



Canadian  
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# *Connecting the Dots: Business, Election 2019 and Canadian Prosperity*

Speaking Notes for  
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Sault Ste. Marie Chamber of Commerce AGM

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Thank you very much for such a warm welcome from Rory and his team at the Soo Chamber of Commerce, and from so many of you here today.

It is a tremendous privilege to join all of you in recognizing the 130<sup>th</sup> AGM of your business community. To put that into historical perspective, that's 22 years younger than Canada itself. It is chambers like yours, right across Canada, that helped form the economic bedrock of our nation.

Simply put, the success of the Canadian Chamber comes directly from the strength of the 450 Chambers of Commerce and Boards of Trade in all parts of the country. We truly are Main Street Canada.

Today, the energy and commitment of Canada's business community are inspiring as ever. They serve as an important reminder of what we in the Chamber movement do, who we do it for, and why it matters so much to our prosperity as a country.

Today, however, it seems, that we are largely alone in thinking about our economic future.

Like many of you, I watched the Leaders Debate on television last night. This was supposed to be a discussion of the most important issues facing Canada, but while we heard frequent attacks on business, I don't think I heard the word "competitiveness" once.

For all of the talk about affordability this election season, it is remarkable how little discussion there is about the most basic and effective way to create new jobs and wage growth, with a view to improving the overall quality of life for all Canadians.

For business owners, employees and investors, the lack of thoughtful economic policy in this election is disappointing. Helping Canada's small businesses grow is not a partisan issue, it is just common sense.

And yet, just as we witnessed last night, if you read all of the election platforms and promises released so far and look for words like competitiveness or productivity, their scarcity is astounding.

How quickly we lose the important lessons of the recent past. As democratic strategist James Carville famously put it during Bill Clinton's successful 1992 presidential campaign, "It's the economy, stupid."

In a time of global uncertainty and rapid technological and market changes, this election *should* be a serious debate about how to tackle the current and future challenges of the Canadian economy.

Where are the plans for a bold human capital agenda to ensure Canadians have the right skills, education, training and retraining to ensure Canadian businesses can grow and thrive?

Where are the proposals for more nimble and flexible approaches to regulating new technologies that make businesses more productive?

Where are the ideas about how Canada can capitalize on the increasing value of intellectual property in the digital economy?

Where are the strategies to ensure that Canada's natural resource, agriculture and agri-food sectors can meet the increasing global demand for Canadian products?

Where are the plans to simplify Canada's complex and inefficient tax systems that diminish investment in our country?

You won't see them in the parties' policy statements, but you can find them in the Canadian Chamber's *Platform for Prosperity*, which was developed in consultation with the provincial and territorial Chambers and drew upon our own national AGM resolution process.

The priorities will likely come as little surprise to anyone in this room, and that's because what we do starts with AGMs like this, right across the country.

And that's important. Some of you may have heard me say this before, but it bears repeating: we have the greatest impact when the business community works together. This is the reason the Canadian Chamber network is so effective at influencing and helping to shape federal policy.

When the Canadian Chamber speaks on issues, we know – and the politicians in Ottawa know – that we do so on behalf of two hundred thousand businesses, of all sizes, from all sectors of the economy and from all regions of the country. When business stands together, we have a powerful voice.

And that voice is laser-focused on what we call the *seven burdens of business*: over-regulation, complex taxation, skills shortages, technological disruption, inadequate support for SMEs, the need for better trade tools and proposals to change employer-provided healthcare.

Interestingly, all of these priorities could also easily become the *seven benefits of business*, if the policies addressing them were well designed. But today they're not, and *Vote Prosperity* lays out the path back to competitive advantage.

**First**, we are calling for all parties to commit to a regulatory system that works for everyone, including business. We know that regulation is an essential part of every society and that countries with effective, predictable regulatory regimes attract investment and get major projects built.

Unfortunately, our system is broken. It is complex, unclear, and unpredictable. And the overlap of regulations across different levels of government is stifling investment and preventing us from getting our natural resources to global markets. The next federal government must make fixing our regulatory system a priority.

Here in the Soo, you are feeling the unfortunate effects of this issue with the proposed construction of Noront's new ferrochrome processing plant. Before the proposed facility could even begin going through various regional, provincial

and federal approvals, some groups have gone outside these processes in an effort to derail the project.

I want to be clear, civic engagement is important and communities must have a voice in project development. However, without clarity on what criteria to consider or how each should be weighted within the totality of the project, it is no surprise that so many of our community- and nation-building projects are stalled in endless litigation. Canada must do better.

**Second**, Canada needs a tax system that is fair, efficient and modern. While other countries are making their tax systems more competitive, ours is growing more complex and inefficient, and the cost of complying is driving away investment and jobs. The delegates to our 2017 AGM spoke with one voice on this issue.

That's why the Canadian Chamber is asking all federal parties to commit to a Royal Commission on our tax system aimed at making it simpler and more fair, and at adjusting the tax mix to

promote investment. Sadly, no party has committed to this proposal.

Compounding the challenges created by our tax system are the federal debt and deficit, so we're also calling on all federal parties to present concrete plans, with firm deadlines, for returning the federal books to balance. Instead, all of the parties are proposing to add billions of dollars to the national debt. That's the one promise you know the politicians will keep.

