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**Standing Committee on Human Resources, Skills  
and Social Development and the Status of  
Persons with Disabilities**

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**Friday, December 4, 2009**

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**Chair**

**Mr. Dean Allison**



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

Friday, December 4, 2009

• (0800)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Pursuant to Standing Order 108(2), our study on the federal contribution to reducing poverty in Canada will commence.

I want to thank our witnesses for being here today and giving us some feedback as we put our report together. We've been working on this for the last year or two. I'm not sure exactly how long it's been, because of elections and legislation. We're glad that you're able to come out.

We've been travelling for a week and there are a lot of support staff in the room—translators, clerks, and the people who help organize things. I wanted to thank all of you publicly for all the hard work you do just getting us on and off the bus. It's like herding cats sometimes, worrying about moving MPs around.

I'm going to start with Mr. Cohen. We're going to go across the room. We have a very busy panel. When we've had a chance to hear from everybody, we're then going to go around the room with the MPs. I realize you're all very busy, and we appreciate your taking time out of your busy schedules to come out this morning and talk with us about what I know is near and dear to all your hearts.

I'm going to stop talking and let you do some talking.

Welcome, Neil. You are with the Community Unemployed Help Centre.

**Mr. Neil Cohen (Executive Director, Community Unemployed Help Centre):** That's correct.

**The Chair:** The floor is yours.

**Mr. Neil Cohen:** First of all, let me begin by thanking the committee for the opportunity to be here today. I want to begin by telling you a bit about our organization, and then you'll understand the nature of my presentation. I must say I'm somewhat embarrassed that I didn't have time to prepare a brief, but I do have speaking notes that I'll use for my own benefit. I would be quite embarrassed to share them with you because they are rather sketchy.

The Community Unemployed Help Centre is a Winnipeg-based non-profit organization that was established in 1980 to assist unemployed workers with matters on what was then unemployment and is now employment insurance. Essentially, we provide information, advice, and representation to unemployed workers. In particular, we represent workers who have been denied EI benefits

for various reasons. We do test case litigation and public education around EI.

When I looked at the responsibility of this committee in terms of its study on federal contributions to reducing poverty and putting that in the context of a seven-minute presentation, I decided to focus on what I know best. So I will talk only about EI and leave it to my other learned friends to talk about whatever they choose to talk about.

Because we've been operating since 1980, our organization certainly has considerable expertise in the area of EI. We have watched, tracked, monitored, and followed, criticized, and applauded—on occasion—changes to the unemployment insurance program in Canada. If I switch back and forth between the two terms, it's that some of us still prefer the term “UI”, so I hope you'll understand.

I want to talk about our clients. We've been fortunate in Canada, until the past year, that unemployment was relatively low throughout the 1990s, so our client base shifts to some extent. When we've gone through periods of high unemployment in the past, particularly a period about 10 or 15 years ago, our clients represented the broad cross-section of workers from blue collar, to white collar, to people in poverty, to those who were in management positions, as a result of restructuring and layoffs and so on. But now, with relatively low unemployment in Manitoba, our client base is largely represented by people in poverty, particularly aboriginal people, new and recent immigrants, and marginal workers who have irregular labour force attachments.

We've seen the UI policy throughout the 1980s and 1990s, and there's been a general theme. With some exceptions, I will acknowledge, throughout that period of time, beginning with Bill C-21 in 1989, the general trend has been to require workers to work longer to qualify for benefits, benefit duration periods have been shortened, and penalties have been increased for workers who are fired or quit or made false or misleading statements.

The impact on low-income people of the reform of EI was that low-income people to a large extent now fail to qualify, and those who do qualify find their benefits run out much sooner. The benefit rate is lower as well. Many years ago, some people might remember, the benefit rate was actually 66 2/3% of average weekly insurable earnings over the past 20 weeks. Now the benefit rate is 55%, and because of the way the benefits are calculated, they don't take into consideration the worker's best weeks of work, but rather, the earnings in the last 26 weeks. I'm sure some of you will know the formula. It has the effect of reducing benefits below 55% for many workers, and that remains a concern. Particularly now, with the economic situation where many workers have their hours cut before they become unemployed, it has the effect of reducing their benefits even further.

At the Community Unemployed Help Centre we have taken on some important landmark cases over the years. In particular, I will draw your attention to the case of Kelly Lesiuq, a woman working part-time. Because she was working part-time she failed to accumulate enough hours to qualify. This represents one of the fundamental flaws of the program. This program is very much biased towards workers who have a long-term attachment to the labour force and have more regular patterns of work. It really has the effect of differentiating between men and women, because women are disproportionately represented in part-time work. That was, in short, the basis of the Lesiuq case.

● (0805)

We currently have a case where one of our clients, a woman, is a person with Down's syndrome. The case is currently before the courts. They're moving its way through the courts. Again, because of her mental or physical disability, she is unable to accumulate sufficient hours of work. This is a heroic woman with Down's syndrome—I'm trying to provide you with some real stories—who is doing the best she can to work and she is working part-time. Because of her disability, it is impossible for her to accumulate sufficient hours to qualify for benefits.

There has been a growing body of evidence accumulated, beginning in the 1930s but certainly over the last 30 years, that talks about the impact of unemployment. There was a recent report done by the Ontario Institute for Health & Work that, again, reaffirms some of the work that's been done in the past. It's easy to dismiss unemployment as being a temporary condition from which people will recover, but many people don't. The impact of unemployment has a devastating impact on one's mental and physical well-being.

Let me very briefly commend Parliament, certainly, on some of the recent measures that have been passed and introduced, particularly the extension of the duration of benefits, although it must be noted that it's a temporary measure. We certainly support those measures and we certainly support legislation to increase the EI benefit to change the way in which benefit rates are calculated. Both measures will assist those living in poverty or who have different labour force attachments. We'd also call for changes in the way the qualifying period is currently structured to go only to 52 weeks, because it fails to recognize women, in particular, who may have been removed from the labour force for a period of time. We would welcome a study and a commitment on the part of this

committee or Parliament to look at workers who have irregular attachments in the labour force.

In closing, it's important. CUHC sees every day, and again, from our personal experience, we see every day the impact of unemployment on people's mental and physical well-being. We see this every day in the faces of our clients, particularly those who live in poverty, who fail to qualify or who see their benefits run out. We would call for easing of entrance requirements and also for restructuring the program in a way that is responsive to workers who have unstable or irregular labour force attachment patterns.

Thank you.

● (0810)

**The Chair:** I thank you, Mr. Cohen.

I realize, as well, that you didn't have a lot of time to prepare, so I do appreciate the spontaneity of your being able to get this together to formulate your thoughts in seven minutes. I'm sure it's tough for you. It's very tough for the MPs, as well, to have their talking time for only seven minutes because we would love to ask more questions.

Thank you for that.

Brendan Reimer, you're with the Manitoba Community Economic Development Network. Welcome. The floor is yours, sir. You have seven minutes.

**Mr. Brendan Reimer (Regional Coordinator for the Prairies and Northern Territories, Manitoba Community Economic Development Network):** Mr. Chairman and members of the committee, thank you for the opportunity to contribute to your deliberations and discussions on the critical issue of poverty reduction in Canada.

The Manitoba chapter of the Canadian CED Network represents hundreds of community organizations that are working with thousands of community members across the province to build stronger and fairer local economies, to reduce poverty and homelessness, and to create more sustainable communities.

I should clarify that when we talk about community economic development, we are not referring simply to business-focused development, as you might envision from the term. We are talking about people in communities working together at a local level to generate innovative and effective initiatives that create economic opportunities for individuals, families, and neighbourhoods in ways that improve social and environmental conditions.

Whether we are looking at the social determinants of health, the many facets of full social inclusion, or the nature of poverty, we understand that they all describe a complex and interdependent set of dynamics that can only be effectively addressed with integrated approaches. The CED model understands that complex community issues require multi-faceted and coordinated responses. Those responses will be most successful if they are community led.

This isn't a new idea, of course. Communities across the country and around the world have been working together to fight poverty for a very long time. We have many innovative and effective models here in Manitoba. But despite the proven track record of this approach, communities of all kinds around our province lack the necessary support to take action in dynamic, holistic, and innovative ways.

What has been lacking, and what we are recommending, is a comprehensive federal strategy for reducing poverty and for supporting community-led responses to poverty reduction. To be effective, this federal strategy needs to be strengthened with targets and timelines for outcome-based results. It should be accompanied by anti-poverty legislation. We stand as part of the Dignity For All campaign with this clear and fundamentally important request.

A comprehensive strategy requires that policies be developed to achieve defined objectives in key areas, such as child care, housing, food security, skill development, and employment. Here in Manitoba, this has been very well laid out in *The View from Here*, a comprehensive strategy designed by the Canadian Centre for Policy Alternatives Manitoba together with Make Poverty History Manitoba. Policies in these areas will have an even greater impact on poverty reduction and social inclusion if strategic consideration is given to the way these policies are implemented.

When capital projects are undertaken, we recommend that the federal government implement training and apprenticeship components that ensure that skill development happens in the local community. This is important, because when the infrastructure is completed and the project is done, the employability of people in that area will be enhanced, and the legacy of the project really can live on in the lives of those people.

On creating economic stimulus initiatives aimed at infrastructure, we recommend strategic investments in community infrastructure, such as child care centres and social housing.

On supporting labour market development, we recommend that community-based organizations rooted in impoverished neighbourhoods be given the resources they require to provide holistic support for a sufficient length of time to ensure success. And when you address our housing crisis in this country, we recommend that social enterprises, such as our own Inner City Renovation, be contracted, recognizing that the overall return on investment through this strategy is much greater than simply the value of the construction contracts.

On developing strategic investments, we recommend prioritizing comprehensive community renewal initiatives, as demonstrated here in Manitoba with our 12 neighbourhood renewal corporations. They work with communities to identify comprehensive long-term strategies for revitalizing neighbourhoods.

I know that you heard from one of the members of the Canadian CED Network policy council in Vancouver on the value of social enterprises. So I will just reiterate the primary point that this is one important model that hires and trains people from marginalized populations, particularly people living in poverty and living with various disabilities, who would otherwise face barriers to employment.

A point I want to make clear is that there are opportunities in everything the government does—in every department, in every program, in every project, and in every policy—to have an impact on poverty in this country. But without putting in place a comprehensive framework and an anti-poverty lens through which all decisions are made, most of these opportunities may not even be identified. They will most certainly be missed. In creating a federal framework for reducing poverty, we would recommend that you consider Manitoba's CED policy framework and lens as a model that would require the federal government to ensure that all programming and policies consider the implications for poverty and community development.

● (0815)

Finally, we recommend that the federal strategy include a program that commits funds to strengthen effective community-led poverty reduction initiatives. As I mentioned earlier, Canadians across the country have long been taking action that enables others in their community to overcome barriers and develop capacity and opportunities to participate fully in community life. Many of these initiatives lack the required resources to work with the active leaders in their communities to tackle the complex issue of poverty, and yet they do what they can with great passion, innovation, effectiveness, and dedication.

As I said, there's a long history, and there's current strength and innovation in communities across the country already working at reducing poverty. But what we need is strong government leadership that creates a comprehensive federal strategy for reducing poverty, strengthened with targets and timelines for outcome-based results, with accompanying anti-poverty legislation, and a complementary program for enabling community-led responses to poverty reduction.

Thank you.

**The Chair:** Thank you very much, Mr. Reimer.

We're now going to move to the Manitoba Research Alliance. We have Lynne Fernandez.

Welcome, Lynne. The floor is yours.

**Ms. Lynne Fernandez (Project coordinator and Research associate, Manitoba Research Alliance):** Thank you very much.

Good morning. Thank you for the opportunity to present to the committee.

I represent the Manitoba Research Alliance, which is a group of academics and community-based researchers. We received a five-year grant of \$1 million from the Social Sciences and Humanities Research Council of Canada. This is our second grant to do research in this area. This particular grant is classified as a CURA, which means a community-university research alliance. As a CURA, we are tasked with bringing together the academic expertise of economists, political scientists, social workers, and sociologists with community-based residents and researchers. The idea is to bring together the academy with the community to do research based on that kind of team. Our project is called "Transforming Inner-City and Aboriginal Communities".

Because most if not all of you are not from Manitoba, I'm going to give you a bit of background as to why transformation is required in these communities. Then I will explain what we have learnt so far from our research. You'll see that a lot of our research backs up things that Brendan just mentioned.

Conditions in Manitoba's multi-ethnic inner city and aboriginal communities are deteriorating, despite years of intensive and creative work. Household poverty in Winnipeg's inner city is more than double the city-wide rate, and Manitoba's aboriginal population is growing at more than three times the non-aboriginal population. These projections are worrisome, given high rates of poverty, unemployment, violence, and illness in aboriginal communities. These are the product of dynamics that are not just economic, but also cultural, social, and political.

Stressed urban centres are also the destination of growing numbers of poor refugees and immigrants, resulting in rising levels of what we call spatially concentrated poverty. If you spend any time in Winnipeg's inner city, that will be very obvious. There are high levels of poverty that are confined in the inner city. As you move out, these pockets of poverty are not seen nearly so much, and particularly once you get out into the suburbs.

