

Fredericton Chamber of Commerce's Questions That Count for the 2015 Federal Election - Part Two

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FREDERICTON, NB – Earlier this fall, the Fredericton Chamber of Commerce provided each of Fredericton's four candidates with our 14 "Questions That Count" for the 2015 federal election. Last week the chamber released the responses to the first five questions which asked about governance, platforms, natural resources and the economy.

"In this election, there are many different issues being discussed that matter to the business community in Fredericton and New Brunswick," said Stephen Hill, chamber president. "Our series is meant to better inform our members and the public about the various positions of each party and local candidate, but also to let our candidates know what matters to their business community."

Below are the responses to questions six through ten - which focus on trade, demographics, taxation and access to capital.

"Obviously we have some challenges currently in New Brunswick," added Krista Ross, chamber CEO. "Our demographics are both a symptom and a cause of the weak economy, so we cannot just look at our declining and aging population in a vacuum. Sustainable growth of our people and economy need to happen simultaneously, there is no magic bullet and we think each of the candidates understand that."

The final installment will be released on Thursday, October 15, 2015.

Questions That Count for the 2015 Federal Election

6. Overall, do you view CETA as a net positive or net negative for business in New Brunswick and/or Canada?

Sharon Scott-Levesque (NDPC):

Tom Mulcair and the NDP believe that growing international trade is a cornerstone of Canada's future economic prosperity as a trading nation. Diversifying and deepening our trade relationships would be a top priority of an NDP government.

New Democrats supported the main elements and goals of the Canada-South Korea Free Trade Agreement, and have been supportive of trade negotiations with the European Union, Japan and other pacific nations considering a Trans-Pacific Partnership. However, it has become clear that the Conservatives continued negotiation in the TPP during the present campaign while it was not in the best interests of Canadians. The Conservatives had no mandate to make concessions that could put thousands of well-paid Canadian jobs and the communities that depend on them in peril. As such the NDP will not consider itself bound by the agreement signed by the Conservatives during this federal election.

Tom Mulcair has committed to personally lead trade delegations to engage in economic diplomacy to promote critical sectors such as Canada's aerospace sector abroad. In negotiations on existing and new international agreements on trade and investment, an NDP government would stress pragmatism and seek to achieve a net benefit for Canada and the Canadian economy while being mindful of the potential disruption to industrial and other economic sectors, including existing employment.

An NDP government would do more than previous governments to add environmental and human rights issues to the negotiation of trade and investment rules. It is unfair and unsustainable for our partners in trade agreements to break or bend their own environmental laws and human rights to gain an economic advantage over Canadian businesses.

Keith Ashfield (CPC):

CETA is a net-gain for both Canadian consumers and firms. The increase in competition locally will leave consumers with more disposable income, and the market opportunities gained for Canadian Firms by access to nearly half a billion consumers is unprecedented. Additionally, while the Canadian dollar is low, exporters will see a considerable increase in business. This also means that the wealth is spread more evenly across the country, as the increased demand for Canadian products will not disproportionately benefit Alberta, rather, all provinces. Specifically for New Brunswick CETA will give a considerable competitive advantage to many of our local sectors including: fishing, forestry, IT, agriculture, and service sector.

Mary Lou Babineau (GPC):

While the Green Party recognizes the importance of international trade agreements, we have serious concerns about CETA and would not support its ratification until these are addressed. For example, this agreement will undermine Canadian dairy farmers and producers, restrict local decision-making by municipal governments on procurement, and drive up prescription drug prices for all Canadians in order to protect the interests of massive European pharmaceutical corporations.

Also, like the Canada-China FIPA, a central element of the CETA consists of an anti-democratic Investor-State Dispute Settlement mechanism, allowing foreign corporations to sue Canada and challenge democratically-passed Canadian laws that impede their profits. We know from our experience with NAFTA that Canadian governments and Canadian taxpayers are invariably on the losing end of these dispute settlement processes.

Matt DeCoursey (LPC):

Canada is a trading country and the Liberal Party is broadly supportive of the Comprehensive Economic Trade Agreement (CETA), which stands to remove trade barriers, including regulatory barriers, widely expand free trade between Canada and the European Union, and increase opportunity for the middle class.

Like many other initiatives that ought to be positive, the Harper Conservatives have caused unnecessary angst and mistrust around this issue with secrecy and a flawed process. The Liberals will

pursue trade initiatives such as the CETA, however, we will engage in public consultation and reassure our supply managed sectors, such as the dairy producers, that their interests will be protected.

