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Mr. Massimo Pacetti

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• (1540)

[English]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): Order, please.

Good afternoon, everybody. Let's get started, because we have more than one group—*on a plusieurs*—and we have votes later on this afternoon. So if we can get the first group so we stay on time, I would really appreciate it.

Normally, we go with a seven-minute, eight-minute opening statement. I'm a bit lenient, but if you can keep it within that timeframe, please, I would appreciate it, because I want to allow the members to ask questions.

We're here pursuant to Standing Order 83.1 on the pre-budget consultation for 2005.

The first group is the Campaign Against Child Poverty, Ms. Di Giovanni.

Ms. Caroline Di Giovanni (Director, Campaign Against Child Poverty): Good afternoon, Mr. Chairman and members of the committee. Thank you very much for allowing us to come once again to this committee to present our views.

I am part of a three-member team from Campaign Against Child Poverty. My name is Caroline Di Giovanni and I'm formerly the director of the Hope for Children Foundation. Gerald Vandezande is with us, and he may speak later. He is formerly the head of Citizens for Public Justice. And Simon Rosenblum, policy analyst and researcher for Campaign 2000, is here. We are all members of the steering committee of Campaign Against Child Poverty. That is a multi-faith and advocacy group of volunteers who speak on the issue of child poverty. We've been together since 1998. We put ads in the newspapers, we make presentations to government ministers, committees, and members in their ridings, we accept public speaking engagements, often to faith congregations of various religions, and we write letters to the editor and keep abreast of news and research. We're here and we're going to stay until we put child poverty to bed in Canada. We are passionate about this issue. We want you to pay attention to our passion.

There is poverty in Canada, affecting children and families in cities, rural communities, and native reserves. Even in our prosperous country, children go to bed hungry, live in substandard housing, and go without many of the things that kids take for granted.

In the latest UNICEF report entitled, *Child Poverty in Rich Countries*, Canada ranked 19th on a list of 24 countries. Our rate of

14.9% has hardly budged since the famous all-party resolution in 1989 to end child poverty in Canada by the year 2000. The percentage is high and the depth of poverty is profound, with almost half of poor families existing on incomes \$10,000 below the poverty line. We are here to tell you that it is possible to fulfil that all-party promise. We want to set targets and benchmarks to achieve a significant reduction in child and family poverty. Other countries have done it, and we know that we can do it too.

Just as our new Governor General stated in her beautiful inaugural speech, while all children are born equal, they don't all have the same opportunities. We want a Canada that offers all children those opportunities: we want them to have a healthy start with high-quality early learning and child care readily available; we want all families to live in safe, affordable, stable housing; and we want our governments to work with employers across the country to ensure fair wages and income security to allow parents to pull out of poverty and stay out. Poverty deepens when it affects the next generation. This is not a pattern that Canadians accept.

Now Simon Rosenblum will continue our deputation.

Mr. Simon Rosenblum (Director, Campaign Against Child Poverty): Eleven years ago, the then finance minister told this committee that "It is important to ask the people who appear before you to make hard choices". We concur and wish to emphasize that the so-called tradeoff between economic equity and economic efficiency is, within reasonable boundaries, a false one, as many other market democracies have successfully achieved both. My colleague has mentioned the UNICEF report on child poverty in rich countries and how the Scandinavian nations in particular have virtually eliminated child poverty. The range from almost zero to over 20% child poverty among western countries is shocking. Given that the United States trails the pack, it is clear that the answer isn't simply that Canada must get richer and poverty will then ratchet down.

Serious social investment is necessary. Just last week the World Economic Forum, in an international comparison study on the determinants of productivity and growth, concluded that the experience of the Nordic countries challenged "the conventional wisdom that high taxes and large safety nets undermine competitiveness".

There is nothing mysterious about the foundations of an effective children's agenda. Not only does the national child tax credit need to be significantly enriched, but the beginnings of the planned national child care and early learning program need to be quickly developed and funded. A big push on affordable housing is also a necessary part of the mix, as is labour market reform, so that an adult working full time is better able to raise children out of poverty.

We do not pretend that seriously reducing child poverty can be done on the cheap. The federal price tag would be between \$15 billion and \$20 billion annually at maturity, depending on program design and federal-provincial arrangements. Some of these items, such as the child care and early learning program, will produce sizeable economic dividends and therefore help pay for themselves. But we must not fool ourselves: new tax revenues will be necessary to pay for an effective children's agenda. Please note that compared with 13 other OECD countries, in 2002 Canada's total tax revenues as a percentage of GDP were lower than 11 others.

In this regard, a recent Institute for Competitiveness and Prosperity policy paper by Canadian university business school professors points to the need for what they call "smarter taxation" if we are to generate the tax dollars to pay for the Canada we want. Of all places, a relatively high-tax country like Sweden is pointed to by them as a positive example of smart taxation.

We hope that amongst its recommendations your committee will establish firm annual targets and benchmarks regarding child poverty reduction for the next decade.

I began by quoting a certain former finance minister. Before moving on to my other colleague, let me again quote that same minister, who in 1998 said, "We should essentially establish the elimination of child poverty as a great national objective, not unlike what we did with the case of the deficit." We certainly concur with that minister, who just happens today to be Prime Minister. Let the next decade finally be the children's decade, and let Canada stand proud amongst those nations with the least child poverty.

•(1545)

Mr. Gerald Vandezande (Director, Campaign Against Child Poverty): Mr. Chairman, members of the committee, it's good to be here. It's probably my last time, because my health is not what it should be, especially not today.

I want to make just a couple of comments. Having appeared before this committee over a number of years, I want to thank the committee for having listened to Canadians as often as you have and, as challenging as your invitations have been, for dealing with some fundamental problems facing our country. I want to thank you on behalf of a generation of people who have fought hard for social justice and will continue to do their utmost to build a stronger Canada.

Reference was made by our new Governor General that the solitudes that have existed and dominated Canada should end, and I couldn't agree more. The solitude of the poor and of vulnerable families and children in this country has to end. You, as part of Parliament, have a splendid opportunity to help translate those eloquent words that the Prime Minister gave in his major speech on September 20 and those by the Governor General, and in the context

of the need to look after vulnerable children and families, you have the opportunity to make another strong recommendation.

I would like to emphasize what we have done over the years. Poverty is a non-partisan issue. Poverty is an issue of fundamental justice that affects people across the spectrum. I would plead with you, this last time, to do whatever you can for the sake of justice, for the sake of our country, for the sake of vulnerable children, families, and especially women; and that you do your utmost, given the context of our current Canada, to list our spending priorities in such a manner that the social investments go to those who deserve them most; and that you, as a committee, issue a challenge to Parliament, for the sake of justice, that could have the endorsement of all the parties represented around the table and of all Canadians, so that changes will come, solitudes will end, and there will no longer be any forgotten people in this country.

I thank you for having given me the privilege of participating in your proceedings. I may do it, if I can get the help, by mail, but this is probably my last time here.

I thank you and I wish you well.

Voices: Hear, hear!

