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• (0940)

[English]

**The Chair (Mrs. Sue Barnes (London West, Lib.)):** Good morning. Bienvenue à tous. Pursuant to Standing Order 108(2), pre-budget discussions are the order of the day.

As witnesses today we have, from the Canadian Council on Social Development, Andrew Jackson, director of research, and Lori Harrop, director of public affairs; from the Canadian Ethnocultural Council of Canada, Art Hagopian, president, and Anna Chiappa, executive director; from the Council of Canadians with Disabilities, Laurie Beachell, national coordinator, and Mary Ennis is with him today; from the National Council of Welfare, Sheila Regehr, director; and from Canada's Association for the Fifty-Plus, William Gleberzon, associate executive director, and Rolf Calhoun, Ottawa representative. Welcome to all of you.

Some of your materials are still being copied and will be distributed, but we'll start and go in order of the agenda. We'll hear first from the Canadian Council on Social Development. Mr. Jackson, go ahead, please, for approximately 10 minutes, if you can.

**Mr. Andrew Jackson (Director of Research, Canadian Council on Social Development)** Thank you, Madam Chair.

Our submission this year is brief. For those who are interested, we have advanced several of the proposals over a number of briefs. What I wanted to do today in speaking to the committee was build on some recent research work the CCSD has undertaken. I'm thinking particularly of our recent report for the United Way of Greater Toronto on poverty in the city of Toronto in the 1990s and trends in poverty, some of our work on settlement issues facing recent immigrants, and our ongoing work on persons with disabilities. What I really wanted to do in this brief was reflect on the need to counter social exclusion as a framework for social policy and for social development.

After the last election the Prime Minister placed social development and social inclusion at the very heart of the government's agenda. To quote from the Prime Minister in his reply to the Speech from the Throne in January 2001:

There are still too many single parent families, too many visible minorities, too many recent immigrants, too many aboriginal Canadians living in poverty. Canadians with disabilities still face too many barriers to participation.... We are determined to help families break out of the poverty trap, to reverse the cycle of dependency, to help parents realize their hopes and their dreams for their children. We cannot afford the costs, moral, human and economic, of poverty. We must find new and better ways to promote opportunity and to ensure that the basic needs of all are met.

To pick out a couple of points from the speech and other documents, analyses that have been released by the government, I think there has been a recognition that growth and job creation are extremely important to social development in Canada and have made a contribution, but that growth and job creation are not the only answer. And I think, importantly, there's also been a recognition by the government that social investment is needed to complement economic growth. If we're going to achieve an inclusive society, we can't just leave it all to economic growth and the market. However, I think it's fair to say, if we cast back over the entire term of this government, that with the efforts to address the deficit and debt issue in the first number of years, much of the burden of deficit reduction came about through the reduction of social spending and cuts in federal transfers to the provinces. I think particularly significant, in retrospect, was the elimination of the Canada Assistance Plan and the cuts to employment insurance.

For most of us, what we've seen is that following that period of cuts, the real federal priorities became debt reduction, followed by tax cuts, followed by national security concerns in the last budget. To cut to the chase, from our perspective, it's been a very long time since we've had a budget where social development has been first and foremost on the agenda.

To qualify that, I think it is important to recognize that what's happened on the unemployment front has been extremely important to social development in Canada. We have seen increased tax benefits to middle- and low-income working families with children. We've seen some progress in income supports for persons with disabilities, the caregiver credit. We saw the re-indexation of social benefits to inflation, which was an important move. And we've seen modest investments in early childhood skills development and housing. So I don't want to say social development has been absent from the agenda. The point is that now is the time, in our view, when federal finances are still very solid, when some of the more immediate problems of deficit and debt are behind us, to really put social development at the forefront of this budget.

So what should the federal role be in social development? There's a long list of measures that have long been advanced, many of which are important, so what we do in our brief is flag three key areas that, in our view, should be at the top of the agenda at the moment, and we want to advance a fourth area for consideration that is a little less worked out.

Priority number one for us would be federal investment in affordable housing. As the committee knows, there was what I would describe as a modest initiative in the last budget; I think it was \$680 million over three years. So far as I'm aware, and I think I'm correct, in the aftermath of the last budget, which was itself a modest commitment, the only provinces that have signed agreements with the federal government for construction of affordable new rental housing have been Quebec and British Columbia, and I believe B.C. is cutting spending beyond what was envisaged. So really Quebec, I think, is at the moment the only province that's doing anything very serious on the housing front.

To throw a couple of numbers to you that I find quite striking, based on our report from Toronto released last year, the average rent for a two-bedroom apartment in the city of Toronto right now is a little under \$900. In fact, it's probably a bit over. Nine hundred dollars a month would consume almost the entire income of almost half the single-parent families in Toronto who live in low income. If we look at two-parent families with kids living in poverty in the city of Toronto, that's one in six families, rents alone would consume more than two-thirds of their income. Clearly, people aren't paying that much of their income in rent, but what those figures tell you is the extent to which people are living in crowded accommodation.

When we get the data from the new census, I think people are going to be shocked by the increase in housing needs in Canada's large urban centres. A very high proportion of families with kids, recent immigrants, are sharing two-bedroom apartments in the city of Toronto in the neighbourhoods we profiled in that study. Housing problems for seniors who are renters are becoming critical. Many seniors we spoke to in Toronto, through the United Way report, are now living in basements. Many seniors are being evicted from traditional housing.

It's a simple point, but I think an important one. If we're marginally increasing income support for persons with disabilities, the working poor with kids, and so on, that's all to the good, but if all that extra income support and more is being swallowed up by rising rents, it's not really achieving anything at all in the real well-being of families. So we'd certainly continue to flag housing as a major issue. I think there are many issues about how to advance in that. So many of the provinces seem unwilling to act. Hopefully, we'll see some action from Ontario.

The second key area where we think the federal government has moved and can continue to move is using the tax system to support the incomes of those in low income. Once again we call for increasing and making refundable the disability tax credit. The current credit does not provide any real benefit at all to persons with disabilities on social assistance, most of whom are well below the poverty line. There's clearly a case, I think, for continuing to increase the child tax benefits. I think there was no increase of any significance in the last budget, so in regard to the government agenda for steadily ramping up that benefit, now is the time to proceed on that track.

The third key area I would flag, and others will speak to this in greater detail, one area that really emerged out of our United Way report and some analysis we've been doing on settlement issues of recent immigrants, is that many recent immigrants to Canada, those people who came predominantly to Toronto, Vancouver, and

Montreal, are facing extremely significant difficulties in finding a secure footing in the labour market, finding adequate employment. I think this is one area the federal government has a logical responsibility to put front and centre on the federal agenda. One area in particular is the inadequacy of language training for new immigrants. Language training is provided, but there are two big problems, I think.

• (0945)

One is that for the most part, language training only takes people to a level of bare adequacy. People with professional qualifications who are seeking jobs in their area of expertise really need language training that matches their professional qualifications if they're going to be able to answer the job market at that level.

A second key problem is that many recent immigrants take low-pay, low-skill jobs as a survival strategy after arriving, and often then lose the ability to secure language training when they need it. So there's a layer of recent immigrants who, I think, really become trapped in jobs that don't match their skills and don't really advance them, and I think making people eligible for those kinds of training programs over a period of time is really important as a ladder up.

Finally, in this brief what we advance, somewhat more tentatively, is the importance of federal government financial support to social development as that takes place through the community-based social agency sector. It used to be the case, 10 or 15 years ago, that the federal government provided very significant resources to the community social sector through the Canada Assistance Plan. That support has pretty well evaporated. Certainly, there's still some federal government support for some national associations engaged in social development in the disability area, for example, but in respect of money flowing through to the community-based social sector, that funding has pretty well evaporated, and at the same time, that is the sector that's been almost the hardest hit by provincial cutbacks in social spending.

I'm thinking of a huge range of organizations, community-based agencies dealing with the problems of youth, persons with disabilities, housing problems, legal aid problems, problems of the mentally ill, and so on. There's been a real problem of misrecognition in Canada. The reality is that in most provinces most of our social services are actually social services on the ground delivered by and through the community-based voluntary sector. It's not so much the case of governments directly delivering social services on the ground, though Quebec is a significant partial exception to that, with the system of CEAs and LICs.

How do we get social development back on the agenda? How do we give a boost to that sector? What we propose here is building on the model of previous federal government endowments to foundations, which I know the Auditor General has problems with. I have much fewer problems with it. It does seem that every year we whack up pretty large federal surpluses, much higher surpluses than the federal government has planned for, because of prudence. What we propose is an allocation of the surplus to a foundation set up to finance social development. In our view, that foundation should involve all levels of government, municipalities, but also a very centrally involved social sector itself, the community-based social sector.

We'd see as prime candidates in funding from that, at least initially, providing more stable and secure financing for national organizations working in the area of social development, organizations that have a link to community-based organizations on the ground, and second, to community-based social planning bodies, such as social planning councils, which exist in many communities.

What we're really talking about, I think, is starting fully modestly with an allocation of money that can begin to set up a process of collaboration between governments and the voluntary sector, with a focus on capacity building and can bring about a much broadly based dialogue in Canada over social development.

Thank you, Chair. I'll leave it there.

• (0950)

**The Chair:** Thank you very much.

Now we'll move on to our second presentation, from the Canadian Ethnocultural Council. Please commence when you're ready.

**Mr. Art Hagopian (President, Canadian Ethnocultural Council):** Good morning, everyone. First, on behalf of the Canadian Ethnocultural Council, we wish to thank the finance committee for the opportunity to appear before you today.

