

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

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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?

Allowing couples with pre-school children to split income would immediately increase the birthrate (couples would be better able to afford to have one spouse at home with newborns and toddlers) and this birthrate increase would have the following effects beneficial to our economy: -- in the immediate term it would allow many spouses currently collecting unemployment insurance to devote themselves to child-rearing, which would reduce the economic drain of unemployment benefits. -- with a year it would increase the consumer demand for children's clothing, furniture, baby food, etc.) which would help the manufacturing industry. Especially the Canadian industry, if it were better publicized that overseas goods are more often contaminated with toxins and other hazards to small children. -- it should also reduce the need for government daycare subsidies, because a stay-at-home parent eliminates the need for daycare for that family. -- in the longer term it would help provide workers for the economy, and at the same time reduce the need for immigration which carries its own problems.

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?

Allowing couples with pre-school children to split income would immediately increase the birthrate (couples would be better able to afford to have one spouse at home with newborns and toddlers) and this birthrate increase would have the following effects beneficial to our economy: -- it would allow many spouses to devote themselves to child-rearing, and new stay-at-home spouses would free-up jobs for hitherto unemployed workers thus in effect creating jobs. -- Within a year it would increase the consumer demand for children's clothing, furniture, baby food, etc. which would increase manufacturing and trade, especially internally if it were better publicized that overseas goods are more often contaminated with toxins and other hazards to small children.

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?

Increase the birthrate immediately by the following method: instead of waiting until the government introduces the promised (in a few years) Family Tax Cut, immediately promote births in Canada by extending income splitting to couples with children under school age. This will make it financially easier for couples to forego one income in the household in order to raise children.

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?

-- Allow at least couples with pre-school children to split income -- the sooner the better! It would immediately increase the birthrate and begin the long-term, but necessary, process of alleviating the loss of workers to retirement. The process will also lead to alleviation of the problems associated with importing labour. -- At the same time, ensure that school systems from kindergarten on have sufficient curriculum content which fosters occupational knowledge and skill, in order to capitalize on the increased birth rate, to the eventual benefit of economic 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?

In my view there are no challenges more prevalent, and important in their being met, than those faced by Canadian couples trying to raise a family. The Conservative party has promised (the Family Tax Cut) that if and when the budget is balanced while they are in power, they will extend income splitting for income tax purposes (so far only allowed by pensioners) to families with children (up to age 18). I respectfully request that the government begin to phase in the Family Tax Cut starting immediately, rather than wait, in a limited and affordable implementation as described below, including a way to pay for it. It makes sense to start with those couples who need and deserve it the most – those who have children of pre-school age. That should reduce the annual revenue cost to something that Revenue Canada can afford, even in these times of fiscal restraint. It would open up the job market to some degree (jobs vacated by new stay-at-home parents); it would be good for families hunting for even a single income; it should reduce the need for daycare funding; it would make it easier for Canadians to improve our population growth rate, eventually raising the workers/retirees ratio, without immigration problems; and it would be a gesture of good faith in the government's promise to eventually bring in the full Family Tax Cut. And how to pay for it if necessary? I feel so strongly about this, that I would not object to the government lowering the threshold, or raising the rate, of OAS clawback if it was the only way to immediately bring income splitting to parents of pre-school children!