The Chair: Thank you, Mr. Vandezande. I hope your words are going to be well heard among the committee members. It's my wish that this committee would operate sometimes more on a non-partisan basis; unfortunately, we are elected with colours, and partisanship happens sometimes. I think the people around the table mean well, and I think this committee has shown in the past a good history. We put out a good report last year, and I hope we do the same thing this year.

As for yourself, I wish you nothing but the best, and hopefully we will see you next year.

Now, on with business.

Our next group is the Conseil canadien pour la coopération internationale.

Mr. Barr.

Mr. Gerry Barr (President and Chief Executive Officer, Canadian Council for International Cooperation): Thank you very much, Mr. Chairman.

I'm proud to be here firmly on Mr. Vandezande's side of the agenda.

My name is Gerry Barr, and I'm the president and CEO of the Canadian Council for International Cooperation, which is a membership body that takes in about 90 of Canada's leading civil society organizations working in international development cooperation and humanitarian assistance around the world.

[Translation]

The Council is also one of the principal organizations in Canada charged with orchestrating the Make Poverty History campaign, which is being conducted by a broad coalition to encourage the government to adopt policies designed to eliminate poverty, particularly child poverty in Canada.

The G8 Summit held in Scotland in July stimulated a global movement of solidarity with peoples living in poverty and resulted in a call from world leaders to action against poverty.

However, Prime Minister Paul Martin failed to announce a timetable for achieving the objective of allocating 0.07 percent of gross domestic product to aid, an objective that was adopted by the members of the United Nations, including Canada.

• (1550)

[English]

Well, this was a deeply disappointing outcome for many in Canada. Citizen voices had been mobilized and hundreds of thousands of messages sent to the Prime Minister, to Mr. Goodale, and members of Parliament, urging the government to commit. Canadian members of Parliament had responded, and the Standing Committee on Foreign Affairs and International Trade unanimously passed its 12th report, which urged the government to commit to the 0.7% target by 2015 and, practically, to achieve an interim target of 0.5% by 2010. All parties in the House of Commons subsequently supported this message, voting their concurrence with the 12th report in June, before the House recessed.

There are fewer and fewer plausible reasons for inaction on this file. The whole world looks to Canada. Our economy is in more robust shape than those of other G-8 countries. Though there is still some debate about the measure of Canada's surplus, there is no debate about whether there will be a surplus, which reinforces a decade-long pattern and underscores pretty plainly that this is a government with fiscal space.

The whole world looks to Canada for action—and the costs of inaction are fatal. More than 50,000 people die daily as a result of poverty-related illnesses and lacks, for which there are simple and affordable remedies. It's a silent tsunami every week, which undermines the human security of the whole planet. The millennium development goals, the anti-poverty benchmarks, to which the whole world committed in 2000 when world leaders pledged to spare no effort to achieve them, will remain unachieved by 2015 if the rich nations of the world do not fulfil their part of the bargain with aid levels that will make these achievements possible.

So our question is, do we accept, as Canadians, that we should fail to individually contribute our known share of support, which has been collectively pledged? We were there when those promises were made; we were a part of it. Where are we now?

More aid is needed, certainly, but more aid, in and of itself, will not work if it is not also better aid.

[Translation]

That is why CCIC urges the government to pass legislation reinforcing the obligation to report to Parliament on Canadian ODA. We ask that that legislation ensure that poverty reduction and humanitarian aid are the purpose of ODA.

I am well aware that the committee is not used to hearing testimony on measures that do not involve costs. So I won't dwell on this point, but I simply want to say that aid legislation will promote optimum returns on an increased contribution. That is why I'm here today, because I have come to argue in favour of aid and of shedding

light on this issue that can increase public confidence in a reinvestment strategy, two closely related points.

[English]

I began by speaking about the opportunity missed by the Prime Minister at Gleneagles, Scotland. There was another missed opportunity just weeks ago in New York, where the world gathered at the United Nations to check on how well or badly states had done against the promises they had made in 2000. The Prime Minister's speech was empty of any reference to either the millennium development goals or to a Canadian plan to achieve the 0.7% target.

Now the third chance for Canada to come clean on its responsibilities in this respect is on the horizon, and it is this committee, of course, that has a key role to play in the run-up. Canada's 2006 budget should increase the 2006-07 international assistance envelope by at least 15%, including the \$250 million already promised as a base for calculating ODA for 2007-08 and beyond. Furthermore, Canada should set a plan in the 2006 budget to achieve 0.7% by 2015, which would not compromise the government's commitment to responsible and balanced federal budgets. There are a number of scenarios in the paper that I've circulated today, called "Decision Time". The enhanced spending for international assistance next year, as worked out in the budget, and if rolled into the base, creates a possible base for continued improvement. A scenario of 15% increases going forward, contingent on continued availability of fiscal space, is the plan favoured by the council. It's a plan, if constantly applied, that takes Canada's aid spending levels to 0.7% by 2015.

As I mentioned before, when the House of Commons concurred with the 12th report, it set out an interim target of 0.5% by 2010. It's a strategy that will cost about \$100 million in 2006-07 beyond the regular 8% increases already committed to by the government, and between \$400 million and \$800 million annually, in a graduated fashion until 2010-11. The committee now has the opportunity to reinforce the message of the House by proposing a change in the fiscal framework for spending on ODA that reflects the decision the House took or urged. That is what the committee should do.

If the government has missed key opportunities to date, this committee should not. It should of course do all it can to persuade the government that the budget is an opportunity that ought not, and cannot really, be missed if it is to unambiguously accept its responsibilities on the global poverty file.

Thank you very much.

• (1555)

The Chair: Thank you.

The next group here is the Child Care Advocacy Association of Canada, and Ms. Lysack.

Ms. Monica Lysack (Executive Director, Child Care Advocacy Association of Canada): Thank you.

My name is Monica Lysack and I'm the executive director of the Child Care Advocacy Association of Canada. The CCAC is pleased to present to the Standing Committee on Finance today.

We're a pan-Canadian, membership-based organization formed in 1982, and we believe that publicly funded child care is the cornerstone of progressive family policy.

Presenting with me today is project director, Lynell Anderson.

Ms. Lynell Anderson (Project Director, Child Care Advocacy Association of Canada): Thank you, Monica.

Let me start by commending the all-party standing committee for recognizing in its 2004 recommendations many of the key elements required to build a responsive, community-based, pan-Canadian child care system. In your recommendations you specifically called for, and I'll quote, "a national, accessible, affordable, high-quality, publicly funded, publicly regulated, not-for-profit child care system", and now the good news is that Canada is finally beginning to move forward. The country's financial commitments to services and supports for families and young children have grown in recent years, and some provinces and territories have begun to develop and implement comprehensive community-based early learning and child care plans.

Rather than yet again reiterating the research and evidence that back up our call for a pan-Canadian system, today we're going to focus on how to ensure our public investment in child care will enhance Canada's productivity growth.

As you've requested, in our detailed written submission we've framed our points and our recommendations within a productivity agenda for Canada. However, we remind the committee that Canada, along with the provinces and territories, has signed international treaties that contain child care commitments required to realize both children's rights and women's rights. The reality is the realization of human rights and productivity are linked, because both are necessary to optimize our quality of life. Canada's long-term productivity is inextricably linked to coordinated and integrated progress in all areas of social development, so the anticipated federal budget surplus provides a not-to-be-missed opportunity to fulfil long-standing promises to Canadians to advance our social programs.

