

Business View

NOVEMBER 2006

In this issue:

New Members	2
President's View	3
Members in the News	3
Fixing the Holes	4
Government Announces Income Tax Changes	4
U of S in the News	5
Food for Thought - The One Perfect Program	6
Province Cuts Small Business Tax	6
Figuratively Speaking	6
Canadian Chamber Update	7
Business Climate	8
Upcoming Events	9
U of S Grad Places Third in National Entrepreneurship Competition	9
Board of Directors Nominations	9

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Saskatchewan and Alberta Continue to Outpace the Rest of the Country in Job Growth

- Employment in Saskatoon increased by 4,500 over the last year

The Statistics Canada Labour Force Survey released today shows that Saskatchewan created 3,000 jobs in one month from September 2006 to October 2006. Over the last year, 21,000 workers have been added in Saskatchewan, mostly in trade, accommodation and food services, and construction. The Saskatchewan growth rate is second only in Canada to Alberta. The Greater Saskatoon Chamber of Commerce has an objective of a career opportunity for every Saskatoon graduate (or 8,000 net new jobs per year). Saskatoon has a long way to go to achieve this target in 2006, having created only 4,500 jobs from October 2005 to October 2006. On a positive note, both the available labour force, and the employed workforce in Saskatoon have grown over the past month. Both of these factors grew at a significant pace in October 2006, with the labour force growing by 1,100 peo-

ple and over 1,500 jobs were added in Saskatoon in just one month. At this rate, Saskatoon will reach the number target of a job for every graduate by mid 2007. This will represent the second time in three years that the Chamber's target will have been reached.

At the provincial level, the job numbers turned positive in a big way. After the business tax changes, the province is doing much better at youth retention than the period from 2000 to 2005. From October 2005 to October 2006, Saskatchewan created 21,800 jobs.

"Saskatchewan's year to date job growth of over 21,000 workers is great news. Saskatchewan's job creation must regularly reach these annual growth rates in order to arrest and reverse youth exodus in this province. It's no coincidence that these

Continued on Page 5

Greater Saskatoon Chamber of Commerce Board of Directors Nominations

are now being accepted ... see page 9



Photo Courtesy of Stuart Kasdorf Photographics Inc.

Business View

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 Phone: 652-1421 Fax: 934-5014
 Website: www.saskjazz.com
 Contact: Keith Tobin

Tamara's House: Services for Sexual Abuse

1605 Victoria Ave, Saskatoon, SK S7H 1Z4
 Phone: 683-8667 Fax: 683-8670
 Website: www.tamarashouse.sk.ca
 Contact: Karen Wood

Trusted Connexions

407E 1st Ave N, Saskatoon, SK S7K 2C1
 Phone: 664-2576 Fax: 664-2578
 Website: www.trustedconnexions.com
 Contact: Greg Whiteside

Webbs Office Equipment Inc.

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 Email: info_webbs@sasktel.net
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10-110 Wedge Rd, Saskatoon, SK S7L 6Y4
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PRESIDENT'S VIEW

Since my last Business View, there have been substantial changes to the investment markets, pension assets and the certainty surrounding retirement incomes. Namely, on October 31, 2006, the Conservative government made significant changes to the way Income Trusts are taxed. While there have been several strong editorials and personal views put forth that suggest that the Conservatives must back down on their decision to not allow any more income trusts be established, there is a very positive message amongst this turmoil – sometimes a tough decision has to be made, even if it hurts.



So amongst all the mayhem, is it not refreshing to see a government that is willing to stand up to its convictions even if there is a price to pay?

There is little doubt that investors in Canada were enjoying the fruits of a tax-advantageous investment. While some may argue the economics of whether such investment structures were in fact hurting the Canadian government coffers in the long run, it is clear that these investments had an element being tax advantaged that a typical public company share or bond investment did not have. Further, there is no doubt that as a result of these rules being changed, investors got hurt. But you must remember, a lot of those investors who invested heavily in income trusts also had several years of advantages.