[*Translation*]

I think this is the first time the Ethnocultural Council has been invited to participate in these proceedings and discussions, and we appreciate the invitation.

[*English*]

The CEC is a national coalition of 32 national ethnocultural organizations. Our member organizations, as umbrella structures themselves, in turn represent about 2,000 local and provincial chapters across Canada. The CEC was formed in 1980 as a coalition of organizations, and although each represents its unique cultural community, collectively, all work to promote understanding and acceptance of the multicultural reality of Canada. It also works towards integration of ethnocultural groups through promotion of equal opportunity and the fight against racism and other forms of discrimination.

One of our earliest activities was to appear before the joint committee on the Constitution in 1981 to press for the inclusion of multiculturalism in the Charter of Rights and Freedoms. Subsequently, this was constitutionally entrenched in section 27 of the charter. Later this was legislated in the Canadian Multiculturalism Act. Multiculturalism has now been identified as a fundamental characteristic of Canada, and also, we're proud to say, it is the first legislated act of this kind in the world.

• (0955)

[*Translation*]

For years, multiculturalism has been the source of much debate in Canada. However, in the final analysis, no one can deny that we live and will continue to live in a multicultural society. We must therefore create a culture which promotes fairness among people and mutual respect, and create conditions to support social cohesion in an increasingly diversified society.

We think Canadian men and women have come to view multiculturalism as part of our very identity as a people, in the same way they view the other fundamental characteristic of Canada, namely linguistic duality. Over the past decade, several opinion polls have shown support for multiculturalism.

The most recent survey, conducted by Environics and sponsored by the Association for Canadian studies, has once again confirmed that Canadians are favorable to multiculturalism. The survey results suggest that a huge majority of the population rejects the numerous arguments put forward that multiculturalism goes against other important objectives of Canadian society.

When asked for their opinion on "the preservation and promotion of Canadians' multicultural heritage", which are the exact terms used in the Multiculturalism Act, over 80% of respondents in Canada and approximately 86% of respondents in Quebec said that that was an objective the government should pursue. This view is particularly prevalent among the young.

[*English*]

The Environics poll showed that younger people are generally more favourable to the value of multiculturalism, with 90% of those between the ages of 18 and 29 agreeing that the government should support the multicultural heritage of Canada. Youth strongly support the notion that the Multiculturalism Act is helpful in ensuring that institutions respect cultural and racial diversity.

The leadership of this country has likewise often referred to this important value, both here in Canada and abroad, as an example and model of how diversity can be a positive force. The Honourable Bill Graham, Minister of International Affairs, recently referred to this in his speech to the Canadian Institute of International Affairs. He said:

Our multiculturalism has helped us welcome the entire world within our borders, and the way in which we have managed this process has made us a model for much of the rest of the world.

European countries, which, as you know, are facing increasing immigration, but lack the necessary structure to deal with this new diversity, are looking to Canada's multicultural model.

Prime Minister Jean Chrétien continues to support this vision. In a recent letter to the CEC the Prime Minister reaffirmed this when he stated:

What we Canadians have in common is the source of our strength, and what sets us apart enriches all of us... I believe this is at the heart of our success in developing a distinct Canadian way, marked by our linguistic duality and multicultural society

The reality is that today multiculturalism plays a significant part, as does our linguistic duality, in the development of our national identity. It is a statement of who we are as a people and it forms an important part of our national psyche.

[*Translation*]

That said, despite the fact that it is a value we hold so dear, the current government gives it very few resources and financial support.

[English]

The budget for the multiculturalism program has been dramatically reduced, as has the support to the programs and the staff. What was once a full department now has been relegated to a small program in a branch of Canadian Heritage, with minimal staff. Today only \$16 million, perhaps less, goes towards the growth of multiculturalism. The amount is disproportionate, and there's a sense of being treated unfairly in comparison with other programs that define our national values and identity.

The Institute on Governance echoes this sentiment in a study issued in the year 2000 entitled *Ethnic Minorities in Canada: A Government Perspective*. The study acknowledges that the specific programming aimed at building and sustaining governance capacity in multiculturalism organizations has declined substantially since the 1980s. The study also noted:

...the radically different manner in which the federal government supports the building of governance capacity for three distinct groups: aboriginal groups, francophones outside of Quebec and multicultural communities.

According to the Institute on Governance again:

The contrast with multicultural communities is stark. Federal funding allocated to communities across the country through the multiculturalism program of Canadian Heritage amounts to \$16 million, not all of which is dedicated to building governance capacity. This amount represents a substantial reduction of funding levels established in the 1980s.

The institute also noted the radically different approach by government in supporting the different communities. Federal support for francophone and aboriginal programs is long-term, rather than project-based, and "premised on a funding allocation partnership between the government and the community." In contrast, the multicultural communities received project-oriented, single-year funding, a design based not on a funding partnership, but on meeting government established criteria.

In this kind of environment many ethnocultural communities have, in essence, given up using what little is available through this program. Many of our member organizations rely on volunteers. None have what once was called core or program funding to sustain offices. This has had a significant impact on the work of communities, organizations, and institutions. The elimination of program funding and support has resulted in closing of offices, reduction of volunteer opportunities, reduction in public and national discourse and in civic participation and engagement, and a greater sense of disunity.

● (1000)

**Mrs. Anna Chiappa (Executive Director, Canadian Ethnocultural Council):** Opportunities for cross-cultural dialogue and education and work to support and create better understanding or with institutions on issues of diversity and ethnic and race relations have been dramatically affected. Program funding enabled groups to establish and develop a capacity to provide informed advice, initiate dialogue, debate and propose alternatives. Funding had also assisted cultural communities to develop alliances as a means of combatting racism, discrimination, and other social issues. Our organization is a case in point. The CEC, a coalition, brings together communities that ordinarily would not necessarily meet. This type of interaction needs to be encouraged, supported, and strengthened.

There are many examples to show that support for multiculturalism enhances the quality of life for Canadians. Programs with youth to fight racism and hate, as in the March 21 campaign, provide one example, issues of the elderly another. Our population is steadily increasing as newcomers arrive and the second and third generations multiply. With that goes the impact related to health concerns. Some illnesses, such as diabetes, have begun to demand large pools of resources and culturally appropriate care. Issues of language, diet, religion have an impact on the health care system. It would appear to us that any cost-effective system or service would seek community organizations as partners to solutions. If given tools, ethnocultural communities stand ready to play a role in completing the work of government. We can provide information, education, and interpretation.

These activities form part of the responsibilities of government defined in the Multiculturalism Act, designed to promote full and equitable opportunity and access. There are other elements that have been neglected. Heritage languages are an example. Funds to support this from the federal government have been reduced, as has support for the concept itself. This is ironic in a time of globalization. We are missing out on an opportunity to strengthen our international markets, trade, and tourism.

[Translation]

**Mr. Art Hagopian:** I cannot overstate the importance of increasing support for multicultural initiatives. As our immigrant population increases, that objective will become increasingly important, in that most of those immigrants come from countries with cultures that are distinct and different from those of the western, Christian world, which has so far constituted the majority.

● (1005)

Financial support to ethnocultural minorities is not a question of charity. In fact, it is a good investment in our country's future.

[English]

There's no question that with increased immigration, Canada will face complex questions concerning cultural diversity. As Robert Putnam, the renowned international expert on community cohesion, stated after September 11, governments must find ways to rebuild trust amongst communities. Strengthening and supporting the multiculturalism program and increasing its resources is an important step in building this trust. If we are to continue to recognize multiculturalism as an official policy, which I believe we must, we also must provide the necessary support, recognition, and resources to ensure that it is understood and that the right conditions are accorded to create social cohesion. Or we must stop espousing its virtues and how Canada is a leader in this area. Eventually, we will be caught in a game of not practising what we preach.

Thank you. Merci.

**The Chair:** Thank you very much.

Now we go to the Council of Canadians with Disabilities. Please go ahead, Mr. Beachell.

**Mr. Laurie Beachell (National Coordinator, Council of Canadians with Disabilities):** Thank you.

The Council of Canadians with Disabilities is the national advocacy association of people with disabilities. Mary Ennis, who is the vice-chairperson of the Council of Canadians with Disabilities, is here with me today. CCD is owned and controlled by people with disabilities. We are an advocacy association. We look at federal policy and initiatives that affect people with disabilities. We've been around for over 25 years.

I've appeared before this committee annually since 1986, and while I would say we have seen incremental progress for Canadians with disabilities over that time, the last four or five years have been particularly disappointing. Frankly, there does not appear to be a social policy agenda in this country. Our members are experiencing cuts at virtually every level of government, cuts in social services, cuts in social assistance, cuts in accessible transportation, cuts in the labour force. If you look at the employment equity statistics 1986 to now, we're actually worse off as far as participation in the labour force goes than we were in 1986.

We are not seeing incremental progress, we're actually seeing erosion of services for people with disabilities in this country. We are living in greater poverty, we're having parents go to the extreme of taking the lives of their children. It is at the point now where people have to select which province they might reside in to gain the service they may need. If you need income support, you probably want to choose Alberta. If you need home care assistance, you probably want to choose Manitoba. If you want to live outside a major urban centre and get good services, you probably want to live in Quebec. If you want a good technical aids program, you probably want to live in Ontario. People are now having to look at where they will live in order to get services, or they're finding themselves trapped in what they're able to get and unable to move, unable to move to take a job, unable to move to get education, unable to move because they wish to be close to their family.

