

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Proto Manufacturing Ltd

### 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?*

Small business funding must be made available to foster growth in the technology sector. Small companies cannot engage in the R&D activities required to develop new technologies and products without some form of assistance - new products = new jobs. Something similar to the SBIR programs in the US would be most useful - the various branches of the DND for example would put problems to the street so to speak and let small business do what it does best - innovate - this model has been very successful in the U.S. - it often results in dual use solutions (i.e. solutions to the original government solicitation and commercial spin offs) The SBIR program works - I know this from experience - Canada is falling behind in this area and could benefit from emulating the U.S. model.

#### 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?*

As previously mentioned, encouraging innovation results in new products and new jobs. One way I believe to keep jobs in Canada is to keep education in the sciences affordable - educated people are innovative people - higher education puts people in an environment where they think about solutions to problems. The sciences must be well funded for this to occur. There is no 5 year plan or 10 year plan that will create jobs long term. We need a 200 year plan if we are to compete with China. We must be smart enough to innovate and kids can't be turned off by high tuition fees - keep university cheap for Canadians!

#### 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 need to cut Canada pension payments to Canadians who are retired and have lots of money. If you are over 65 and have over 1 million dollars in the bank, you don't need a cheque from Canada pension.

#### 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?*

I believe productivity, at least in the private sector, must be managed by individual companies. Productivity in government need always to be examined and re-examined. Bob Rae days (social contract?) would help get things done at a lower cost and increase effective productivity.

## **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?*

The Canada US border must remain as minimal an obstacle as possible - the border even post NAFTA, has been keeping Canadian businesses at a disadvantage in many cases. ITAR in the US and Controlled Goods Program in Canada must become one program - ITAR restrictions stifle much US/Canada business and ITAR can effectively remove Canadian companies from business they could do as well or better than anyone. Currently, the only real way around ITAR is to open a business in the US with US ownership and US workers. Export licenses are impractical and take too long to get for a small business - you simply cannot react to customer needs quickly enough. I know this from experience. Joining ITAR and Controlled Goods programs into a North American Controlled Goods program would minimize the impact of US ITAR policies on Canadian business.