The last federal government said they were going to do something about income trusts but their rules focused on making public company share investments more attractive rather than pulling the carpet out from underneath the income trust market. So, should we applaud those that did not have the courage to do what needed to be done?

The Conservatives had the courage to do what the previous government lacked the nerve to do – they made a tough decision. Then, when the heat was on, despite the political pressure to change their minds and reverse their position, they still stood by their convictions and beliefs.

Whether you agree with the decision or not, whether you are a Conservative, Liberal or New Democrat, I want to believe that we all agree that it is refreshing to see a government not back down in the face of harsh public opinions and pressure from the media. Assuming that income trusts do become a thing of the past because of the Conservative's policy, does this mean that our expectations of future governments will be that Canadians will now begin to expect our elected officials to make those tough decisions we elect them to make? Wouldn't Canada be a better place if that was the case?

Coni Evans, President

Members in the News ...

Austin Beggs, Director of Corporate Relations at **Innovation Place**, was recently elected President of the Association of University Research Parks (AURP). The association, based in Reston, VA., includes some of North America's top-ranked research parks. This is only the second time the North American organization has elected a Canadian as President.

Hitachi Canadian Industries Ltd. Recently announced the appointment of **Tom Kishchuk** to the position of President of the Saskatoon facility. With the retirement of Mr. Takamitsu Nakazaki as President, the following executive appointments were also announced: **Takamitsu Nakazaki** becomes Chairman; **Murray Daku** becomes Vice President and Chief Operating Officer; **Curt Dittmer** is appointed Chief Financial Officer; and, **Rob McEachern** is appointed Chief Technology Officer.

Prairie Swine Centre (PSC) Elstow Research Farm Inc. recently announced that for the second year in a row, the research farm has won the Maple Leaf Performance Award for the largest average loin. This award is presented to demonstrate the importance of certain characteristics in the pig leaving the farm that benefit the packer as well as the retailer marketing the pork.

Lee Whittington was recipient of the Agricultural Awareness and Education Award recently presented at the 2006 Canadian Agri-Food Awards of Excellence. The award recognizes the **Pork Interpretive Gallery** at the PSC Elstow Research Farm, a 600 sow farrow-to-finish production barn designed to provide commercial scale production facilities for the further development of near-market production research.



SASKATOON ZOO CAMPAIGN

Give a Hoot! **Branding and Sponsorships** now available on five new projects at the Saskatoon Forestry Farm Park and Zoo. Call **975-2241** for details.

Fixing the Holes

Where do we go from here?

A long while ago in a different time and place Paul McCartney sang of "Fixing the hole where the rain comes in." It is a prudent activity to stop the roof leaking and most of us understand that it is cheaper to replace the shingles on the roof when they start to leak than to stand idly by while the rain starts to rot the roof joists and eventually ruin the furniture inside the house.

A few thousand dollars on new shingles every decade is much cheaper than the structural repair of the roof beams and buying new furniture for the house. As individuals we understand and practice this logic each day.

Why is it then that governments don't understand and practice exactly the same logic when managing our road system? Provincial highways are deteriorating. Maintenance and repair expenditures have not kept pace with the rate of road decay.

The provincial department of Highways & Transportation acknowledged in their 2003/4 Annual Report that "pavements on the principal system are aging faster than they are being rehabilitated." For years capital and maintenance spending has steadily declined. At present rates of fixing the roads it will take over sixty years before they can restore the roads to their design specifications.

It is poor public management and poor public policy that allows the roads to continue their steady decline in quality. For years now real inflation adjusted public spending on roads has consistently fallen. Potholes and poor driving surfaces are now common throughout the province in all seasons.

This policy of benign roads neglect, presumably introduced to save money, actually increases the costs of road maintenance and rehabilitation to taxpayers. It is five times more expensive to rebuild a road once its foundations are beyond repair than to undertake earlier and timely road maintenance.

Today nearly forty percent of all provincial roads have passed their effective shelf life – or the date on which the road should be replaced. On the basis of statistics released last year the province identified 65% (over half) of its thin membrane surface roads and 47% (nearly half) of its gravel roads not meeting its own criteria for "good" roads.

