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## THE VOICE OF BUSINESS

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July 18, 2014

Standing Committee on Finance  
6<sup>th</sup> Floor, 131 Queen Street  
House of Commons  
Ottawa Ontario K1A 0A6  
Email: finapbc-cpb@parl.gc.ca

To the Standing Committee on Finance:

The Medicine Hat & District Chamber of Commerce is pleased to submit our input on behalf of the business community of Southeast Alberta for the 2014 pre-budget consultations. The Chamber of Commerce has six priorities that pertain to three of the primary themes set for the budget consultations including:

1. Increasing the competitiveness of Canadian business
2. Ensuring prosperous and secure communities
3. Improving Canada's taxation and regulatory regimes

### Executive Summary

The six priorities of the Medicine Hat & District Chamber of Commerce include:

1. **Commercial Border Crossing Access:** Increased efforts are needed to eliminate the obstacles that continue to prevent the expansion of 24 hours commercial port facilities and promote access to north-south trade corridors. A focus on more efficient and effective port facilities would increase the competitiveness of Canada and ensure better border management, leading to increased economic impact.
2. **Support to Ranchers in the Removal of Specified Risk Material (SRM):** Increased costs associated with the removal of specified risk material from cattle have caused significant cost disadvantages for Canadian cattle producers, processors and veterinarians. In order to maintain slaughter capacity and restore competitiveness in the Canadian cattle industry, the federal government should work to implement regulatory reform and policies to offset costs and harmonize regulations with the United States.
3. **Common-Sense Approach to Livestock Product Identification and Food Safety:** Country of Origin Labelling (COOL) legislation, as adopted by the U.S., is market protectionist in nature, constitutes a technical barrier to trade, and is deemed inconsistent with international trade rules including those established by the World Trade Organization (WTO). COOL legislation has negatively and profoundly impacted prices paid to Canadian producers on exports into the U.S., such that our entire red meat industry, particularly the pork industry, is at a serious competitive disadvantage and potentially on the verge of collapse. Speedy resolution of the issues caused through the COOL legislation is imperative to prevent the marginalization or complete collapse of the Canadian red meat industry.
4. **Labour Shortage:** While the recent economic downturn has impacted many businesses, the long term shortfall of labour resources remains a major concern for Canadian businesses. Many businesses are concerned about this impending shortage of workers in anticipation of the next economic surge. The Conference Board of Canada predicts that by 2020, Canada will experience a labour shortage of nearly one million people. Though Canada has historically used immigration to deal with its labour scarcity (due to the low natural population growth rate), there are some ways that the government can make this process more efficient. With the benefits that immigrants bring, overwhelmingly as skilled labour, the Chamber of Commerce supports the federal government's efforts to attract and retain immigrants to help alleviate labour shortages. However, a number of challenges to employment of immigrants continues to exist and requires expedient resolution.
5. **Creating and Amending Protocols for Economic Recovery from Disaster for All Business:** Canada is at risk from a large number of diverse, natural and man-made disasters, many of which are capable of causing damage on a scale well beyond the epicenter of the problem (such as the expected west coast subduction earthquake, central Canada power failure, extreme cold and hot weather, massive flooding annually on the prairies, wildfires, tornados in central Canada, hurricanes and their remnants). The Government must put plans in place to better prepare for and protect Canada's strategic economic well-being.
6. **Tax Indexing:** When introducing new measures to the Canadian taxation system, a great deal of study is generally conducted to ensure that the measure being introduced fits within the existing Canadian taxation framework. As a result of this process various thresholds and limits are introduced along with the tax measures, to ensure their fairness or that policy aims are achieved and to ensure that there is not an undue amount of administrative burden placed on the taxpayer as a result of the new measure. Unfortunately, following the introduction of a new measure, the thresholds and limits introduced are not reexamined to ensure their fairness and administrative relevance in the future. Therefore updates to existing thresholds and consistent review and application of new thresholds should be implemented.