We actually had a situation with an individual who had come to Manitoba for a job, and his disability progressed. He wanted to go

back home to Ontario to be closer to his family, who would provide support. One of the major problems was where he would get a wheelchair. The one he was using was the property of the Government of Manitoba. They wanted it back, and it was going to take six months in Ontario before he could get one. We envisioned him driving to the border of Ontario and Manitoba and transferring from one wheelchair to another so he could retain eligibility.

We've borrowed liberally from Sherri Torjman's paper for the Caledon Institute of Social Policy, "Reclaiming our Humanity", cited in our brief. I think Sherri sums it up very well:

This vision for reclaiming our humanity seeks three ends: to be on the table, to be at the table and to turn the tables.

First, we seek to ensure that the environment and social well-being are *on the table* as issues equally important and intrinsic to economic growth.... Second, we want to be *at the table*.

That means being a part of the discussions that affect us. Frankly, since the creation of the Social Union Framework Agreement, the community has been excluded from the table. We are no longer a part of the discussions that are bilateral, we no longer know who supports what. There is no official record of the decisions. Was it the Government of Alberta that opposed a refundable tax credit, was it the Government of Ontario? We have no idea. We are not on the table, our issues have dropped off, we are not at the table, and we believe, unless we turn the tables and reinvest in social development and social policy in this country, we are going to see a greater and growing disparity between those who have and those who have not, and that group of have-nots are actually becoming much more discriminated against and isolated from the community.

If the Government of Canada is to address this, it is going to have to take leadership. The government will have to begin to act as a government and look at issues of equality of opportunity for all Canadians across this country and at its role in leadership.

So we will present to you a few recommendations for pieces we think should come forward in the next budget initiative.

• (1010)

**Ms. Mary Ennis (Vice-Chair, Council of Canadians with Disabilities):** CCD defines disability supports as goods and services, including human resources, that assist people with disabilities in overcoming barriers to participating fully in daily living, economic and social activities, and so on. The range and levels of these supports vary greatly across Canada, as Laurie has said. At present, the inadequacy of supports, the disparity across the country, and the emphasis on old service delivery models make it impossible for us, as Canadians with disabilities, to be full citizens.

A disability support program would equalize supports and ensure mobility rights for persons with disabilities in this country. Such an initiative should be governed by a framework agreement that is developed jointly by federal, provincial, and territorial governments and persons with disabilities and their organizations. A long-term plan for investment in disability supports is required, and incremental steps must be identified to move forward in reaching the goal of a long-term plan. Our first recommendation, therefore, is the creation of a disability supports initiative to assist provinces to invest in better programs and services.

As we all know, having a disability means having additional costs. This is recognized in the tax system by the creation of the disability tax credit. Unfortunately, most people with disabilities in Canada are not able to make use of the tax credit, because they are unemployed and do not have a taxable income. Most of these people live in poverty. A refundable credit would put dollars in the pockets of all people with disabilities in Canada, as long as provincial and territorial governments agree not to treat it as income and deduct it from social assistance payments. A refundable disability tax credit is a first step, an interim step, if you will, in improving disability supports for all Canadians with disabilities. As we've said, our ultimate goal is the development of a national non-means-tested disability-related supports program, and attainment of such a goal would logically bring about financial relief to other systems. Our second recommendation, therefore, is a refundable disability tax credit to help offset the additional costs of disability.

The Liberal task force on disability issues chaired by Andy Scott in 1997 recommended the creation of a funding program, the social development partnership program, to support the participation of organizations of persons with disabilities in social policy development. It recognizes the expertise, knowledge, and value of the voice of persons with disabilities in this country in policy development. This program was announced by Ministers Martin, Stewart, Rock, and Pettigrew in 1997, but funding levels have been frozen since that time. Not only are our costs rising, but the demand is growing. Critical to good social policy development is the active engagement of persons with disabilities in defining the problems and identifying the solutions. We are the experts, we have the knowledge and expertise, based on our own individual experiences, to do this.

The program should be expanded to create greater core operational support for organizations of persons with disabilities, as well as support for service organizations. The present program is \$7 million. In the 1980s it was \$12 million. We need a reinvestment of that money and, hopefully, an enhancement of the funding. The primary purpose of this program should be the support of consumer-controlled advocacy associations of persons with disabilities, to ensure that our voices are heard in policy discussions that affect us. Our third recommendation, therefore, is that the Government of Canada expand resources to the social development partnership program of Human Resources Development Canada to support organizations of persons with disabilities as active participants in the development of social policy.

• (1015)

CPP disability pensions are extremely important to Canadians who receive them. Individuals on CPP disability tend to be poor and dependent on the CPP for an important component of their income. In 1998 the Government of Canada introduced amendments to the Canada Pension Plan disability benefits that severely restricted the eligibility criteria, and thus reduced the number of individuals who would receive these benefits. Canada Pension Plan disability benefits comprise only 20% of the cost of CPP benefits, yet the projected cut to CPP disability benefits by the year 2005 will exceed \$1 billion. The cutback in retirement pensions, which comprise 80% of the program benefits, for the same period is less than \$0.7 billion. While others were also affected by the cutbacks, the disability community was affected the most. These cutbacks, along with administrative changes, have had a very serious negative impact on Canadians with

disabilities. We therefore recommend the restoration of the Canada Pension Plan disability benefits to pre-1998 levels.

Finally, new technology has the capacity to be the great liberator and provide greater access to persons who are print disabled, or it has the capacity to create new barriers. The Government of Canada, in all its initiatives in this area, must ensure that new systems for sharing information are accessible to those who are print disabled. Our last recommendation, therefore, is that the Government of Canada ensure that its initiatives to connect Canadians and provide government information on-line must be accessible to persons who are print disabled.

Thank you.

**The Chair:** Thank you very much.

Now we have the National Council of Welfare.

**Mrs. Sheila Regehr (Director, National Council of Welfare):** Thank you very much for the opportunity to appear before the committee.

Like CCSD and others before me, I'm going to focus on some of the recent research that's been done by the National Council of Welfare. I apologize that our chair from Nova Scotia was unable to join us today, so I'm going solo.

The National Council of Welfare is an advisory body to the federal government on matters of concern to low-income Canadians. That's our perspective. I want to start, however, by highlighting that poverty does not just hurt the people who at any given time live in financial hardship. That's the theme of a recent publication called *The Cost of Poverty* that we've released and has been provided to members. This publication provides ample evidence that everyone pays for the lost human potential and economic liability poverty brings. It costs our health care system, our justice system, and our labour market. It tears at our social fabric and threatens the future that is embodied in our children.

There are three council publications I'd like to highlight today that form the basis of our presentation. I'd like to address, in the short time available, some of the key findings from each.

First, from *The Cost of Poverty*, I'd like to focus for a few minutes on the area of health, because health care is so dominant on the Canadian public policy agenda, and for very good reason. What too often gets overlooked in these discussions, however, is that health care services are only part of the picture, and a very expensive part at that. Study after study shows that socio-economic factors usually matter more. For example, children from the poorest neighbourhoods in Canada have a shorter life expectancy by far and can expect to spend more of their lives with disabilities and other health problems as a result. The rate of childhood disability is over twice as high from families living in poverty as from wealthier families.

There's also clear evidence that supporting childhood development through child care and other measures enables low-income parents, especially mothers, to combine caring for children with participation in education, training, and quality employment. These can have very positive results. Not only can they improve adult productive capacity and childhood development, the investments in these areas pay for themselves and more. Over the long run they reduce the use of health care services, social assistance, the child protection system, they reduce encounters with the criminal justice system, they add to labour force capacity and the tax base. So poverty is an issue for everybody.

I'd like to move away from the council's work at this point to comment on related work being done in the European Union. This is new and in development, but they've recently embarked on an exercise aimed at a potential new welfare, welfare in its broadest sense, a new sort of social architecture for Europe. Its key elements address common challenges faced across the Union, from Sweden to the U.K. to Greece to Portugal. These elements are focused on childhood as the foundation of citizens' life chances, work life, where a new gender contract is critical for addressing new risks and evolving tensions between family life and paid work, and a sustainable and equitable retirement system. All take into account the need for equitable inter- and intragenerational distribution of burdens and benefits and the importance of ensuring that any change must benefit those at the bottom most.

There are obviously differences between Europe and Canada, but I highlight that this is the European Union. We're not just talking about Sweden or the Scandinavian countries, where everybody goes yes, yes, but we're so far away from that. There are so many differences across Europe that they are often greater than those between Canada and Europe. What's perhaps of greatest importance, though, and I've heard it in other presentations too, is that they appreciate the need for an architecture, one that recognizes and understands the interdependencies of policy areas that affect people at different stages of their life course. The best example is that this new welfare architecture's answers to retirement pension problems include a massive investment in childhood and the consequent need for more women-friendly policies. They know, because their pension systems are in such crisis, unless they invest in women and children, they will not have the labour force they need to support retirees.

• (1020)

So where do we stand in Canada now? The National Council of Welfare has continually demonstrated the need for more consistent family policy and more comprehensive planning generally to ensure that we get the best value for our investments and that the most

vulnerable are not further excluded. Yet we're still tinkering around the edges of multiple old architectures that often contradict each other and are not well placed to respond in concert to new risks and opportunities. There are many examples. We provide incentives for wealthy people to invest in their senior years through RRSPs, but if you have little income and you try to save, you'll be penalized. And if you ever need social assistance, your assets, not just your money and your savings, but your dignity, your autonomy, your ability to improve your life chances are stripped away. We provide maternity and parental benefits to those who are well placed in the labour force in order to support parents and child development.

