



# WHAT IT TAKES TO GROW

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## Priorities for Canada's next Parliament

The Canadian Chamber of Commerce has made 37 complimentary recommendations to Canada's political parties and Canadians for this election cycle in order to set Canada on a path for sustained, long-term economic growth. These policies have been developed in consultation with Chamber members across Canada.

The recommendations are divided into three phases:

- 1) Finishing the fight against COVID.
- 2) Getting the fundamentals right.
- 3) Creating 21<sup>st</sup> century opportunities.

## Finishing the fight against COVID

To help the hardest-hit return to growth:

- 1) **Create a replacement program for the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (CERS).** This should be exclusively available for businesses that are still hurt by pandemic-related public health restrictions. This program should cover the period from October 2021 until spring 2022. The revamped version must retain at least the 75% (CEWS) and 65% (CERS) subsidy rates, in line with what businesses in other sectors had access to until they were permitted to recover.
- 2) **Introduce debt relief by forgiving interest payments on COVID-related government backed loans for SMEs in the hardest-hit sectors.** This measure should apply to the Canada Emergency Business Account (CEBA), the Business Credit Availability Program (BCAP) and the Highly Affected Sectors Credit Availability Program (HASCAP).

To protect Canada's finances:

- 3) **Return to pre-pandemic deficit-to-GDP ratio levels within five years.** Ensure GDP growth exceeds pre-pandemic levels by a substantial margin and public spending is focused on generating economic growth.

# Getting the fundamentals right

To support Canadian entrepreneurship:

- 4) **Increase the revenue threshold for GST/HST registration.** Increasing the threshold will support small business creation and promote the commercialization of existing Canadian innovation.
- 5) **Modernize the tax system so it works for SMEs.** Form a Government of Canada Tax Working Group to further simplify Canada's tax system, particularly for small businesses.
- 6) **Develop a Small Business Net-Zero Strategy.** This strategy will provide Main Street SMEs with incentives and opportunities to participate in Canada's plan to achieve net-zero emissions.
- 7) **Continue facilitating the secure digitalization of SMEs.** The government can enhance growth by making cybersecurity part of the recently launched Canada Digital Adoption Program and by championing the development of cybersecurity standards across the country.

To build Canada's growth-supporting infrastructure:

- 8) **Finance the National Trade Corridors Fund with \$5 billion per year in total.** This measure will enable more provinces, territories and municipalities to receive infrastructure funding to move goods domestically and abroad.

To achieve inclusive growth:

- 9) **Speed up the Indigenous reconciliation process.** Accelerate land claims settlements and implement the Truth and Reconciliation Commission's Call to Action 92.
- 10) **Create new opportunities for diversity-owned business and those with diverse workforces to access federal contracts.** Provide enhanced opportunities for diversity-owned businesses to secure public procurement contracts, including metrics and resources targeted at supporting access for women-owned and other diversity-owned businesses and those diversifying their workforces.
- 11) **Remove tax barriers for childcare expenses.** Make childcare an eligible business expense for SMEs, remove the requirement for the lower-income spouse to receive the childcare deduction and permit SME owners receiving non-eligible dividend income to claim childcare expenses against that income.

To build an inclusive, productive workforce:

- 12) **Build closer collaboration among governments, employers and educational institutions.** To succeed in the 21<sup>st</sup> century economy, Canada needs a 21<sup>st</sup> century workforce,

which it can only achieve through better communication and collaboration among the key players.

- 13) **Mandate Statistics Canada to collect comprehensive forward-looking data on labour market needs.** This information will inform education (including upskilling and reskilling) policy and improve the navigation of existing education programs and immigration policies.
- 14) **Modernize the Temporary Foreign Worker program.** Implement a Trusted Employers Program that includes both an appeals process and better alignment with regions facing chronic labour shortages.
- 15) **Create flexible, accessible, navigable upskilling and reskilling options.** Developing a culture of lifelong learning can create talent pipelines through targeted matchmaking programs. This approach will help build resilient employees and businesses alike, reduce risks for all groups and create a more diverse workforce.

To reach Canada's potential:

- 16) **Ensure the Canada Free Trade Agreement covers all sectors of the economy.** The agreement's value is greatly diminished by proliferating exceptions.
- 17) **Require all regulators to assess economic and business impacts in the regulatory process.** Understanding the impact of regulations on business is critical to a competitive regulatory process.