Regarding child care specifically, today there are two key points we would like to bring to the committee's attention: first, that child care enhances productivity growth in Canada if it's of high quality, affordable, and accessible for all children and families; and second, that child care requires public investment through specific program spending. We also want to take a moment to stress that working towards a universal approach in child care is required. A growing body of research confirms that quality child care provides benefits across all social and economic classes. These benefits accrue to children, families, and society as a whole. That's why public investment in quality child care must advance inclusion, affordability, and access for all—in other words, universality.

In terms of productivity growth and child care, public investment that is specifically used to build a child care system will address at least two out of the three productivity areas the committee has identified for action. In terms of human capital, we know that enhancing productivity growth in Canada requires a skilled labour force. The evidence shows that high-quality, affordable, and accessible child care supports labour force attachment, skills training, and life-long learning today, especially for women. Quality

child care also promotes the development of a highly skilled labour force in the future.

Even now, Canada's productivity relies on working mothers with young children—working mothers who, according to the Canadian Council on Social Development, contribute \$53 billion annually towards Canada's GDP. That reliance is only increasing because of the widely predicted labour shortages in the future, a fact this standing committee acknowledges in asking respondents to consider actions to encourage citizens to engage in work.

Child care does require public investment through specific program spending because in order to achieve the child care goals we are all committed to, we need public investment through program spending, along with effective public policy—ideally, through national child care legislation.

In the meantime, the current child care agreements between federal, provincial, and territorial governments, while far from perfect, provide a foundation on which a pan-Canadian child care system can be built, if two things happen: on the one hand, if the federal public investment, through program spending, is increased and sustained over the long term, as we have outlined in our detailed submission; and, on the other hand, if provinces and territories implement plans and evidence-based policies that ensure quality is increased, affordability is enhanced, and community-based services are expanded.

● (1600)

While federal public investment through program spending on child care is required, how these public funds are invested is also critical. For example, proposals to provide funds directly to parents may be superficially appealing, but they are not new, nor are they effective. Over the last 30 years across Canada, individual user fees and subsidies have been the primary funding sources for child care, yet outside of Quebec we still don't have quality, affordability, or accessibility in child care. Public accountability requires us to invest new funds in ways that are more likely to address these concerns.

Effective child care systems provide substantial public funding directly to the development and operation of community-based non-profit child care programs. Direct public funding specifically requires community-based services to develop programs that meet local family needs while ensuring quality and access standards are met. This approach establishes clear linkages between public investment and public outcomes.

Individual subsidies may still be required to support access for some families, and affordable user fees can be charged. However, in order to ensure that a range of high-quality centre and family based child care services actually exist in communities, programs need to receive and be accountable for direct, substantial, and sustained public funding.

Thank you very much.

•(1605)

The Chair: Thank you.

From the Family Services à la famille Ottawa, Mr. Crosby.

Ms. Rosemary Laurin (Member, Board of Directors, Family Services à la famille Ottawa): Actually, I'll go first.

Mr. Chairman, members of the committee, thank you for allowing our participation in this forum today.

My name is Rosemary Laurin. My colleague Peter Crosby and I are members of the board of directors of Family Services à la famille Ottawa, and we are here along with our colleague from the agency, Christina Marchant, who's a program director.

Family Services à la famille Ottawa is a community agency grounded in a 90-year history of responding to the needs of people in our community. Family service agencies across the country help families under stress cope with challenges, whether it's child behaviour, the ongoing stress of living in poverty, or the challenges of parenting through a very difficult divorce.

We're speaking with you here today to put a face on the family and on some of the federal initiatives that could make a big difference in the lives of the people we and our sister agencies across the country serve. Some families need more help than others. Low-income families and individuals who are at risk need access to systemic supports so they can build positive, healthy futures for themselves and for their children.

Peter.

Mr. Peter Crosby (Member, Board of Directors, Family Services à la famille Ottawa): Thanks, Rosemary.

I'd like to thank the committee for the opportunity to speak to you today. I wish you well in your decision-making.

I'm employed by the Ottawa Police Service as a superintendent in charge of criminal investigative services, and I'm a volunteer board member with Family Services. After over 27 years in the policing business, I could certainly tell you of the real need for support for Canadian families.

Families in all their forms are facing multiple pressures. For example, although violence among youth is decreasing, one in four young people is still bullied at school. Children and parents who are coming to our agency for counselling are demonstrating higher needs and more complex problems, particularly problems resulting from anxiety, high-conflict divorces, prior-country war trauma, family violence, and the stresses of living in poverty.

Parents are having greater difficulty balancing their work and family lives. For example, in 2001, 74% of working women with children reported having too much to do, up from 67% in 1991. An increasing trend toward part-time and contract jobs means many parents, particularly lone mothers, end up working two or three contract jobs, often at relatively low wages and usually without the sick leave and child care benefits that are more often associated with full-time work.

Given the changing face of family, families are adjusting to new roles and responsibilities and simply cannot be expected to do it

alone. It takes an effective family to raise effective children, but when families are struggling to meet basic needs for themselves and their children, it is very difficult to be effective.

Ms. Rosemary Laurin: Despite the research, the reality is that many adults do not earn an adequate income, despite having a significant attachment to the labour force. Eighty-seven per cent of poor children live in families that work, many of them full time. In 2004 the Ottawa Food Bank reported that 40% of the people who use the food bank are children, and 39% of the people using the food bank reported going hungry at least once a week. Families on social assistance lose \$126 per month in much-needed income when it's clawed back as part of the federal-provincial agreement regarding the national child tax benefit.

The 2006 federal budget can ensure that Canada's families have sufficient money in their bank accounts to cover their basic needs. Continue with the implementation of the national child tax benefit and amend the legislation so no province or territory may claw back the lower-income supplement of that benefit from families on social assistance. Additionally, the 2006 federal budget can call for a raise in the minimum wage to \$10 an hour in every province and territory and in the sectors under federal jurisdiction.

There's no easy answer to both of these situations, but this needs to be on the table. There are simply too many families living below the poverty line.

Mr. Peter Crosby: In Ottawa—and I'm sure it's the same in many communities across the country—families are the fastest-growing users of homeless shelters and food banks; 66 families, including 44 children under the age of six, slept in an emergency shelter on any given night in 2002. One out of every five households renting in Ottawa is paying more than 50% of their income in rent.

The 2006 federal budget can assure that Canada's families have access to affordable housing. Continue to work quickly to implement the Canadian housing framework and commit specifically to building new affordable housing. Specifically, it is recommended that 25,000 new affordable housing units be built every year for the next five years.

•(1610)

Ms. Rosemary Laurin: Families are facing a steady and dangerous increase in levels of stress. A shrinking social safety net, unhealthy environments, insecure work environments, and poverty are all acting to diminish the capacity of the family.