When the National Council of Welfare members met with Jane Stewart a few months ago, this was one of the areas she was quite justifiably proud of. She talked about the very moving personal letters she's receiving by the tonne from new parents talking about what a valuable program this extension is and how important it is to their family life, to their long-term careers, to their children. But if, in addition to the time and income demands a new baby brings to a mother, there's the compounded strain on the family of having had a low-income job or precarious employment, that child and that family will not get support. The federal government, as another example, improved access to student loans. The provinces have taken it away from lone-parent mothers. You can't combine both any more. This seems particularly heinous, because there's so much emphasis on education, on skills and knowledge, and on knowing that education is one of the most sustainable routes out of poverty, particularly for lone parents. So again, it's this mix of architecture, the federal-provincial things that in so many ways really aren't working in concert.

Canada's retirement system is on better footing than most in Europe, as I said. Our major problem, I think, is with younger populations, but we still have very poor distribution of time and income within and among generations, and a disastrous scenario for the future if we continue to allow people to be left behind. For many people under 35 the future does not look bright. This group has lower earnings and fewer assets than in the past. Young adults have all the pressure of high skill and knowledge demands, a precarious job market, and family formation to tackle simultaneously within the same limited number of years, while older couples without children are reaping the rewards of leisure time and years of personal savings. The council's publication *Welfare Incomes 2000-2001* shows that taking inflation into account, social assistance payments have been frozen or have decreased and that single parent families, for example, had incomes that were still at least \$5,000 below the poverty line. This situation would be less desperate, especially for lone parents, if the majority of provinces and territories didn't claw back the Canada child tax benefit.

I think we're one of the few organizations that actually publishes national welfare income statistics. One of the interesting things we see happening very much is that especially for those provinces who claw back, the federal share of household income for people on welfare is increasing, because the provinces aren't taking over the reinvestment for those people. One might argue that they're providing other services and that sort of thing, but there's no accountability and there's no way of telling whether those families are actually any better off or not. There's a lot of evidence that they're simply not.

One of the striking things as well is that our economic growth rates are tremendously high, and poor people are still being left behind. So our future does not look all that great if we still let all of these adults and children face poverty and social exclusion. We're an aging society, and our collective future in Canada depends on the very people who are the most vulnerable to poverty and to reduced opportunities to develop their potential. This includes young children, mothers, recent immigrants, people with disabilities, and aboriginal peoples. While we have been very successful in reducing poverty among seniors, we've allowed extremely high poverty rates among lone-parent mothers to persist decade after decade after decade, while other countries have brought their rates as low as single digits. This is not an insoluble problem, if one puts one's mind to it. We, more than European countries, seem to think immigration will answer all our labour market problems—and I'm not saying we're doing terribly well at that either—but this cannot make us complacent about the need to support young children. After all, immigrants have children too.

The most damning news of all, however, and it should be a wake-up call to everyone on this committee and in governments everywhere in Canada, comes from the third publication I want to mention, *Poverty Profile*, which will be released next month. While poverty rates continue to fall slightly, compared to our economic growth rate, we are still failing in the battle against poverty. Rates for single senior women actually went up, showing that a new gender contract is at least as relevant here as in Europe or elsewhere. Most tragic, however, is that the age group that is most likely to experience long duration of poverty is children from birth to six years of age. How does one even begin, in human or purely economic terms, to

explain why we cannot invest better now to avoid the long-term costs of a life sentence of poverty during the most developmentally critical years?

• (1025)

Based on this information, the National Council of Welfare has two major and mutually reinforcing recommendations. Both will contribute to the success of any other initiative on the government's agenda, from health care to skills and learning to taxation.

First, no matter what is done in any policy area, make sure those on the lowest rungs of the income scale benefit most. Policies targeted to low-income Canadians may be necessary, but are certainly not sufficient and usually not nearly as effective, especially for the federal government, as an overall policy architecture that takes the needs of all Canadians into account at all income levels. In this, and in the recommendation below, much more than recent lip service needs to be paid to gender, or we will not get it right.

Second, invest massively in young children from zero to six and the supports that enable all parents and children to benefit, gradually building to a system of universal public support for this age group, the way we do for school age children through public education or for seniors through OAS-GIS. The obvious priorities are child care and maternity and parental benefit systems available to all that focus more on the interests of parents, children, and future life chances and less on past labour force participation.

Thank you very much.

• (1030)

**The Chair:** Thank you very much, and if later on you wish to submit something to the clerk that can be distributed, that's fine.

Our final panellist today is from Canada's Association for the Fifty-Plus.

**Mr. William Gleberzon (Associate Executive Director, Canada's Association for the Fifty-Plus):** Thank you very much for this opportunity to address the committee on the 2002 federal budget.

Before I begin, I'd like to introduce one other member of our team, Mr. Walter Kelm. He's a retired federal civil servant and a member of CARP. He was one of the architects of the CPP during its formative stages and is the author of two CARP studies on the proposed seniors benefit. I've asked him to join us today because of his knowledge of financial matters, and also because he's developed a strategy on enhancing guaranteed income supplement.

I'll just very briefly introduce you to CARP. We are the largest national association of mature Canadians in our country, representing nearly 400,000 members who are 50 years and older, retired or still working. We're a non-profit organization and receive no operating funds from any level of government, in order to maintain our independence and neutrality. Our mission is to express the concerns of mature Canadians, and indeed all Canadians, regardless of age. Our mandate is to provide practical recommendations for the issues we raise, rather than just "carp" about them.

I'd like to begin with an appeal I think you've heard from everyone here, but ours, of course, deals with the older segment of the population, to remember that life is a continuum. Seniors are not a different species of human beings, they are simply human beings at a different stage in their lives. CARP is, therefore, very concerned that seniors have not had high priority on the federal government's agenda. A recent analysis of agendas for federal-provincial-territorial meetings has found that they did not include either seniors or the issue of aging. However, the aging of our society is one of its most salient features. In 30 years time, by 2030, almost one in four Canadians will be 65 years or older. This revolutionary—and I can't emphasize that word too much, because society, in recorded history, has never had this kind of balance, with so many people over the age of 65—and new reality must be seriously addressed now. It will have a myriad of social, economic, and political impacts on our nation in a variety of areas, ranging from health care to housing, employment to pensions.

Ignoring and dismissing seniors could be identified as ageism, a term customarily applied to discrimination against older persons. According to American expert Professor Erman Palmore of Duke University, "ageism is the third great 'ism' of society, after racism and sexism." Indeed, CARP is partnered with the Ontario Human Rights Commission to raise awareness about ageism in Ontario, and then we hope in Canadian society, in order to combat it. CARP will soon be issuing a report on ageism based on our symposium on ageism held last summer.

Governments need to begin now to develop policies regarding the aging of our society over the next half century. These policies must reflect reality and not ageist myths and assumptions. To cite a few of those, mandatory retirement has a very real impact not only on the lives of people who, at 65, find that they are indeed not played out and have many more years to contribute and many people who must continue working because they don't have enough money to retire, but on areas as diverse as employment, productivity, health care, and pensions. Therefore, it should be denounced as a form of ageism by this committee as relates to budgetary policy, as should the myth that public pensions for seniors, that is, old age security and guaranteed income supplement, are not sustainable into the future. Human Resources Development Canada has demonstrated that they are sustainable. In fact, this committee should recommend that Mr. Martin, in his budgetary statement, remind the general public that seniors pay back some portion of their old age security and CPP in income taxes.

• (1035)

Some of the issues I'm going to refer to in this presentation have already been touched on by other presenters. As I said, life does not

end when one becomes a senior, and the issues they have referred to in fact intensify as one becomes older.

The first thing we'd like to say is that CARP urges Mr. Martin to restore funding levels to the provinces and territories for health care to 1992 levels, including an escalator clause for inflation over the past decade. Not to do so will contribute to the further erosion of our national health care system. Indeed, some provinces are preparing now to revise how they deliver health care before the Romanow commission releases its final report, and their changes, we feel, threaten to gut the Canada Health Act in their supposed quest to save it. The ultimate consequences will inevitably be the destruction of the principles of the Canada Health Act, and with them our unique made-in-Canada health care system, a system that works, despite its challenges. Of course, we do not know yet what the findings of the Romanow commission will be, but it appears that Mr. Romanow has recognized the importance of increased federal financial investment in our health care system as a prerequisite, along with better management, accountability, and quality, for its sustainability.

On the other side, the provinces and territories must be publicly accountable to the federal government to demonstrate that health care funding is indeed being spent on health care. At the same time, the provinces and territories must collaborate with each other and the federal government to create a comprehensive and seamless national health care system in accordance with the Canada Health Act, for example, through joint purchasing of prescription drugs, national health care standards, affordable housing, preventive medicine, and a comprehensive home care program, including greater support for informal or family caregivers. All these changes are dependent on appropriate levels of federal funding, which should be included in the 2002 budget.

In regard to informal or family caregivers, family members who provide health care for loved ones at home, I'd like to point out that they provide 80% of the care in the home care system and in return receive minimal, if any, direct or indirect compensation or support, thus being reduced to a form of cheap, conscripted labour. About 80% of them are women, and about 12% of informal caregivers must leave the workforce in order to provide needed care. Currently, informal caregivers can claim \$450 as a tax credit. This amount is woefully insufficient and should be greatly increased, as must the formula for medical deductions. With more drugs, treatments, and necessary assistive devices being delisted from provincial formularies, many informal caregivers must pay for these goods and services out of their own pockets. Nor can they get extended health care coverage, especially if they're not working and have no income. Moreover, a tax credit is meaningless for someone who has had to leave the workforce in order to provide care at home on a full-time basis, and care is provided 24 hours a day, 7 days a week, for as long as the person needs the care.