The many refugees and immigrants arriving in Manitoba come from different parts of the world, and they are increasingly finding themselves locating in the inner city as well. Some are escaping civil war and environmental destruction; others have seen their lives drastically changed by the forces of globalization. Too often when these people arrive in Canada, the services and jobs they need are not available. I would refer to what Neil Cohen said about the Community Unemployed Help Centre: often the employment insurance benefits they need are not available when they arrive.

Conditions in non-urban aboriginal communities are equally complex. Traditional one-dimensional strategies have little effect in these communities, but effective community development strategies have helped, and they have left a legacy of community-based organizations in many communities and in the inner city.

The situation for aboriginal peoples is particularly significant in Manitoba. Mendelson, who has done a lot of research in this area, has argued that "the increasing importance of the aboriginal workforce to Manitoba...cannot be exaggerated. There is likely no single more critical economic factor for [the prairie] provinces."

Aboriginal peoples constitute a disproportionately large percentage of the population in impoverished inner-city communities and

move frequently between urban and rural communities. In our project we talk a lot about migration and about migrants. This is an obvious reference to the refugees and immigrants who come to Canada, but we also consider aboriginal people to be migrants, because they are constantly moving back and forth between the inner city and their own communities, particularly reserves. The conditions on the reserves are very bad, but when they come to the inner city, a lot of those conditions are not any better.

Non-urban aboriginal communities, including those in the north, experience difficulties of a kind similar to those in inner cities. They have high rates of unemployment and poverty, low levels of income, inadequate housing, and rising rates of crime and violence. The persistent poverty and social exclusion experienced in aboriginal communities is partially the product of the long process of colonization.

• (0820)

Simplistic policies such as forced migration or business development have not worked and will not work in marginalized communities. We support a holistic community economic development approach, or CED, that considers the social, cultural, and political aspects of social exclusion, not just the economic aspect. A CED approach does not impose development from the outside; it promotes development from the inside. CED seeks to meet local needs by hiring, purchasing, producing, and investing locally. In economic terms, it creates local linkages and minimizes the amount of money and resources that leak out of the community.

Winnipeg's inner city has many community-based organizations that are well positioned to help implement a CED strategy, but these organizations are poorly and inconsistently funded. We believe that the solutions to the communities' problems come from these community-based organizations, but they will not be implemented without substantial help from the three levels of government. We warn that results are not going to appear overnight, and probably not even in one generation.

Because CED considers more than the economic issues, it affords communities the time and resources they need to recover from the ravages of addictions, neglect, violence, and cultural upheaval, all of which are at the root of social exclusion. An economic business development plan typically is not going to deal with those issues, and so it's not going to work.

We recommend that the federal government consider implementing a comprehensive CED policy such as the Manitoba government's CED lens. This is what Brendan was just referring to. While this provincial policy has not yet been implemented in an effective way, the necessary foundations have been laid that would facilitate moving concepts into action, so it would be a good model to follow. Also of crucial importance is securing funding over the long term so that valuable programs are not cancelled every time government changes hands. A CED approach is an important component of a comprehensive poverty reduction plan such as Brendan was referring to, an idea that will no doubt be discussed at some length in the hearings.

We haven't finished our project yet. We have about 47 projects under way, and some have been finished. As the reports are done we post them on our website. It is an ongoing project. We have about three years left in it. We would encourage committee members and others to use our website as a resource for what we consider to be pretty solid public policy prescriptions to dealing with poverty and marginalization.

Thank you.

**The Chair:** Thank you, Ms. Fernandez.

We're now going to move over to Social Planning Council of Winnipeg, and Sid Frankel.

Mr. Frankel, welcome, sir. The floor is yours.

• (0825)

**Dr. Sid Frankel (Board Member, Social Planning Council of Winnipeg):** Thank you.

We'd like to thank the committee for coming to Winnipeg.

The Social Planning Council is in its 90th year, and it's a membership-based, voluntary sector organization that focuses on three things: public policy advocacy, community development, and support of the voluntary and non-profit sector. We are the lead local partner of national Campaign 2000 to end child poverty.

We'd like to begin by congratulating the committee on its sixth report, which called for an immediate plan to eliminate poverty in Canada. We were pleased this report received unanimous support in the House of Commons on November 24 and we look forward to your final report, in which I am sure you will spell out what that poverty reduction plan should look like.

We'd like to make four recommendations to you in the service of that kind of plan. We're pleased that this report and the resolution that followed it clearly acknowledge a role for the federal government in poverty reduction, and we think the federal government absolutely must show leadership if poverty reduction is going to be effective in Canada. Provinces, municipalities, aboriginal and first nations governments, the voluntary and non-profit sector, and the private sector all have their role, but this is a case where we need government leadership.

Our first recommendation is that an official poverty line be established in Canada, which is one of the few economically advanced countries that does not have an official poverty line. We think this poverty line is absolutely necessary if targets and timelines

are to be established to accomplish the goal involved in your sixth report. You noted in that motion, and we agree, that we collectively were unable to fulfill the goal of the 1989 motion to end child poverty by the year 2000. We think it is absolutely necessary, therefore, that there be clear targets and interim timelines to accomplish the goal articulated in your sixth report.

We think Canada's official poverty line should be established by Parliament. There should be broad consultation with provincial and territorial governments, municipalities, first nations, and the non-government and voluntary sector. As you know, there are five possible candidates currently collected by federal government agencies. We also understand that establishing an official poverty line will be a matter that involves some controversy, but we think this is necessary and we hope you recommend it in your report.

We would like to make two further notes. One is that poverty lines and poverty measurement are not unique in terms of the controversy that involves them. Economists still disagree about measures of unemployment and, for that matter, about measures for economic growth, yet we report unemployment rates and the gross domestic product.

The second thing we would note is that action on poverty reduction does not have to await adoption of an official poverty line. As the United Kingdom did, we could use any or all of the existing poverty lines to benchmark where we are now and to see progress until an official poverty line is adopted. We don't want a poverty measurement debate to replace action on poverty reduction, yet we do think it will be useful to have an official poverty line.

In Manitoba and throughout Canada, many poor children live in families in which the parents work the equivalent of a full year, full time. Much poverty is created within the labour market rather than outside it. In Manitoba, almost 70% of poor children live in families where there is the equivalent of full-time, full-year work.

• (0830)

We think the federal government needs to show leadership. We are therefore recommending that the federal government adopt a living wage policy with regard to its suppliers and contractors. One of the conditions of contracting and selecting suppliers would be that living wages are paid to the employees of those firms and organizations. A living wage is generally higher than a legislated minimum wage. It includes sufficient resources for a family to participate in their community and even to assemble some of the assets necessary for retirement and the education of children. We think that by pursuing this policy the federal government would be demonstrating vision as well as leadership.

Our third recommendation is that Canada should revive the Population Health Fund, which has not accepted applications since 2006. We believe the federal government has an important role to play in supporting the health and well-being of Canadians—health promotion as opposed to the provision of health care. From all of the evidence we've heard, poverty is an important determinant of health, and the Population Health Fund helped many community organizations to do their share in defeating poverty. In Winnipeg, many organizations were started or had their capacity enhanced through the Population Health Fund: the Andrews Street Family Centre, the Broadway Neighbourhood Centre, the West Central Women's Resource Centre, the North Point Douglas Women's Centre, and the Indian and Métis Friendship Centre in The Pas. We think this would be in line with the federal government's business of supporting the functioning of the national economy and the health of Canadians.

Finally, we would like to reiterate a recommendation from Campaign 2000, that the Canada child tax benefit and the national child benefit supplement be increased to a maximum of \$5,400 in 2009 dollars. *The National Child Benefit Progress Report*, issued in 2006, indicated that the national child benefit at that point prevented 59,000 families and 125,000 children from falling into poverty. The poverty rate for families would have been 12.1% higher without it. The architecture is right. The investment needs to increase. There's a good instrument there that can make a real difference.

Thank you.

**The Chair:** Thank you, Mr. Frankel.

I realize we don't want to debate the measure now, but are you for a market basket, a LICO, or a hybrid thereof? Have you given it much thought?

**Dr. Sid Frankel:** We're not sure, to tell you the truth. We would want to look at it. We think that one has to be adopted, but we'd be happy if in the interim the market basket measure were adopted to track progress.

**The Chair:** I realize that I could start a whole new debate just by interjecting here, and I don't want to do it.

We're going to move to the University of Manitoba, and Ms. Prentice.

Thank you for being here. The floor is yours.

**Dr. Susan Prentice (Professor, Department of Sociology, University of Manitoba):** Thank you very much.

I was able to prepare a report, which I hope has made its way to you. I'd like to say thank you to the translators, who I understand were able to get to it, so *merci aux traducteurs*.

While I fully endorse the larger programs that have been laid out by my co-presenters today, I'd like to give you a very specific argument that you ought to want to tackle both children's and women's poverty and to recommend that early learning and child care services be a part of the solution to that.

Here in Manitoba, Statistics Canada data show us that almost 19% of children live below the before-tax LICO, and in some regions of Winnipeg the poverty rate is even higher. Google Maps will tell you that just 3.5 kilometres from this hotel you'll find the Daniel

McIntyre neighbourhood, and there you'll find the incidence of low income at over 27%. In Mynarski, which is just six and a half kilometres from the hotel, the low-income rate is 30%. This means, as my colleagues have demonstrated, that there is intense spatialized poverty in Winnipeg and it has terrible consequences for children and for families. There are of course obvious human rights concerns when a country as wealthy as Canada has such persistently high rates of poverty and such intense pockets of such deep poverty.

You will know, of course, that children are poor because their families and mothers are poor, because they live in poor families. And work is not always the solution for such poor families. Close to half of low-income children have at least one parent who is in the labour force full time. When jobs are poorly paid and costs are high, then employment is often the cause of family poverty rather than its solution. Data show us that rates of working poor parents have been increasing over recent years rather than diminishing.

Where children are raised by single parents, the parent is most likely a mother. Women in Canada face persistent discrimination, labour force discrimination being one of the worst instances of this, and one of the key obstacles is a stubbornly persistent wage gap. In 2003 Canadian women working full time, full year, earned only 71% of what men working full time, full year, earned, and compared to male colleagues, women are far more likely to lose time at work because of personal or family responsibilities, to work part time, and to work less.

It's important to stress that where child care services are available they can begin to mitigate some of this cost. Where services are high quality and widely available at a low cost, maternal employment will increase. I hope you are familiar with the case of Quebec. Quebec began implementing its very ambitious early childhood care and education program over 10 years ago, and economists have found that the new child care system has had a large and statistically significant impact on the labour supply of Quebec mothers with pre-school children. The proportion of employed mothers now in two-parent families increased by 21% since the provincial child care program began. It is more than double the national average. This tells us that women will work where services are available.

Moreover, recent analysis of the cost of the Quebec program calculated that approximately 40% of the annual operating expenses has been recouped through the increased taxes paid by parents, so the child care program goes a long way toward paying for itself directly.

You will know that Canadian families have changed and that working mothers are now the dominant form of families in Canada, and yet we fail to accommodate working families with the kinds of programs that they need. The gap between the rich and poor widens, and despite increased rates of women's employment, we see that, on average, for every dollar that families in the poorest 10% of Canada earn, families in the richest 10% earn more. This gap is an enormous problem.

To put it together, we find action is needed. It is almost 40 years since the Royal Commission on the Status of Women made its groundbreaking report, and yet women remain disadvantaged on every social index in Canada, and aboriginal women bear an even greater burden. I hope the grief of stolen, murdered, and missing aboriginal sisters is weighing heavily on your minds. Canada has international commitments to gender equality as well as to children's equality that it fails to meet. I think here particularly of CEDAW, the Convention on the Elimination of All Forms of Discrimination against Women, and the International Convention on the Rights of the Child, and I would urge you to step up to these.

● (0835)

I have two recommendations for you. In recognition that the long-term prosperity and the future of Canada is severely compromised by women's and children's poverty and in recognition that poverty impairs the full social inclusion of poor children and women, I'll recommend two specific actions for you.

The first is that Canada should immediately commit to spending 1% of its GDP on early learning and care services. These funds should be directed to supply side development, aiming to build a high-quality, developmentally appropriate, and inclusive national early learning and care program, knowing that this will bring benefits for all children, and especially for children living in poverty.

Second, Canada should immediately affirm its domestic and international commitments to full gender equality, because this directly impacts on poverty. This would require, I suggest, restoring the equality language in all Status of Women Canada policies, practices, and projects; reversing the cuts to Status of Women budgets; and increasing the capacity of Status of Women and other gender-equality-seeking organizations to advocate for women's equality.

Thank you.

● (0840)

**The Chair:** Thank you very much, Ms. Prentice.

Mr. Lessard, the floor is yours for seven minutes.

[*Translation*]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chair.

I would like first of all to thank you all for your contribution to our study.

The evidence we have received to date is very enlightening. It will certainly be useful for the analysis and the findings in our report. You are bound to find it useful as well.

