



2008 Federal Election Questionnaire

Fiscal Policy

Personal Income Taxes

In the past decade, the federal government has made significant progress to improve Canada's competitiveness.

However, marginal personal income tax rates remain high and continue to erode productivity and competitiveness by discouraging people from working, saving, investing and upgrading their skills. It also discourages entrepreneurs from taking on risk and funding capital investments.

Question:

- *Will your party set out a five-year tax plan to reduce personal income tax rates for all Canadians?*

Corporate Income Taxes

High Marginal Effective Tax Rates on capital impede job-creating investment, by reducing the amount of capital available for workers' use and hampering productivity.

Questions:

- *Will your party work with the provinces to harmonize their provincial sales taxes with the GST?*
- *Will your party encourage the provinces to speed up the elimination of capital taxes?*

Federal Program Spending and Debt Reduction

Federal program spending rose 7.5 percent in fiscal 2006-07 and by an estimated 6.9 percent in 2007-08, well above the pace of Canada's economic expansion. Program spending increases of this size impede the debt reduction and tax relief that are crucial to our economic prosperity.

Questions:

- *Will your party limit growth in program spending to no more than nominal growth in GDP?*
- *Will your party ensure that Canada meets its debt-to-GDP target of 25 percent by fiscal 2011-12 by continuing to allocate \$3 billion per year to debt reduction?*

Canada-U.S. Relations

Border investments

Canada's competitiveness is directly linked to our relationship with the U.S., our closest ally and largest trading partner.

Maintaining and improving Canada-U.S. border infrastructure is critical for the \$1.6 billion in trade that crosses our border every day, as well as to business travel and tourism. Modern border infrastructure is also necessary to enhance security and make Canada a competitive gateway into North America for goods and people entering from Asia and Europe.

Questions:

- *Will your party make it an immediate priority to undertake major investments in Canada-U.S. border infrastructure?*
- *What specific measures will your party take to reduce border congestion and costs?*

International Trade

World Trade Organization (WTO)

Canada is the second most trade-intensive country in the G7. Trade and foreign direct investment drive productivity and competitiveness. Firms exposed to foreign competition improve quality, strive to produce new and higher value-added products and services, and introduce new and/or improved production methods.

The recent breakdown in the WTO Doha Development Agenda negotiations was a huge disappointment and a lost opportunity to new market access for many sectors of Canada's economy.

Questions:

- *Will your party commit to achieving a substantive agreement at the WTO, including providing the needed flexibility in the Canadian position?*
- *Will your party launch and conclude bilateral trade and investment negotiations with key trading partners, starting with the European Union, to create new market opportunities for Canadian companies?*

Internal Trade

Canadian governments have erected barriers to trade between provinces that continue to impede Canada's economic efficiency, reduce productivity, and often prevent workers from using their skills in other regions. Many of our competitors, e.g., the European Union, have already removed internal trade barriers.

Question:

- *Will your party make a priority of taking specific measures to work with the provinces and territories to eliminate all internal trade barriers that impede the free flow of goods, services and people by 2010?*

Energy and the Environment

Energy Policy

Canada's energy strategy must support a competitive business environment, strengthen our market-based approach to energy, and reflect the needs of energy producers and consumers. Decisions about use, specific product choices and resource development are best made through market forces.

It is vitally important to ensure a stable, diverse and flexible energy supply which includes environmentally-sound, cost-efficient uses of all available economic energy sources, including but not limited to nuclear, wind, solar, biomass, hydro, coal, shale, natural gas, and expanded development of the oil sands.

Questions:

- *Will your party promote a market-based approach to energy policy?*
- *When setting energy efficiency or emissions performance standards for products and fuels, will your party ensure that those standards are technology- and fuel-neutral?*
- *Does your party support the development of all economic energy sources in order provide a stable, diverse and flexible energy supply?*

Climate Change

The Canadian Chamber supports the development of an international agreement on climate change mitigation that includes all major economies and major greenhouse gas emitters (including the U.S., China and India). An agreement that excludes large emitters will have very little effect.

