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OPEN LETTER

To: Rt. Hon. Paul Martin, P.C., M.P., Leader of the Liberal Party of Canada;
Hon. Stephen Harper, P.C., M.P., Leader of the Conservative Party of Canada;
Gilles Duceppe, M.P., Leader of the Bloc Québécois;
Jack Layton, Leader of the New Democratic Party.

From: John S. Nagy, FCGA, Chair, Board of Directors, Certified General Accountants Association of Canada.

Date: June 22, 2004

Subject: **Transparency and accountability: a recipe for restoring public trust**

Restore public trust

Transparency and public accountability in government and in parliament are the most fundamental means of protecting Canadians' interests in this federal election campaign. We urge you to keep these concepts front and centre in the few remaining days leading up to the June 28 vote, and in the weeks and months ahead.

As this 2004 campaign winds down, Canadians will continue to pay close attention to the promises made by political parties and their leaders. The nation is watching closely campaign commitments put forward by political parties and their leaders. The steady erosion of Canadians' trust in our leadership and political institutions does little more than feed public alarm. This, in turn, fuels growing public cynicism — cynicism that is neither in your interest as you look to your fellow Canadians for support, any more than it is in ours, as we hope to elect a new government who will lead us confidently into the future.

We have watched the campaign's televised debates and, for the most part, can now claim to know where our leaders stand on the issues. Now, it's your job to walk the talk, just as it's ours to hold you accountable for your promises. Along with your new parliamentary colleagues, you will soon have the opportunity to put your own words into action. We know of no better remedy for averting public cynicism than by following some wise counsel: do what you say; and, say what you do — simple, but wise words.

Focus on priorities

On behalf of our organization's 62,000 members and students, CGA-Canada has identified four priority policy areas in which we believe the new government and parliament ought to take immediate action:

1. Inter-provincial Trade

Trade barriers between the provinces and territories interrupt the free flow of goods and services within Canada. This leads to an estimated \$10 billion per year in lost opportunities for Canadian business. We urge the new government and parliament to join forces with provincial and territorial leaders to create an open internal market to ensure that goods and services are traded freely from coast to coast. Such an open market would increase mobility of professionals, enhance competitiveness and improve services.

2. Restoring Confidence in Financial Reporting

The incidence and size of corporate failures in North America and Europe have tested public confidence in capital markets for years. While Canada has made some progress toward remedying shaken confidence, there remains much room for improvement. In the post-Enron world, CGA-Canada believes that a critical precondition to restoring investor confidence lies in ensuring that Canadians are provided with clear, accurate and transparent financial information. Canada must reform its institutions and adopt rules, regulations and processes that demonstrate its commitment to restoring confidence in capital markets.

3. Tax Reform

In order for Canada to remain competitive in attracting educated workers and investment, the tax system must be made simpler, fairer and more responsive. Tax rates must be efficient for business and personal income tax rates must be lowered. CGA-Canada calls on all federal political parties to commit to tax reform, while avoiding an increase in taxes for individuals and businesses.

4. Strengthening Government's Fiscal Management

Canadian taxpayers demand value for their tax dollars. We expect government to manage public finances in a transparent, responsible and accountable way. While we applaud efforts made to date to review government programs, more can be achieved if the new cabinet committee on expenditure review conducts its affairs transparently. By publishing this information, Canadians will be able to judge for themselves whether public dollars are being spent in a cost-effective manner.

Rest assured of our commitment to assist you in achieving these goals in whatever way feasible. In the meantime, we wish you the best of luck on election day and look forward to working with you and your colleagues thereafter.

[Original signed by John Nagy.]