Deferring road spending to some future date may be seen as a saving to government, but in reality it is a transfer of costs to individuals who pick up the real costs of bad roads in increased expenditures on tires, fuel consumption, wheel alignments, cracked windshields and increased insurance premiums.

The sum of these increased costs for individuals far exceeds any savings that may be made by government. This insidious shift in the social contract on roads spending is costing all Saskatchewan drivers money while governments divert the funds they collect from the roads in sales and fuel taxes into other activities.

Equally important, Saskatchewan's third world road system is now a deterrent to business and tourism. In many parts of the province where primary highway weights are not allowed, poor roads are a deterrent to investment and economic development because heavy vehicles cannot legally travel on the roads. Entrepreneurs considering investment in the province are asked by the Provincial government to consider paying for any new roads they may require. Pothole stories have now become a part of the legend that Saskatchewan tourists take away from the province.

As responsible individuals we understand the importance of maintaining our assets. Periodically we replace the shingles on the roof and paint the

windows and the siding on the house. Good public policy on roads would change the practices of recent years and establish a level of spending to maintain and improve the quality of the provincial highway asset base.

Politicians and senior bureaucrats in charge of these assets must realize their performance has been lacking. Saskatchewan used to be a leader in transportation in Canada. Today, roads in many parts of the province are a disgrace. The lessons of economic development from around the world have shown that physical infrastructure, including roads, is an essential foundation for sustainable economic development and change.

One can only conclude that the low priority for provincial roads maintenance is a symbol that governments either do not understand the process of economic development or do not wish to develop their economy.

Good public policy would not allow these policies to continue. Good public policy would assume responsibility for maintaining and improving our public assets. Fixing the holes is good public policy.

Source: Graham Parsons, Prairie Policy Centre Commentary, September 20, 2006

Government Announces Income Tax Changes

Saskatchewan residents will see \$28.1 million in personal income tax savings next year as the government indexes the Personal Income Tax (PIT) system to the national rate of inflation, Finance Minister Andrew Thomson announced recently.

Income tax brackets and tax credits for 2007 will be increased by 2.2 per cent.

"We are enjoying a prosperous economy, which affords us the opportunity to continue providing meaningful tax relief to the citizens of Saskatchewan in 2007," Finance Minister Andrew Thomson said.

The announcement of full indexation protects Saskatchewan residents from 'bracket creep' where income tax credits decrease and income taxes increase as a result of inflation-based adjustments to personal income. It also helps maintain 'buying power' for wage earners and pensioners. The income tax brackets, basic and spousal credits, senior supplement, dependent child credit, age credit, disability-related credits, medical expense credit and the Saskatchewan Sales Tax Credit are all indexed to ensure that their value to taxpayers is not eroded by inflation.

The inflation-based indexation adjustment is determined from the annual change in the national Consumer Price Index. For the 2007 tax year, the indexation factor is 2.2 per cent.

"These changes will provide average Saskatchewan families with real tax saving in the next year, and build on our commitment to ensure Saskatchewan people continue to share in the prosperity we are enjoying today."

"In the past year alone, we have reduced taxes by over half-a-billion dollars. This includes cuts to property taxes, corporate taxes, small business taxes, sales taxes, and now income taxes," Thomson said. *"In doing so, we are making life even better for Saskatchewan families and making this province an even better place to live, work, and raise a family."*

Source: Saskatchewan Finance, Media Release November 9, 2006

Saskatchewan and Alberta - Job Growth

Continued from Page 1

results were achieved after the recent set of business tax cuts," said Kent Smith-Windsor, Executive Director of the Greater Saskatoon Chamber of Commerce.

"Our Chamber believes that Saskatoon and Saskatchewan can and must arrest Saskatchewan's youth exodus. These results show that our youth retention target is tough, but realistic," stated Coni Evans, Greater Saskatoon Chamber of Commerce President.