7. With a declining population and increasingly difficult economic situation, this area must increase its attraction and retention of New Canadians. Is your party prepared to re-examine the allotments each province receives through the Provincial Nominee Program?

Sharon Scott-Levesque (NDPC):

Immigration helps grow our economy, foster innovation and increase trade. More than that, it's part of who we are as a country. An NDP government will speed up processing times and reduce backlogs. We'll give greater priority to family reunification, especially to keep children and parents together. And we will create a pathway to citizenship for all Temporary Foreign Workers, allowing provinces to retain workers who are filling labour shortages and have become part of their community.

We will work with the provinces and territories and other stakeholders to determine the right balance with regard to immigration levels and programs.

To help access the skill and talent of newcomers to Canada, as well as potential immigrants, Tom Mulcair and the NDP have committed to restoring \$30 million to the Foreign Credential Recognition Program that Stephen Harper promised, then failed to deliver. An NDP Government will offer grants to professional bodies to develop a harmonized national standard for credential recognition, with a single point of contact.

An NDP government would expand new programs that prepare new immigrants for success before they arrive in Canada, like orientation sessions in visa offices.

Keith Ashfield (CPC):

Our government has always worked with the Province of New Brunswick on immigration issues, including the Provincial Nominee Program. Going forward, our government will continue work with the Province of New Brunswick on this and many other issues.

Mary Lou Babineau (GPC):

We would most definitely be prepared to revisit the PNP.

Matt DeCoursey (LPC):

Immigration remains an important component of economic growth in Canada, and a challenge that New Brunswick is not facing alone. We need to make sure we are investing in settlement so that all regions of Canada can realize the benefits. The Liberal Party of Canada believes that the Provincial Nominee Program has been a great success in fostering immigration to many parts of Canada. As Prime Minister, Justin Trudeau is committed to working with New Brunswick - and all provinces - to discuss how we can improve and expand these programs to meet the evolving needs of each province.

8. How do you prioritize tax vs. spending? How important is a balanced budget to your party?

Sharon Scott-Levesque (NDPC):

Tom Mulcair has a plan to strengthen the middle-class, and grow the economy while producing balanced budgets in each year of an NDP mandate to avoid piling more debt on the shoulders of future generations.

Keith Ashfield (CPC):

Our government remains committed to balanced budgets, unless the economic climate of the country calls for fiscal stimulus. Unlike the Liberals, we balanced the budget on a low-tax plan, rather than on the backs of the provinces as they cut provincial transfers. Our government will continue to run surpluses, while providing increases to provincial transfers.

Mary Lou Babineau (GPC):

The Green Party has released its fully costed platform, and our budget is balanced. We are a party that is concerned with living within our means, and therefore will make every effort to work within a balanced budget and lower our national debt.

Matt DeCoursey (LPC):

Much has been made of the Liberal platform that looks to make key investments in the priorities of this country without a promise of a balanced budget in year one of our mandate. Simply put, Canada has an important choice to make: invest now, in projects that are needed now, with historically low interest rates, or continuing to defer projects, while our infrastructure crumbles, to a time when they will cost taxpayers more.

By choosing to invest in the middle class, job creation, and economic growth, a Liberal government will restore fiscal responsibility to Ottawa. With our historic plan for investment, the federal government will have a modest short-term deficit of less than \$10 billion in each of the next two fiscal years, which is less than half the average Harper deficit of over \$20 billion per year. If the fiscal situation deteriorates due to a further slowdown of the economy in the weeks ahead, Liberals will be honest with Canadians about the facts. After the next two fiscal years, the deficit will decline and our investment plan will return Canada to a balanced budget in 2019. Combining fiscal discipline with investments in economic growth, we will end the Harper legacy of chronic deficits and reduce Canada's federal debt-to-GDP ratio each year.

9. Taxes have become extraordinarily complicated and cost Canadian business billions to comply with. Would you support a comprehensive review to streamline the tax code and eliminate the many tax credits and exemptions so that rates could be lowered?

Sharon Scott-Levesque (NDPC):

Tom Mulcair and the NDP will cut the small business tax rate from 11% to 9% to better support a sector of our economy that creates 78% of all new private sector jobs in Canada. An NDP government would immediately cut small business taxes by one point in 2016-17, and by a second point in 2017-18. Once fully implemented, this will cut small business taxes by nearly 20 percent.