If I may, I will ask all my questions at once. You will want to listen carefully to each question because of the time it takes for translation. I think we will save time that way.

I would like to make two statements, two reminders. The first is of course the undertaking Canada made in 1989 to eliminate poverty by the year 2000. We know the situation today; we have failed. If we acknowledge that there is poverty, we have to admit that there are factors which make poverty worse. Each of you mentioned a number of aggravating factors, such as Employment Insurance regulations that eliminate as many people as possible. One of those factors is the fact that almost 10 years ago, the federal government withdrew from social housing, for example.

I personally am very touched by your evidence, Dr. Prentice. It in fact echoes other evidence about the fate of women and children. I am a firm believer that the solutions lie in better living conditions for women and children. When we improve the conditions in which women live, we improve the conditions in which children live. I think there is a direct link. Not recognizing that amounts to not recognizing the realities of life.

However, many measures work against women. One of the latest measures, for example, is the removal of women's right to go to court seeking pay equity as part of a quest for equity. There are better things in life; that is not an example. As Mr. Cohen said, the same year the undertaking was made, the Unemployment Insurance Act was amended in order to eliminate as many people as possible.

I gave this introduction to impress upon you the fact that our vision also includes a set of factors which create poverty and make poverty worse.

My first question is to you, Dr. Prentice. You say that work, here, is sometimes a factor in poverty. You gave as an example the gap between men and women. In Winnipeg, the gap is \$7,000, and in Manitoba as a whole, it is almost \$9,000. This shows that in Winnipeg, women perhaps earn a bit more and the gap is wider elsewhere. What do you mean when you say that beyond that gap, work also creates poverty in some cases?

The other question is for you, Mr. Cohen. When you did your analysis of poverty, one of the examples you gave was Bill C-51 concerning the extension of benefit periods. However, your comments were aimed specifically at people whose jobs are precarious. I am sure that — because you are very involved in the issue of unemployment — you are perfectly aware that people with precarious jobs are all excluded from Bill C-51. It's actually after five years, seven years, and so on. You know the conditions. There are no measures, and it is temporary.

I would like hear a bit of what you have to say about that, about employment insurance. What measures would be appropriate for this program to help put an end to poverty?

● (0845)

Ms. Fernandez, I believe it was you who were talking about detailed federal strategy. We have seen that exercise before, and we know the outcome today. On that subject, I am going to put the following question to each of you.

What should be done differently to ensure that we succeed this time? Are we not going to take the same dynamic and end up 10 years, 15 years or 20 years later in the same situation?

**Dr. Susan Prentice:** Thank you, Mr. Lessard. I understand your feelings and agree with you about the importance of the status of women. However, I would like to answer in English.

[English]

You asked me how it's possible that poverty is caused by work. It's a counterintuitive finding, but it's very true for women. Women face a wage gap, are disproportionately concentrated in low-paying jobs, and have insecure attachments, and there is that 71% wage gap that I mentioned. So minimum wage is very often not sufficient to support an individual, let alone an individual with children. So when single mothers are trying to support their children strictly on labour market wages, their work is often the cause of their poverty.

So a social wage that included services would partly ameliorate family poverty. That is why services for women that enable them to work and afford child care are so important.

*Merci.*

**The Chair:** Mr. Cohen.

**Mr. Neil Cohen:** Mr. Lessard, on the kinds of changes in EI reform that would be helpful, easy entrance requirements for EI would help people get out of poverty. When we moved from an hours-based system to a weeks-based system, it required workers to work two and a half to three times longer to qualify for benefits. So that's important in order to allow workers to qualify. Certainly extending the benefit duration would help, but of course, as you pointed out, that will only help those workers who qualify. The benefit rate certainly has to be increased beyond the 55% and the way in which it's presently calculated.

EI reform is desperately needed so it recognizes that people have different patterns of work. This program has been operating since 1940, and to a large extent throughout that time it has been responsive to the changing nature of work. It has brought more workers into coverage. Maternity and other kinds of benefits—parental benefits—were brought into the plan, recognizing women's participation in the labour force. So we need to review the act to ensure that it is equitable for both men and women, and for other working patterns.

Certainly increased money for EI training is a positive step. I know that's being done. But there should be training designated to help people out of poverty who might not otherwise qualify for EI benefits. That's critically important.

I think it's also important to recognize...and just to provide some context. I don't want to point fingers today, but there is the \$54 billion solution. We're aware of the so-called EI surplus, the vanishing surplus. I'm not just pointing fingers at the current government; the past government created the enabling legislation. This is a debt that is owed to workers who paid but failed to qualify and, in fairness, even to employers, who see this as a double tax.

We also have to recognize that the federal government withdrew from financing the EI Act in 1990, so I think the federal government has a responsibility. It has historically financed the EI Act, in part

because it recognized that fiscal and monetary policies might influence the rate of unemployment.

I also think there's an opportunity, because of the repayment that has been ordered by the Supreme Court, to designate some of that money, in terms of the benefit repayment schedule, and target that for people in poverty and poverty reduction.

● (0850)

**The Chair:** I'm going to leave it at that. We'll come back for another round. We'll probably be able to get back to Mr. Lessard to ask those questions.

Judy, I won't welcome you to Winnipeg because it's your town, but welcome to the committee.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Welcome to you.

**The Chair:** We're glad to have you here.

Go ahead, Tony.

**Mr. Tony Martin (Sault Ste. Marie, NDP):** Thank you very much.

I also want to say how pleased I am to have Judy join me here this morning. Judy is a great champion for a comprehensive national anti-poverty strategy and has been very supportive of me in caucus as I've moved it through that vehicle. She understands the relationship between health care and poverty and in a very meaningful way.

We're almost at the end of a long process here. We've crossed the country and heard from various people who work with poverty, who are living in poverty, who advocate on behalf of people living poverty, and I have to say I've been pleased with the sincere participation of everybody around the table—Conservatives, Liberals, and Bloc members. We're all trying to find a way to do something meaningful here, and finding that formula is the big challenge.

So far, three things have presented themselves as needing to be addressed. One is income security. Another—and this comes up everywhere we go—is housing: affordable, safe, accessible housing. The third thing is a bit more nebulous, but it's one that Brendan spoke about this morning: the issue of social inclusion and how you define that and how you get to that. Certainly they're all interrelated as well.

I know Manitoba has just recently come forward with a plan, and whatever we do in terms of a federal role in a national anti-poverty strategy has to be integrated. Maybe I could get some quick response on how you see those two plans integrated, the Manitoba plan and a federal plan.

From speaking with some provincial jurisdictions where they have strategies in place, I know one of the comments is that without the federal government we can't accomplish all that we have the potential to accomplish. So maybe I could get some initial comment on the Manitoba plan and how it might connect.

**The Chair:** Mr. Frankel, go ahead.

**Dr. Sid Frankel:** Thanks. I think it's a very good question.

First, to address more generally the question of coordinating between federal and provincial plans, I think every one of the provinces, including Manitoba, that has put forward a poverty reduction strategy has pointed to the role of the federal government, perhaps most explicitly in Ontario, where they really said they could not meet their targets in their child poverty reduction plan without the participation of the federal government.

One approach to this might be for the federal government to see its role in two ways, one as the deliverer of particular programs where the federal government is in the best position fiscally to do so. One of those programs is the Canada child tax benefit and the NCB portion of it. The federal government is clearly in a better position fiscally than any provincial government; it's a national need. It has to do with the role of the federal government in guaranteeing Canadian citizenship, and so on.

Secondly, I would argue that the federal government needs to take a bilateral stance in almost a province-by-province, territory-by-territory way, because the provinces have started at different places and have gotten different places. So I would agree that there would have to be some capacity, some fund established within the federal government that pays attention to issues of interprovincial and inter-territorial equity, but that the particulars of what's going to be put in place are going to have to be negotiated bilaterally. Quebec, for example, is in a much different place and has made many more investments than Manitoba has. They've started earlier and have moved farther. Certainly Newfoundland and Labrador are in a much different place.

Federal governments have done this before. When there were significant changes in youth justice requiring different kinds of provincial systems, the federal government of the day established a fund and dealt bilaterally with each province to put that in place.

So briefly, there are two federal roles: the deliverer of some programs, and the entity with the capacity to develop bilateral agreements with provinces.

● (0855)

**Mr. Tony Martin:** I know, Brendan, that you have spoken about the Manitoba plan where the CED poverty framework and lens is concerned. Maybe you could also build that into your comments.

**Mr. Brendan Reimer:** In terms of the poverty plan, the provincial plan here is called the all aboard strategy. While it has many good steps dealing with some of the core issues around poverty, I would still say that it's not a comprehensive plan. I would still say that it

doesn't have clear targets and timelines for outcome-based results, which is critically important and goes to your question about how you get there.

I would say that it could really be strengthened with anti-poverty legislation and built-in accountability measures, whether those are annual public reports on outcomes or public advisory councils that hold them accountable for the different actions. Then there has to be political will, which I think there is at the provincial level, but some of those other pieces are missing. This political will would ensure that the actions are consistent with this desire for a poverty reduction strategy that goes through the different departments.

As I said, each department has different kinds of opportunities to impact poverty. But when you say you want to end child poverty—and poor children live in poor families—and you don't follow through with social housing or child care strategies, and you're cutting the EI support, there really isn't a cross-departmental consistent effort to achieve that desired outcome. So it goes back to your question of how you achieve it. You have to make sure there's consistency through the departments to achieve it.

The policy framework and lens they talked about is a community economic development policy framework and lens. What it does—the lens, in particular—when government people and departments are implementing different kinds of programs and initiatives, whether it's capital projects or policies, is ask a series of questions. What is the local decision-making component in this initiative? Is this building local capacity for communities to take leadership? What is the skills development and training component? Is this hiring local people? Is this stimulating the local economy? Is this considering the environment in the work? Is this considering human dignity in the community?

So it asks a series of questions and it could be tailored to be a poverty reduction lens, which wouldn't be that much different. But if at any time the government acted on a different kind of project—whatever department it would happen to be—if it asked these questions and asked what the impact is going to be on people who live in poverty and on poor communities, and if it really built that into the considerations, I think it could have a good impact. That's where the concept of a lens can be quite useful. But it has to have some teeth to it.

**Mr. Tony Martin:** You mentioned earlier, Sid, that we don't want on ongoing, never-ending debate on measurements. There's also a debate within the community, as we try to develop plans here around whether we take an incremental approach or we try to find some big fix. When we looked at senior poverty a few years ago, we brought in CPP and then GIS and it lifted everybody. Canada Without Poverty is calling for a 100% poverty reduction now. Do you have any comment about that?

**Dr. Sid Frankel:** We realize how difficult and how expensive this is to do, so there are no illusions about that. We're very concerned that the decade that ended with the beginning of the recession was a decade of great economic growth, most of which went to the incomes of the upper decile of Canadians. Manitoba is actually worse in that regard than the rest of the country. So our argument would be that the federal government should articulate a comprehensive plan and that it absolutely must contain interim targets and timelines for the accomplishment of those targets.

We'll note, for example, that in the United Kingdom such a plan was put forward. Under the Blair government it was clearly acknowledged when there was progress. The Rowntree Society issued a report this past week pointing to the fact that under the Brown government there has been a failure. Big surprise: the investment was decreased and the poverty rates, especially the child poverty rates, tragically have gone back in the U.K. to where they were a decade ago.

One of the things we would say is that it's good that this measure was put forward by the government so that their failures, as well as their successes, could be pointed to. But our argument would be that the plan should be comprehensive and articulated at the beginning. The implementation, of course, would have to be over time. We would have no illusions about that. There should be clear targets and timelines over time. As you know, Campaign 2000 would favour a reduction by 50% of poverty in Canada for all groups by the year 2020.

• (0900)

**The Chair:** Thanks, Tony.

Brendan, I had a couple of questions for you, because you talked about the economic development going on in Vancouver. I wonder if you have any specific examples for us. We heard some interesting things around policies. Can you give us any specific examples in Winnipeg?

**Mr. Brendan Reimer:** On social enterprise?

**The Chair:** Yes.

**Mr. Brendan Reimer:** In terms of stories, that's one thing. In terms of policies needed to support them, that's another.

**The Chair:** Sure, let's do both.

**Mr. Brendan Reimer:** There are many stories here. There is a strong organizing community here in Winnipeg where people are coming up with different kinds of solutions. I mentioned Inner City Renovation. It's a construction company that was started to employ people who had various employments, and they've been paying out millions of dollars in wages over the last number of years for housing and commercial construction work.

A new initiative doing energy retrofits is called BUILD, or maybe it's called Warm Up Winnipeg now. They're doing energy retrofits on Manitoba housing as a training program for individuals with various.... I had the opportunity to go on local radio with one of the young men who was in the program. He came out of the gangs and said it was really hard to come out, but his life was so different now because he had an opportunity to earn a paycheque, go home, watch TV with his girlfriend, and I think he had a dog. He said, this is a clean life, a good life; it's a life you can be proud of. But when he

tried to turn this corner, nobody would hire him. But when he walked into BUILD and dropped off his resumé, he didn't hope for anything because he knew he had a record, and he knew his appearance and who he had associated with, but they hired him.