Saskatchewan's oil, gas, and mineral resource activity levels drove a great deal of the job growth experienced in 2006. Even agriculture showed some improvement. With better investment attraction policies and the right attitude, Saskatchewan should be at the head of the pack in job creation in Canada.

"Our young people need to know that Saskatchewan has the political will to make the changes necessary for them to be able to, and be excited about, pursuing their careers in this province and this city. Young people need to believe that their future shines as brightly right here in Saskatoon and Saskatchewan as anywhere else," commented Smith-Windsor.

"The provincial government's policy mix still needs improvement for Saskatchewan to meet its full potential," Smith-Windsor observed. *"The fact is that Saskatchewan still isn't tax and policy mix competitive. Our provincial government is still too slow in its response to opportunities like signing on to the recent British Columbia/Alberta Trade and Investment Agreement,"* Smith-Windsor concluded.

To become the economic powerhouse Saskatchewan is capable of becoming, many changes are still required at the provincial level. These changes include: signing on to the B.C./Alberta Trade Agreement; changes to the province's business input sales tax policies; reducing education property capital tax levels; elimination of resource base capital taxes; adoption of a productivity agenda by SaskPower in order to get commercial power rates in line with competing jurisdictions; further fine tuning of Saskatchewan resource royalty rates; adjustments to the personal income tax rates and exemption levels; and establishment of a fair and equitable government approach to labour issues.

"This province has the fiscal room to make these changes now. So let's make these changes now," Evans added. *"In addition to the changes we are calling for from the provincial government, Saskatchewan people have to believe in themselves. Our citizens need to believe that this province can and should grow, that Saskatchewan can and should prosper, and that Saskatchewan can and should be exciting and optimistic,"* stated Evans. *"More people in this province, elected or otherwise, need to understand and believe that there is a direct connection between business climate, business investment, and job creation for youth. We need to create the best business climate in Canada so that we can create a city that has the best opportunities for young people. Let's get on with it, our kids won't wait."*



UNIVERSITY OF SASKATCHEWAN

in the News ...

U of S Research holding its own: Maclean's, Reserach Infosource

U of S research is holding its own among medical-doctoral universities, according to the latest rankings of Canadian universities by Maclean's and Research Infosource.

The U of S held on to its 15th place ranking in Research Infosource's annual publication Canada's Top 50 Research Universities, and its place among the "\$100 million club," the 16 universities with research income in excess of \$100 million. U of S research income dropped 2.6 per cent, from \$110 million last year to \$107.6 million. This compares to an average gain of 3.2 per cent among the top 50 universities. Research intensity, defined as research funding per full-time faculty member, stands at \$107,200 for the U of S, compared to the average of \$150,000.

The Maclean's picture shows the U of S ranks 13th in social sciences and humanities research. Funding would need to increase by 1.7 times to reach the steadily rising mean for the medical doctoral group. U of S natural sciences, engineering, and medical research also ranks 13th. Grant performance would require a 1.25 increase in funding to bring it up to the mean.

According to Research Infosource, Canada's 15 medical-doctoral universities are collectively a research powerhouse, attracting \$4.2 billion in research income last year. This is more than four times the \$953 million attracted by the country's 34 universities without medical schools. Both government and non-government funding for university research has been flat in Canada for the past year.

Aboriginal Learning Centre Launch

The Canadian Council on Learning's Aboriginal Learning Knowledge Centre celebrated its official launch on Oct. 19, 2006 amidst the spectacular setting of historical First Nations meeting place, Wanuskeewin Heritage Park.

More than 100 guests attended, including consortium members and representatives of the provincial government. First Nations and Métis authorities, representatives from the U of S faculty, University of Manitoba, University of Waterloo, Cape Breton University, and key players in Aboriginal learning also participated in the event.

The Aboriginal Learning Knowledge Center will bring practitioners and scholars to share information about learning through various processes of participation, collaboration, participatory research and sharing led by Aboriginal people and grounded in Indigenous ways of knowing.

