

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Small Explorers Producers Association of Canada

### 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?*

The oil and gas industry is by far the largest private sector investor in Canada and with the right fiscal, regulatory and investment incentives can provide much of the economic stimulus Canada requires as the federal government withdraws stimulus through deficit cutting. The junior /intermediate company segment is 10%-15% of the \$50 billion in annual oil and gas industry capital spending which creates jobs, particularly in rural areas of Canada. With challenging capital markets making access to capital difficult, a robust and targeted flow through share investment program would mobilize capital from Canadians and direct it to junior companies who create tens of thousands of well paying jobs here in Canada.

#### 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?*

Canada's resources can only be developed by Canadians. These are jobs that cannot be shipped overseas because the oil and gas, gold, copper, diamonds, iron and other minerals are here. Making sure that the regulatory and project approvals system are predictable, timely and efficient, while ensuring high environmental standards, are critical and we applaud the recent steps taken by the government in this direction. In addition, investment incentives for Canadians to direct risk capital to resource development here in Canada are vital. See comments above re improving the federal incentives re: "flow through shares".

#### 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?*

We support the measures being taken by the Government to reform the immigration system to benefit Canada's economy by easing access for people with the skills we need.

#### 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?*

Canada has done much to incentivize business to improve productivity through lower taxes and research funding. Canada's productivity growth nevertheless has remained disappointing. Widley reported research has indicated that smaller companies are more severely burdened by 'red tape' on a per employee unit cost than large companies. We support measures taken by the federal government to

reduce the regulatory and reporting burden on smaller companies in Canada.

**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?*

No comment.