In this context it's disheartening to know that only 38% of unemployed workers receive unemployment insurance benefits, down from over 75% in the early 1990s. Only three in 10 people who lose their jobs today are eligible for benefits, due to rules that leave workers with shorter or irregular hours at a disadvantage. Reforms to EI implemented in the 1990s may have gone too far in raising hours-of-work requirements, particularly in areas with low employment rates. These trends put even more stress on already stressed families.

The 2006 federal budget can restore eligibility for EI by introducing a uniform 360-hour qualifying requirement and extending the EI benefit period to one year to protect all earners, including low-income parents.

Mr. Peter Crosby: Families living in poverty are also more likely to experience difficulties accessing health care and mental health services. A recent study found that 25% of parents using food banks identified accessing services as being difficult, especially services that require service fees.

Children's mental health issues have been referred to as the new morbidity. Parent reports suggest that over 10% of children between the ages of four and 11 behave in a way consistent with hyperactivity or an emotional disorder. Unfortunately, increased trends toward user fees and delisting of health services that used to be universal mean that parents and their children are often unable to access the health, mental health, and social service systems they need.

Previous budgets have used tax credits to address this problem. While this is helpful for some Canadians, it really has no benefit for the poorest Canadians; 32% of tax filers have insufficient income for it to be taxable and consequently can receive no benefit from changes to tax credits. The 2006 federal budget can shift the policy focus from tax reform to a combination of tax reform and social spending in order to provide adequate income assistance to the poorest families in our country.

Ms. Rosemary Laurin: I guess the biggest question for everyone is, where does the money come from? Canada is the only G-8 country that has a surplus, and we have had a surplus for several years. This budget year, by investing only a part of the money earmarked for tax cuts and debt reduction, Canada could reclaim its position as a leader in human services and a strong supporter of the vulnerable and at-risk families who live in our midst.

Thank you very much.

The Chair: Thank you.

I have a quick question, Mr. Crosby. The families you were saying are homeless, would they by any chance be eligible for the family allowance? You need to have an address, right?

Hon. Maria Minna (Beaches—East York, Lib.): You mean child benefits.

The Chair: Child benefits. Do you need to have an address?

A voice: Yes.

The Chair: We're going to go on.

The National Children's Alliance. Mr. Gay.

Mr. Alfred Gay (Policy Analyst, National Association of Friendship Centres, National Children's Alliance): Good afternoon. Thank you, Mr. Chairman, for allowing us to be here, and committee members.

The National Children's Alliance is a coalition of 67 national organizations working collectively to enhance the well-being of children, youth, and families. It is a model for collaboration among disciplines and sectors, building on the strengths of hundreds of thousands of people working together on the front lines in our communities and combining their research capacity and expertise.

The National Children's Alliance works to build consensus on its policy development by mobilizing and linking practice and research to policy.

We're going to focus our remarks basically around three key issues: social infrastructure, children and youth, and aboriginal peoples.

With that, I will turn it over to my friend and colleague, Ms. Janis Douglas.

Mrs. Janis Douglas (Manager, Capacity Development and Community Affairs, Boys and Girls Club of Canada, National Children's Alliance): Thank you.

We believe that Canada can make a difference in the lives of children, youth, and families. The problems are entrenched because of inaction. However, there are solutions.

It is commonly understood that communities need physical infrastructure to enable economic development. However, in a knowledge-based economy, inclusive social infrastructure is essential to human development. We see the role of both communities and governments as vital.

We believe that funding for social infrastructure should not be about bricks and mortar but should foster inclusive programs, services, and community networks, as well as build and sustain the capacity of existing, successful child- and youth-serving organizations.

We have a few recommendations specifically around investing in social infrastructure. These are: the development of a federally funded community social infrastructure initiatives program as part of the cities and communities agenda; as part of a national housing and homeless initiative, allocate the \$1.6 billion promised in the 2005 budget for affordable housing; and implement the voluntary sector initiative's code of good funding practice in order to better support organizational costs to promote the role of the voluntary and non-profit sector in the provision of Canada's social infrastructure.

Further, we believe that economists are recognizing that support of programs that invest in children is the best, most cost-effective way to promote productivity, growth, and prosperity. Bowlus and McKenna indicated the economic consequences of \$16 billion per annum as a false economy not to invest in children and families up front.

However, the current realities for Canada's middle age children and youth are that they are not doing so well—not as well as they should be. We know there are critical issues facing middle age children and youth today, from community safety to youth violence, growing physical and mental health problems, poverty, youth employment, and substance abuse issues.

We believe Canada needs a comprehensive approach to the concerns facing this age group of children and youth and that the government should take a leadership role, as it has in investing in the early years, to continue and not lose sight of the strengths that have begun during those years.

The demographic trends indicate that our current generation of young people is needed to ensure a competitive economy. Economic strength is directly related to the health of citizens, and particularly the future generations. It is estimated that every dollar invested in children returns \$3 in future health savings.

We also believe that consideration and solutions for particular obstacles facing disadvantaged groups such as aboriginal, ethno-racial minorities, disabled, and new immigrant youth need to be incorporated.

We believe the following recommendation should be considered: an investment in a community infrastructure fund of \$300 million over three years for public spaces, family places, and the establishment of a child and youth centre within Canada's new public health agency, with a focus on community-based prevention.

Further, we recommend that the federal government take a leadership role in the development of a national youth agenda that is cross-departmental and includes youth engagement. Every child and youth is potentially a child or youth at risk. We believe that continuing to invest beyond the early years into the school age and for youth is essential.

Alfred.

• (1615)

Mr. Alfred Gay: The next section I'm going to talk about is aboriginal children and youth.

In Canada today we have about 320,000 aboriginal children. Unfortunately, aboriginal people as a whole are not in very good circumstances. Our human development index, according to the UN, is similar to that of Peru and Brazil—and this is with a government that is producing record surpluses.

One of the methods with which we can close the gap in quality of life for these children is to put the money right on the ground and invest in community programs that support aboriginal children, youth, and families. Research has demonstrated over and over again the effectiveness of supports and programs at the community level. This means investing in community agencies. There are some excellent examples, such as Yellowhead Tribal Services and Manitoba's Child Welfare Initiative.

In Canada, we know that the services for aboriginal children and youth, both on reserve and off reserve, are underfunded. It is time to put resources into the hands of the community agencies that already have the knowledge and the expertise to make a difference.

In five years, the number of aboriginal children in state care increased by more than 70%. There are more children in care today than there were in residential schools. These are shocking statistics. Services for these children and families are inadequate, with significant gaps for first nations child and family service agencies. Inadequate funding and jurisdictional disputes mean that children and families are not able to access much needed services. Aboriginal children and youth cannot wait any longer.

I have four brief recommendations in this matter. What we need to do is increase the funding for early learning and child care for aboriginal children on reserve and off reserve; we need to increase funding for community-based school age programs, on reserve and

off reserve; we need to develop a new and equitable funding formula for first nations child and family service agencies; and finally, we need to implement a policy such that the government of first contact serves aboriginal children and families immediately and that jurisdictional disputes will be resolved later without delayed service.