*Source: University of Saskatchewan Research News,
Issue 30, November 14, 2006*



Food for Thought

by C.M. (Red) Williams

The One Perfect Program

It probably comes as a surprise for some in Canada that many US farmers do not consider the current Farm Bill as ideal. As a matter of fact there are many for whom the program does not meet their needs at all. In particular, the north western grain farmers struggle with low returns and high transportation charges just as we do. As Congress gears up for the next edition of the US Farm Bill there is pressure to move away from that revenue based program to one more like Canada's income support system. Goodness knows that many Canadian farmers would advise their US cousins "not to go there".

The US approach of bringing returns up to a target price gives farmers an assured return before they seed their crop, assuming of course they get a crop. And that is what is driving much of their agitation now because drought has returned to plague many on the Great Plains for several years running. They would like a disaster payout and an assured income.

Canada has had disaster relief and income support built into one program called CAIS that has been very uneven in its payout. But the objective is to only bring income up to a break even level whereas farmers need some years where they build or rebuild their equity. Now we hear rumours that CAIS will be modified to split disaster relief from income support.

Many are seeking the one perfect program and failure to date has not been for lack of trying. The most logical goal if it can be devised, is for adequate disaster relief and a method of extracting an adequate return from the marketplace. Ideas anyone?



Province Cuts Small Business Taxes

Saskatchewan has introduced a cut to small business taxes. Effective January 1, 2007 the Government is lowering the small business corporate income tax rate from 5% to 4.5%.

"By cutting small business taxes, we are providing further incentive for people to invest and do business in our province," Finance Minister Andrew Thomson said. "This change builds on the business tax cuts we introduced in the 2006 budget, and the 2% cut to the PST announced recently, and further strengthens our position as one of the most competitive business environments in Canada."

The Government also introduced changes to the dividend tax credit (DTC). Effective for the 2006 taxation year, Saskatchewan will establish a new DTC on dividends received from larger corporations at a rate of 11%. By increasing its DTC rate for larger businesses, Saskatchewan has now integrated with the changes announced in the May federal budget.

Effective for the 2007 taxation year, the DTC rate on dividends received from small businesses will drop from 8% to 6% to reflect Saskatchewan's lower small business corporate income tax rate.

"These changes to the small business tax regime will improve the tax competitiveness in our small business sector and further encourage businesses to expand," Thomson pointed out. "Our government has introduced some of the most significant tax reforms in Saskatchewan history. Personal income tax reform has provided significant tax reductions for Saskatchewan people and lowered our marginal income tax rates. This year's reduction in both corporate tax and sales tax result in a further tax saving of over \$500 million annually when fully implemented."

"Our Government is working hard to make Saskatchewan the best place in Canada to live, work and raise a family."

Further details on the dividend tax credit and small business threshold changes are available by calling Saskatchewan Finance at 1-866-862-6246

Source: Saskatchewan Finance Media Release, November 2, 2006

Figuratively Speaking ...

Compiled by John MacIntyre

- Number of times longer small businesses (fewer than five employees) in Canada have had to wait to fill vacant job positions versus that of large firms, according to the Canadian Federation of Independent Business: 4
- Rank of family and career as Canadians' top life priorities in 2006, according to a survey by Workopolis.com: 1, 2
- Rank of career and family as Canadians' top life priorities in 2001: 1, 2
- Rank of Japan (26%), Britain (25%), Canada (24%), Germany (21%), and Australia (21%) as the countries whose immigrants to the U.S. are perceived to "make a better contribution than the others," according to a Harris poll: 1, 2, 3, 4, 5
- Rank of Saskatchewan, the Northwest Territories and the Yukon as the provinces/territories with the highest volunteer rates through a group or organization in Canada, according to Statistics Canada: 1, 2, 3



Employment Insurance Rates Moving in the Right Direction

Acting under legislative authority introduced in 2005 that gives the Canada Employment Insurance (EI) Commission responsibility for setting the EI premium rate, the Commission today announced that as of January 1, 2007, the employee rate per \$100 of insurable earnings will be adjusted to \$1.80, a reduction of 7 cents from its current level of \$1.87. The corresponding employer rate will be adjusted to \$2.52, a reduction of 10 cents from its current level of \$2.62. The 2007 EI rate represents a 3.7 per cent decline from the 2006 rate and the thirteenth consecutive rate reduction since 1994, when the employee rate was \$3.07. As noted in the Chief Actuary's Report, the maximum insurable earnings will rise from \$39,000 to \$40,000 for 2007.