We need social enterprises like this because they create opportunities for people to get the job experience, to get the resumé, to get the connections, to enter the labour market to create a different path for themselves. We have many; some of them are worker co-ops. We have Enviro-Safe Cleaning here. A group of refugees from the Congo started a commercial cleaning worker co-op. There are thrift stores for women run by the North End Women's Centre. These are women who have many different kinds of barriers, but they learn retail experience with flexible work hours because that's what's required. There are many like this.

Some of the policies...what's tricky is that in terms of support there's not a lot of understanding of what these organizations are. In Quebec there's a strong social economy and a different kind of understanding of what these organizations are and the value they add and how to support them. They're not just a regular commercial enterprise. You can't treat them just like regular competitive private businesses, with the same kinds of lending mechanisms and the same kinds of policies. But they're not just a social service either. So there needs to be a better understanding of the value they bring and the kinds of initiatives they are in order to be able to support the social side, the employment, the labour market development side of it with resources, understanding that these social enterprises are taking on important work that private enterprise is not likely to do.

They need resources for that part of it. They are enterprises and they need access to markets as well. So there's procurement. How much does government spend? How much do institutions spend? And we work with this, whether it's with the credit unions or the universities. It's one thing to hand out grants to start or support these kinds of initiatives, but if you shift the way government spending is done, and if government is really for the good of the people, purchasing from these kinds of enterprises can do a lot of good for different communities and for reducing poverty. But one of the challenges is that contracts are often huge. If you unbundle contracts, it makes them more accessible to smaller social enterprises.

You just need to make sure there are not actual barriers in the tendering process. I think when we looked through the federal initiative years ago, some said it had to be for-profit businesses and completely ruled out any of these social enterprises from being eligible. If value is going to be recognized—and this is where a poverty reduction lens would be very useful—this enterprise would do more in terms of either local spinoff, as Susan was talking about with child care, or in reduced poverty, increased labour market attachment bringing people off EI, these kinds of things. If that value, which is very valuable especially in reducing poverty, is going to be recognized in the tendering process with extra points or extra criteria, it's valid, but it's not recognized. If that were recognized, these enterprises could gain access to a lot more contracts.

These are some of the stories, and there are many more out there. I'd gladly write you a storybook on these things and the difference they make. Never mind the funding or the grants at start-up; the procurement piece could make a huge difference in supporting the work these social enterprises do and in helping them grow so they can do even more of this work.

•(0905)

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

I'm going to turn it back to Mr. Lessard, but I want to recognize Anita Neville once again.

Thank you for joining our committee.

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Thank you. I apologize for being late.

**The Chair:** I know you have other things.

Go ahead, Mr. Lessard. It's back to you for seven minutes.

[*Translation*]

**Mr. Yves Lessard:** I am coming back to the question I did not pursue earlier which you were unable to answer.

Last May, the Government of Manitoba introduced a policy called "All Aboard". Yesterday, we were told that a modern approach to poverty consisted primarily in ensuring that people have a place to live. We were told that a place to live is essential to the stability of individuals and families. I find that very interesting. We have to start somewhere.

I warn you up front that I am going to play devil's advocate a bit. That is not to say that I do not believe in the current approach. However, you are going to enlighten us so that we learn how to do things differently. An undertaking was made in 1989. The MPs back then were honest, confident people. Yet we see that it all ended in failure. Today, it is like we are handing over to the federal government a solution based on the principle whereby if the problem is left to the provinces alone, they will not necessarily use the money wisely. That is what I get from the exercise we are engaged in here this morning. If I am wrong, please tell me.

Most of the progress that has been made in terms of eliminating poverty can be attributed to provincial initiatives. I spoke to you about Quebec, but there is also Newfoundland and Labrador. Every time, there was opposition to the federal government throwing weight around. I will use an example that is very familiar to me. I am not saying it's perfect in Quebec. We have a daycare system. Quebec

had to take responsibility for the system all on its own. It still pays for the system. The federal government launched a daycare project but then abandoned it. As madam pointed out earlier, we cannot change measures every time there is a change in government.

The federal government has not been involved in social housing for 10 years. Only two provinces have poverty legislation. Cuts are being made to literacy programs. The provinces are taking on that task alone, at least the ones that are doing it. Quebec has pay equity legislation, for and against the federal government. It also has a minimum wage law. Quebec has put in place measures to offset cuts in Employment Insurance. There, too, it is going it all alone. Other provinces have taken similar measures. There is a Young Offenders Act. The federal government passed a law so that it would disrupt Quebec's legislation. I have to say something today about violence against women. Tomorrow is the 20th anniversary of the École polytechnique massacre. That is only one example, but how many women are killed each year? More than were killed at the École polytechnique. It's a symbol. As far as violence goes, we can see what is happening at the federal level. All we need do is look at the current Firearms Act.

Am I preaching to the converted? I told you that I would be playing devil's advocate in order to challenge you a bit on this approach. Are we repeating the exercise for nothing? The legislation and measures governments have adopted are at cross purposes with what needs to be done to eliminate poverty.

Quebec has established a social economy system. As Mr. Reimer said, this legislation establishes and sets parameters for the entire social economy system. I am telling you all this so that I can force things a little bit, find out what you think and what needs to be done differently so that the entire exercise is productive. I know enough of my colleagues here today individually. Yesterday, I heard a remark from our chair about what needed to be said and done.

•(0910)

Is that going to be implemented? I am sure that my colleagues and I are going to make good recommendations, but it remains to be seen whether they are going to be implemented.

Otherwise, what has to be done?

[*English*]

**Dr. Susan Prentice:** You ask a very difficult and important, passionate question, which of course raises the question of federalism in Canada.

Quebec has made strong commitments to redistribution, and you are the envy of much of the rest of the country. Quebec has done some splendid things, although, as you know, it is not perfect.

Many of us in the rest of Canada look to the federal government to help resource that commitment to social inclusion, to redistribution, to social cohesion. For example, the kinds of programs we were able to do in Canada under the Canada assistance program, which was a federal initiative that provided redistribution across Canada to the historically poorer provinces, were enormously important. In recent years, we've been confronting a federal government in Canada that has been unwilling to, as I would say, take the leadership role for Canada as a nation. This raises the debate about nationalism, and it may not seem so necessary to a Quebecker, but it seems very important to the rest of us across the country to look to the national government to begin to provide the resourcing.

So it takes a different kind of federal commitment to inclusion and to equality and to redistribution.

[Translation]

**Mr. Yves Lessard:** How should that undertaking be different?

[English]

**The Chair:** We're almost out of time. Let's get a response from Lynne and then Sid.

**Ms. Lynne Fernandez:** I agree with Susan. I think you're getting to a debate or a discussion about the nature of our federalism.

I'm an economist and I'm always looking at revenues and expenditures. One thing that hasn't been mentioned here yet today as part of the reason the federal government has backed away from what I would consider its responsibility across the country is that it has cut its revenues to the extent that it doesn't have the money to spend that it used to have.

This is a debate that is starting to grow in the United States. Very mainstream economists are starting to talk about how taxes have been cut so much in that country that it's just impossible for them to have a functioning society. I think we perhaps haven't cut quite as much in Canada, but we've cut too much. Whether it's at the provincial or federal level, we have persistent talks about the need to cut taxes and cut taxes and cut taxes. I think it's time we took an honest look at that and said it's actually the other way around: it's time to start raising taxes. I know it's painful. It's politically unpopular and it's going to be a nasty issue to bring up, but we have to do it.

• (0915)

**The Chair:** Thanks for that, Ms. Fernandez.

I'll finish with Mr. Frankel.

**Dr. Sid Frankel:** I would say there are two other important elements here. One is that the plan, the targets, and the timelines are absolutely essential. Mr. Brown is taking a battering in the British press right now, and he should be, because of how he has disinvested in poverty reduction.

The second thing that's necessary is a vibrant voluntary sector to hold politicians' feet to the fire. I hope your recommendations include a plan that has two elements. One is funding to the voluntary sector to do that, because it's very hard even for Campaign 2000, which has now existed for too many years, to do that. The second is changing the taxation rules around charities so that kind of non-

partisan advocacy can occur. In Britain, the Rowntree trust is in Mr. Brown's nightmares, and again, it should be.

Thanks.

**The Chair:** Thank you. Thank you very much, Mr. Lessard.

We're going to finish up with Mr. Martin. You've got seven minutes, sir.

**Mr. Tony Martin:** Thank you.

I have a couple of questions that I want to ask, but Lynne's passionate plea a second ago encouraged me to put them together, because if we're going to do a number of things that are national in scope and big enough to make a difference, they're going to cost money.

We heard today a call for a national child care program. That would go a long way to alleviating poverty among women and children. We heard a plea for a significant increase in the national child benefit, which would go a long way to lifting children and their families out of poverty. We heard from Neil a plea for reform of the EI system, which we need to do. Mind you, that's money that's outside, or at least used to be outside, the taxation system. It was self-funding at one time, to a surplus of more than \$54 billion.

I'm also suggesting, and this is a question that I'll put, but in the context of taxation and money and finances: what about a guaranteed annual income? What about a basic income for people? We just came from the north in the last couple of days, where we heard about the very deep and desperate and devastating poverty amongst aboriginal people in aboriginal communities. You're talking about aboriginal people in urban communities as a big problem as well and asking how we get the resources to turn that problem into an asset. Brendan talked a lot about how we can be creative in doing that.

But you're right, it all goes back to the question where we get the money. The CCPA put out a release in the last couple of days to say that actually the money is there, that it's just a question of ideology. We've had a number of years now during which we thought a good economy would lift all boats, and it hasn't. We turned over the building of housing, back in the late 1980s and early 1990s, to the private sector, thinking they would build the affordable housing, and they haven't. And so what do we do?

I guess the question is how we as politicians.... I raised this yesterday. It is a debate that we have to have, and we might as well start it now. How do we as politicians, knowing that our constituents want tax breaks...? That's what they say, if you call them up and ask what they would like. Mind you, as somebody yesterday said, it all depends on the question you ask them: tax breaks versus what—better health care? Tax breaks versus...?

I wonder whether you have any guidance for us in terms of that underlying, basic question. We go back to our constituents and we want to be re-elected. Martin Luther King used to say that there were three kinds of politicians: the ones who always do the right thing; the group that, if you give them the right argument, will do the right thing; and then the third group, usually the largest group, walking around with their fingers in the air wondering which way the wind is blowing, determining whether they'll be re-elected or not.

We go back to our constituents in an election and say we're going to give them a tax break. They say, great; we're voting for you. If we go back to our constituents and say we're going to raise their taxes, they look around for the person who's going to tell them they're not going to do that. Then they watch you like a hawk once you get in, if you in fact break that promise and look at circumstances, realizing that you need more revenue, and do whatever it takes.

The question is, politically—and I guess this is our dilemma if we're going to put in place a comprehensive anti-poverty strategy that has these really good things in it that are going to cost money—how do we do it? I certainly have some thoughts on it, but I want to hear yours.

• (0920)

**Ms. Lynne Fernandez:** You're right, it's a question of ideology, and a certain ideology has been successful over the last 30 years in convincing people that taxation is a bad thing. It is as if people and corporations have the idea that their tax money is going into a black hole.

You mentioned the CCPA earlier. Hugh Mackenzie at their national office did a report that came out earlier this year. It shows what the actual value is that Canadians get for their taxation. I think that's the key. We have to start educating people about the value of taxation. The returns on taxation are incredible. The average middle class family realizes between \$40,000 to \$60,000 worth of benefits every year from taxation. We need to make that connection. We need to connect the dots and show people the value they're getting out of taxation. Hugh Mackenzie did exactly that. It's astounding: every Canadian receives between \$40,000 and \$60,000 worth of services by paying taxes. That's more than some families are bringing in to start with.

When you look at before-tax incomes across Canada, you see that most of the money is going to the top decile, and it's even worse in Manitoba. But when you look at after-tax incomes, it is clear that in Manitoba we do better at redistributing our income. That's because we have a slightly better way of taxing the higher-income people and then redistributing it. So although we look worse before taxes, we look better after taxes, because our taxation system is a little more progressive.

What happens when low-income people are getting more money needs to be explained to people. We are spending less on health care; we're spending less on crime prevention; we're spending less on jails; we're spending less on all kinds of things. But the cost-benefit is that we actually get more value from taxation than if we don't tax people. That argument has to be made. It's a tough argument to make, though. For whatever reason, the other ideology has convinced people that taxation is bad. It's just a knee-jerk reaction. We need to turn that argument around. Look at what's happening in the United

States. We don't want it happening in Canada. It's a question of education. I don't envy politicians having to take it on. I hope some of you will be brave enough to broach the issue. It's unpleasant, but it has to be done.