Accordingly, we recommend that coverage be extended to informal caregivers through employment insurance while they are providing care and through the extension of the stop-out provision in CPP, so that when they return to work, if they're able to do so, they will not be unduly penalized when their time comes to retire. There are other recommendations we've made in this regard in the paper that I won't refer to at this point.

• (1040)

Next I'd like to turn your attention to pension issues, first to public pensions, that is, old age security and guaranteed income supplement. To remind you, guaranteed income supplement tops up old age security for persons with low incomes. People who are dependent on OAS and GIS for their annual income can look forward to the magnificent sum of around \$11,500 a year, unless they live in one of the provinces that tops that up by a few thousand dollars. Thirty-nine per cent of seniors, despite all the favourable changes that have been made, depend on GIS, and about 43% of those people are women.

Turning to old age security first, the formula by which increases in old age security and guaranteed income supplement are determined should be reformed. Increases to OAS and GIS are pegged to inflation, averaged over three months, but as we know, over the past number of quarters inflation has been minimal, if occurring at all officially, and therefore seniors have received no increase in their OAS or GIS in that regard. If seniors live off fixed incomes through investments, low interest rates over the past year or so have resulted in low income. Of course, this also affects the low amount of OAS they receive. If they are dependent on OAS and GIS for their income, their income has been static, while their expenses have risen, as you've heard, for staples like milk and bread and, of course, rent and property taxes.

On the other side of the coin, those seniors who do have a larger income, over \$56,000, face the clawback on OAS, and we recommend that the clawback be eliminated. While we realize that the threshold for the clawback will continue to rise over ensuing years, its very existence in principle is unfair, and indeed discriminatory. To remove it would send a symbolic signal to seniors that they will no longer be discriminated against by being doubly taxed because OAS is still subject to the progressive income tax system.

In regard to the guaranteed income supplement, we believe it requires enhancement, with greater awareness about it, improved eligibility for it, and expanded income from it. As Mr. Kelm has pointed out, GIS has not been seriously reviewed for the past 15 to 20 years, aside from indexing that barely maintains purchasing value. We understand that there is a review going on now of GIS, but although we've requested to be part of that, we are unaware of what's occurring.

Briefly, we support the initiatives by Human Resources Development Canada to improve awareness about GIS among seniors, and we have some other recommendations we hope they will seriously consider in the brief.

We believe seniors should not have to apply for GIS, but should be contacted automatically by Human Resources Development Canada if they are eligible, and of course, nowadays it's easy to find out if they are. The big problem occurs with a lot of low-income

seniors who don't even bother to file tax returns, because it's just not worth their while.

The current threshold to be eligible to receive GIS should be increased, we believe, by 20% to 25% to reflect the real increase in the cost of living over the past two decades.

There's one other piece we'd like to talk about, and that's income itself. The amount should be increased. We believe that the limit to contributions to RRSPs should be increased. We believe regulations regarding the mandatory withdrawal rates from RRIFs should be reformed to more accurately reflect the needs of RRIF owners in fluctuating economic conditions. A lot of seniors are very concerned that they will outlive their savings.

Another issue we'd like to bring to the committee's attention that we think can be easily fixed regards locked-in funds or life income funds (LIFs), which are federally regulated for employees of federally regulated companies. We're requesting that those be harmonized with changes that have occurred in LIF regulations among the provinces. Most recently, the Province of Saskatchewan has amended its pension benefits regulation to enable LIF holders to transfer them into RRSPs.

• (1045)

There are a number of income tax reforms we'd like to bring to your attention, but we'll let you read those in the brief. The one we really think is very important from our members' point of view concerns the disability tax credits and the super strictness that has been introduced recently with people having to be assessed. We've had a lot of calls from people across the country who have been dependent on these, and suddenly they are reformed and taken away.

We've already had reference to the need for better coordination on affordable rental housing. It's an issue of grave concern when we find seniors with low income are paying anywhere between 50% and 80% of their incomes on rents.

**The Chair:** We'll have to get to our questions now.

**Mr. William Gleberzon:** Okay, that's fine. Thank you.

**The Chair:** Everybody has the briefs and can read them and question you on whatever they'd like.

We're going to do five-minute rounds for everybody. Mr. McNally, go ahead, then we'll have Mr. Loubier, Ms. Minna, and Mr. Murphy, and then we'll go back and forth. Mr. Cullen, you're next on the Liberal list. Okay, go ahead.

**Mr. Grant McNally (Dewdney—Alouette, Canadian Alliance):** Thank you, Madam Chair.

Thank you for your presentations. You've given us a wealth of information. We didn't get to all of it, but we will certainly review the briefs—lots of good suggestions for us.

You mentioned the cuts to the Canada Pension Plan disability benefits and the impact they've had. It seems to be a recurring theme, not only in this area, but in others, where the benefits are decreased and it becomes tougher to qualify for those benefits. Can you give us some examples from people you may have had dealings with of how that's affected them, some concrete examples of those cuts to CPP disability benefits?

**Mr. Laurie Beachell:** You're right. There were cuts lately related to eligibility, related to appeal processes, and the complication of the process is actually making it more difficult. There were changes in the attachment to the labour force and eligibility in 1998. The 20% of CPP that is focused on disability benefits took a larger hit than any other portion of the program. Clearly, it was meant to reduce the eligibility of the number of people on CPP disability benefits. The subcommittee chaired by Dr. Carolyn Bennett is holding a round table from 9:30 to 2 on CPP disability benefits, and we're going to that hearing next; some of our colleagues are already there.

CPP is a critical program for all Canadians. Whether it's the disability benefit or the retirement benefit, it is the universal program that provides some support for retirement pension or loss of wages, and we are seeing restrictive processes. Young people in particular need to have a longer attachment. That means people in our community with spinal cord injury, who tend to be young people who were in car accidents, persons with AIDS who are young, who are now out of CPP disability and totally dependent upon social assistance at a provincial level. You also have to understand that the private insurance industry treats CPP as the first payer. People have to apply for CPP disability in order to become eligible for their long-term disability.

The truth of the matter is that in this country we spend tremendous amounts of money on income support for people with disabilities or income replacement. If you look at EI, social assistance, workers' compensation, CPP disability, what we all pay in long-term disability or short-term disability pension, we spend a lot of dollars in this area, but we have no coordination. We have no system that coordinates and provides greater benefits to individuals. I'm hearing of people who are now cut or not eligible because they didn't have the attachment to the labour force they would have had prior to the 1988 changes.

• (1050)

**Mr. Grant McNally:** It seems that is a repeated comment we hear as members of Parliament. We're working with people doing casework, and it's really hard to explain to people who are coming in and suffering under these cuts from the current government exactly why the changes have taken place. The pool seems to be growing bigger and bigger, but the ability to gain access to that pool and the number of benefits is continually decreased.

**Mr. Laurie Beachell:** Particularly older workers, those aged 55 and more, whose attachment to the labour force has been cut are having great difficulty.

**Mr. Grant McNally:** Thank you.

[Translation]

**The Chair:** Mr. Loubier, please.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Thank you, Madam Chair. I have a comment to make and a question to ask our guests.

Here is my first comment. For nearly eight years now, we have been holding prebudget consultations here. Based on your remarks, it appears there has not been much progress in the area you are defending. I am under the impression this is a reflection of the lack of transparency in the management of public funds, which hinders us from having real democratic and open debates.

I did a little math on the weekend. The latest federal government surplus will be approximately \$10 billion. Mr. Martin had forecast a slight surplus of approximately \$1.5 billion, approximately 6 months ago. So he was out by 550%. We are told that there have been surpluses since 1997, but not such a huge one. We are told to be cautious because the surpluses are not that big. There is talk about social housing, but we are told that caution is in order because future surpluses will not be very substantial.

Based on our calculations, since 1997, Mr. Martin has made cumulative projection errors of about \$50 billion, a sum that has not been the topic of public debate. That corresponds to the difference between what he said he had as a surplus at the end of the year and what the surplus actually was. So there was no public debate on the use of \$50 billion of public funds that could have been allocated to social development, disabled persons, social housing, day care centres, in short, support for all Canadians.

I think that is a major deterrent to improving the lot of the most disadvantaged people in our society. If there is no transparency from the outset, you end up in this type of situation. If I were in your shoes, I would speak out even more strongly. You are already annoyed with the situation, but it is absolutely scandalous that \$50 billion were taken out of the equation, when at least some of that money could have been used for collective support, to help the poorest of the poor.

I have a question for you, Mr. Beachell. You spoke about the tax credit for disabled persons. For the 10 years that I have been a member of Parliament, attempts have been made to exclude some of the recipients of the disability tax credit. It is becoming a type of harassment. Those are files that have come up every year for the past 10 years. I have seen aberrations in my riding and in those of several of my colleagues. We often discuss them in our caucuses. For example, we see people suffering from cerebral palsy, who have already been diagnosed. Revenue Canada changes its form, and doctors are asked to answer questions all over again.

This is important, Nick Discepola. If you are not interested in disabled persons, that is another matter altogether.

I would like to know why things are being done that way. Forms get changed and the criteria are made more restrictive. Even people suffering from cerebral palsy are not eligible for the tax credit. Are you concerned about the change to the form? I think it is the second time since 1997 that the form has been changed and that people have been excluded. Even people who had an unequivocal diagnosis and who are seriously disabled cannot benefit from the disability tax credit. Is that an important issue for you? We have been looking at similar cases for 10 years now and we simply don't know what to do.