The EI premium rate for Quebec will be \$1.46 for employees and \$2.04 for employers. Starting in January 2006, this province began offering its own parental benefits, resulting in a saving for the EI program and explaining the difference with the rate for the rest of Canada.

The Canadian Chamber had recommended that rates be reduced to at least \$1.80 per \$100 of insurable earnings.

Opportunity to Review Tax Structure says Canadian Chamber

On Tuesday, Oct. 31, federal Finance Minister Jim Flaherty announced he would alter the tax status of income trusts in order, the Minister said, that there will be a level playing field between corporations and income trusts.

The Canadian Chamber of Commerce believes that Canadian businesses need to have a competitive tax structure in order to effectively compete in the global market place. As such, we have urged the government to quickly move to remove the heavy burden on businesses of having to operate with one of the highest effective tax rates on capital in the world. This places Canadian business at a competitive disadvantage to their competitors in other countries, and restricts their ability to grow and create well-paying jobs in Canada.

The Canadian Chamber of Commerce believes that as a result of this recent announcement on income trusts that the government should now signal that it will also move boldly to reduce taxes on corporations and individuals. This would constitute welcome relief not only for Canadian businesses, encourage investment and job creation, but also increase the standard of living of all Canadians.

Chamber Urges Government to develop Awareness Campaign on Passport Requirements as of 01/07, & to Extend Passports to 10-year Validity

At the end of September, the U.S. Congress passed the Department of Homeland Security (DHS) Appropriations Bill (HR 5441). Section 7209, typically referred to as the Western Hemisphere Travel Initiative, had an amendment to it which calls for the Secretary of Homeland Security, in consultation with the Secretary of State, to develop and implement a plan to require a passport or other document, or combination of documents, deemed by the Secretary of Homeland Security to be sufficient to denote identity and citizenship, for all travel into the U.S. by U.S. and Canadian citizens (and others that have been previously waived under section 212(d)(4)(B) of the Immigration and Nationality Act). This plan shall be implemented not later than 3 months after the Secretary of State and Secretary of Homeland Security makes the required certifications or June 1, 2009, whichever is earlier. Although this amendment may result in a delay

in the implementation of WHTI for land and sea border points, the federal government should be prepared for WHTI to be fully implemented at a date earlier than June 1, 2009.

Many Canadians are not aware that WHTI will be implemented at air border points on January 8, 2007. In writing to Minister McKay, the Canadian Chamber encouraged the federal government to engage in a public awareness campaign tailored to informing Canadian citizens of the requirements, when crossing the border into the U.S., to fully comply with WHTI. The Chamber, with its network of chambers across the country, is well-positioned to play a lead role in disseminating information to the Canadian public.

The Canadian Chamber supports the U.S. government's efforts to develop alternative forms of identification to meet the WHTI requirements. Presently, Canadian citizens will require a passport to meet the WHTI requirements. The Canadian Chamber is aware that the U.S. government is expected to announce, once the final rules with regard to WHTI are made public, that border facilitation cards such as NEXUS and FAST will be accepted.

The Canadian Chamber also encouraged the federal government to increase the validity of Canadian passports from the current five year to a ten-year period. This would put Canadians and Canadian businesses on a level playing field with many other jurisdictions including the United States, the United Kingdom and Australia, who all issue ten-year passports.

Government Task Force Agrees with Chamber, Recommends Transforming the Canadian Wheat Board

On October 30th, Chuck Strahl, the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board released the report of the Task Force on Implementing Marketing Choice for western Canadian barley and wheat. The report itself can be found at http://www.agr.gc.ca/cb/ip/pdf/final_251006_e.pdf.