Questions:

- *Will your party insist that international agreement(s) on climate change include emission targets for all major greenhouse gas emitting countries?*
- *Will your party maintain the intensity-based target approach to reducing greenhouse gas emissions along with alternative options for compliance?*

Labour Participation and Skills Development

Immigration and Foreign Credential Recognition

Immigration has always been an important source of net labour force growth. As our population ages, it will be needed even more.

We need an efficient immigration system that gives Canada a competitive edge to attract and retain the people and skills our economy requires.

We must continue to simplify and expedite the processing of immigration applications and help immigrants put their skills to work.

Questions:

- *Will your party review and streamline current processes to ensure that applications are processed within six to 12 months, starting with economic and business applicants?*

- *Will your party work with the provinces and territories to develop national accreditation standards to evaluate foreign credentials, professional and trade qualifications, and certification in regulated and non-regulated occupations?*

Employment Insurance (EI)

High Employment Insurance premiums are a tax on jobs. EI premiums now have to pay for a range of social programs (parental leave, maternity leave, compassionate care leave, transfers to the provinces for training programs, etc.). Only about half of total EI premium revenues collected are used to support people who lose their job through no fault of their own (the original intent of the program). Reforms to Employment Insurance are needed to promote employment and economic growth.

Question:

- *Will your party commit to further reduce EI premium rates by operating the EI program as a true insurance program rather than as a system of income support?*

Transportation and Infrastructure

Canada's transportation sector is essential to trade competitiveness. With supply chains becoming more global and competitive pressures intensifying, Canada's transportation network must operate as efficiently as possible.

Canada lacks a comprehensive, federal multi-modal transportation strategy. At the same time, our competitors are investing billions of dollars in transportation infrastructure. If we further delay, we will miss new opportunities, put our businesses at risk, and be pushed to the fringe for access to global supply chains and trade.

Question:

- *Will your party develop and implement an objective-based National Transportation Strategy?*

Innovation and Competitiveness

Canada can be a leader in the global economy, but actions need to be taken now to improve our competitiveness and assure a strong and profitable economic environment that will benefit all Canadians.

Intellectual Property Rights (IPR) Policy

The weak enforcement of Intellectual Property Rights in Canada is a major concern to Canadian business. It is estimated that piracy and counterfeiting costs the Canadian economy over \$22 billion annually in lost tax revenue, investment and innovation. Piracy and counterfeiting damage a host of industries, including food and drink, pharmaceuticals, electronics, textiles, software, music, television and film. Counterfeit products also threaten the health and safety of our citizens.

Canada's legislation protecting intellectual property has become badly out-of-date, penalizing creators and discouraging investment in Canada.

Question:

- *Will your party allocate significant financial and human resources to fight illicit trade, counterfeiting and piracy and commit to early passage of legislation to modernize and enhance the protection of intellectual property?*

Regulatory Environment

Small and medium businesses are the backbone of the Canadian economy. Regulations and programs need to be suitable for companies of all sizes, enabling them to grow domestically and expand internationally.

Overlap, duplication and fragmentation of regulations negatively affect Canadian businesses and hamper their ability to compete for capital, undermining their competitiveness.

Question:

- *Will your party accelerate co-operation/mutual recognition, starting with the U.S., by focusing on a sectoral approach to eliminate the minor differences that drive up costs and limit choice?*

Foreign Direct Investment

Foreign direct investment is crucial to the creation of new jobs, as well as the infusion of innovative technologies, management strategies and workplace practices, which are important for productivity growth.

In its final report, the *Competition Policy Review Panel* recommended that Canada increase the threshold for acquisition of Canadian businesses by non-Canadians to a \$1 billion enterprise value from the current \$295 million in gross assets. It is also recommended that Canada reverse the onus within the *Investment Canada Act*, which currently requires applicants to demonstrate “net benefit to Canada” to require that the Minister find that the proposed acquisition would be contrary to Canada’s national interest.

Question:

- *Will your party send a clear and positive message that Canada welcomes market-driven foreign direct investment by implementing the Competition Policy Review Panel’s recommendations with respect to the Investment Canada Act?*