•(1055)

[English]

**Mr. Laurie Beachell:** This is a major concern. Canada Customs and Revenue Agency sent a letter to 120,000 Canadians last fall, people who had been eligible for the tax credit for up to 20 years, telling them they were no longer eligible unless they filled out the new form. The new form is a very black and white interpretation of what exists in the Income Tax Act. While there has been no change in the policy, 120,000 Canadians were told they were ineligible because of process, not because there was a change in the policy embodied in the Income Tax Act, but because Revenue Canada chose to interpret the policy differently after only consulting with the Medical Association. Doctors are filling out these forms, and do not wish to fill out these forms. Doctors want to deal with the health concerns of individuals, not whether they're eligible for a tax credit, a driver's licence, or Canada Pension Plan disability benefit. We use the most expensive system to determine eligibility, and it is actually a waste of dollars, and it is not a good system.

So your comments get to exactly what is happening to people, and you're right, the policy has not changed, yet the practice has made people ineligible. The subcommittee chaired by Dr. Bennett called for a halt to this audit. It is still going on. People who have significant disability are being made ineligible and are being cut off.

**The Chair:** Ms. Minna.

**Ms. Maria Minna (Beaches—East York, Lib.):** I'll start with Sheila Regehr's comments with respect to children and women. As I know from my work in development in the last couple of years, we talk about it on the international stage, but we forget sometimes that in our own country those two fundamentals are just as important and we need to deal with them. I agree with you 100%.

I'd like to start my questioning, though, with Andrew Jackson. I won't go through all of what you said, but one of the things you mentioned was the setting up of a foundation. I'd like to understand from you a bit more how that would work. I know the Canada Assistance Plan was a much more comprehensive approach to social policy, and that's had a major negative impact on the ground. At the time we brought it in, I was one of the people who were very much against it. You might want to comment, if you could, on the CHSC and how that would fit into this foundation. Or should we be reforming CHSC in some way? My problem in 1995 and the reason I went public was that I did not support the elimination of the CAP, but now you're suggesting something else. Maybe you could give me a bit on that.

The second question is to Mr. Hagopian. I understand very clearly, having been involved in those issues for many years myself, the importance of multiculturalism and the funding to ensure that organizations have strong governance in various communities and are able not only to assist themselves as they establish themselves here, but also to talk across to one another, which really creates a truly integrated society. My sense is that we still have a psyche in this country where multiculturalism is an us and them policy. It belongs to the ethnics, not to us. I saw a definition from CRTC recently where they said ethnicity refers to those people who did not come from France or the British Isles. That's a pretty stark definition, which I totally abhor and dispute, and I wrote and told them so. Is

the problem in that area due to the fact that we still have this mindset where we are not really integrating the issues?

**Mr. Andrew Jackson:** On the foundation concept we're talking about, I think Mr. Loubier is correct when he points out that clearly, over the last several budgets, since we got rid of the deficits, the surpluses that have been reported have been much bigger than originally projected. I guess there is this debate that has been spawned by the Auditor General as to how one can use those surplus funds as they emerge. My view on this is just a pragmatic one. I can appreciate, without necessarily endorsing, the view of the finance minister that it's better to plan to have a surplus than to operate on the knife edge of a deficit. Even if you took that as a principle, we've gone beyond prudence to something that's more than prudence.

I suspect that in the Department of Finance there's a reluctance to enter into ongoing spending programs. So the pragmatist in me says this fiscal year we are almost certainly going to end up with a considerable surplus that wasn't envisaged at the beginning, so there's a possibility of year-end spending for the things the government didn't get around to funding at the beginning of the year. It seems to me sometimes it's appropriate to set aside a sum of money that can be spent over a number of years, but isn't necessarily an obligation program that would go on forever.

The second virtue of a foundation, in my view, is that it actually gets the decision-making over how the funds are spent away from the purely political level to a shared responsibility. I think the way we're talking about this foundation as an idea was a theme Laurie was touching on as well. If you're talking about social development on the ground, the community-based social sector really has to be part of the decision-making on how those funds are spent, what the priorities are. It's no easier for me than for you. Are the priorities really immigrant settlement, disability issues, children with special needs? There's a huge range of needs that have to be funded, and I think the social sector has to be part of the discussion about how we allocate funds.

So this is really a very pragmatic suggestion. We know there's going to be year-end money available that can be allocated. Put it off in a pot where it can be devoted to community-based social development. Carve in the social sector to have a role in how that money's going to be allocated. Make sure the municipalities are involved. We know the municipalities are reeling from the social problems on the ground, but for a wide range of reasons, I don't think direct federal funding for municipalities is an option that's going to fly. I think it's capacity building. There are a number of threads here that weave together and you can approach through this kind of solution.

•(1100)

**The Chair:** Thank you.

Mr. Hagopian, on the second question.

**Mr. Art Hagopian:** Financial support is the most critical area we've been facing. If you recall, when in 1988 the act was passed, most, if not all, the ethnocultural national groups used to receive funding from the federal government to run their core operations. This meant maintaining offices and structures that gave them the opportunity to provide support among their communities on immigration issues, on the settling and integration of the communities, even support to local heritage language programs. And also it provided an opportunity for the different groups to work together, because they would sit down and discuss issues together.

This has been gradually eroded, because there's been no more core funding, and the policy changed in about 1996 to what we called project funding. This meant it was going to be strictly supported on the basis of specific projects and no current funds would be spent on core funding. So to run a project you need an organization, you need an office, you need staff. Naturally, the majority of the groups are volunteers, but you have a staff, you have an office to run these things on a daily basis, and this was totally eliminated. The CEC is the only organization left where these groups get together.

I have to emphasize something very strongly. If you look at the list of the members of the CEC, the 32 organizations, some of them, in their own historical context, have conflicting issues among themselves. However, they get together, they sit down together, and they work to promote multiculturalism, to promote cohesion into greater integrity in Canada. We used to have these twice a year, now it's been reduced to only once a year, because we don't have the funding to support this kind of working together.

This reinforces the fact that Canada is being looked at by the international community as the model of multiculturalism. A British historian said multiculturalism is the genius of Canada, and I really have to emphasize this thing. Australia was one of the countries that came to Canada about ten or twelve years ago to see how our model worked, and last year I had the opportunity in South Africa at the World Conference on Racism to meet my counterpart from Australia, and what I found from him is that right now the Australian government supports the Federation of Ethnic Organizations of Australia with about \$260,000 a year of core funding—I've got the report right in front of me here—and it gives some \$2 million a year for project funding. So countries that have emulated Canada's experience have now gone ahead, and we're going backwards in our own commitment to what multiculturalism is.

To respond to your second point about the ethnic groups and multiculturalism, the way we look at this issue is that the groups of ethnic communities each represent their committees, but together—and that includes all of Canada, it includes the English, it includes the French—they're all part of our multicultural reality. We have two faces, we have two major identities. We have the duality in the language and we are all multicultural. And as you see from the numbers, within about five years almost 50% of Canadians will be from all over the world, it will not be strictly one or two elements. So this is an area where the country has to realize that this is a multicultural country for everybody, not just the ethnics.

•(1105)

**The Chair:** Thank you.

Mr. Murphy.

**Mr. Shawn Murphy (Hillsborough, Lib.):** Thank you very much, Madam Chairperson.

I want to put a question to Madame Regehr regarding the whole issue of child poverty and the definition of child poverty. I agree that the government is probably not doing enough for low-income children, especially in the basic needs, but getting back to this age-old debate and the numbers that are thrown at us all the time about the size of this population, what's your opinion on the definition? Is it a relative term, as compared to the average or the norm, or is it the children whose basic needs are not being met?

**Mrs. Sheila Regehr:** I'm not sure how productive it is to engage in a debate about the numbers. I think the poverty levels, no matter what measure you use, are so high in this country, compared to the wealth we have. It's the kind of future we envision, depending on whether we do or don't invest better, especially in young children. I think all measures are relative. You can't have an absolute measure of poverty. Everything is based on how far away you want a certain population to be from everybody else. Especially for that very youngest group of children, from zero to six, to have them starting off life so far behind is absolutely ridiculous in a country that can afford to do much better. Experience has shown that other countries can certainly afford to do much better and be successful both economically and in child and family policy.

To start with, you obviously want to focus on those who are at the very bottom. There's no question that welfare incomes are so far below any poverty line. It's just unthinkable that one could try to raise a child with such extremely low income and expect that child to grow up with any sense of future in Canada, of hope, of ability to contribute down the road. The fact that some children manage to escape poverty and manage to overcome their upbringing is just a miracle. We need to look at this as a social investment for the long term. It matters to everybody that we've got such a large population.

Child poverty is really, as somebody described it at a recent conference, the canary in the coalmine. Europe is facing huge pension problems now because of an aging society that didn't look at the life course of people. We think our pension system is okay and sustainable and we'll be fine, and with women now in the labour force, that's the panacea for everything: we're not going to have any pension problems down the road. But if we're raising a whole generation of young people and can't resolve that poverty problem, they're not going to end up being wealthy when they get older either. This is the future of Canada, the future of our labour force.

•(1110)

**Mr. Shawn Murphy:** I agree with what you're saying, but if you can't measure something, you can't manage the situation. I think, as a government, our energies and our resources have to be focused on the group that needs it most, and I would like to see a more clearly defined definition of where this group is. I have difficulty with the relative term poverty, because if everyone's income tomorrow were doubled, so the single mother making \$15,000, who obviously lives in poverty, has her income go tomorrow to \$30,000, we still have the same number of people in poverty. I think we have to get away from it and focus in on where we have to spend it. I agree with you 100%.

The second question I want to ask you is, what is your recommendation for the federal government? We've increased the child tax benefit substantially in the last number of years for welfare parents, and that's where we have to try to target our resources, because it's woefully low, but every cent is clawed back. It accomplishes nothing. Instead of the federal government contributing a percentage, it's increased the federal component and decreased the provincial. The single parent has absolutely no benefit at all from the situation. Do you have any comment on that issue?