I'd just like to close by saying that the National Children's Alliance is basically a who's who of social activists throughout Canada, be it the Boys and Girls Club or the National Association of Friendship Centres. We have 76 organizations, and I think that's probably where we need to start doing more work, putting the money on the ground. We've talked all about relationships among various levels of governance. Now we need to make sure those funds actually hit the community where they can do the most good.

With that, thank you very much for the opportunity to present today.

• (1620)

The Chair: Thank you.

Now we'll hear from the Canadian Co-operative Association, Ms. Hunter and Mr. Sitaram.

Mr. Dave Sitaram (President, Canadian Co-operative Association): Thank you, Mr. Chairperson and members of the committee.

Good afternoon. My name is Dave Sitaram, and I am president of the Canadian Co-operative Association. I'm also a director of Credit Union Central of Ontario and a member and vice-president of the Auto Workers Community Credit Union in Oshawa.

Today I'm joined by Carol Hunter, our executive director.

The Canadian Co-operative Association is a national, not-for-profit co-operative owned by its members. Our association represents co-operatives and credit unions in Canada. Because co-ops can be found in virtually all sectors of the economy, so too our members come from diverse sectors, including finance, insurance, agri-food and supply, wholesale and retail, housing, health, and the service sector. We're particularly pleased with the theme of this year's consultation—enhancing productivity growth—and the focus on three key areas of productivity: entrepreneurial capital—our businesses; human capital—our citizens; and physical capital—our communities. Co-ops are an integral part of the expansion of these three types of capital.

The 9,500 cooperatives and credit unions across the country serve a constituency of one-third of Canada's population; 10 million people are members. In addition, co-ops and credit unions have assets in excess of \$175 billion and employ 155,000 people. Because they are locally owned and controlled, co-ops are often not as visible or as large as the national chains and multinational companies. However, co-ops around the world actually employ 20% more people than all the multinationals combined.

The cooperative sector in Canada has a long track record of responding to both economic and social needs. We're community-based organizations that care not only about the bottom lines of our businesses but about the needs of our members and the quality of life within our communities.

Carol Hunter will now highlight some of the specific measures that she feels the federal government could take to strengthen the Canadian cooperative sector and allow us to further enhance our contributions to Canada in entrepreneurial, human, and physical capital.

Ms. Carol Hunter (Executive Director, Canadian Co-operative Association): Thanks, Dave.

Currently, a \$15-million partnership between the federal government's Co-operatives Secretariat and the cooperative sector is allowing Canadians to explore the use of the cooperative model to respond to contemporary issues and challenges. The cooperative development initiative, or CDI, includes two components: innovation and research, and advisory services.

Announced in spring 2002, CDI got off the ground in April 2003. The innovation and research component, managed directly by the Co-operatives Secretariat, is allowing Canadians to research and test innovative ways of using the cooperative model. The advisory services component is allowing the provincial cooperative associations and sectoral partners to build a network that can provide access to cooperative development services right across this country and in both official languages. This component is managed by the CCA and the Conseil Canadien de la Coopération on behalf of the cooperative sector and is valued at \$5 million over five years, with an additional 20% in kind contribution from the cooperative sector.

There is a tremendous demand for co-op development in Canada. Last year alone, 200 cooperative initiatives received some form of assistance through the advisory services network and more than 40 new cooperatives were created. In the first quarter of this year, 109 initiatives had made use of the advisory services network, resulting in 16 new cooperatives.

Unfortunately, the federal government's allocation of \$1 million per year for advisory services is not nearly enough to respond to the needs communities have for developing cooperative solutions to locally defined economic and social issues. If the federal government wants to see more people help themselves, start new businesses, create jobs, provide native services, and contribute to improving Canada's productivity, additional resources need to be immediately allocated to both the advisory services and innovation and research components of the cooperative development initiative for fiscal 2006-07 and 2007-08, the final two years remaining of the existing CDI program.

We are seeking \$4 million to \$8 million over the next two years for advisory services. This small investment will reap enormous benefits in the productivity agenda. We are also seeking a commitment from the federal government to work in partnership with the cooperative sector to establish a new government sector partnership that will support cooperative development in Canada in the period beyond 2008. In addition, with one in three Canadians a member of a cooperative, CCA is calling on the federal government to explicitly recognize the importance of this sector to the economy and society by creating a cabinet position with specific responsibility for the cooperative sector.

In its 2004 budget, the federal government announced measures to support the social economy and make it a key part of Canada's social policy tool kit. We are concerned that the rollout of the program has

been extremely slow and that to date no funding has been flowed to social economy enterprises. We urge the federal government to ensure that the social economy initiative rolls out without further delay. In addition, we are encouraging the federal government to start working now with a range of organizations in the social economy, including co-op sector representatives, to ensure federal funding for the capacity-building component continues beyond the current two-year commitment.

In December 2004, a cooperative delegation, including CCA, appeared before this committee to request implementation of a registered cooperative investment plan that would encourage members and workers to invest in their agricultural cooperatives. Although the plan was not introduced in the last federal budget, the government indicated that a cooperative investment plan would remain under consideration. We are now calling on the federal government to act on this commitment by including an announcement regarding the cooperative investment plan in Budget 2006.

Through the Canadian Co-operative Association and our fundraising arm, the Co-operative Development Foundation of Canada, cooperatives and credit unions are active participants in Canada's international development work and are strong supporters of a dynamic development role for Canada. The target of 0.7% of GDP spent on international assistance was a Canadian invention. In the upcoming federal budget we recommend that the federal government set out a plan to meet this goal. We also recommend that Canada's official development assistance continue to provide assistance to independent civil society organizations that provide the necessary checks and balances in functioning democracies.

These are just some of the highlights of some of CCA's recommendations to the federal government. More information and details are provided in our submission entitled "Empowering the Co-operative Sector to Enhance Canada's Productivity".

• (1625)

The Chair: Thank you.

We're going to go straight to Ms. Ambrose.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Thank you, Mr. Chairman, and thank you for your presentations today. I appreciate it.

I want to talk about the child care issue and the link between child poverty, the need for a truly universal and equitable child care program—since it's a debate we have in the House right now—and the unpaid work of women. When I talk about that, I'm talking about the unpaid work of child caregivers. I say "women" because mostly it does fall to women, but obviously dads do a lot of work as well.

Right now we're in the process of creating a new social program. It's not new in terms of discussion. My understanding is the Liberal government has been talking about a child care program for about 10 years now, but for the first time there is a large investment going into the early learning child care program. The problem I have is the universality aspect of it. Mr. Vandezande commented that social investments should go to those who need it most, and universal programs in particular are there for that reason, to make sure that happens.

I noted in the Child Care Advocacy Association's presentation you said that the universal foundation is the first and foremost requirement; otherwise the criteria used to try to identify and direct public funds to the at-risk children and families will always miss the mark in some way. That, the universality, is my concern, and it's the concern of our party, the Conservative Party, in putting forward our position. We have \$5 billion being invested in a child care program that's only actually going to increase child care spaces by 3%, so it's an increase from 7% to 10%. So there are a lot of people who are going to be going without any access to child care even in that model of using the 9 to 5 institutional public day care setting.

I think we have an obligation, if we're going to embark on forming a new social program and doing it the right way, in a universal way, to ensure it reaches the people who need it the most.

