



July 13, 2018

The Honourable Wade MacLauchlan
Premier of Prince Edward Island

Via email

Re: Atlantic Chamber of Commerce's Four Policy Pillars for Prosperity

Dear Premier,

To those who rely only on media coverage, it might appear that government and business are continually at odds over the economy. The reality is that most elected officials, bureaucrats and business owners can agree that the Atlantic Provinces have not attained their economic potential and our region's future prosperity is primarily dependent on increasing investment and job creation.

Business and governments' assessment of economic challenges are virtually identical—we are burdened by an aging, largely rural and slow growth populations, and have achieved below average economic growth for more than a decade. Opportunities to expand trade exist but are restrained by low investment in productivity and unnecessary regulatory burdens that restrict internal trade.

The challenges are clear, there is only some disparity in how the public and private sector propose to improve the region's performance. The more than 16,000 business owners who are members of chambers of commerce across the region have been consulted and have asked the Atlantic Chamber of Commerce to relay their vision for creating a prosperous Atlantic Canada. Attached to this letter are documents which detail the concerns and recommendations of the business community they believe will contribute to economic growth and prosperity.

First and foremost, governments and the public should acknowledge that existing businesses and start-ups are the primary source of jobs and economic growth. Business recognizes that Atlantic Canadian governments have made significant efforts in creating programs to support training and employment subsidies. With looming increases in costs (e.g., CPP and Carbon) and a diminishing competitive position relative to the U.S., our businesses would benefit significantly from competitive and predictable cost structure for taxation, minimum wages, and worker's compensation.

Our businesses also need government's involvement in filling the growing skilled labour gap. Demographic trends and economic realities confirm we cannot rely on new births to grow or even replenish the workforce. Atlantic Canada needs a complete strategy for immigration, one that provides adequate resources to retain, as well as attract, qualified workers. We need to continue to prove to the federal government our region can integrate newcomers into our communities and economies in order to expand our immigration quotas. Recent increases by the federal government are welcome, but economists and studies indicate a need for even greater levels of immigration if we are to improve our slow population growth and economic performance.

Government regulation, the costs it imposes and the barriers to trade it creates has been recognized by the public and private sector for decades, but change has been small, incremental and unsustainable. Atlantic Canada remains hugely over-governed on a per capita basis, with associated inefficiencies and reductions in productivity. With the announcement of the Atlantic Red Tape Reduction Partnership in 2015, expectations were raised again. Businesses are concerned history is repeating itself as provinces are showing varying levels of commitment to the principles of the Premiers' Charter of Governing Principles for Regulation. It is essential that ALL provinces demonstrate their commitment to evaluating existing and proposed regulation for its impact on trade and the economy and only adopting new regulation as a last resort.

Finally, the public sector must begin to act like a business and enforce fiscal responsibility. While several provinces have achieved successive balanced budgets, the diversion of revenues to debt service continues to grow. This growth in indebtedness is even more perplexing in light of the number of years our economies have posted growth numbers. We recognize some investments (e.g., roads, ports) warrant borrowing to support movement of goods and people and sustain communities, but the question remains - if we don't pay back our debt when we are in a growth phase, then when?

It is our intention as a regional organization to promote the principles of our policy "Four Pillars for Prosperity" to our governments, members and the public. As follow up to this letter, we will be communicating directly with Ministers responsible for various aspects of your government's economic and fiscal plans to explore how our organizations' resources can be better coordinated to achieve new level of economic activity and a more productive business-government relationship.

The Atlantic Chamber of Commerce is aware of and encourages interactions you or your ministers have with chambers of commerce and boards of trade in communities across your province. Our staff would welcome an opportunity to meet with you, to acquaint you with our organization, its objectives and capacities and discuss how best we can align our efforts to achieve prosperity for Atlantic Canada.

Kind regards,



Sheri Somerville
CEO | Atlantic Chamber of Commerce

Enclosures: 1

Cc:

The Honourable Brian Gallant, Premier of New Brunswick
The Honourable Dwight Ball, Premier of Newfoundland and Labrador
The Honourable Stephen Mc Neil, Premier of Nova Scotia
The Honourable Cathy Rogers, New Brunswick Minister of Finance
The Honourable Tom Osbourne, Newfoundland and Labrador Minister of Finance
The Honourable Karen Casey, Nova Scotia Minister of Finance
The Honourable Heath MacDonald, Prince Edward Island Minister of Finance