

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Caterina Kalisiak

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?

Revenues are required to provide the services that Canadians want and need, pay off the budget deficit that this current Government created and lower the growing national debt in order to sustain economic recovery and enhance economic growth. The following measures will help create revenue: 1. Review ALL Federal Tax Incentives/Credits. Decide which tax incentives work best and which tax incentives are absolutely necessary. Then make changes to other tax incentives either by implementing a clawed back format based on annual family income in order to benefit those who really need it, or by cutting some federal tax incentives that are not really necessary. (Examples: Lower tax incentives for political donations: first \$400 go from 75% to 65%, next \$300 from 50% to 40%, and remainder from 33.33% to 25%. Make the fitness and arts tax credits claw-back based...a family earning more than \$100 000 should not qualify as they have the income to afford these programs and are more likely to put their children in these programs regardless.) 2. Investigate ways to merge Federal Ministries/Departments AT THE TOP LEVEL, thus eliminating some Government Minister positions and top administration staff positions without affecting and cutting front line services to Canadians. There is overlap between Ministries/Departments which indicate that a merger could take place. (For example, that the Department of Public Works has taken on more Procurement that some departments/positions may not be necessary, like the Associate Minister of National Defence.) 3. Make 10%-15% cuts to MP, Cabinet Minister's, Prime Minister's and Senator's Business travel expenses. I understand that travel is important but it doesn't need to be expensive. 4. Cut the amount taxpayers pay for MP's Pensions by 5%-10% (right now it is \$23/taxpayers to \$1/MP...way too much!). 5. Get rid of The Canada Employment Insurance Financing Board and give the responsibility of this Board back to the Ministry of Human Resources and Skills Development. Rent out the CEIFB office space. 6. Consultants/third party managers/outside advice has been costly, cut 20% of cost. 7. Reduce the number of limos/chauffeurs used by Ministers. 8. Cut 50%-75% from "Economic Action Plan" Advertising Budgets.

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?

1. Create a corporate tax-incentive for job creation by doing the following: a) Increase corporate taxes to 18-21%. These rates are still very competitive and low globally. b) Implement a tax incentive based on a scale reflecting the size of company and % of people they hire per year. The more people a company hires, the less corporate tax they pay that year according to the scale. c) The lowest tax rate on the scale should not be less than 13%. Just cutting corporate taxes did not help with job creation. Instead many companies/corporations are not spending it to create jobs. Providing an incentive of lower tax rate for creating jobs will assist in job creation. 2. When the Federal Government goes on trade missions to other countries, they MUST ENSURE that many Canadians will reap economic benefits, not just a

select few. 3. The Federal Government MUST review and change the law around foreign companies taking over other companies or opening companies in Canada. They should not receive tax incentives and they MUST give back tax incentives with penalty if they decide to close. (ex. Caterpillar in London). Foreign companies that make large profits elsewhere that want to open in Canada do not need tax incentives and should pay their fair share of corporate taxes. 4. The term "net benefit to Canada" must be clearly defined. 5. Create jobs for infrastructure projects.

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?

1. In regards to skill shortages, provide more funding across Canada for training in jobs that are in need of workers. 2. As for the aging population: Changing the age from 65 to 67 in 10 years from now does nothing for our current economic climate. Change the retirement age back to 65 with the implication that it can change in the future depending on the fiscal outlook. Right now the OECD, Parliamentary Secretary and other studies said that it is sustainable as is. 3. Keep Canada's current and future retirees from sliding into poverty. Increase the amount of OAS. Refer to question 1. as to examples of ways to create revenue to increase OAS payments. Food and Energy prices have gone up significantly and yet the amount that seniors receive do not reflect this and are not enough for seniors to buy the basic necessities. Remember: Seniors pay taxes, have paid taxes in the past, deserve to get something for their tax money, and they are voters. 4. The Federal Government must provide more to Health Care Transfers to address the issue of in home care/medical care for the elderly. It is cheaper to assist the elderly in their homes. 5. Create a Senior's Tax Free Savings account for those age 50 and above where the interest rate is 1% higher than inflation so that those approaching or are retired can save money in fix income with a decent interest rate.

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?

1. There must be stricter limits to prevent outsourcing jobs to other countries. Incentives must be given to ensure that jobs stay in Canada (refer to question 2 on corporate tax incentive on job creation). 2. A non-partisan multi-university study needs to be done on future labour challenges that include how the aging population will affect it as well as other factors that could affect labour. Right now the Canadian Government has not presented sufficient evidence as to how ageing Canadians will impact on the labour market. The Federal Government should provide grants to 4 universities across the country to complete this study, thus providing a cross country view on this issue because labour challenges in one province can be different in another province. 3. Right now the more dyer labour market challenge is high unemployment. Cuts to Federal Public Sector jobs, and the increase in layoffs in private sector (i.e. Caterpillar, Aveos, Transcontinental, RIM, GM Oshawa, Sears Canada, etc...) are not helping the unemployment problem. Government needs to actually create jobs by increasing public service workers in EI services, since more people will be using it, and repairing infrastructure. 4. Canada needs to broaden trade with other countries WITHOUT sacrificing the Canadian Economy and Canadian work force. Thus, the term "Net Benefit to Canada" must be clearly defined and enforced.

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?

Young Canadians ages 15-24, including aboriginal, are facing record high unemployment and student debt. Unfortunately Budget Plan 2012 made little or significant mention about young Canadians. Young Canadians are the future of Canada and should not be taken for granted. 1. Government incentives need to be in place to encourage young Canadians to seek education in fields in need (i.e. skills tradesmen, geriatrics, vocational school teacher, nurses) 2. A Third-party group should be created to investigate and report on the issues affecting and ways to help our young Canadians find employment. This group must include young Canadians, Aboriginal members both young and old, private sector representatives, University representatives and Government representatives.