



Harnessing Change to Build a Better Canada

Speaking Notes for Perrin Beatty

The Greater Saskatoon Chamber of Commerce
Park Town Hotel
Saskatoon, SK
September 6, 2017

Please Check Against Delivery

I would like to thank Darla Lindbjerg and the entire Saskatoon Chamber of Commerce for inviting me to speak today.

Merci de m'accueillir aujourd'hui.

It's always a pleasure to visit Saskatchewan, especially before winter arrives. But it really is an exciting time to be here because there is so much change currently underway in your province.

Newer industries like digital media and health sciences are burgeoning in Saskatchewan. They are fueled in part by their proximity to great local research institutions.

More international students are deciding to pursue their studies right here in Saskatoon. The number of U.S. applicants to the University of Saskatchewan doubled between November 2016 and January this year. That's great news for the University, and for Canada.

Even the politics in Saskatchewan is changing shape with leadership races for two different parties taking place in the next year. I'll confess that I will miss Premier Wall. He has been a staunch friend of Canadian business.

On the local economic front, there is some very positive news. This province is attracting businesses, it's attracting talent, and it's attracting leaders.

I mention all these changes because that is what I would like to speak about today – change.

Anyone who has ever run a business knows that change can be a good thing. When companies diversify, they can become more competitive. When organizations restructure, they can become more efficient.

But not all change is good.

Change, when you have not taken the time to properly consult with those most affected, can be very harmful.

Change, when something was already working well, isn't helpful.

Right now, Canadian businesses are being bombarded by changes, coming at them from every side of the country and every region of the globe.

From provincial minimum wage hikes to the rising cost of electricity in many parts of the country, or even threats south of the border that could drastically alter the most successful trade agreement in history, we often see changes that present serious concerns for Canadian businesses. These are not the changes that grow economies or help communities thrive.

There is no shortage of obstacles facing businesses here in Saskatchewan and across Canada. But in my 10 years at the Chamber, I have never heard a more resounding and far-reaching concern than I'm hearing right now from our network about the federal government's proposed changes to how farmers and family businesses are taxed, and how these changes may hurt our economy in every region in our country.

Those who are most at risk are small and medium-sized businesses.

Let's be clear about that. These are not changes that will target merely a small selection of high-income earners. Instead, we believe their most serious impact may be felt by the tens of thousands of family-run businesses throughout Canada that are already struggling to get by.

They will affect entrepreneurs, like the 27-year-old esthetician operating a business in Vancouver, the most expensive city in the country.

And they'll impact the family of farmers in Manitoba whose children turned down higher paying jobs and university educations to help their parents' livelihood.

These changes will present a new burden for the mother in Newfoundland who invested her life savings into the grocery store she helps her husband manage, regularly working 10-hour days on top of caring for their children.

This is not simply a tax on the rich, or a way to make our system fairer. This is a stealth attack on Canada's middle class, conducted in the middle of the summer with a consultation period that is so short that thousands of Canadians who want to be heard won't be given the chance. It's an attack on the hard-working business owners and our most innovative entrepreneurs who in turn contribute greatly to their local communities.

If the government chooses to go ahead with these proposals, SMEs will need to prepare to be challenged by the Government's auditors for how they invest their profits, employ members of their family, or plan to pass down their company to those who helped them build it.

I honestly believe that the people who drafted these proposals don't understand how our family-owned farms and businesses operate. Nor do they understand that in communities like Saskatoon, it is our farmers, our shopkeepers, our service providers and our entrepreneurs who are at the very heart of our towns and cities across Canada. They employ our neighbours and pay the taxes that go to providing local services. And they are the volunteers who organize the community events, support our schools, churches and little leagues, and they're the same ones who find the time to lend a hand to political candidates or to organizations like the local chamber of commerce. Saskatoon, like every other community in Canada, would be immensely poorer without them.

Yesterday, the Minister of Finance announced that he and his colleagues want to meet with small businesses across Canada in coming days. I welcome that initiative and want to formally make the following offer to him:

To provide a forum for the Minister and his colleagues to explain the government's proposals to small businesses and hear their concerns, the Canadian Chamber is offering its national network of local chambers to organize 25 forums across Canada between now and the end of November.

This would be without cost to the government. Our only preconditions would be: (1) that the government put these massive tax changes on hold to allow the time for these meetings to take place and (2) that it commit to fairly consider the issues raised.

I believe the Minister when he says that his goal is tax fairness. That is our goal, too. And I believe it is the goal of the over 200,000 businesses represented by the Canadian Chamber network. Legitimate small business owners want to be treated with respect by their government, and certainly have no interest in subsidizing people who are simply trying to avoid carrying their fair share of the burden.

And that's the message we will carry into these consultations with one voice, should the Minister accept our offer. We will deal with the government in good faith and we ask that they in turn demonstrate good faith in how they deal with Canada's small businesses and family farmers. I believe that it is still possible to find common ground, but we will not accept measures that are arbitrary and unfair.

