

## Standing Committee on Finance (FINA)

### Pre-budget consultations 2012

## Alec Smith

### 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?*

We need to offer tax credits to those who successfully create permanent jobs in Canada, in lieu of the giveaways we've traditionally used as incentive. Also, we need much greater access to Employment Insurance for those having difficulty finding permanent positions. Lastly, the government must create new incentives to reduce corporate outsourcing and bring work back to Canada.

#### 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 I mentioned earlier, tax credits for successful job creators would serve as an incentive; but, in addition, giving businesses the means to be even more profitable could also help make more jobs available in Canada. One way the government could help is a more efficient federal infrastructure, as this would give greater access to local, provincial/territorial, national and international markets. For example, rail transportation could easily be a cheaper alternative to highways for larger businesses if the lines were run by the state. Another option, outside of infrastructure, would be to invest in businesses that have proven to be an asset to the federal government and its agencies. This investment would naturally have strings attached, but it would encourage growth in these companies, promote a better relationship between them and the government, and turn a profit for the government at a later time. This profit could then be used as a way to keep the cycle going, resulting in an ever increasing job market for everyone. Encouraging other countries to do the same (and rewarding them for it) would help job creation at a more global level; but further discussion with other governments, businesses, unions and professional associations (both within Canada and elsewhere), is necessary.

#### 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?*

In regard to the aging population, we need to find ways to innovate our public sector at as many levels of government as possible. Doing so would generate more revenue, which we can put towards programs like Old Age Security and others. I strongly recommend consulting with the provinces/territories and municipalities on this matter. Skills shortages are often caused by a lack of access to the necessary education and training programs. This is both directly and indirectly related to the economy and household debt, so strengthening the economy would certainly make the problem less severe. We should also work with the provinces/territories and student unions to formulate a federal education and training strategy. In the meantime, a good place to start would be to help the provinces and territories subsidize their post-secondary education systems to a greater degree in order to make them more affordable to students.

#### **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?*

If better education and training programs, job creation incentives, more innovation for the public sector (to encourage private business to be more competitive and bring in more revenue to support social programs) and a new federal investment strategy were all implemented together, they'd play a key role in the increase of productivity. Adding a more efficient and environmentally friendly infrastructure to the mix would be the icing on the cake.

#### **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?*

Canada is one of the few countries not actively pursuing a mental health strategy at the federal level. It's vital that the federal government begin funding studies into ALL aspects of mental health as soon as possible in order to ensure a sound strategy when one is finally tabled. Further studies into the environment are also needed, because we still don't know the full impact we have on it at this time. More federal involvement in the health industry with additional regard to pharmaceuticals would also be valuable. Many Canadians have difficulty paying for their prescriptions and often have to do without them, resulting in severe health concerns. These problems are not about to disappear, so I cannot stress how important it is to have more studies done so that we can implement a plan as soon as possible.