**The Chair:** Neil wanted to respond.

**Mr. Neil Cohen:** I'm happy that Lynne talked about the consequences of poverty. Historically, governments seldom match the revenue side with the expenditure side. There is a cost to be associated with people and poverty. Health care costs rise, as we know. All kinds of studies have been done for many years. We know that the suicide rate among unemployed workers is 30 times that of the working population. We know there are increased hospital admissions, mental problems, and physical disabilities related to unemployment. So governments are going to pay one way or another, whether on the revenue side or the expenditure side. I think that it's a good investment in poverty reduction.

In 1990, when the legislation was passed to make EI self-financing, workers paid \$3.07 per \$100 of earnings and employers paid 1.4 times that. The EI premium rate now is about a third of that, and the federal government no longer contributes. This shows the diminished level of contribution to training and income support. More needs to be done, and we can see how much less is being done.

**The Chair:** I want to thank all of our witnesses for being here today and contributing to this debate. We appreciate that you men and women are on the front lines making it happen. As politicians, we are trying to leverage those dollars back in there so that we can go further. I thank you for the recommendations we can put into our report to government. We hope it will result in some action.

I'm going to suspend the meeting for five minutes. We're going to be back here at 9:30 with a new panel.

Thank you.

• (0925)

(Pause)

• (0935)

**The Chair:** I'd like to welcome everyone back as we continue to look at our federal contribution to reducing poverty in Canada.

I want to once again thank the witnesses for taking time out of their busy schedules to be here. Some of you probably know by now that we've been working on this for a year or two. We have had elections and legislation—there's been a whole bunch of things. But we're glad to finally be out here in the west. We've been to the east and the north. This week we started in Vancouver, and we're finishing up today in Winnipeg. I want to thank you all for being here.

I'm going to start with you, Mr. Duguay. I'll try to keep you to around seven minutes. I won't cut you off. I'll give you the one-minute sign so you can try to wrap up your thoughts. Once we've done that, we'll start around the table with some rounds of questioning.

Welcome. The floor is yours. You have seven minutes.

**Mr. Gerald Duguay (As an Individual):** I'd like to thank you for allowing me the opportunity to appear at this hearing to testify on the implications of poverty on individuals with mental illnesses.

**Social assistance plays a crucial role in determining the extent of poverty in this province. The agency's vision includes this statement:**

We strive to ensure that diversity is respected, that people feel accepted and valued, and live with dignity and security. We work with the community to support Manitoba children, families, and individuals to achieve their fullest potential.

That statement is at odds with the fact that individuals with disabilities receive income benefits that are roughly 50% of the poverty line, according to low-income cutoffs.

I realize that social assistance is beyond the purview of this hearing; however, this provincial program is partially funded through the Canada social transfer.

Living in poverty has several implications for individuals with mental illnesses, starting with a lack of access to safe, affordable housing. We were involved in a research project sanctioned by the University of Manitoba, and one of the individuals we interviewed on a participatory action research project on perceptions of recovery stated:

How do you expect people to take care of their physical self, take care of their mental self, and actually move forward in the recovery process, when...there's no money to do that? Because your physical wellbeing has a lot to do with your mental wellbeing. That \$271 really

—excuse my language, but this is what she said—

pisses me off. That's all you get for rent. You know the areas you end up living at on \$271 aren't exactly conducive to, you know, a good recovery or even a recovery process.

That basic amount for housing has been moved up. I think it's \$285 a month, plus there's a Manitoba housing allowance of \$50. That's still only \$335. You're not going to find much in housing for \$335 a month.

A female consumer, regarding the lack of personal safety as a result of inadequate housing, stated:

Can you just imagine getting up every morning...being afraid...going to bed every night being afraid ...just being afraid constantly.

Our key informant psychiatrist, regarding what would better assist mental health service recipients in their recovery, stated:

Let's start...with homelessness or housing...you know poverty...those issues that you recognize particularly during PACT, because if you can move people into decent living arrangements...if you can provide for them some meaningful work opportunity, even if it's still recovery from some disability. Many of these people are penalized because they want to work, but they can't work a certain amount because they're going to get their hands slapped. So you can't...you know, there's always another barrier. You have to ask why can't we start somewhere and do a transition into something meaningful work-wise without getting people feeling like they can't get off welfare? I can't get off this because I'll be high and dry. How will I get my medications paid for? Well it's ludicrous, right? Let's look at how people are remarkably moved forward by simple little things that would build self-esteem and would give them a sense of self.

That would include housing, employment, and education.

Regarding other barriers to recovery from a mental illness, a consumer stated, "...a barrier for me mainly was lack of achieving an education and employment".

My personal experience regarding education and employment has been that success breeds more success. Having come to education and real employment later in life, I can attest to the importance of a decent education and working in a meaningful occupation. Achieving an education and having what I consider to be real employment, because it's something I want to do, has worked wonders in my recovery. Actually achieving an education—and I worked for it—and then getting a meaningful job has worked miracles. I can't stress enough the importance of that aspect in recovery from a mental illness.

I had to rely on social assistance for my income for a few years, and I know what it's like to live in poverty. It was one of the most degrading experiences of my life. The income amount was insufficient to meet my needs, and the lack of income, contrary to encouraging me to get a job, only succeeded in doing the opposite. A person doesn't dream or plan for the future on the amount of money social assistance provides; a person survives day to day.

I have some suggestions.

• (0940)

First, initiate and operate a basic income program for persons with disabilities, specifically including persons diagnosed with mental illnesses.

Increase the Canada social transfer to the provinces and ensure that the money goes to the social programs it was intended for, through collaboration with the provinces. Make housing a primary federal concern for individuals with disabilities.

Support individuals with mental illnesses who want and need education by developing more supported education and training programs.

Support individuals with mental illnesses who are able to work through supported employment programs and training. Encourage employers to hire individuals with mental illnesses by providing resources for employers to implement workplace accommodations. Increase the success rate of programs by consulting with individuals with mental illnesses on what works for them.

Individuals with mental illnesses should be consulted in the development and implementation of any programs or services that are designed for them, instead of finding out after you've spent a billion dollars that the program just doesn't work. That would be a cost-saving measure. It kind of makes sense to find out first if people are really interested in a certain kind of program.

Thank you.

**The Chair:** Thank you, Mr. Duguay.

We'll move to Shauna MacKinnon.

Welcome. The floor is yours.

**Ms. Shauna MacKinnon (Director, Manitoba, Canadian Centre for Policy Alternatives):** Thanks for the opportunity.

Just before I start, I want to say, following Gerald's presentation, that we're putting out a report on Wednesday entitled *It Takes All Day To Be Poor*. I think it captures a lot of the testimonials that you raised in your presentation.

Poverty and social exclusion continue to be universal problems, as we all know. Recognition of our failure as a society to address these challenges has led many governments in the developed world to adopt comprehensive strategies with timelines and targets aimed at reducing poverty and social exclusion. For example, as one of the previous presenters pointed out, in Britain the Social Exclusion Unit was established in 1998 to study issues such as school truancy, homelessness, housing, crime, and unemployment, from a national perspective.

In 2000, European Union countries established a social inclusion process with the aim of eradicating poverty by 2010. This was followed by the development of a framework for national strategy development, and policy coordination between EU nations based on five key challenges. As was noted, while some of these targets haven't been accomplished, there was some commitment that spread across the EU nations that we're seeing now, some significant strategies being developed that are making a difference.

Following that, the Australian government began a process in 2008 to address poverty and social exclusion at a national level. These things are happening at national levels, so there's really no excuse that we can't be doing it here in Canada in a significant way.

Unlike these national examples, Canada has failed to take a leadership role in tackling poverty and social exclusion in a comprehensive and systematic manner. We urge the federal government to learn from governments that are implementing comprehensive plans to tackle pervasive poverty and exclusion, which are, ultimately, deterrents to economic prosperity.

On a more positive note, as was previously mentioned, leadership at the provincial level is beginning to grow in our country. Quebec, of course, was first to show leadership with the introduction of the Act to Combat Poverty and Social Exclusion in 2004. Newfoundland and Labrador introduced their plan in 2006. The Newfoundland government included some bold timelines and targets, and they have since made significant gains in reducing poverty. As a result, they've dropped from having the third highest child poverty rate in the country in 2005 to, I think, the eighth in 2009. In addition to other gains, they have met their target of a \$10 minimum wage, so this, again, for us is an example of how we can set some targets and reach them.

Other provincial governments have also followed their lead and are beginning to develop plans. For example, Ontario now has a plan in place with some specific targets on child poverty, and Manitoba recently released a plan.

We believe it is imperative for governments to hear what the community has to say about what is needed in a plan, and I'm here today, like others, to provide a perspective from the community here in Manitoba.

This spring, CCPA Manitoba, in collaboration with Make Poverty History Manitoba, published a poverty reduction plan that was developed in consultation with hundreds of Manitobans and

endorsed by more than 70 organizations. While our focus was on the provincial government, we continued to emphasize that poverty reduction will be most effective when all levels of government agree to implement timelines and targets and work collaboratively to meet them. We identified five common features that we believe are necessary to maximize effectiveness.

First, again, as has been mentioned several times this morning, we need a comprehensive and coordinated approach. The causes of poverty and social exclusion are complex and often very deeply rooted. Solutions are equally complex and require multiple policy and program interventions, which are the responsibility of various levels of government. These realities need to be reflected in a poverty reduction plan if it is going to be effective. A comprehensive approach would include an increase in income benefits, for example; an expansion of social housing; increased access to child care; increased access to recreation; increases in minimum wages towards a living wage; and establishing policies that provide education and training opportunities that lead to good jobs, rather than the precarious cycle of low-wage jobs, which is the reality for many.

A second key feature is that there needs to be a process that consults meaningfully with citizens, so we appreciate the opportunity to be here today. The social exclusion legislation adopted in Quebec, and the poverty reduction strategies established in Newfoundland and Ontario, and others in early stages, such as in Nova Scotia, have engaged NGOs and anti-poverty advocates in identifying key issues and targets. Citizens interested in building a more inclusive community, including anti-poverty advocates, community workers, progressive business and labour leaders, as well as individuals most affected by poverty, should be consulted and engaged in the process of establishing a poverty reduction strategy.

● (0945)

The third feature, which again was mentioned several times today, is the inclusion of targets and timelines. While we understand that economic circumstances beyond the control of governments can quickly throw a wrench into the best of plans, setting targets and timelines shows that governments are serious about poverty reduction. Governments that have taken this step provincially are to be commended for taking that risk. Targets and timelines make governments accountable and provide incentive to follow through with actions. Sid Frankel previously gave an excellent example of what's happened in the U.K. Without targets and timelines, strategies can become little more than a public relations exercise, and I think that's what has happened when we've done this in the past. However, we believe that setting realistic targets and timelines is essential.

The fourth feature that we believe is critical is communication and collaboration across departments in government and levels of government. Governments and their departments must communicate in order to coordinate government activities and ensure that all are working towards the achievement of common goals with respect to poverty reduction and inclusion—this is where setting targets and timelines is critical—to ensure that governments and departments are not working at cross purposes, which is often the case. There must be organizational structures put in place to ensure such collaboration. There are examples of this at provincial levels; I know Newfoundland has a unit that works across government.

Fifth, there needs to be an annual evaluation and progress report. For example, youth strategies are regularly evaluated by an independent evaluator to show where gains have been made and work is required, and to make recommendations when needed. Quebec legislation requires that departments evaluate progress annually, as well.

We believe that a poverty reduction plan can have multiple benefits. It can demonstrate that governments take the issue of poverty and social exclusion seriously and that they aim to make it a priority. It can also highlight existing initiatives, expose gaps, and provide direction for future action; provide a mechanism for governments to engage citizens in discussion about what might be incorporated into a comprehensive strategy; increase transparency and hold governments accountable to their commitment to poverty reduction; and act as an education tool to raise awareness of the complex nature of poverty and social exclusion and why prioritizing the elimination is important for the entire community, not just those who are poor.

*The view from here: Manitobans call for a poverty reduction plan*—and I've provided a copy for the committee—is a plan that we put forward from the community. It was endorsed by many organizations, and it includes timelines and targets that we believe to be realistic.

We are pleased that the Manitoba government has very recently released its poverty reduction plan, but we are dismayed that it failed to include a more detailed commitment that includes timelines and targets. However, I should note that one target and timeline it did include, which we're very pleased about, is the development of 1,500 new social housing units over five years. This is a target that came from the community, and we're very pleased the provincial government has agreed to move that forward. We will continue to press the province to include more comprehensive timelines and targets.

We emphasize that combatting poverty and social exclusion in a significant way will require the coordinated efforts of all levels of government, and in particular the leadership and financial commitment of the federal government. The key here is the financial commitment. As others have noted, this doesn't come free, but there are long-term benefits for all of us.

Unfortunately, in many of the areas we have identified as a priority, significant final investment is required. Provinces have been left with major challenges because the federal government has shirked much of its responsibility, and it continues to refuse to step up to the plate in a significant way to meet the growing challenges.

Social housing, for example, which has also been mentioned several times, has long been identified by the community as a major issue. Housing is a foundation for stability, good health, and education attainment. To tackle it in a significant way, we require a national strategy that includes ongoing financial commitment from the federal government. Here I would like to emphasize the importance of Bill C-304, An Act to ensure secure, adequate, accessible and affordable housing for Canadians. It cannot be overemphasized how important that is as a starting point.