The task force recommends a four-staged transition from the current Canadian Wheat Board (CWB) with monopoly powers to a marketing choice environment where a new entity, dubbed the CWB II, competes in an open market against other actors. According to the Task Force's report, the process would begin with the federal government repealing the Canadian Wheat Board Act and introducing new legislation providing authority for a new commercial entity (CWB II) and for proposed transition measures. Marketing choice for barley could be introduced as soon as six months and marketing choice for wheat could be introduced as soon as twelve months after this legislation receives royal assent. Transition measures would assist the transformation to CWB II, with the new entity operating without government support within 6-7 years of the new legislation receiving royal assent. CWB II is envisaged to be a farmer-owned organization established through a process offering shares in CWB II exclusively to western grain farmers.

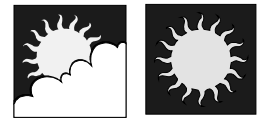
On October 31st, Minister Strahl announced that, rather than begin the process with the introduction of legislation, he would consult with western grain farmers by holding a plebiscite on the marketing of barley early in 2007.

An analysis of the task force report and these developments will be posted soon on the Canadian Chamber's Web site, www.chamber.ca.

*Source: Canadian Chamber of Commerce
news@chamber.ca November 8, 2006*



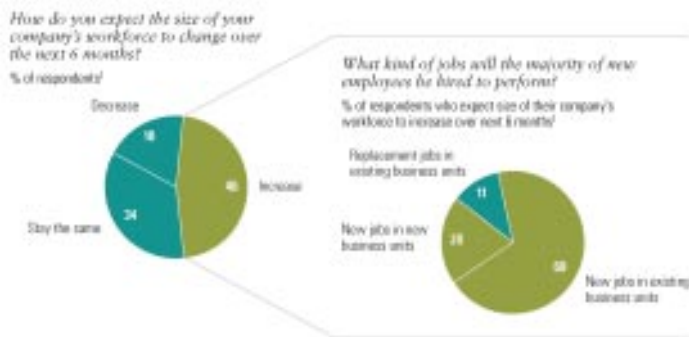
Greater Saskatoon Chamber of Commerce BUSINESS CLIMATE



EMPLOYMENT WATCH

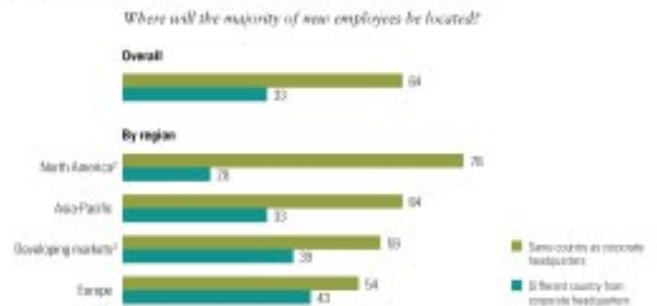
Respondents to the latest McKinsey Global Survey are more than twice as likely to say that their company will hire in the next six months as to say it will shrink its workforce. Among those who predict their workforce will grow, nearly 90% expect that most of those new hires will be working in newly created jobs. While companies continue to offshore, nearly two-thirds of respondents whose company plans to hire say that the majority of the new employees will be located in the same country as corporate headquarters, a figure that rises to 78% in North America.

Executives' sentiments about hiring are consistent across developed countries, with some 45% planning to hire. In developing countries, 55% of respondents say they will add to their workforce in the next six months. Executives in China and India, and those at the smallest companies (with annual revenues less than \$500 million), are the likeliest of all to be hiring. Among developed countries, executives in North America are the most likely to say they will hire at home; European executives are the least likely, with 43% planning to hire abroad. Thirty-nine percent of executives in developing markets who plan to hire say their company will do the majority of its hiring in other countries. The smallest companies are, naturally, the likeliest to hire at home.