We know without a doubt that it's not going to reach rural parents or rural families that do not live in urban settings where there is the infrastructure. We know that immigrant families would rather raise their children at home so they can share customs, share traditions and languages, and a lot of times use extended family for child care. We know that shift workers can't access 9 to 5 child care, and we know that a lot of low-income families are not having an easy time accessing the program that we see even in Quebec—and the Quebec model is a very good start. The problem is we have 85,000 kids on the wait list in Quebec, and it's costing the Quebec government \$1.4 billion a year to subsidize.

So there are a lot of problems, but the biggest problem is access for parents—access and universality. It's not universal and it's not accessible.

My other problem with it is you talked about women's rights, and we've had a discussion.... My background is in feminist theory, and I've worked with women's organizations my whole life. We've been talking about unpaid work of women for years. This is the perfect opportunity to create a program where unpaid work of women, women who choose in particular to stay home to look after their children, would be financially empowered. So our suggestion is that the money, the fees being spent, go directly to parents and that they then choose what system they'd like to support.

I want to ask you about universality. What kind of advocacy are you doing, or what kind of pressure are you putting on the government to make sure there's the flexibility in place in this program, that it's going to get to the people who need it the most, in particular women who are doing the unpaid work as child caregivers, the low-income families, and the immigrant families, so that they'll have access to this, and that this program will have the flexibility to give them what they need?

• (1630)

The Chair: Just before we begin, we're going to have to do five-minute rounds. So you have to keep your answers to a minimum. I have to get done by 5 o'clock. Thank you.

Who is the question for, Ms. Ambrose?

Ms. Rona Ambrose: Either the Child Care Advocacy Group or Ms. Lysack or Ms. Anderson.

Ms. Monica Lysack: I will begin, and then perhaps my colleague would like to respond as well. I have a couple of things.

We, too, are really concerned about the issue of universality. I think it's really critical to identify that child care as we see it is multifaceted. If we only look at one dimension of child care—such as that it's a measure to address child poverty—we might then say a targeted approach would be useful. But when you look at the submission, you see that child care supports so many other areas and contributes to the economy in so many ways. So if we were to look at only supporting the poorest families, we'd lose all of those benefits, and I believe Mr. Rosenblum—

Ms. Rona Ambrose: As Mr. Vandezande said, social investment should go to those who need it most. It should be income contingent.

Frankly, wealthy families can probably find child care in other ways, but if we're going to create a public system, it has to be accessible and universal. The people who need that the most are the people with low incomes, and the statistics are showing that they're not the ones who are benefiting from this program.

The Chair: Thank you. I have to get going.

Ms. Wasylycia-Leis, you're out of turn, but I'll give you a chance to go, then Ms. Gagnon, and then Ms. Minna, for five minutes.

[Translation]

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): To start with, I'd like to thank Ms. Gagnon and Mr. Bouchard, who have allowed me to speak out of turn because I have to leave.

• (1635)

[English]

I wanted to start off by saying here we go again. Weren't we all here just last year, same order, same speeches, same issues? I guess the question I'm really asking is, what's changed since the last time you were here? And that's open to anyone who wants to answer.

The only area where I think we've made a little bit of progress is with respect to child care, and now here we have the Conservatives at the table wanting to take it all away. Let's face it, we can't solve all the problems at once, and I'm not here suggesting the world should have changed in the last six months, but let's not lose the investment we have in child care just because it doesn't cover everybody and every situation. Let's recognize that we are working with women and families who are juggling work and family responsibilities and want to be productive members of the workforce but can't because either the child care space isn't there or they're worried about the care they're getting. So I think it would be useful to hear a comment with respect to how this issue of child care fits into productivity.

I think it would be useful to hear how, if people are living in poverty, without access to good nutritious meals and good programs, such as through the friendship centres, they can become productive members of our society.

I think it would be useful to hear from Gerry Barr in terms of what happened since Parliament passed another unanimous motion in June saying there should be a progression to 0.7% of GDP.

I think it would be useful to hear from the child care association and the Ottawa group about what happens when parents and families are juggling so much. How can they be productive in the workforce?

And I think it would be useful to hear from the friendship centres on that question I raised and from the Canadian Co-operative Association in terms of new models of doing our work so that it might lead to greater productivity.

I know it's a lot for everybody, but why don't we have a quick comment right around the table, maybe starting with Simon.

Mr. Simon Rosenblum: Well, if we ask ourselves what has changed, we're in the predicament—I guess it's sort of an Alice in Wonderland situation—where we have to run twice as hard even to stay in the same place, because there are a lot of pressures. I'm not a critic per se of globalization, but it is a mixed blessing. One of the pressures clearly is on the labour market side, and even when the child tax credit does get enriched, it doesn't allow us to lower the rate of child poverty, particularly when we don't enrich it to the degree that we need to.

So we're in a situation where we're not unappreciative, by any means—and Gerald has said that at the beginning—of some measures that have been taken, and some quite recently. The problem is they pale in comparison to the task at hand, and that is why we can't simply look back and say what has changed in the last year. I think we have to ask ourselves what needs to be done—and not be Pollyannaish about it and say that it's going to be done in one year and in one budget, but ask what can be done over a period of a decade, in a serious way.

I point out to you, and I'll conclude on this basis, that the British government made a decision. They said they were going to have real targets and benchmarks. They've come up against the first one of those where they had said that by such and such a year, 2005, they would have a 25% reduction in child poverty. They've met it.

I suggest that it would behoove us all to have those real targets in front of us so that by the end of the next 10 years we don't have to ask ourselves the same question over and over and over.

The Chair: Mr. Barr.

Mr. Gerry Barr: I'll try to be extraordinarily brief, because I appreciate there are so many people here.

In the last year, I think Canada and Parliament have reached the tipping point on the issue of making effective progress towards the 0.7% target, but the government has not. There's a rise of 12 points for public opinion in favour of tracking down and ensuring increased contributions to humanitarian aid. There are 250,000—about a quarter of a million—Canadians gathered around the major campaign, trying to urge parliamentarians and the Prime Minister forward on this. There is enormous public support, editorial writers, and others urging forward motion.

Of course, as the member has said, there is consensus in the House, and what a remarkable thing that is in a minority House. In every direction one looks, there is positive development in this area. One is frankly mystified as to why the government has not yet taken up the issue in a serious fashion.

Although I would not want to sideline the work of the committee, I appreciate there are financial challenges here. There are real financial challenges in achieving this target. I think one can fairly ask, as parliamentarians have in some respects asked, if the government won't spend the money, could they not do the one thing that costs nothing and ensure it in legislation?

• (1640)

The Chair: Thank you, Mr. Barr.

Madam Gagnon, and then Ms. Minna.

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Thank you, Mr. Chairman.

My question is for the Child Care Advocacy Association of Canada. You praised the public child care system. The federal government was inspired to a large degree by what was going on in Quebec in implementing its new program. There is now \$5 billion over five years. In Quebec, approximately 200,000 spaces cost \$1.7 billion a year.

