

## Stay competitive, create jobs, strengthen the economy

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*By Terry Campbell, President and CEO, Canadian Bankers Association.*

The upcoming federal budget provides a good opportunity for the banking sector, and all Canadians, to step back and reflect on the current state of our industry, the country's economy, and where we want to head in the coming year.

Emerging from the economic turbulence of the past few years, Canada's banks have remained strong, contributing substantially to the economic recovery, without requiring the taxpayer-funded bailouts that have occurred in many other countries around the world.

For the third consecutive year the World Economic Forum has ranked Canada's banking system as the world's soundest. This is good news that benefits Canada and Canadians. The banking industry annually contributes tens of billions of dollars to Canada's GDP, directly employs more than a quarter of a million Canadians and provides financing for businesses across the country, including close to \$83 billion in credit to small businesses last year.

The strength of our banking sector makes it clear that our national regulatory system is sound; however, this strong national approach should also be applied to Canada's securities sector. The CBA has long advocated for a single, Canadian securities regulator to improve investor protection and to make it more efficient for businesses wanting to raise capital. We are encouraged by the work of the Canadian Securities Transition Office and we will continue to support the federal government's efforts in this area.

As Canada enters the next phase of economic recovery it is important that businesses of all sizes are able to create new jobs, increase investment and boost productivity. Research shows that one of the most effective ways to encourage such growth is to continue with the ongoing transition to a more competitive tax system. This will increase domestic business activity and make Canada a top destination for foreign investment, ultimately benefitting all Canadians.

The importance of personal savings and investment is another area that cannot be overlooked. Saving for retirement is on the minds of all Canadians, yet many do not have access to employer pension plans. Small business owners and the self-employed also miss out on the benefits of large, well-managed pension plans, putting them at a serious disadvantage as they prepare for retirement.

Delinking pension plans from the employment relationship and allowing third parties, like financial institutions, to offer such plans will give everyone access to professionally managed pension plans. In December of last year, Minister of Finance Jim Flaherty announced a proposed framework for pooled registered pension plans that will give all Canadians an equal opportunity to save for their retirement. The CBA supports this initiative.

Financial literacy is another important issue on which the government is focused. The CBA firmly believes that a strong national economy is built on the foundation of a financially literate population

and our industry looks forward to working with the government to help implement recommendations from the February report of the Task Force on Financial Literacy.

The CBA and its member banks stand ready to work with the government on measures that will keep Canada competitive, create jobs for Canadians and strengthen our national economy.

The Canadian Bankers Association works on behalf of 51 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 260,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The Association also promotes financial literacy to help Canadians make informed financial decisions.