**Mrs. Sheila Regehr:** You can reduce poverty. When you define poverty as a certain percentage, you can increase the number of people who go above that line. It's not as if making twice as much money will mean the same proportion of people fall below the line. We use comparative measures internationally, and Canada shows up as having about 47% lone-parent mother poverty, compared to some of the Nordics that are as low as 3%. Those are the same relative measures. We can improve no matter what, and I think you can use different measures for different things. We're one of the few organizations that think there may be, qualifying that, some useful way we can move forward with the market basket measure Human Resources Development is working on, not as a way of redefining poverty away, that's ridiculous, but if that measure can actually be used to substantiate a need to increase welfare incomes, for example, there's a huge benefit to that.

On the clawback, what you said is exactly correct and experience is showing that. Fortunately, there are now five jurisdictions that have moved away from the clawback, and evidence is showing that it is a positive way to go.

On the whole issue of targeting and the child tax benefit generally, I think there's a combination of things you need to do. We do need a social infrastructure that looks at supporting children from zero to six, and there are all kinds of things you can do within that. We talked about the ineffectiveness of the disability credit, because it's not refundable for those people who don't have taxable income. The same is true for lone parents. You can get a certain credit within the tax system as long as you're earning income. That doesn't help lone parents who don't have that at all. It's another area where you could have a refundable credit that could benefit those who are most in need.

I think, in a range of policy areas, recognizing the lone parent phenomenon as an issue of both time and money is critical. You've got 24 hours a day, compared to a family that has 48 hours. So deciding how you spend that in earning income and taking care of your children is critical. I don't think our policies focus enough on the reality of that.

**Mr. William Gleberzon:** Although you were asking about children, I think the definition of poverty, if we're going to use income as a definer, is very easy when you look at low-income seniors, whose income, if they're dependent on old age security and GIS, is around \$11,500 a year, which is less than \$1,000 a month, of which anywhere between 50% and 80% is spent on rent, if they're renting their accommodation. That seems to me to be a real indicator of poverty. Some 39% of seniors are in that category.

It seems to me that you can set up a kind of either/or situation: you give money to kids, you give money to seniors. I don't think that's the way to go at all. Canada is a rich enough country to do it with a

much more holistic approach. Poor is poor, kids shouldn't have to suffer, because they could grow up to be seniors who continue to suffer.

I think there is a very real definition of poverty. We've made a number of recommendations in the paper about how things can be fixed, particularly in regard to reform of the guaranteed income supplement.

• (1115)

**Mr. Andrew Jackson:** Philosophically, I believe we should define poverty relatively, rather than in terms of what it buys, but I still think it's reasonable to look at what incomes will actually purchase, which is the alternative poverty line measure or the market basket measure. I guess we are slowly moving towards an official definition of poverty in Canada, in that the federal and provincial social services ministers did agree to develop this market basket measure, which is based on cost of living. It's been somewhat delayed in rolling out, and I think you'll find the reason goes back to something Sheila was saying. As the market basket measure is being developed by officials, it's become clear that it is, in fact, quite significantly above welfare incomes. So I think the provinces are really going to be in this position that having called for a different definition from the LICO measure, by the time we get it, it's going to underline what we've always known, which is not just that we have a lot of poor people, but that the poor people we have tend to be very poor.

Finally, from people who have done analysis based on this consumption measure, it shows exactly the same trend. You would have a lower rate of poverty by that measure, but whether it goes up or down is just the same as with different definitions, and it just reinforces how low incomes are. So I think the definition issue distracts us from the main debate, which is what we do about people living on very low incomes and how we support them.

**The Chair:** Mr. Cullen.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Thank you, Madam Chair, and thank you to the presenters.

I have a specific question for Mr. Jackson and Mr. Beachell, but first, I must say your coming here once or twice a year, I find, puts me in a very depressed state. Maybe that's the reason for you to be here. Maybe you're in a permanent state of depression yourself with all this information you're dealing with. Clearly, we have some major challenges.

Mr. Loubier was talking about the fiscal situation. I think we've made some tremendous strides, and yet we still have \$450 billion of debt, which is still high in relation to the industrialized world. In the meantime we've made huge reinvestments in the CHST and early childhood development, the national child benefit is at record levels per year, we've made investments in affordable housing, the homeless, tax assistance for low income Canadians, etc.—I won't go through the list. Obviously, we have some more work to do, but when I hear discussions about moving backwards, I often find that troubling.

The reason the Canada Assistance Plan was scrapped, of course, was the 50¢ dollars. I worked at the provincial level, and it's so easy to spend 50¢ dollars. Now we've moved to the CHST, and whether that's the perfect solution I think is debatable, but to go back to CAP, I think, is wasting everybody's time.

On CPP disabilities, I know there have been problems with the forms lately, maybe some big problems, but the reality is that the program was abused. I saw it myself at the constituency level. Someone who was supposed to be in bed chronically depressed permanently I bumped into in the local supermarket with a very cheery disposition. That's an anecdotal thing, and it's probably one of those cases where 10% spoil it for the 90%, but I think we clearly had to do something with CPP disability.

I'd like to come to Mr. Beachell. You talk about a refundable tax credit specifically for people with disabilities. In the 2001 budget paper there are two pages on what has been done through tax policies for persons with disabilities. Clearly, we could do a lot more, but there are some very significant steps, in my view. With the disability tax credit, we did expand the list of its transferability in Budget 2000, so clearly it's transferable to family members. You're suggesting that it's not working. You would think someone with disabilities would have some people in their extended family or their family as defined by the act who might be able to take advantage of those credits, but I guess, by implication, you're saying that's not working, you need a refundable tax credit. I wonder if you could expand on that.

● (1120)

**Mr. Laurie Beachell:** We find ourselves caught, to be perfectly honest with you. Yes, there have been incremental tax reforms that address disability and the additional costs people with disability face, and they've been incremental since 1986. We've seen some small steps forward in each tax year, expansion of transferability, expansion of the credit, moving from a deduction to a credit, etc. However, what we're left with as a vehicle to address the fundamentals of peoples' lives is a tax system versus a social policy. We now have created tax as the vehicle to address social policy in this country, whereas before we were addressing social policy through federal-provincial agreements and programmatic investors, which, frankly, are the pieces that put the fundamental infrastructure in place so that people can participate in their community life. A refundable tax credit may put about \$1,100 in the pockets of some Canadians, but will it address the issues of aboriginal people who do not pay tax? Will it address the issues of those people who do not have a taxable income?

The tax system is a very blunt tool for social policy. Our preference, frankly, would be federal-provincial negotiations, bilateral discussions and negotiations, that do reinvestment. When the CHST was created, we said at that time, we believe those people most hurt by this will be those people seeking social assistance or social services, because the investments that will be maintained or supported will be in education and health, and we have now created a system of competition among the various sectors. That is universally agreed within the social policy development issue. What has happened is that health and education became the ones where the block funding went, and those on social assistance and those dependent on social services were the people who got screwed. I'm

sorry for my language, but that's exactly what happened. Without standards, the federal government has divested itself of the levers whereby there can be actual impact. The last one was when you transferred labour market responsibility to the province as well.

What we as a community, people with disabilities, get with the labour market initiative is \$15 million less than in 1994, and at that point it was only \$45 million right across this country. So we now have a targeted program of \$30 million a year to address the employment needs of people with disabilities, \$15 million less, and we don't have the infrastructure of home supports, of accessible transportation, of interpreter services, all of those pieces at the local level that are crumbling because the reinvestment at the provincial level is going into health.

**Mr. Roy Cullen:** Thank you. I'm not sure you answered my question, sir, but I'll pick up on it later.

Mr. Jackson, the affordable housing question is something that's perplexed many of us, including you, I'm sure. I had a meeting recently with a consultant in this area in Toronto, and he said the challenge is not to increase the stock of affordable housing, it's to increase the subsidies. There is enough stock around that would be converted to affordable housing if the subsidies were high enough. I've been chasing the stock of affordable housing. You seem to be saying that's part of the solution, but what about increasing the subsidies through either the national child benefit or other means?

**Mr. Andrew Jackson:** The Caledon Institute put out a paper recently on the whole affordable housing issue, which I thought was a very good framing of the issues. The bottom line I took from it is that if we're really going to address affordability of housing, it's both increased housing supply, construction, and increasing incomes to gain access to the housing. It's not a matter of going one way or the other.

● (1125)

**Mr. Roy Cullen:** But in your brief you don't talk about that. You didn't say—

**Mr. Andrew Jackson:** It's a very brief brief. Others are much more expert on housing, and we advanced more ideas last year. What I would say about the housing, and it goes back to your earlier comments, is, are we in a world where the federal government can only move on a social policy agenda if the provinces are in agreement? It seems to me housing is a very good example. I would argue that the funding last year was modest, the \$685 million. But the fact remains, as far as I can see, that Quebec is the only province that's bought into that as a shared approach.

We talk about the federal government investment in early childhood development programs as being very important, which it is, but I think, in all honesty, the provincial follow-up in matching that funding is just not there. If you look at British Columbia, they've pocketed that money that's come from the federal government and they're slashing services on the ground. I think that's the case for province after province. The sense of shared agenda on social development I'm just not sure is there. I think the job for the federal government is to focus in on what's really important, which can't be everything, and actually introduce programs that are going to make a difference.

