



ASSOCIATION OF  
EQUIPMENT MANUFACTURERS

AGRICULTURE  
CONSTRUCTION  
FORESTRY  
MINING  
UTILITY

August 12, 2011

Ms. Guyanne Desforges  
Clerk of the Committee  
Standing Committee on Finance  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6

Dear Ms. Desforges,

Let me offer my congratulations to the Chair and the returning Members for their electoral victory this spring and offer a warm welcome to the new Members elected and now serving on this committee.

With the stability of a majority government the Association of Equipment Manufacturers (AEM) hopes that we can strengthen our excellent working relationship and continue to support parliament as you tackle the important work of managing a fragile economic recovery.

Recently the Canadian Manufacturers & Exporters (CME) filed a submission to the Committee for consideration as part of the Pre-Budget consultations. I wanted to ensure that as you begin the challenging task of making recommendations for Budget 2012 that you were aware of the strong support that AEM has for CME's submission.

Canadian manufacturers, processors and farmers – those who buy and use heavy equipment – compete on a global basis. They must continually invest in modern equipment that allows them to achieve unmatched productivity gains. As well, the companies that make this equipment face increased competition from emerging markets.

That is why we support the recommendations contained in the CME's submission that will set the conditions for Canadian companies to succeed and grow:

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- 1) Invest more in machinery and equipment: make the two-year write-off for manufacturing and processing machinery and equipment a permanent part of the tax system.
- 2) Increase R&D spending by improving the current Scientific Research & Experimental Development (SR&ED) tax credit system.
- 3) Invest in their workforce by providing an Employers' Training Tax Credit creditable against Employment Insurance premiums.
- 4) Expand trade by pursuing bilateral trade agreements and aggressively negotiating with our trading partners to eliminate trade barriers.

We believe that the four recommendations will allow Canadian manufacturers to continue to compete in the global market and protect a vital sector in the Canadian economy employing over 1.7 million Canadians.

The Association of Equipment Manufacturers (AEM) is the North American-based international trade group representing some 800 companies that produce and market equipment, products and services used worldwide in the agriculture, construction, forestry, mining and utility sectors. These companies manufacture a wide variety of equipment, from large earthmovers and agricultural equipment to smaller hand-held, portable and walk-behind machinery - designed to handle a myriad of specialized tasks.

AEM members make the machines that provide the productivity to feed, build and power the world.

We wish to thank the Committee for its consideration of this submission.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Howard Mains', is written in a cursive style.

T. Howard Mains  
Public Policy Advisor  
AEM Canada