If there is any consolation to be taken from this attack on Canadian businesses, it is that these past few weeks have shown just how effectively our network can work together when something motivates us this much.

National, provincial and regional chambers from coast to coast are reaching out to their networks to ensure that our MPs are aware of the concerns that are being expressed.

I know that many people believe our elected representatives won't listen. All that I can say in response is that, in my twenty-one years in Parliament, I found that MPs of all parties cared deeply about what their voters were thinking. I believe that is still the case. But we need to speak up, if we expect to be heard.

There are also other areas where the Canadian Chamber is providing a strong voice for business. This summer, we wrote a letter to the Prime Minister and all the Premiers outlining our support for the fight against climate change but cautioning about the competitive ground Canada is losing to the U.S., which is proposing to slash regulations and taxes.

How are companies north of the border expected to compete from an already high-cost jurisdiction when tax rates, pension fees, wage hikes and regulations keep piling up? We urgently need the Prime Minister to invite the other levels of government to join him in reducing the burdens that make our businesses uncompetitive.

If there are areas where we have serious disagreements with the government, there are others where we believe they are doing an extremely good job. The most notable is its management of our vital relationship with the United States. The Canadian Chamber is committed to assisting in every way we can.

The North American Free Trade Agreement has turned Canada, the U.S., and Mexico into a powerful economic block with a combined GDP of \$20 trillion. Since NAFTA was signed more than 20 years ago, trade among the three members has quadrupled as jobs, profits, and the economy have grown in each country.

The numbers are staggering. The benefits are clear. And the cost of losing this critical deal would be devastating.

But I don't need to tell you that. Businesses here in Saskatchewan are acutely aware of NAFTA's value.

Saskatchewan is a leading agricultural and energy exporter, and its largest customer is the U.S.. Last year, almost half of the province's exports were destined to the States. In total, Saskatchewan exported \$14 billion to its trading partners in North America.

The U.S. will also become an increasingly important customer as Saskatchewan's newer industries, like IT, biotechnology and health sciences, continue to grow impressively.

Businesses in Saskatchewan and across Canada have made our position on these NAFTA renegotiations clear: the starting point for our politicians must be "First, do no harm."

But we should also be ambitious. These negotiations can be an opportunity to modernize an agreement that was created more than 20 years ago.

A renewed NAFTA should address issues like worker mobility and recognize specific jobs that didn't exist more than two decades ago. We should update the dispute settlement system and the rules of origin to better reflect the advances in North America's manufacturing sector and supply chains. We also need to incorporate the new realities of electronic commerce and digital trade.

This modernization will strengthen the agreement and provide a fairer, more competitive environment for companies throughout the continent.

This summer, we submitted these and other recommendations to Canada's NAFTA negotiating team. We made submissions to the Mexican government as well, outlining specific areas where we would both benefit from a more modern trade agreement. We met with officials in Washington who voiced their support for Canada-U.S. trade. But we knew that outside the Washington bubble, there was still much work to be done.

To truly make an impact, we need to reach out to those states where people look south, not north, when they consider economic relations with their neighbour.

We launched our outreach efforts in South Carolina and Virginia, where we met with the Governors, Secretaries of Commerce and business leaders who vowed to strengthen ties with Canada.

Next, we headed to Tennessee to celebrate Independence Day in Nashville with our American counterparts. We toured the FedEx facilities, where a significant portion of the 1.5 million packages that go through the Memphis hub either arrive from, or are destined, for Canada. We took U.S. media on a tour of the CN intermodal facility to show Tennesseans some of the hundreds of thousands of jobs that Canadians create in their state.

Last Tuesday, we flew to Austin, Texas where we held roundtable discussions with Texan politicians and business groups on the importance of cross-border trade. We continued on to Dallas for more bilateral meetings and tours of Canadian facilities.

Although our hosts were understandably preoccupied with the catastrophe a few hundred miles away in Houston, they were eager to meet with us and grateful for Canadian messages of support.

Wherever we went in the Lone Star State, there was strong support for strengthening Canada-U.S. trade.

The Chamber network will continue to carry that message in future missions, with the next trip planned for Georgia later in the fall.

If NAFTA is modernized to the benefit of all three member countries, it will be thanks to businesses on both sides of the border speaking out with one voice, combined with our government's efforts and the work of our colleagues in the U.S.

And if we succeed in building a stronger, fairer business environment right here in Canada, it will be thanks to you, our dedicated and energized network.

That means people like the small business owner who takes time out of her busy day to contact his MP, the President of a local chamber in Saskatchewan who organizes an information session to let her members know how they will be affected by upcoming regulations, or the chamber volunteers who help organize events that brighten the social and cultural lives of their communities.

Those people – people like you – are the ones who make this country a better place for businesses, families and, most importantly, for our children.