

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

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Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

We are a group of 3 small manufacturing and distribution businesses in rural NS employing a total of about 180 people. Our roots are 65 years old. We had a near death experience in the 1982-84 recession. Based on that experience we have managed our companies very differently focusing on balance sheet conservatism in an effort to survive economic swings and downturns. To date we have been successful. We now find however that we are penalized by carrying cash reserves designed to protect wide swings in our business success and now it is uncertain whether we qualify for the small business enhanced capital gains exemption as we plan intergenerational succession arrangements. Running manufacturing businesses in Canada particularly in rural areas is a challenge. I think Government needs to review the negative impact of its rules and regulations on small business as we try to navigate through challenging economic conditions. Another area that is restrictive is the current limits on qualifying for the small business tax rate. Small business is very important for rural Canada. Government needs to do more to help it not only survive but indeed thrive to help those businesses and the communities in which they are located continue to exist. At times we feel under attack not only my markets and competitors but Government as well!

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

We find employment laws restrictive to employers. We feel Federal and Provincial laws governing the hiring and layoff of employees need to be reviewed and made much more flexible. That would help employers take the risk of increasing employment levels with a hope of being able to maintain increased employment. The Government also needs to encourage individuals whether employed or unemployed increase their skill levels and attitude to work and productivity. Maybe this could be done through some system of personal tax credit incentives. The nature of the workforce is changing and generally not in a positive way. The training of a future skilled productive workforce needs to start with training and developing attitudes at a very young age. We need to look as both Federal and Provincial responsibilities in areas that develop both our current and future workforce. Individuals need to be made much more accountable for their own situations and hide inefficiencies much less behind Government regulations and Union contracts. The burden of payroll taxes is also an increasing negative impact on employers.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

No comments in this regard.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

We need to create policies and programs that teach everyone of their role in creating a productive society. Are there measures or challenges that can help bring the need for productivity to a personal level for Canadians at all ages? Generally speaking it seems people's eyes gloss over when one talks about the need for productivity. Most people seem to believe that they are productivity in the work place and in society and that productivity is someone else's issue. We need to revolutionize the approach to productivity. Evolution and tinkering is not about to make material change in the near future in my mind. Government and indeed politicians could really take the lead in this regard - 'Lead by example'. Is there much that is productive about political and Government activities and processes? I think there are significant opportunities in this regard.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Canada and Canadians are being challenged by divides - the two major ones being urban / rural and east / west. The Federal Government needs to consider these divides and establish policies, rules and regulations that help reduce the impacts of these divides. Regionalizing Government programs, investments and initiatives including tax policy could go a long way to helping in this regard.