To have a tax system that meets the challenges of the 21<sup>st</sup> century:

- 18) **Commit to not introduce new uncompetitive taxes on businesses.** New taxes will prevent companies from making job-creating investments.
- 19) **Undertake a comprehensive and independent tax system review.** The results will ensure our country remains globally competitive and attractive for investment given the upcoming global tax regime changes being discussed at the OECD.
- 20) **Create an Investment Tax Credit.** By responding to the current U.S. competitive advantage on tax credits and deductions for capital investments, we can mobilize private capital, spur investment and create growth.
- 21) **Establish Economic Opportunity Zones in Canada.** The U.S. Treasury Department estimates that by deferring, reducing or waiving capital gains taxes on investments in more than 8,700 targeted geographic areas, Opportunity Zones will mobilize \$100 billion (USD) in private investment to create jobs and economic development. If Canada adopts a similar system, we can mobilize private capital for economic growth here.

# Creating 21st century opportunities

To better support Canada's digital ecosystem:

- 22) **Re-introduce privacy reform legislation in the next Parliament.** This legislation will set a single national standard for privacy protection, preventing a patchwork of provincial rules.
- 23) **Expand investments in broadband through the Universal Broadband Fund.** Enabling more access to 5G internet in rural and remote communities will support job creation outside urban centres.
- 24) **Step up investments in cybersecurity.** Enabling businesses to write off cybersecurity-related investments will encourage investment and improve security. This measure should include software, education, training, certification and equipment in the same year those investments are made.

To achieve net-zero emissions and ensure the viability of Canadian businesses:

- 25) **Implement a strategy for low carbon exports.** A well-considered strategy will enable businesses to reach new customers who want goods that are less energy intensive.
- 26) **Develop common standards for sustainable finance.** These shared standards can ensure Canadian energy companies are recognized for their work to decarbonize their operations and support attracting investment into the Canadian energy sector.
- 27) **Allow carbon offsets purchased in foreign markets to be used to meet Canadian requirements.** By working with our trading partners, we will give our companies more tools to meet emissions targets.

To champion Canadian agriculture:

- 28) **Position Canadian agriculture as a global leader in the fight against climate change.** By championing Canadian best practices, such as the 4R program, carbon smart farming and nutrient efficiency, we can cut global emissions. Canadian agriculture contributes about 8% to domestic greenhouse gas emissions, compared to the global average of 23%.
- 29) **Pursue balanced economic and environmental objectives.** By fulfilling the export-based and economic objectives set out in the Barton Report on Economic Growth, combined with strategic investments in rural broadband and carbon-capture technologies, we can help the agriculture and agri-food sector reach its full potential and support Canadian job creation.

To expand Canada's market reach:

- 30) **Renew the Canada-U.S. relationship.** Focusing on areas of alignment to ensure Canada is a valued ally, including critical mineral supply chains, a strengthened shared defence industrial base, a renewed and reinvigorated Regulatory Cooperation Council and joint action on climate change in the transition to a lower carbon economy.
- 31) **Increase agricultural exports.** Enhancing the ability of agriculture exporters to take advantage of trade agreements will increase the number of potential customers.
- 32) **Focus our multilateral trade efforts on key issues.** Resolving the major issues affecting Canadian companies will increase our ability to compete. These issues include digital trade, trade facilitation and trade-distorting industrial subsidies.

To allow Canada to sustainably supply the resources of the future:

- 33) **Develop energy and trade corridors to support resource exports.** By supporting our natural resource exports and infrastructure development, Canada can better decarbonize industrial activity and our power grids. Additionally, implementing energy and trade corridors as designated sites will help create a simpler and more predictable regulatory process.
- 34) **Improve the regulatory environment to attract capital.** By attracting investment capital, Canada will create new energy assets, including a hydrogen industry, and decarbonize current energy-intensive industries. The regulatory improvements include weighing Canadian exports as part of global emissions reductions, ensuring climate risks in financial markets are aligned with the U.S. and creating policy certainty.
- 35) **Execute a critical minerals strategy.** This strategy will help build extraction, value-added processing and end-use manufacturing in Canada. Working in close collaboration with allies, Canada will reduce its reliance on unstable markets to ensure consumers have reliable access to vital products, such as battery technology and hi-tech goods, as well as for its national defence.

To create resilient health infrastructure:

- 36) **Implement a national life sciences strategy.** The strategy must execute specific measures that will attract investments from life sciences companies into Canada for domestic production, develop life sciences R&D infrastructure, improve the system of patient access, invest in life sciences talent and ensure Canada is part of global supply chains.
- 37) **Create a strategy for value-based healthcare in Canada.** This approach will foster innovation and a more holistic view of healthcare, including better measures to prevent high-cost illnesses by evaluating patient outcomes as part of the procurement process. The strategy should also help provincial and territorial governments implement trials with outcome-based delivery models within their jurisdictions.