create an unlevel playing field.

The Canadian Chamber of Commerce wishes you and your provincial and territorial colleagues every success in establishing a clear strategy for the viability of Canadian businesses, both in the short-term and long-term. We are anxious to assist in every way we can to build a stronger and more prosperous Canada.

Sincerely,

Perrin Beatty

CC: Hon. Gordon Campbell, Premier of British Columbia
Hon. Jean Charest, Premier of Québec
Hon. Tony Clement, Minister of Industry

Hon. Stockwell Day, Minister of International Trade and Minister for the
Asia-Pacific Gateway
Hon. Gary Doer, Premier of Manitoba
Hon. Dennis Fentie, Premier of Yukon
Hon. James Flaherty, Minister of Finance
Hon. Robert Ghiz, Premier of Prince Edward Island
Hon. Shawn Graham, Premier of New Brunswick
Hon. Rodney MacDonald, Premier of Nova Scotia
Hon. Dalton McGuinty, Premier of Ontario
Hon. Paul Okalik, Premier of Nunavut
Hon. Floyd Roland, Premier of the Northwest Territories
Hon. Ed Stelmach, Premier of Alberta
Hon. Brad Wall, Premier of Saskatchewan
Hon. Danny Williams, Premier of Newfoundland and Labrador