Today, there is no federal plan to put an end to Ottawa's deficit, and it is simply irresponsible for our generation to continue to spend and to send the bill to our kids.

**Third** on our list of priorities is to open up new markets around the world, and break down trade barriers here at home.

We are a trading nation and, while Canada has signed a number of new trade agreements, our businesses need help to take full advantage of them.

Our platform suggests ways government can help Canadian businesses access new markets. For instance, we ask all parties to commit to tackling foreign industrial subsidies so our companies can compete on a level playing field.

In some circles, when I talk about the distortive effects of subsidies, it is just a concept. In practice, it is the impact on the Tenaris tube mill right here in your backyard. Non-market economies support their industries in providing tubing at non-commercial prices, and you can draw a direct line from these subsidies to impacts on your jobs in your community. We simply cannot let this continue.

We're also calling for concrete plans, with clear timelines, to create the infrastructure to get our energy products to global markets, where they can get a fair price.

While our businesses have their eyes set on global markets, *Vote Prosperity* also asks the parties to work with provincial and territorial governments to ease the flow of labour, goods and services across provincial and territorial boundaries.

We must address the internal trade barriers that cost the Canadian economy more than \$14 billion each year. It is unconscionable that, at the same time as we sign free trade agreements with other countries, we maintain barriers to mobility and trade here at home that would be illegal between countries in Europe.

**Our fourth priority** is to help our SMEs in ways that are meaningful to them. Let's start with trade. In 2017, just 4% of Canadian SMEs exported goods. This is a fraction of the more than 20% of SMEs in other G7 countries that export.

A key reason for this failing is that our SMEs lack the resources of larger companies. They struggle to find and access federal programs that can help them, and when they do, the administrative burden is too great.

Our platform asks all parties to commit to concrete measures to help Canadian SMEs grow at home and abroad. We are also calling on the parties to commit to dealing with another major irritant for business: the Canada Revenue Agency.

Specifically, we are asking the next government to conduct an independent service delivery audit of CRA, targeted at identifying and eliminating the costly and time-consuming bureaucracy small businesses face in dealing with the agency.

As a former Minister of National Revenue, I know we need to ensure that CRA works to support Canada's SMEs, not to put new obstacles in their way.

Our **fifth** challenge is one that that your businesses are not alone in facing: attracting and holding people with the twenty-first century skills that are essential to business success. Skilled labour is not only a real challenge at a local level, it is also a critical issue for Canadian competitiveness.

I hear it everywhere: there are not just *labour* shortages across regions and sectors, but also acute *skills* shortages. Business that hire employees and train them then have the challenge of retraining and keeping them.

That is why we have made education, skills, training and retraining a key plank in our platform. We ask each party to commit to working with business, so government retraining and immigration programs meet the demands for skills required for the economies of today and tomorrow. We also ask them to support private sector upskilling and reskilling initiatives and to expand work-integrated learning opportunities.

An excellent success story in this regard has been the Atlantic and Northern Pilot projects for targeted immigration into rural areas, in which Sault Ste. Marie has been a key player. Your success is an important reason the Canadian Chamber has been advocating for this program to be used nation-wide.

And we want to understand their plans for ensuring that Canada's Indigenous workforce has the skills required to benefit from all that full economic participation has to offer.

**Sixth**, we need to deal with the forces changing how we live and work, and their implications for public policy. Whether we are talking about artificial intelligence, automation or big data, no sector of our economy, from mining and energy, to

agriculture, retail, transportation, financial services and high tech will be untouched by innovative new technologies.

We need to adopt a more flexible and adaptive approach to regulations, as well as making smart investments in skills training and in digital infrastructure. And it means developing new strategies to encourage and profit from intangibles like intellectual property.

As our economy evolves, we can't forget that it remains diverse and that we are connected by more than just technology. We are an export-driven country that still needs more traditional infrastructure to get our goods to market and drive prosperity.

As Canada's next government considers its priorities for public infrastructure investment, we ask that it put trade-enabling infrastructure at the top of its list.

**Finally**, there is pharmacare. We know that several of the major parties have pharmacare as a central plank of their platforms. And we also know that getting it wrong will come at enormous cost to Canadians.

Our platform asks the federal parties to build on the strengths of the system by filling the gaps, rather than replacing or reducing coverage already enjoyed by most Canadians.

We are also asking that they commit to not passing on to business the costs of whatever program they implement, and that they consult with the private sector to ensure that they avoid any unintended consequences.

So there you have it, the seven priorities that the Canadian Chamber will be relentlessly focused on between now and Election Day. Each one of them is within government's control.

If the next federal government is willing to listen, and to work with the business community, we can regain Canada's competitiveness.

We need our governments to be our partners, not our burdens or our opponents, if Canada is to succeed. Note that I said governments – plural – because this applies at every level of government – federal, provincial and municipal.

And that's where you come in. The Canadian Chamber will join with you in urging Canada's governments and businesses to understand that we need to work together in a spirit of mutual respect. And we need your help in carrying the message that when business succeeds, Canada succeeds.

Over the coming days we have an unprecedented opportunity to make the case for a strong business sector and a more competitive Canada.

Working together and speaking with a strong and unified voice, we have the power to shape our economic destiny and to work for a more prosperous future for Canadians in every part of this magnificent country.