How do you view the situation? Agreements are now being made with each of the provinces, perhaps because we don't want to move at the same pace with each one. This also involves the provinces. There will be a great deal of pressure on them because of the fiscal imbalance between them and Ottawa.

The other debate concerns the private and public systems. We're told that the government is not restrictive enough in its wish to establish a public system. Do the agreements with the various provinces give you that impression?

[*English*]

Ms. Lynell Anderson: I think you're asking about the differences in the agreements and Quebec's early leadership. We want to respond to that and to the cost of a universal approach to child care.

I want to be really clear. Across the country, in the consultations and the research that we conducted last year, we developed a 15-year plan that showed a substantial public investment and national legislation to advance a quality universal child care system. With over three-quarters of women in the workforce today, we know this is what families require. We also know that system is an expensive system, as is our public education system, and it gives benefits, just as our public education system does.

We know that when the system is grounded in communities, with community organizations that are responsive to local needs, if you're in a community with a lot of families that are new to Canada, then the services will be set up in ways that meet their needs, or it will be set up in a way that meets the needs of shift workers. Whatever your local community is, a community organization can respond to those needs.

We respect Quebec's early leadership. We are seeing completely different movements across the country in terms of the bilateral agreements that are being signed. You're right that different provinces and territories are at different places in moving forward, but we are very hopeful and continue to advocate for all provinces to move forward on their plans and priorities at their own pace.

[*Translation*]

Ms. Christiane Gagnon: I'll restate my question. In your view, are the restrictions that the federal government has set for access to funding under its child care program enough for the private and public sectors? Do you feel that more room is being made for the public system in these agreements and that the restrictions are well established?

[*English*]

Ms. Monica Lysack: First, my apologies for my inability to respond in French.

You're asking about corporate, commercial child care versus public. Yes, absolutely, we are very much concerned about that. Currently the CCAAC is sponsoring an Australian child care expert to speak across the country about what has happened in Australia. Unlike Quebec, which has limited development in the commercial and corporate sector, Australia has opened it up, and they're very deeply concerned about the implications. The major one, around accessibility, is the same one that Ms. Ambrose raised as one of her concerns. That is absolutely a concern there.

The corporate sector moves in to develop child care in areas that are lucrative. They are not anxious to go to Iqaluit or to any remote area, or to serve children with challenging or complex needs. We are very concerned that there are not enough restrictions on that. Only two provinces have actually declared that their investment would be only in the not-for-profit sector. One province has declared that they welcome commercial development.

So that is absolutely a concern.

• (1645)

[*Translation*]

The Chair: Thank you, Ms. Gagnon.

Ms. Minna.

[*English*]

Hon. Maria Minna: Thank you, Mr. Chairman.

First, I want to thank everyone for their presentation. A lot of the issues—we all know each other—are not new to any of us. We've discussed these for a long, long time together.

I want to first say welcome to Mr. Vandezande. I haven't seen you for a while, but I think we've kept up with almost everybody else.

Getting back to the issue of child care, I know we've all beaten on that bush a little bit, but it's important, because of the discussion and debate that's constantly being raised. Madam Ambrose said the government is discussing whether or not to get into early education and care. Well, we're there; we're not discussing it. Obviously, it is only a down payment, as far as I'm concerned, and I think all of you have agreed with that. I've mentioned that before. We need to invest very rapidly if we really want to make a difference in that area.

Even the head of the Bank of Canada said that in productivity, if we're looking at that, early education is the way to go. If he had a penny to spend and that's all he had left, that's where he would put it. So when you get Dodge saying stuff like that...

The other comment that was made, even at the last year's hearing, by Madam Ambrose, that immigrant families would rather have their children at home—I can't even say if it's an unfair comment to make about immigrant families, with all due respect, because I tell you, I'm from an immigrant family and I know a lot of them, three-quarters of them do work. The mothers do work, like every other mother and a lot of other women. They're not all that different from the rest of society.

So the issue is sending money to individual families, which is the other side of the coin that is being pressured, and the universal system that I prefer and that we have started going down the track toward, to some degree, and the agreement that will allow for not-for-profit, which I have problems with, as you know.... In the last report we did we said something different, and we haven't quite got there.

What I wanted to ask you is, could we try to put that chestnut to bed, in terms of the government investing in infrastructure, investing in early education and care across the country, with standards of quality, of well-trained, properly paid professionals?

On the issue of access, I don't think we lack the imagination in this country to be able to develop programs in rural and small communities, because the funding and the general four principles do not prevent...the delivery mechanisms are not being prescribed by the Government of Canada.

What I want is for you to tell me if, in any way, you see any benefit at all for money to go to the parents. I have serious problems. I don't think it works. We don't do that with elementary schools. We consider education to be fundamentally important to our society, to productivity, to our children. We don't send cheques to parents and say, "Go build a school". We have a school system in this country, in all the provinces, where every child has access to that system, whether they're in rural Canada or not. The average community, of course, has major needs that we need to address in those areas, bar none. But I don't see the difference in philosophy in early education and care.

I'd like at this meeting for you to go back and tell me if you pick up in all your hearings and your consultations any real demand in this country that we not develop a national early education and care program that is accessible, of quality, affordable, and all of the things we've said. I mean real demand. Give me a bit of a strong explanation, for the record. I know the answer, to be honest with you, but I need it for the record. Give me your position on why it's best to do it that way.

• (1650)

Ms. Monica Lysack: First, I would begin by saying it doesn't matter how much money you have, you can't buy what doesn't exist. We have to develop a system, not simply give people money to try to shore up the unpaid labour. We aren't suggesting that all families should be required to participate in this, obviously. But we know the vast majority of families who have early childhood services available to them and can afford them, take advantage of them. We know this because of the take-up rate of kindergarten as well as by the number of preschool children who are currently enrolled in early childhood programs.

This whole idea of paying parents.... I want to draw your attention to page 6, that tax measures are not the solution. I think it's important to pay attention to and be clear about how much it would cost to pay parents. For example, economists estimate that if all mothers with children under the age of six were to leave the labour force, employment in Canada would shrink by about 7.5%. In the long run, this would cost the Canadian economy upwards of \$83 billion per year. These were economists Cleveland and Krashinsky from the University of Toronto. That is about eight times the cost of a universal child care program. So if we're talking about real support for families to stay at home to support their children, that's the price tag.

If we're talking about a little bit of a tax break or a small voucher—i.e., an honorarium—to help offset, to recognize, the vastly unpaid labour of women, that's all we're getting for that.

The Chair: Thank you, Ms. Lysack.

I have less than nine minutes and three speakers, so you have three minutes each, Ms. Oda, Monsieur Bouchard, and Mr. Bell.

Ms. Oda.

Ms. Bev Oda (Durham, CPC): Thank you very much, Mr. Chair.

I just want to clarify something. As far as the proposal from the opposition party, it's not to close down anything that's existing; it's to enable people to choose either the public system or an alternative form of child care and to leave the choice to them. So there is no intent—and I think it's a misrepresentation to say that—to destroy any kind of public system in that way.

I also want to point out that when I read the negotiated agreement for Ontario, I didn't see any deadlines for new day care spaces, and it seemed to me that the majority of the money allocated in the first few years was going to curriculum development, studies, etc.