To sum up, developing a well-funded national poverty reduction plan would send a message to provincial governments that poverty is a national priority. Not only is it the right thing to do, but it is the smart thing to do. Allowing Canadians to fall deeper into poverty will only create significant problems in the future that will be a drag on our national economy and a deterrent to social and economic prosperity.

• (0950)

**The Chair:** Thank you very much, Ms. MacKinnon.

We will now move to the Assembly of Manitoba Chiefs. We have Chief Donovan Fontaine.

Welcome, sir. The floor is yours for seven minutes.

**Chief Donovan Fontaine (Representative, Assembly of Manitoba Chiefs):** Good morning, and thank you.

First of all, welcome to the Treaty 1 area. I'm a chief of a Treaty 1 community, the Sagkeeng First Nation, an hour from here. I want to thank the panel for giving us this opportunity.

Of course I bring greetings from the grand chief, and I speak for 64 first nations today—that's who I'm speaking for. I'm also speaking for the person on the street, the first nations person down the street here on Main, the person back home, the hungry people back home. There's a lot of weight on my shoulders today, and I hope my message strikes a chord. I hope something comes out of this. I hope it's not another broken record that's saying the same thing over and over. I've been saying the message consistently; that's my duty. Sometimes it's not the record that's broken, it's the record player. You have to give it a kick. Hopefully we can give the government a kick with this. I'll try it again, anyway.

We first nations obviously bring a unique perspective, because we're obviously the most impoverished in Canada. We don't have to go to Africa; we don't have to go to Bangladesh. We don't have to go to these countries; it's right here in our own backyard, and the invitation is there to come to look at any reserve. I think we actually did offer an invitation to one of the committees to come to Sagkeeng and to have a look at poverty first-hand. Again, you don't have to go overseas to see poverty.

Of course, when you look at poverty from a first nations perspective, you have to put it in the context of all the government policies since the treaties have been signed. We know about RCAP and all the studies even prior to that, and post-RCAP, all the millions that have been spent studying things we already know. It just confirms one thing after another. We are impoverished, and treaties are not being implemented. I think that's the primary issue with first nations poverty; it's the implementation of treaties. Of course, we know the main things that are talked about often are residential schools, all the systemic things coming from government policies under the Indian Act.

Of course, we know about the contribution to Canada of our veterans; we have to applaud them. We also applaud the groups here that speak on behalf of poverty, on behalf of disabilities. But I think we have to go further in those partnerships. We have to engage the province as well, and the private sector, and we must look at the roots, not just the systemic and band-aid things. We must look at the roots. Why are there high incarceration rates? Is it cheaper to put a kid through university or to incarcerate them for three years or two years? Is it cheaper to give them upgrading or is it cheaper to put them in a detention centre? As for chronic diseases, is it cheaper to amputate or is it cheaper to treat and create some awareness and prevention?

I know one of my colleagues said it very, very well, and he hit the nail on the head. Chief Ross from Opaskwayak stated, "Our people are not waiting for care, they're waiting for amputations". That's the reality. They're lined up at home or they're lined up in the dialysis units. The plight of and the outlook for our people are not good.

I think it's all interconnected. Health is connected to housing. Overcrowding is connected to poor health. Poor housing is connected to poor learning and retention in schools. It's a very vicious cycle to get out of once you're in it. By saying "in it", I mean there is no way out for many of our people because of the reserve system. The reserve system destroyed a lot of things we had before. A lot of independence, a lot of government, social structures, our own economies, access to land, access to resources—all that was taken away. It's the easiest way for the public to just look at it and say, "Well, why don't they work? They get all these billions." It's not that easy. That's another myth perpetuated by the media, by the public.

● (0955)

So a big awareness and education campaign has to be brought forward in all the schools. I think that's going to come forth from the truth and reconciliation commission. We hope our story is going to be told in every school in this country. That will go a long way towards getting rid of these myths that we have all these billions of dollars, when in fact I think we get \$6 a day. And on the reserves, it's even worse. The opportunities are in the city. So I wait with optimism for what is going to come out of the truth and reconciliation commission.

Nothing but full involvement of our people in policy-making, true high-level consultation, will lead to adequate progress. This morning I was reminded by my legal adviser that this is in consultation. It's another message I have to bring forward. I have talked with many people over the years, and they chalk it up to consultation. Like

poverty, it has to be dealt with at a high level and we have to be at the table.

There are examples of why we should be at the table. We have some results. The youth in our province of Manitoba are connecting with their culture and learning who they are and where they come from. Eagle's Nest is here this morning. That bodes well. We have to walk two paths now. As much as we didn't like assimilation, MTV and hip hop are here. We have been somewhat assimilated, and now we have to manoeuvre in both worlds. A lot of our people, if given the right tools and the right opportunities, can manoeuvre in both worlds. They're finding out who they are and where they come from.

One of the biggest things in my life has been learning my language a little. I went to university and I have degrees. I have a few certificates. I've accomplished a few things in life. I've travelled the world. But one of the most important things that make me feel good in this part of my life is learning my language—a few sentences, a few phrases, some socializing, things learned from eavesdropping. That is one of my greatest accomplishments.

I can imagine how these young kids feel. Most of them were probably born in the city, and their outlook wasn't great. They wake up to gloom and doom. But the connection to our culture is going to go a long way. Those programs have to be funded. It's not just concrete and bricks in the city. There is a vibrant first nations community in Manitoba. Winnipeg is probably the largest reserve in Canada.

I spoke briefly about diabetes. We have a partnership in a pilot project that could be duplicated elsewhere. It's significantly successful. It's a partnership with Saint Elizabeth Health Care. It's in regard to a patient wait time guarantee. It's a pilot project for prevention, care, and treatment of foot ulcers among first nations people. It came from Health Canada, from the first nations and Inuit health branch. Almost half a million dollars was invested, but it's only the tip of the iceberg. I think it's only covering about 30 of our communities, and it's not necessarily getting to the real issue, which is the amputations. Still and all, we're going to identify the problem. With more programs like that, I think the suffering will lessen and the cost savings will go up. If there are partnerships, cost savings would be split between the two governments and possibly the private sector.

Part of the challenge is getting rid of the jurisdictional football and no longer throwing it back and forth. In the meantime, when you throw those issues back and forth, our people perish and there are amputations. I think that Jordan's Principle is one bill that's going to address this, and it is our hope that this principle will go into education, health, and housing.

• (1000)

We know about the natural resources transfer of 1930 and how we weren't consulted. There is a long list of things that were off-loaded from the feds to the province. These things have to change now.

Right now, as I speak, we have an issue with respect to the CEAP stimulus program. We have the stimulus, and the remote and northern communities are finding it very difficult to access this program because of the seasonal roads. They have to access the materials, the supplies, and they can't get it up there. With something as simple as a letter from the government saying that they're approved, that they're getting the money, they could take this to the bank and somebody could provide bridge financing for them while the road is in so they could move their materials. But they're finding that they're having trouble getting that done.

I knew I wasn't going to get through all this stuff. There are so many important things, and seven minutes is pretty quick.

Again, I don't want this to fall on deaf ears. I want something to come out of this. Since forever, I've been hearing about these same issues on housing and health. When is it going to change? I think the system breaks us down; it breaks us down as first nations leaders. There's divide and conquer between our organizations. A little bit of money is thrown here and there, and the results have been minimal. But I do believe we can do good things with the crown and the provincial governments. Partnerships are the key. As I hear some leaders say, we are not anti-development, we just want to be part of the fabric of this country. We have a lot to offer, if given the opportunity.

*Meegwetch.*

**The Chair:** Thank you very much, Chief Fontaine.

We're now going to move to the Manitoba Federation of Non-profit Organizations, and Martin Itzkow.

**Mr. Martin Itzkow (Co-chair, Manitoba Federation of Non-Profit Organizations Inc.):** Thank you very much. Thank you for the opportunity to speak to the committee.

I'm the co-chair of the Manitoba Federation of Non-Profit Organizations, and we reflect the ideals and the challenges that are facing our sector organizations and their capacities to deliver services in community. My conversation with you is about infrastructure organizations that actually deliver service, and specifically those organizations that are focused specifically in terms of reducing, and hopefully eradicating, poverty in the long term.

We're connected to a range of networks across Canada, umbrella organizations with the same conversation about sector organizations, where they fit, and what they need to survive and be able to provide service to community. In the Manitoba context, we actually are an umbrella organization representing more than 8,000 community-based organizations. Our vision is to use our collective voice and the

assets of our organizations to build and sustain healthy and thriving communities.

The national survey of nonprofit and voluntary organizations, which was completed in 2003, indicated a couple of important things that I think will set the context for this, which is about the economic contribution of the sector and how this plays out in terms of Canada.

Organizations in Manitoba, Saskatchewan, and the territories reported more than \$12 billion in revenue. In addition, these organizations received in-kind donations of more than \$154 million. Organizations in Manitoba, Saskatchewan, and the territories reported 174,000 employees, which constitutes approximately 13% of the labour force in this area. Manitoba organizations reported \$7.6 billion in revenue. We are economic contributors to the community and to the economy generally, and that's not often known, but it's true. You may not have placed community-based organizations in that context, as contributing to our economy, but in essence we provide 6% of GDP in Canada. Many of our community-based organizations are working in communities where poverty is a significant challenge. They provide either indirect or direct services to people living in poverty.

The presentation is about organizations in this sector, about their staff, but let me first establish some context.

In 2001 Canada signed an accord with the non-profit sector. I'm not sure most of you are aware of that, but there is an accord that from our point view is still there, and we desire for it to be operationalized at some point in time. The focus of that accord, which was signed off by the government and the sector leadership at that time, was to streamline regulations affecting the sector, enhance the knowledge of the sector, and propose a new approach to financing the sector that is sustainable and long term. And ultimately two codes of good practice were developed: on good practice on funding and on policy dialogue.

Let me be clear. This accord, signed by the Government of Canada and this sector in good faith, perhaps has failed both of us. There has absolutely been no follow-up on it, no commitments to what was stated in the accord, no application of the two codes. We believe there was a chance to collaborate and build a relationship of trust between government and the sector, and perhaps that is not necessarily true, and that is something we have to focus on.

Our organizations themselves range from culture and recreation, health and social services, to environment, to international development. There are approximately 11 subsectors of the non-profit sector known nationally and internationally. All these organizations are involved in a range of activities, and most of them are focused on people who are living in poverty. Others have talked specifically about poverty; I want to talk about infrastructure. And again, that's about the organizations, the staff, and their capacity to deliver services to community.

In a document called *The Capacity to Serve* and other studies that have come out since 2003, there were a number of questions asked and information provided that reflect on today's discussion. What type of external factors constrained the ability of non-profits to fulfill their missions and to meet their objectives to deliver service? What type of capacity challenges are these organizations facing now and in the future? At the same time, new ideas were brought forward, described from this research, based on the notion that there are obviously opportunities to go forward, not just necessarily to look at the problems we have to solve. New funding models that provide organizations with stability and support were proposed. New models of financial accountability were proposed. Opportunities to share infrastructure and other services were proposed. Strategies to help organizations address long-term labour market quality and quantity challenges were identified.

I do have to let you know, that seems to be the most significant element of our work across Canada. It's all about the labour market and how the non-profit sector fits into provincial and national labour market strategies, and there's some activity taking place in that area.

• (1005)

We knew there would be regional variations in this capacity map, but ultimately the questions that were asked were focusing on declining funding from government, which has incredible results in terms of mission drift for organizations; lack of stability; and, we believe, organizational and service loss in the long term. Yes, organizations will go under and disappear. The question is, will services be brought back to the community?

There is a need for a shift from project funding to something much more stable that will reduce mission drift, allow organizations to think long term, and deliver services to the community. As well, there's an increased demand for services in the community, and that is a very important issue.

In terms of where I think there is traction now in government—and we're trying to work backwards in terms of that context—is labour markets. The Government of Canada has signed labour market agreements with provinces. It signed an agreement with Manitoba. It has focused on this issue. It is one that I think is very healthy for us to consider in the context of service delivery.

However, even moving in that direction is not that positive because the labour market challenges the sector faces are enormous, for the reasons I mentioned: lack of funding, lack of infrastructure support, increased demands, and financial accountability. If you think about it from a labour market perspective, are we prepared for the next generation of staff for our organizations?

Recently I came back from a round table that brought in a range of organizations we have been working with across Canada. This organization represented a body in Alberta that focused on disability services. They've been doing quite a bit of work in the area of looking at labour markets. Surprisingly and shockingly, they identified that if they hadn't acted on it, in 10 years disability services in Alberta would not be in existence. They have acted on it; however, they've also identified that turnover rates have increased, the quality of staffing has decreased, the levels of education for staff have decreased, and the workload is increasing. It doesn't bode well for sector organizations across Canada unless we address that infrastructure conversation.