Tom Mulcair's balanced fiscal plan makes investments in areas like childcare, infrastructure, health care and protecting retirement security within a balanced budget. The NDP fiscal plan will produce a balanced budget in each year of an NDP mandate. Revenue measures contained in the plan include increasing the tax rate paid by profitable corporations from 15 to 17%, which is lower than the average it was under Stephen Harper and leaves Canada's rate below the G7 average. We are going to use that money to invest in better health care, making life more affordable and kick-starting our economy, while protecting seniors' ability to split pension income.

Keith Ashfield (CPC):

Tax credits are a way a government can influence the consumption habits of consumers and businesses which work towards certain national objectives. For example, the Home Renovation Credit, encourages households to upgrade their homes to become more energy efficient, while stimulating the contracting and home-renovation sectors. Other examples are the Child Fitness and Arts Credit, which encourages parents to enrol their children in fitness and arts related activities. Beyond tax credits, our government has been consistently lowering taxes across the board. Canadians now have a federal tax burden that is the smallest in 50 years, and we will continue to cut so we can keep more money in the economy, and out of the hands of government. In short, we will be keeping the tax credit system, while continuing to lower the overall tax burden on both consumers and businesses.

Mary Lou Babineau (GPC):

Yes, the Green Party supports a root-and-branch review of the tax code, the reduction of small and medium-sized business' corporate tax rate from 11% to 9%, and all means possible to reduce red tape for Canadian businesses.

Matt DeCoursey (LPC):

A Liberal government is committed to a significant overhaul of the Canada Revenue Agency (CRA) operating practices to develop a client relationship rather than that of simply a taxpayer. These reforms will include ensuring CRA correspondence is user-friendly and simplified.

10. How would your party attract more venture capital and angel investing for small entrepreneurs?

Sharon Scott-Levesque (NDPC):

Stephen Harper abolished the 15% tax credit for investments in labour-sponsored venture capital corporations. Tom Mulcair and the NDP will reinstate the Labour Sponsored Venture Capital Corporations (LSVCC) Tax Credit – abolished by the Conservatives – when the NDP becomes government. This tax credit helps working families to save and invest in the small and medium sized businesses that Fredericton’s economy needs to survive.

Keith Ashfield (CPC):

My view is two-fold. First, venture capital goes where the ideas are. Second, both provincial and federal governments must be consistent with their policies with regards to reducing the cost of doing business. Our party has announced its intention to further reduce red-tape by 33%, and have been consistently lowering corporate and small business taxes. Through ACOA, IRAP, and other federal programs, our government has been consistently working with start-up and established firms so that when the opportunity comes for venture capital, or an angel investor to invest in a firm, the firm’s R&D and business plan are already established and make them prime for investment.

Matt DeCoursey (LPC):

Liberals know that venture capital is a key source of financing that often comes with the technical and managerial expertise that businesses need to grow and create jobs.

A Liberal government will reinstate the Labour Sponsored Venture Capital Corporation (LSVCC) tax credit, which is being phased out by the Harper Conservatives. The LSVCC tax credit helps Canadian workers save for their retirement, while allowing labour funds to make significant investments in small and medium enterprises, as well as infrastructure projects.

Moreover, we will invest \$100 million more per year in organizations that have been successful at supporting the emergence of clean technology firms in Canada, including Sustainable Development Technology Canada. We will also work in partnership with the private sector to enhance the availability of venture capital for new, clean technology.

Mary Lou Babineau (GPC):

Please refer to the response to Question 1, re a Federal Venture Capital Fund and Think Small First Legislation.

[A federal Venture Capital Fund to support small and medium local businesses, particularly in their start-up phase. This Fund will also support business clusters in cities of all sized in Canada to create

the business climate that will entice home-grown entrepreneurs to stay, and others to come, as they attract new businesses seeking the direct and indirect benefits of networking and collaboration.

The Green Party supports the introduction of **Think Small First** legislation. This legislation would require the consideration, and public reporting of how ANY new federal legislation would impact small business. This legislation is based on a similar law that currently exists in the European parliament. This demonstrates a true recognition of how important small and medium-sized businesses are to our economy and communities.]

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A dynamic business organization with more than 950 members representing 27,000 employees, the Fredericton Chamber of Commerce is one of Atlantic Canada's largest chambers of commerce. Actively engaged in policy development that affects the competitiveness of our members and of the Canadian business environment, the vision of the Fredericton Chamber of Commerce is community prosperity through business.

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