So I have two questions to ask in the short time I have. When will Ontario see actual day care spaces? The other question is, what do I tell my constituents whose school-age children are right now taking a bus for 45 minutes to an hour and 15 minutes to get to the closest school? The parents do not want to put their four-year-olds and three-year-olds into that kind of situation. It's a very rural situation, etc. I can't promise them that they're going to see day care spaces at a reasonable distance. You've spoken about “in the communities”. Well they come from real communities, but they are not large urban communities.

Could you give me an answer to those two questions?

Ms. Lynell Anderson: To start with, in terms of the agreement, I would just say that all the provinces and territories that have signed on to agreements have to have action plans in place. They come at various times. I think Ontario's is due by December 31.

We are very interested, as is everybody, I think, in seeing concrete and measurable plans for moving forward with the substantial federal funds that are in place for child care.

Again, we are looking for two things from our association. First is adequate and sustained federal funding so we can look for improved services for all children and families across communities. Secondly,

we're looking for provincial and territorial plans that will make the best use of that funding.

In terms of Ontario's program, my colleague might speak a bit more about that.

• (1655)

Ms. Monica Lysack: We're a pan-Canadian organization, and I'll speak mostly to the broader issues, but I do know that there is actually pressure on the Ontario child care community to develop these spaces very, very quickly. This is always one of these dilemmas of hurry up and wait. It seems like we've been waiting for...well, I've been on this child care bus for 25 years or more, and now here we are and we're being pushed to roll things out very quickly. It takes time to roll out, to develop, and to create quality early childhood spaces and programs.

The Chair: Thank you, Ms. Lysack.

Monsieur Bouchard, and then I have Mr. Bell.

[Translation]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Thank you, Mr. Chairman, and thank you all for your presentations.

My question is for Campaign Against Child Poverty. All children are born equal, but child poverty is directly attributable to parent poverty. You also make a number of recommendations for assisting parents, which would necessarily improve the fate of poor children.

In particular, you refer to housing. As we know, CMHC has a \$4 billion surplus. That surplus was accumulated over the years for people who wanted to build family homes.

Would you agree with the idea of paying or allocating Canada Mortgage and Housing Corporation's surpluses for the implementation of an affordable housing program for disadvantaged families and children?

[English]

Mr. Simon Rosenblum: One has to be very careful when dealing with surpluses, whether they belong to the government or any other institution. Unless they are sustained surpluses that you can count on from year to year, you can only spend them once. Therefore, in regard to the situation you point to, while I don't in any way disagree, I would say it is not, of and by itself, the answer to the problem. On an annualized basis there will have to be a very significant infusion of dollars. On the basis of organizations and individuals we have talked to in the expert community, a \$2-billion infusion seems to be what many are recommending.

The housing community, at least as we best understand it and deal with it, is not of an ideological bent. There is an understanding that those dollars will be spent in a number of ways. Some will be direct expenditures into social housing, and others can be put into rent supplements. We have to try not to use a one-size-fits-all approach here.

The housing situation is a complex one, but I think the federal government is going to need.... With credit here, I think ground has been broken. If we were here just a year or two ago, we would be a lot more frustrated on the housing side. Conceptually, that ground has been broken, but now we have to put meat on the bones.

• (1700)

The Chair: Thank you, Mr. Bouchard.

Mr. Bell is next for three minutes.

Mr. Don Bell (North Vancouver, Lib.): Thank you.

I appreciate your presentations. I'm glad we have the written commentary, because there obviously isn't going to be time to ask the questions that should be asked of all of you. Maybe we can do some follow-up.

There are two areas I want to touch on, and one has been touched on to some degree. I appreciate the information about the issue of parents' choice—to Monica Lysack—the explanation and the fact that you have a speaker. I'd be interested in getting more information on that, because clearly we are moving ahead with the child care and early childhood development as a major priority. I was in British Columbia for the announcement, and I'm glad to see we're moving ahead there.

I noticed as well that the National Children's Alliance talked about the importance of a truly national system. I was going to ask about developing a mechanism for accountability, but there may not be time to get that answered. In a very brief way, could you describe what you mean by a mechanism for accountability?

The second question is for Mr. Barr and Ms. Hunter. There's no question all of you are talking about children. They're our more important asset. They're the future of the country. I have children and grandchildren, so it's important to me. Whether they're Canadian children or children from around the world, we take seriously the issues of poverty.

I'm curious whether you know what the 0.7% is in dollars.

Maybe we could go first to the alliance.

Ms. Carol Hunter: I'd like to comment on the accountability question you raised. In particular, there is a thread running through here in terms of both housing cooperatives and day care cooperatives that provides a model whereby parents can be involved with day care co-ops and through which housing co-ops can also be sustainable and involve people in their community. I think cooperatives have demonstrated they are a business structure in which the users are very much the members and are very accountable to the organizations. It's a very sustainable model, because they are responsive to the communities for both housing and day care cooperatives.

Mr. Don Bell: I want to touch on the issue of how much the 0.7% adds up to and then go back to Mr. Barr. I haven't heard the figure and I was curious.

Ms. Carol Hunter: I would defer to Mr. Barr for that one.

Mr. Gerry Barr: It's somewhat less than \$8 billion, Mr. Bell. Effectively, if you were to double Canada's development assistance budget, you would be at 0.7%. We are tracking around 0.34% to 0.35% right now. That's set to go down as the one-off contributions of \$250 million annually fall away in the future, in the absence of any further increases, so we will actually track down to about 0.32%. But in real dollar terms that's what it is—about \$8 billion. If you think about what it will cost between now and 2010 to reinvest 15% annually, it means in aggregate that you need to find about \$1.9 billion beyond those dollars that are already committed in the 8%, and plan 8% incremental steps.

Mr. Don Bell: The final aspect of it is the concern I've heard raised that some of the countries that made early promises have put conditions or caveats on—they're not really genuine commitments. In other words, they've made a statement without.... That's the Prime Minister's question; if we're going to do it, we're going to do it, and we want to make a promise we can back up.

As well, do you feel comfortable that there is accountability or lack of corruption in these countries sufficient to ensure the money would actually get where it's supposed to go?

Mr. Gerry Barr: In answer to the first, there are always caveats, no matter how firmly a government commits. The commitments are contingent on the government's having the ability to meet the commitment it makes. That would be no less true for Canada than it is for Germany, France, the United Kingdom, or the other two-thirds of the world's donors that have committed to similar targets already.

On the second matter, the question of accountability, that is exactly why we have proposed a legislative mandate for spending aid; it would focus the purpose of aid spending on poverty reduction in a human rights framework, with enhanced parliamentary accountability and public reporting. That's precisely the reason we asked for this thing—which, I need to stress, costs nothing and would incrementally increase the effectiveness of aid spending.

Mr. Don Bell: Thank you.

• (1705)

The Chair: Thank you, Mr. Bell.

I think I was remiss in not thanking the groups for coming by today and taking time out of their day, so I want to thank you now.

We're on a tight schedule. I know we started a couple of minutes late, but we have to adjourn.

The meeting is adjourned.

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