There are still issues around organizational governance and the decrease in the availability of qualified board members. There are concerns about sector skills in terms of organizational renewal. There is demand by governments and other funders to secure information to look at the efficacy of organizations. That's problematic in terms of demanding more from organizations that may not have capacity. Of course, one of the areas that become very much a concern is lack of funding for infrastructure, including organizations not having access to space.

An area that I think is also somewhat interesting and important is inner city communities across Canada. We believe strongly that large pockets of people are living in poverty, and in the Manitoba and Winnipeg context, inner city organizations are primarily run by and for aboriginal peoples. They have clearly said, in terms of many reports I've read, that there are concerns about their funding and sustainability based on the notion of project funding and not core funding. There is concern about their own staffing, about their ability to meet ongoing need, and their ability to be able to direct service where it's needed.

In closing, the case I'm making in terms of the non-profit sector and its organizations is that if you want to look at poverty and services to people living in poverty and the things my colleagues have spoken about, if we don't address the infrastructure we may not necessarily have the services we require. If they're not supported, if we're not addressing the change in labour market needs and that dynamic, if we're not looking at the funding and the nature of services that are required in communities, we may have some significant challenges in Canada. Our eyes need to be opened about infrastructure, about organizations of the sector, and that's where we are coming from.

●(1010)

There are two questions I want to leave with you that I think you need to pose in your process. First, how does Canada view the non-profit sector and its role in strengthening the social infrastructure of Canada? Second, what is Canada's long-term strategy to ensure that Canada's social infrastructure is successful, innovative, and robust to meet the changing needs of communities coast to coast?

Thank you very much.

**The Chair:** Thank you.

We will now move to Lindsey McBain from the Right to Housing Coalition.

Welcome, Lindsey. The floor is yours for seven minutes.

**Mr. Lindsey McBain (Communications co-ordinator, Right to Housing Coalition):** Thank you for this opportunity to speak to the committee.

The Right to Housing Coalition is a Winnipeg-based coalition of 120 individuals and 33 organizations working together to address the current housing crisis and the chronic need for social housing. We promote and lobby for safe, high-quality social housing in which rent is geared to income, and for housing policy solutions on a local, provincial, and national level as part of a comprehensive strategy to eliminate poverty. The Right to Housing Coalition maintains that adequate and affordable housing is a basic human right; yet over the past decade, the commitment by the federal government to put this right to housing into practice has been significantly eroded.

In 2006 the United Nations called housing and homelessness in Canada a national emergency, a finding confirmed by the UN special rapporteur on the right to adequate housing after his official fact-finding commission to Canada in 2007.

The key reason that the Right to Housing Coalition has decided it's important to present to this committee today is that we want to take this opportunity to reinforce, with the experience of our members, member organizations, and the people they work with, a message that I'm sure you're hearing across the country: that the provision of social housing is a key component to alleviating poverty in Canada and that it will take action by the federal government to address this housing crisis.

The Canadian Housing and Renewal Association estimates that Manitoba requires 1,000 units per year for the next five years to reduce our deficit of social housing. The Province of Manitoba has now stepped up and committed to create 300 units of social housing each year over the next five years—that's a total of 1,500 units over

five years—and now it is the turn of the federal government to do its share.

You, the members of this committee, have a tremendous opportunity before you to address the housing needs of Canadians. On December 8, Bill C-304 will come back to this committee to complete its clause-by-clause review before it is sent back to Parliament for its third and final reading. The Right to Housing Coalition urges you not to miss this opportunity to give it a speedy passage back to Parliament before Parliament is dissolved and the bill dies on the order paper.

So my message today is pretty simple: it's a strong encouragement to this committee to make sure this happens, because if we want to take steps to work on poverty in Canada, this is a fantastic opportunity.

Thank you very much.

●(1015)

**The Chair:** Thank you, Mr. McBain.

Now we will have the MPs go around the room. We will start with Ms. Neville.

**Hon. Anita Neville:** Thank you.

How much time do I have, Mr. Chair?

**The Chair:** You have seven minutes.

**Hon. Anita Neville:** It's seven minutes and lots of questions. I clearly can't ask all that I'd like to, but we'll follow up with some of you afterwards.

I'd like to begin by asking Chief Fontaine a question.

Chief, I'm not being political when I ask this question. We all know that the Kelowna accord was signed by the Government of Canada and the first nations in Canada and all of the aboriginal organizations. It did not come to pass, but it was done in full consultation, with an 18-month process. It was an integrated process to deal with all of the issues you've identified. My question to you is how we begin the process again to reduce poverty within aboriginal communities, on-reserve and in the urban setting. How do you see it working so that we can ultimately come up with a comprehensive, integrated strategy to address the things you were speaking about?

**Chief Donovan Fontaine:** Thank you, Anita.

Obviously this wasn't a rehearsed conversation.

**Hon. Anita Neville:** It certainly wasn't.

**Chief Donovan Fontaine:** Kelowna asked for 0.5% of the GDP. I don't know where the other 99.5% is going. Anyway, all the resources on our territory, all the future growth and the very economic prosperity of this country will depend on activity on first nations lands, and we have to be a part of the solution and part of the opportunities—of course, respecting the environment and the future generations.

I think the key is that it was a good plan, a plan that I don't think had any political stripes and that involved all of the parties. It also involved all the aboriginal leaders. I think the way it was timed wasn't the best, perhaps—there was a switch in government—but there's certainly nothing wrong with it. There are a lot of positive and strong points in it, much as there were some good things in the FNGA and some bad things in the FNGA. I think these things have to be given some wheels, and the rubber has to hit the pavement.

Is it dead? I don't know whether it's dead. I don't have the latest update on it.

• (1020)

**Hon. Anita Neville:** It's dead.

**Chief Donovan Fontaine:** It's dead? Well, let's give it some life.

**Hon. Anita Neville:** Thank you.

Mr. Itzkow, I was intrigued by your presentation. You talked about and focused upon infrastructure. As I was listening to you, I was struck by the challenge that we're going to have as not-for-profit organizations deal with the increasing demand they're going to have while we see the obvious pullback by government, for a whole host of reasons, right now.

You've left us with two particular thoughts, but do you have any concrete recommendations to make to the committee that the committee can put forward in its report?

**Mr. Martin Itzkow:** I'd have to think about that in terms of what strategies I think would be best met by that objective.

It's hard to talk about something when, in a sense, the accord that was signed gave life to an arrangement and a relationship between government and this sector. Perhaps there is some way to bring that conversation back and focus on some of the deliverables that were agreed to then and that could be brought forward to make the relationship a useful and a trusting one.

On funding, I think there is some need to be able to investigate the funding arrangements and the nature of the funding and how it could be made more secure for most organizations.

The area that seems to have traction at the federal level and at the provincial level is the labour market.

**Hon. Anita Neville:** The labour market; you indicated that.

**Mr. Martin Itzkow:** The labour market area and the agreements that have been signed between Canada and the provinces are now at the table of most provinces. The Government of Canada is supporting these and leasing money through the labour market agreements to be able to do this. So I think an area of focus and investigation is the labour market.

Let me be clear: there are about 1.4 million Canadians across Canada who are employees of this sector. We know there will be a

30% to 40% turnover and loss, probably, in the next three or four years. It's a significant challenge, perhaps, for us to face, when we do the labour market information surveys and so on, in skills and skills gaps and simply in whether there are going to be people interested in working in the sector. There's a real concern about whether we're going to be able to attract and retain people.

I would have to say that Quebec, through its work in the province, has done incredible work concerning the *économie sociale*. Their exact strategy about the labour market is incredible and is something we should look at and that you may want to look at it. They've actually been able to establish a range of processes to guarantee that the sector will retain and recruit staff. It may not necessarily be as significant a problem in Quebec as it is in Canada and the provinces.

I think your focus should be looking at the labour market in order to strengthen the infrastructure of the sector and have employees who work in organizations, notwithstanding that you still have to worry about funding, compensation, skills training, all those other issues. But I think an area and a focus that the federal government has committed to, through LMA and other agreements with provinces, is that area. I think it's an important one.

**Hon. Anita Neville:** Thank you.

Can I ask a quick question? I didn't know about this accord; I have to be perfectly honest. Which was the lead department? Was it the Department of Human Resources?

**Mr. Martin Itzkow:** I think so. It was signed in December 2001.

**Hon. Anita Neville:** Thank you.

**Mr. Martin Itzkow:** I have a copy, if you ever want it. I have many copies, actually.

**Hon. Anita Neville:** Sure.

**The Chair:** Thank you very much, Ms. Neville.

For those of you who need French translation, our next MP is going to ask his questions in French, so I'll just give you a chance to put on the headsets.

I'll then turn it over to Mr. Lessard for seven minutes.

[*Translation*]

**Mr. Yves Lessard:** Thank you, Mr. Chair.

I would like to begin by thanking our guests for being here this morning to present us with this evidence, which is greatly appreciated and will be very useful in preparing our report.

I apologize for not being able to speak your language, but I will speak slowly so that translation can keep up. It is not that I simply don't want to. Even if I were to try speaking to you in English, it would still have to be translated.

Many observations have been made since we started these hearings. In some cases, we were already aware of a number of elements, but there are many which we were unaware of and which you brought to our attention, particularly regarding the magnitude of the problem of poverty and how poverty is manifested. In addition, you described best — perhaps Aboriginal persons — this incredible resiliency, this ability to accept the unacceptable that is poverty, poverty that in some respects does not allow us to teach anyone any lessons.

What we discovered, especially in Yellowknife, is quite horrifying. Poverty affects a large portion of the population. No segment of the population is spared, but there are some segments that are especially hard hit, and they are women, children and, harder still, Aboriginal peoples.

I come back to what you said, Mr. McBain. Canada was recently singled out again regarding social housing, the lack of social housing initiatives. What bothers me personally is that this is the seventh, eighth, tenth time that the United Nations has pointed a finger at us and the criticisms just roll off our backs, whereas we should be terribly shocked. It is as if it were self-evident, that it was inevitable; but it is not inevitable! Since 2004, we have been taken to task on social housing, on the future of children, on the way we apply Employment Insurance rules — very specifically, it was two years ago — and in no uncertain terms regarding our treatment of Aboriginal peoples.

The fact that one of the first things the current government did after it was elected was cancel the Kelowna agreement is completely unacceptable. It refuses to sign the United Nations Protocol on the Rights of Aboriginal Peoples, which points very clearly to a position of abandoning the most vulnerable members of our society.

I am getting to my question. I see in you a sort of resiliency which stems from a sense of inevitability that I find surprising. I believe that we have to rise up and that our report — I am telling my colleagues because this is the end of our hearings — has to be a wake-up report on the situation. Remember that the Canadian government is the first and only steward of the conditions in which Aboriginal peoples live. It bears sole responsibility, even though the provinces have some territorial and other jurisdiction. So I say to you that our report will have to be crystal clear in that regard.

The question I am going to ask you I asked others before you and I know it is not an easy one to answer.

• (1025)

What do we have to do to change this attitude of abandoning the political will to take real action on poverty?

My question is about an undertaking made 20 years ago this year, on November 24, 1989, to eliminate poverty by the year 2000. Look at the situation we are in today. That is my question, and I would like to know what you have to say on the subject. What do we need to do differently in order to change course?

• (1030)

[English]

**The Chair:** Who wants to address that first?

**Mr. Gerald Duguay:** I'd love to address that.

I think there needs to be accountability. I think the legislation—and I don't know how that's going to be possible—could be changed to allow people who lived in poverty, or were having these kinds of problems, to take individuals to court, and they wouldn't bear the onus of responsibility or the onus to prove their case. Since individuals who are living in poverty can't afford lawyers—they don't have the resources—they shouldn't have to carry that burden. That burden should be carried by whatever service or government they're suing.

If there's accountability—if you can prove accountability that way—if there's a price to pay, more than likely you'll get some movement somewhere. If people or organizations or governments knew they were going to have to pay for not doing something, or there was a likelihood, you'd get some movement. That's my opinion anyway.

**The Chair:** Chief Fontaine.

**Chief Donovan Fontaine:** I mentioned briefly the systemic cycle of housing, health, and education. As you know, there's a cap on those three areas, the three core areas of our governments. A 2% cap was imposed in 1996, and that cap has to be lifted. No doubt. Just in my community alone this year we had to turn away 30 students who were ready for university, because we just don't have the money.

**The Chair:** We're almost out of time, but Shauna, would you please answer.

**Ms. Shauna MacKinnon:** Sure.

I just want to stress again the complexity of poverty. It has come up a few times. We can't be setting these sorts of grandiose plans—we're going to eliminate poverty by a certain year—and then not follow through in a significant way by looking at what the role is of all departments and different levels of government in making that happen. As Chief Fontaine noted, it's all intertwined. It reflects on health, it reflects on child care, it reflects on people having access to employment. Housing is critical. Again, we must be sure that we're going to follow through with a commitment—a financial commitment—working across departments, across governments, because we won't be able to do this without a significant financial commitment.

Going back to previous comments in the previous panel, that means we all have to pay for that and we all have to be willing to pay through our tax system. Political leaders need to take some responsibility in starting to turn that discourse around, that this what we need to do if we're going to solve these problems.