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The Medicine Hat & District Chamber of Commerce recommends the Federal Government review and implement the following recommendations in relation to each of the priorities referenced. These resolutions will provide an effective means to resolve the concerns and conditions that exist and move forward to create a more sustainable and economically resilient country.

### **The Medicine Hat & District Chamber of Commerce recommends that the Federal Government:**

#### **Commercial Border Crossing Access:**

1. Accelerate dialogue with U.S. counterparts to ensure that the hours of Canadian border crossings consistently match the U.S. border hours in both traveler and commercial service hours and that facility standards are equivalent on both sides of the border.
2. Work to accommodate shared port of entry facilities where the opportunity exists.
3. Ensure that provinces with high volumes of bilateral trade and corridor traffic have access to sufficient 24 hour commercial border services and provinces with high volumes of trade and traffic volumes have more than a single 24 hour full-service commercial port of entry.

#### **Support to Ranchers in the Removal of Specified Risk Material (SRM):**

1. Work with the cattle industry to determine a cost-effective solution to the removal of Specified Risk Material until a time when the Canadian Food Inspection Agency discontinues its current policies for disposal of dead stock cattle and their associated Specified Risk Material, to ensure processors are not operating at a competitive disadvantage relative to their American counterparts.
2. Ensure that the Canada-United States Regulatory Cooperation Council prioritize the harmonization of specified risk material regulations in Canada and the United States.
3. Work with the United States Government to harmonize regulatory standards in both Canada and the United States for Specified Risk Material.

#### **Common-Sense Approach to Livestock Product Identification and Food Safety:**

1. Continue to pursue trade action to combat the market protectionist aspects of Country-of-Origin Labelling (COOL) legislation including continued bilateral negotiation, working with the WTO, and pursuing retaliatory measures if necessary.
2. Take a leadership role in promoting the highest level of international food safety standards and practices applicable to international trade involving all perishable foods and food products, with an aim to unify food safety and quality standards and to eliminate the need for processing segregation of Canadian food from U.S. food.

#### **Labour Shortage:**

1. Work with businesses and business organizations to develop more flexible approaches to addressing labour shortages and challenges in foreign worker programs, while maintaining Canadian standards.
2. Develop permanent solutions to chronic labour shortages by expanding pathways to permanent residency, including negotiating with the federal government to expand the Canadian Experience Class to give low- and semi-skilled temporary foreign workers the right to apply for permanent residency after three years of work experience with his/her employer, based on employer recommendations, satisfactory background check, appropriate prior experience in country of origin and minimum language proficiency requirements.
3. Develop a program of regional flexibilities in the federal immigration policy that would allow the Government to respond to the realities of the availability of labour and the performance of the economy in provincial and territorial jurisdictions.
4. Work with provincial governments on changes to the TFWP that would take into account the specific needs of the individual provinces.

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### Creating and Amending Protocols for Economic Recovery from Disaster for All Business:

1. Evaluate the cost of providing funding to businesses that demonstrate they need assistance in the aftermath of a natural disaster;
2. Review the Public Safety Canada Business Continuation statutes with the view of including all qualified businesses in the protocols to receive emergency financial support to better stabilize the affected economy through the crisis period;
3. Develop a program to promote the need for Business Continuity Plans – and resources to assist in their development – with input from the chambers of commerce and boards of trade across Canada.

### Tax Indexing:

1. Increase the Value on GST/HST new housing rebates or index the values to inflationary rates, as the value on the rebates has not changed since 1991.
2. Make certain that new and existing tax provisions containing thresholds and limits are introduced with annual indexation as an integral part of the provision.

We welcome the opportunity to have more in-depth discussion and provide supporting documentation on any aspect of this submission and are willing to assist in every way we can to build a stronger and more prosperous Canada.

Sincerely,



Chris Hellman  
President, Board of Directors  
Medicine Hat & District Chamber of Commerce

Cc: MP, LaVar Payne