

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Jennefer Laidley

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?

Purchasing power must be restored - the increasing loss of good paying jobs is a critical factor in slowing economic growth, to say nothing of increasing economic inequality - which is bad for all of us. Making investments that are not only focused on industry / employers but also on the Canadian individuals who purchase goods and services in the economy will be an important contributor to future economic prosperity for all. This means increasing transfers to individuals through the various income-related programs offered at the federal level. Another important contributor to economic growth could be government investment in a universal child care program. We all know how much universal health care in Canada is a boon to employers and part of our ability to remain competitive. A universal child care program could act in the same way, and could be particularly advantageous for those who employ people with children, whether women or men, who are having increasing difficulty in being able to afford high quality, accessible child care.

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 needs a labour market development strategy - a targeted plan that anticipates the variety of sectors that will be the job creators of the future and matches strategic public investment in those sectors. This goes above and beyond the resource sector, which already receives much public support. Support must extend to other sectors. Determining which sectors will receive what levels of support requires study, not guesswork - making decisions based on evidence of future growth patterns arising from economic opportunity. A labour market development strategy would create the framework for strategic investment.

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?

- a national home care program that would allow seniors to age in place and take the pressure off the already overburdened health care system - increasing requirements on the provinces, through already-existing labour market agreements, to do a better job at providing education, training, and upgrading for people who could be in the labour market but currently face many barriers - such as Aboriginal people, people with disabilities, people with various health challenges, people currently receiving income supports - additional federal investment in post-secondary education to ensure that every Canadian has the opportunity to contribute - repealing the decision to delay OAS eligibility to age 67. Low income seniors cannot afford to wait two more years before having better incomes, allowing them more purchasing power in the economy and better quality of life. - increased federal targeting of funding for

trades training.

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?

The private sector needs to get off its duff and spend some of the money that it has been accumulating over the past 20 years of corporate tax cuts. If the federal government can get corporations to do this, to actually invest the money they were supposed to invest in R&D and plant and equipment, productivity could be increased immensely, and a better level of economic growth guaranteed. The federal government has a duty to not only cajole and encourage the private sector to do so, but to require them.

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?

Growing income inequality is an enormous challenge for Canada. Study after study has shown that higher levels of income inequality make for more social instability, higher levels of crime, higher health care usage and cost, and a number of other negative societal outcomes. The best lever available to the federal government to deal with income inequality is the tax system. Increasing the responsibility of those with more wealth to contribute to the social investments that will assist those with less wealth will bridge the inequality gap, resulting in much better quality of life for everyone. I would encourage the Minister of Finance to read "The Spirit Level" by Richard Wilkinson and Kate Pickett. Their research is extremely enlightening.