



February 23, 2004

**Speaking Notes for Provincial Pre-Budget Consultations with
Minister of Finance, Greg Sorbara (February 23, 2004)**

The Windsor & District Chamber of Commerce is pleased to have this opportunity to make its views on the Provincial Budget known to the Minister of Finance for the Province of Ontario.

The Windsor & District Chamber of Commerce represents over 1,400 business members who collectively employ more than 80,000 people. Our membership profile truly represents a cross-section of the business interests in this community. We actively work with government to ensure the business and investment climate in our region remains competitive.

The Chamber has active role in setting policy priorities in a number of areas including, finance and taxation, transportation and infrastructure, the Canada – U.S. Border, the environment, health care, education and apprenticeship.

Working closely with our policy committees, the Ontario Chamber of Commerce (OCC), and in consultations with our membership the Chamber has over the past few months identified policy recommendations outlining the Chamber's expectations for the Ontario economy, along with the Chamber's top financial and fiscal priorities for the 2004 Provincial Budget.

Ontario's Economic Outlook

In 2003 Ontario was faced with a number of challenges including the appreciation of the Canadian Dollar, the August power failure, BSE, and the SARS outbreak, all of which impacted Ontario's economic performance.

This reality will downgrade expectations for 2004. From our members forecasts the Ontario's 2004 real GDP growth (from the OCC Pre-Budget Survey) is expected to approach 3 %. Our members are optimistic about a somewhat stronger economy in 2004 and 2005, relative to 2003.

Balanced Budget

We believe that the balanced budgets and debt reduction should continue to be key priorities of the government. However, given the size of the deficit projection (we concur with the reality

that the government faces significant challenges due to the projected \$5,6 billion deficit), the Chamber expects the government to provide a balanced budget within two years.

Debt

The Chamber sees reduction of the Debt as a priority for the Ontario government once the current deficit is eliminated. Our position on debt reduction continues to be that the government must take steps to reduce the debt-to GDP ratio to 15% by 2010.

While we accept this as a reasonable plan to solving the financial difficulties of the Province we believe that fiscal discipline with a goal of finding substantial savings in its operations can be achieved and should be a guiding principle for the government.

Taxation

The Windsor & District Chamber of Commerce continues to advocate for the removal of profit-insensitive levies, primarily the corporate capital tax, which is a key inhibitor to Ontario's corporate competitiveness. The capital tax is counter-productive and has a significant impact on the province's competitiveness and ability to attract new investment. Canada remains the only G7 country to levy the corporate capital tax, which we believe hinders investment.

The provincial government should examine the benefits of removing this tax and reassure investors by, at the very least, matching the federal government's timetable for removing the capital tax, through successive years of rate reductions.

The Chamber has been encouraging the Province to promote economic growth by working toward low and equitable taxation alongside efficient and effective regulation. Reductions in the Personal, Property and Corporate Taxes remain as tax priorities for our Chamber. However, recognizing that 2003 has been a difficult year our Chamber also recommends that the Ontario government remain cautious for the coming year.

Spending Priorities for Windsor & Essex County

Realizing the fiscal challenges facing the government, the Windsor & District Chamber of Commerce is providing the following policy priorities for the upcoming budget. The greatest priorities for our business community in Windsor & Essex County in terms of provincial spending are the Transportation and Border infrastructures.

We are also very concerned and would like to see investment occur in Health Care, Energy Pricing and Supply, Education and Apprenticeship. We are highly supportive of initiatives that would help the local Automotive and Manufacturing industries as well as the Gaming, Hospitality and Tourism sectors. Along with the Greenhouse industry (which also increasingly needs a more efficient Border to be profitable), these are the pillars of our local economy.

According to these priorities, the Chamber has in the course of the last two years identified policies that we believe will advance the interests of our business community in Windsor & Essex County. The Chamber will advocate these policies through all available avenues

(including this pre-budget consultation) to convince the provincial and other levels of government of their importance to our businesses.

Windsor-Detroit Border

On the issue of our Windsor-Detroit Border Crossing (the world's busiest border crossing) we believe that the efficient, timely and secure movement of goods and people between Canada and the United States is essential for the well being of Ontario's export-driven economy.

To ensure the timely and free flow of goods and travelers across the border immediate action by the government of Ontario is required. We understand the government has a number of proposals before it that are currently being reviewed. We urge the government to move toward implementation of these plans and we are hopeful that together with our municipal government this process has gained enough momentum to be completed expeditiously.

We recommend that the government proceed as quickly as possible with the short and medium plan to address the difficulties at the Windsor-Detroit Border crossing. We have actively lobbied the Municipal government on the issue, urging the City of Windsor to move quickly and approve a plan, in conjunction with the Province and the Federal government that would work for the immediate problems with traffic congestion we have been experiencing in recent years.

Transportation

As several of the important investments resolving the Border issues are in the area of Transportation, our Chamber has worked on a comprehensive Transportation Policy that I will be submitting with this presentation to the Honourable Greg Sorbara, Ontario Minister of Finance. Within the scope of the Policies contained in this document are a number of recommendations concerning the Windsor-Detroit Border crossing and a vision for a Border/Transportation Authority to oversee the planning, implementation and operation of these important infrastructures.

We appreciate the opportunity to have made this presentation to the Minister of Finance, Honourable Greg Sorbara, and trust that we have adequately outlined the concerns of our Members and provided priorities that are practicable. We look forward, in conjunction with the Ontario Chamber of Commerce, to the opportunity for continued dialogue and consultation with the Government on these critical issues.

The Windsor & District Chamber of Commerce believes that the Ontario government's fiscal and economic goal should be to make Ontario the most competitive jurisdiction in North America. It is critical that the province remain focused on Ontario's competitiveness.