**The Chair:** I'm going to allow a short comment by Mr. Gleberzon in response to Mr. Cullen.

**Mr. William Gleberzon:** I just want to say it's both, and the consultant who said it's not a stock problem was wrong. We've done extensive studies, and we're issuing a paper in the fall, actually on a different issue, the impact on health of the lack of affordable housing. People are paying those kinds of rents, as I said, 50% to 80% of income, not simply because they don't have enough money, though that's one of the reasons, but because there's not enough stock, and therefore there's a shortage on that side too. The \$680 million over the four years is great, but it's not what's really needed in the long run. A whole bunch of very extensive changes have to be undertaken. We've outlined some of those in the paper, so I won't bore you with them now.

**The Chair:** Thank you very much.

Mr. McNally.

**Mr. Grant McNally:** Thank you, Madam Chair.

It seems pretty clear that we've established what you've told us about the cuts to the benefits for the disabled. We've heard from our presenters from CARP asking for a restoration of health care spending to 1992 levels. Obviously, there have been a lot of cuts to health care too. All this has happened during a time when there have been huge surpluses, which makes you wonder what's going on with the current government and how that could be happening.

But I want to focus my last question on Ms. Regehr. You talked about the coordination of social programs and the fact that there doesn't seem to be any comprehensive coordination. You talked about the clawbacks, you talked about one policy fighting against another. What would be your advice to the government to try to get some kind of coordinated effort, so that, as you put it, the dollars and the programs and the services get to those who need them most? I wish we had more time, I know it's a big question, but could you point the government in the right direction, where they should go to try to fix this deficiency?

**Mrs. Sheila Regehr:** There's no short or easy answer to that one either. A number of people have talked about some of the ways forward. In overcoming the problem with SUFA, you've got the major voices concerned excluded from any discussions. You need, as others have mentioned too, federal leadership in this. There needs to be a vision and a commitment to seek a vision. We're way beyond the point where you can tinker around the margins with any of this.

Incrementalism isn't going to do it. There's no going back to CAP, there's no going back to other things, because it's all simply a patchwork right now. The place to start is to make sure that the

people whose lives are going to be most affected are at the table, and to have everybody working towards the same sense of vision. I certainly don't see that between the federal and provincial governments now. Studies we did looking at gender equality issues, for example, show that women are much much more inclined to look to the federal government for leadership in understanding their issues, because the provinces just are not getting it at all. I think that may be more generally true now, that federal leadership really is becoming important. In the research we've done we've seen so many ways in which the provinces are eroding things the federal government is trying to do.

Andrew's point about the whole early childhood education thing is so true. There is just nothing on the ground. There's no accountability. Canadians don't know what's going on anywhere, and it's another example of tinkering. It's a large sum of money, but it's being thrown around scattershot all over the place, where it's having absolutely no positive affect. So you need to build a system, but you've got to build it with the people who are involved.

• (1130)

**The Chair:** Mr. Loubier.

[Translation]

**Mr. Yvan Loubier:** I would like to go back to the question of disabled persons. I believe it should not be taken lightly, because for 10 years now, as I mentioned earlier, I have seen a number of cases of abuse by officials. Contrary to what Mr. Cullen says, there is perhaps one fraudulent claimant for every 10 people who are truly disabled and who need different forms of government support.

I know of two cases, including one of a person suffering from cerebral palsy in my riding who, after receiving the disability tax credit for three or four years, was refused the credit with the new form. She was denied the tax credit because she was told that for everyday activities, she was able to put one foot in front of the other even if it took her 10 minutes to get to the door. I know someone else who had a tracheotomy. The nerves in her shoulders have been severed, her legs are partially paralyzed and she has a pacemaker. Apparently she is not entitled to the disability tax credit and does not even get any special treatment under the CPP. There is a problem somewhere.

If you are a disabled person, you can get benefits under the *Régie des rentes du Québec*, but when you come to Ottawa, those benefits are taxed. So there is a double penalty. You are not entitled to the disability tax credit because zealous officials and members of Parliament from the government side do not want to hear about it. Secondly, there is an unfair tax system in Ottawa, which taxes even low-income people. An adult with one dependent starts paying tax on federal income when his income reaches \$13,600. That is not a high income.

What can we do and what have you done thus far so that the 120,000 people who are excluded and those who may be victims of the federal system in the future can improve their lot? Have you met with officials from the Revenue Department and with members of Parliament? It seems that the Liberal members are not aware of the situation at all.

[English]

**Mr. Laurie Beachell:** We have met with officials. We have not met with the minister, but there is a meeting scheduled within two weeks with the department to discuss ways of addressing some of the concerns that have been raised by the community.

One of the other ways we've addressed this is by going to court, and it is a sad state of affairs that we are actually in Federal Court of Appeal on the disability tax credit and on the other side of the table is the Government of Canada defending their decisions. We in our organization find ourselves using litigation, rather than legislative reform, because there appears to be no willingness to look at the legislation, so we end up having to litigate to seek some of the changes we want. We've been to the Supreme Court of Canada at least six times in the last three years on a variety of issues, some of them related to Canada Pension Plan disability. We were in Tax Court last Wednesday and at the Federal Court of Appeal. We'll probably appear in Tax Court again on behalf of some other individuals.

I had breakfast this morning with a woman who deals with the Canada Pension Plan disability benefit. She's just an individual who set up her own business to help people fill out the forms and claim. She has claimed \$781,000 in back payments alone, not ongoing benefits for individuals in Saskatchewan who have approached her in the last two years—\$781,000 in benefits that had been denied. I think that's substantive. It tells us where we're at here.

The questionnaire says, Can you walk? Can you see? Can you hear? Can you think? Can you perceive? Yes. No. Yes. No. Yes. No. That's the form that is being filled out by doctors, this is not the work they want to be doing. The form has become black and white, whereas the old form of three or four years ago asked for a diagnosis, asked for doctors' comments, asked for a written description of how this disability affected the individual's daily life. That form was thrown out simply because doctors don't want to be in this position, yet that's the system we're using to determine eligibility for these programs. We have people who go more to their doctor to get a disability tax credit or CPP or a parking pass or eligibility for another program than for any health-related need.

• (1135)

**The Chair:** Thank you very much.

Mr. Wilfert, final question.

**Mr. Bryon Wilfert (Oak Ridges, Lib.):** It's maybe more of a comment, Madam Chair. One of the panellists mentioned that we had, to paraphrase, a failed social policy in Canada. We have used as the instrument of that social policy the tax system, in large measure, which may not be the right instrument to use. Some of the panellists have argued that no matter how sound the federal government's social policy-making may or may not be, the implementation is often left to the provinces, and there's a failure of the provinces to match.

That really raises the question of what you're doing here, because, quite frankly, this is not necessarily the forum to address your issue.

I was a bit surprised that there wasn't more recognition of some of the significant progress that has been made, in my view: full indexation of pensions, the child tax benefit, the Canadian opportunity strategy, moving over a million low-income people from the tax rolls, all sorts of things. That's not to say that everything is perfect, but a recognition that there has been a movement, in my view, in the right direction. But there is a failure to look then at the instruments to measure poverty, to properly evaluate. It's no good the federal government making a policy that is not implemented or not matched, and I would say the child tax benefit and others are excellent examples where there are clawbacks by the provinces, where the province has failed to do the proper matching. There has been certainly a way to evaluate seniors and children in low-income families, and one of the best ways to eliminate poverty, I think, would be job creation. The fact that we've put \$35.8 billion on the national debt payment has resulted in a \$2.8 billion saving of interest each and every year, which can be used quite clearly for many of the things you're asking for.

But I guess the question is, is the tax system the proper vehicle? If it isn't, what should it be? I don't want to identify anyone specifically, but if it's only a piecemeal approach using the tax system, maybe we ought to put our collective heads together and look at a more effective way of dealing with an issue that will lead to more transparency and more accountability, which is what I think we all want, regardless of what side of the fence we happen to be on.

**The Chair:** Did you wish to respond, Mr. Beachell?

**Mr. Laurie Beachell:** Just to say that I would agree. The tax system is a very blunt instrument. When you're trying to address disability, what is talked about always is creativity, flexibility, in that individuals' abilities and disabilities vary greatly across a spectrum. Programmatic federal-provincial agreement for new initiatives that ensure accountability measures, so that all Canadians know where their dollars are going, is our preference, rather than the use of the tax system.

**The Chair:** Ms Regehr, a final comment.

**Mrs. Sheila Regehr:** My answer is, yes and no. Yes, it's the proper vehicle for lots and lots of things, no, it's not the proper vehicle for lots of other things. Again, you need a comprehensive system that outlines objectives and what you want to do, and then you figure out the best vehicle for doing it.

• (1140)

**The Chair:** Thank you very much.

Mr. Jackson, go ahead, if you wanted to add something.

**Mr. Andrew Jackson:** I wanted just to repeat what I said before. I think an awful lot of social development is about capacity at the community level on the ground. I think the federal government has done a reasonably good job with incremental change to the tax system for income support, which has been important. For seniors, persons with disabilities, recent immigrants, and so on, those supports and services on the ground are obviously crucial as well, and I think somehow this whole jurisdictional mess between the federal government and the provinces has meant that whole social sector has been cut both ways. Read our report on Toronto and loads of other reports. We're suffering a huge crisis in this country because of that erosion of our community capacity on the ground. I think the

challenge is to think about what the federal government can do, which would be modest in respect of resources to begin with, recognizing jurisdictional complexity, to actually build that capacity on the ground. I think we're all singing from the same song book on that.

**The Chair:** Thank you very much.

On behalf of all the members of this committee, I thank you for bringing your ideas to the table again and for your time in coming to join us today. Thank you very much.

We are adjourned.

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