¹ All data weighted by GDP of constituent countries; figures do not sum to 100%, because respondents who answered "don't know" are not shown.
Source: September 2006 McKinsey Quarterly global survey of business executives

% of respondents who expect the size of their company's workforce to increase over the next 6 months



¹ All data weighted by GDP of constituent countries; figures do not sum to 100%, because respondents who answered "don't know" are not shown.
² Canada, United States.
³ Includes China, India, Latin America.
Source: September 2006 McKinsey Quarterly global survey of business executives

The fairly buoyant hiring plans accompany a rise in executives' confidence in the overall economy. From June to September, oil prices fell, interest rates remained stable in most countries, and—in contrast to last year—no severe hurricanes struck the United States. Executives grew more confident in both the current conditions of and prospects for their national economy and their industry.

Of the jobs that will be created in different countries, just over half will comprise new functions designed to take advantage of new market opportunities; the rest will either take advantage of geographic differences in labor markets or consist of functions currently or formerly performed at home. The share of jobs that will comprise the same functions as those performed at home is fairly consistent, at about one-quarter, across all regions.



¹ Constructed from weighted average of responses to 4 questions: 1) How are current economic conditions in your country vs 6 months ago? 2) What are your expectations for the economy in your country in the 6 months ahead? 3) How are current economic conditions in your industry vs 6 months ago? 4) What are your expectations for your industry in the 6 months ahead?
² Constructed from weighted average of responses.
Source: September 2006 McKinsey Quarterly global survey of business executives

% of respondents who expect new employees to be located in a different country from company headquarters



¹ All data weighted by GDP of constituent countries; figures do not sum to 100%, because respondents who answered "other" are not shown; includes respondents who answered "don't know".
Source: September 2006 McKinsey Quarterly global survey of business executives

Source: The McKinsey Quarterly Global Survey of Business Executives Confidence Index, October 2006

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“Chamber on Business” Luncheon

Dave Forrest

Senior Energy Analyst, Casey Research Investment Advisors

***"Oil Sands Without Borders:
Why Saskatchewan's Petroleum
Reserves Could Rival OPEC"***

Thursday, December 14th, 2006

The Saskatoon Club

Learn And Be Inspired By The Best!

The Greater Saskatoon Chamber of Commerce is pleased to present a series of learning seminars to help you build a stronger sales team. It's about learning, growth, sales, negotiation, self-esteem, empowerment and fun. The seminars will be provided live via satellite.

Brian Tracy

“Advanced Selling Skills” 12:30 - 3:30 pm

“Psychology of Achievement” 5:30 - 8:30 pm

Wednesday, November 29th, 2006

Ramada Hotel & Golf Dome

Brian Tracy is one of North America's leading authorities on human potential and personal effectiveness. A Best-Selling Author more than 24 times over, Brian coaches almost a half-million people each year on leadership, management, sales, personal development, strategic planning, goal-setting, time management and many other topics to help people become more successful.

For more information contact:

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U of S Grad Places Third in National Entrepreneurship Competition

Michael Scissons, a May 2006 University of Saskatchewan graduate, recently competed in the annual Global Student Entrepreneur Awards competition in Chicago, placing third overall. Scissons beat out hundreds of applicants to receive Canada-wide acclaim in May 2006 at the ACE National Exposition for his ability to attend university on a full-time basis while operating a successful corporation that generated over a million dollars in economic activity during his time as an undergraduate. He also took home a \$10,000 cash prize and the opportunity to represent Canada at the global level.

Founded in the mid-1980s, ACE is a national not-for profit organization that is teaching and igniting young Canadians to create brighter futures for themselves and their communities. ACE's mission is to advance Canadian entrepreneurship through the direct involvement of university students, including those who are entrepreneurial-minded and those who are currently operating full-time businesses.

For nearly 20 years, the Global Student Entrepreneur Awards, produced by the Entrepreneurs' Organization, have recognized students who are successfully building businesses while pursuing academic degrees. The Entrepreneurs' Organization is a global community that enables entrepreneurs to learn from each other, leading to greater business success and an enriched personal life.

NOMINATIONS

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For the Chamber's 2007 Board of Directors

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Watch for nomination forms by fax next week, or visit www.eboardoftrade.com.

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