It's complex and the solutions are complex. We have to recognize that.

**The Chair:** Thank you.

Thank you, Mr. Lessard.

We're going to move now to Mr. Martin, for seven minutes, please.

**Mr. Tony Martin:** Thank you very much for being here today and for being helpful in this exercise that we're in at this committee.

We're looking at the federal role in a national anti-poverty strategy. We're almost at the end of that process and are preparing to table a report with government with some action items in it. There's no lack of good ideas. We've tried to focus on a few that the federal government could and should have responsibility for, and to work in partnership with the other levels of government to actually implement those.

The big question, though—and it's been referenced here at this panel, and the panel previously, and yesterday—is that we can bring forward the best ideas possible and lay out a number of things that could happen now and in subsequent years, but if the government decides that it doesn't have the money, or if we as a people in Canada decide that we are not going to provide the money for the programs that we know we need for our neighbours and family members and our communities, then it just isn't going to happen. We've seen a pattern of that, actually, over the last 10 to 15 years in the country, where we've decided that the priority was tax breaks, not tax increases, and we've done that in a major way.

I remember listening to the Prime Minister in the last election saying at a leaders debate that there was a \$250 billion tax relief package rolling out, and indeed, he's correct. That's \$250 billion that's not going to be available to government for all of the programs that we've suggested we need here—although government does and continues to promise. For example, housing is a huge issue. We hear about that over and over again. And the government did, in the election and in its budget, promise \$1.9 billion for housing, and so far we've seen \$68.4 million rolled out. The housing ministers from the provinces met yesterday and are meeting today, and they've identified as one of their priorities a more efficient and timely flow of that money so that we can get those houses built in communities and first nations and across the country.

CCPA has come out very clearly to say that we have the money, that the money's out there. It's a question of ideology, whether we believe, as we have for the last 10 or 15 years, that the private sector will take care of all of this. We were led to believe that if the economy got better, everybody would benefit. If we leave the building of affordable housing to the private sector, it will get built. None of that has happened.

So I guess the big question for me today, and I think it's a discussion we're going to have to have over the next number of months if we're going to deal with all of the different challenges that we've heard about as we've crossed the country, is where do we get the money, and how do we deal with taxation? Do any of you have any ideas on how that might happen or how we might do that more effectively or efficiently?

• (1035)

**The Chair:** Chief Fontaine.

**Chief Donovan Fontaine:** I have a recommendation with respect to housing, but it could go into other areas. Just in Manitoba alone, our backlog for first nations housing is 16,000 homes, roughly \$2 billion. Here's a recommendation.

There's a paper mill right next door to our community, Sagkeeng. They've been in existence 83 years now, and I've said all along that with all the forest there, all the nice territory, all the nice trees, it's a shame that it goes to paper. I have yet to see one house come out of our forest, our traditional area. Ninety per cent of the news in the paper is negative anyway, right? Where's the housing?

My recommendation is that when you issue licences, whether it's a province or the feds, put stipulations in there, put conditions in there. Say that so much has to go to housing.

Thank you.

**Mr. Gerald Duguay:** Could I make a comment on taxation?

If I'm correct in this, at one time didn't business carry, slightly, the tax burden for the country? That has changed over the past years, and now it's the middle class that's actually carrying the largest tax burden for the amount of money brought in. They're paying a higher percentage of income tax than businesses are.

Wouldn't it be a little more equitable if businesses started to carry their fair share of taxes? After all, they're getting services from the government. You wouldn't have to go back that far, but go back far enough to where business is actually carrying their fair share.

**The Chair:** Shauna, do you have a point?

**Ms. Shauna MacKinnon:** I'll go back to housing, because I think it is critical. In all the work we've done—CCPA and other groups—we've heard that housing is the biggest priority for people who are living in poverty.

I don't have the numbers with me, but in terms of how we fund social housing, there's a significant surplus in CMHC that could be directed to it. If we had slowed down on the tax cuts, we could have redirected some of that to build more social housing. But in the early 1990s the federal government pulled out of social housing entirely, and then the response in early 2000 was the affordable housing initiative, which very much focused on the private market as the solution to affordable housing.

I want to be clear that we've finally changed the discourse here in Manitoba around housing. We don't talk about affordable housing anymore, because affordable housing doesn't really mean anything; it depends on how much income you have. We're focused on social housing, and I'm pleased to hear some of the committee members using that term.

As Lindsey noted, we need housing with rent geared to income. The reality is that the private sector is not going to build that kind of housing. It's not profitable for them. I'm not criticizing the private sector for that, but the reality is that it's a public responsibility to ensure that low-income people are adequately housed. So we need to shift that discourse and get the federal government back in the game of focusing on building social housing for people who are in most need of housing.

• (1040)

**The Chair:** Thanks.

Mr. McBain.

**Mr. Lindsey McBain:** I'll add one comment to reinforce what Shauna was saying. The amount that Canada Mortgage and Housing Corporation has in legacy savings they've accumulated is \$4.6 billion. That's a huge amount of money that could be used to finance the creation and rehabilitation of Canada's housing stock.

Mr. Martin was asking about making changes and figuring out how we're going to either get the money or change the ideology to allow these changes to be made. Canadians don't fail on compassion; we're very compassionate people who understand the need to address poverty and would like to take action. Perhaps this committee needs to look at really explaining the rationale for social housing, because it looks as if Canadians don't understand why it makes sense to address these issues.

When I talk to friends and relatives who are not involved in this work, they don't get it. I do my best to explain, and the organization I work for does its best to explain, but it would be really good if you folks on this committee, who have taken the time to go out and learn about these issues, also included in your initiatives the chance to go out there and educate Canadians.

**Mr. Tony Martin:** I couldn't agree with you more.

To Martin, when you read the papers and hear the Prime Minister talk about how they're going to deal with this big deficit we've run up, you know it's going to fall primarily on the backs of the not-for-profits. Those groups are targeted because many of them receive direct federal transfers. We already know how difficult it is. We've heard about the capacity and the infrastructure and how we continue to maintain that.

I've travelled the country and met with these not-for-profit groups. They're older and they're tired. They're committed and working as hard as they can. They're running out of steam and looking for some leadership in support resources.

One woman in Vancouver works in the downtown east side. She's a worker in the not-for-profit sector and said that she's competing with the poor for the housing stock that's available. That's how bad it is.

So what do we do? There's a tsunami coming for the not-for-profit sector, I believe. So how do we put the skids on that? If we don't, all of this will be for nothing.

**Mr. Martin Itzkow:** That is a very difficult question. It's fundamental in terms of service delivery, and I think there are two issues. One is that we expect people to leave the sector who have been in the sector for a long time. Most of them are women who are

not prepared to retire, and they are going into poverty. We know that. That's important to know.

You also need to know in that context that two areas of growth for this sector are actually aboriginal first nations organizations and newcomer organizations. We haven't prepared ourselves for that in terms of what their capacities are and what they need to do. So there are really probably three or four areas of further investigation and discussion.

Going back to your other point, leadership on this issue is coming from the sector; it's not going to come from government. That's really a problem, because governments will actually either support this or not.

I go back to this question: is there a relationship of trust between the sector and government? In the provincial sphere, we are now having conversations with the province. By and large, provincial governments support the sector probably 60% of the time, but a lot of the money is transferred from the feds. We know that.

I think there are probably three things that need to be looked at very carefully, and that goes back to my question: is there an understanding that this sector actually delivers services on behalf of government? That is not necessarily understood. It's not understood by Canadians and it's not instantly understood that it is truly what's happening in Canada. I speak to various government departments, and we are not perceived necessary as the suppliers of that service in a way that I think is respectful and a way that identifies our needs.

So there's a provincial conversation and a national conversation. The national conversation is, where is this accord? Are we able to go back and possibly have a different range of activities to actually start that conversation with the current government to build on what we learned and the \$190 million that was spent on that initiative three, four, or five years ago? I think going back will perhaps help us to go forward on that conversation.

I go back, Anita, to your point. It's unfortunate, but where there is traction is in the labour market conversation and labour market opportunities. We can probably try to address the retention, recruitment, and attraction, but it still goes back to the fundamental question, are there going to be resources available for the sector?

Governments provide the majority of it, but sectors are also generating revenue and other sources are in place. We need to bring all those parties together. This is multi-sectoral. It's not just a conversation between two levels of government and us; it's much broader than that.

We can learn what Quebec is doing, because Quebec is at this table and has been doing this with the *économie sociale* organizations in a way that actually does two things. It's fundamental in terms of a relationship of trust, where government has actually come to the table and recognizes the sector; and secondly, resources have been provided strategically to strengthen the sector.

• (1045)

**The Chair:** Thanks, Tony.

We're going to move to Ms. Cadman for seven minutes.

**Ms. Dona Cadman (Surrey North, CPC):** My question is to Chief Fontaine.

I figured out that about 38% to 40% of first nation people live off-reserve. Do you think there should be a separate housing strategy for first nation people who are living off-reserve?

**Chief Donovan Fontaine:** Yes, I do believe that. I know we have a provincial fund right now that was given by the feds for off-reserve housing. I know they've moved three projects already. I have one here. It's—

**Ms. Dona Cadman:** Is that the Tipi Mitawa program?

**Chief Donovan Fontaine:** Yes, that one, and that's partnering with the government and partnering with the real estate branch, one of the head ones in Manitoba in real estate. It goes a long way, and I don't think you could separate the two. I don't think you could separate the two, because housing on-reserve is no different from any housing. The need is still there. I would say half of our population is in cities now. The migration to cities is going to get higher as the need gets higher in our communities. Just in my community alone, there is a backlog of 400 houses. Then that compounds the overcrowding.

There should be a separate one, because as I said, we are unique. We are an anomaly. It's not special status; it is something we have under treaty and it is something owed to us. This is not a sense of entitlement. This is rhetorical, but I believe in capitalism. I believe in some of the things about taxes and who is going to help pay for the recession and who is going to help bring that debt down. I believe in those things. I also believe in socialism, a bit of Marxism there, but I do believe in a balance of the two. We need some compassion for our people. I believe in a hand up. I also believe in a handout.

I want to say again, after I talked about the myth earlier that our people are lazy, that there is a community in B.C., one of the most successful in Canada, the Osoyoos First Nation. Chief Clarence Louie talks about how successful they are, and the key is to just get off your butt—excuse my language. But that is not the only key. Not everybody has a geographic location like he has. He basically won a geographic lottery. We cannot duplicate what he did there in a lot of our remote communities in Manitoba.

**Ms. Dona Cadman:** No, you are quite isolated.

**Chief Donovan Fontaine:** We are unique, and we need unique solutions.

Thank you.

**Ms. Dona Cadman:** Did I read here somewhere that you have 64 communities and 15 are semi-isolated and five are isolated for certain periods?

**Chief Donovan Fontaine:** I have that here, yes.

**Ms. Dona Cadman:** I was just reading your brochure. That's where I got it.

**Chief Donovan Fontaine:** Yes. Those are accessible for probably three to six weeks. Six weeks is a good end by a winter road.

**Ms. Dona Cadman:** I have a question. I asked this question in B. C. That's where I'm from. I got a very nasty, sort of uppity reply, and I can't blame her. But I've been on reservations in B.C. and I have

seen this first-hand, and I am wondering if it happens here. That is where the chief gets the money and then the money doesn't trickle down to the people, where it should be going; he keeps it for himself and his family or the group he has around him.

Do you think there should be fiscal accountability for the chiefs?

**Chief Donovan Fontaine:** Absolutely. I hear from my own community members, "Are you in Hawaii? Are you in Las Vegas this week?" You know what, I don't really hear that, but I hear it from other chiefs.

Please, no offence to the MPs, no offence to MLAs, but first nations leaders are unique. We are accessible 24/7. We have no pensions. The issues we are up against are immense, and the solutions and the money to address them are very inadequate. We are expected to do much more with so very little. And the spotlight is on us; the microscope is on us. But the reality is that there are only a few—less than 6%, I would say—who didn't meet proper audits. It is over 85% who are making—

**Ms. Dona Cadman:** Unfortunately, it is one or two who are making a bad name for everybody.

**Chief Donovan Fontaine:** Yes, there are a few bad apples.

Speaking of my own case, since April I have had two weeks of annual leave. That is how dedicated I am. It's not so much dedication, but I can't take time off because things need to be addressed.

Thank you.

• (1050)

**Ms. Dona Cadman:** I think you're a very good chief.

**Chief Donovan Fontaine:** Thank you.

**Ms. Dona Cadman:** I think your people are very lucky.

Thank you very much.

**The Chair:** Thanks, Dona.

We're almost done.

Mr. Lessard, you wanted to have another couple of final questions, so why don't I just turn it over to you to finish up for us?

[Translation]

**Mr. Yves Lessard:** Thank you, Mr. Chair.

Because this is our last time around the table, I would like, as a member of the Committee, to add my voice to yours and thank and congratulate our entire support team, including the people who handle logistics, the translators, our beloved clerk and the editors. They are all consummate professionals and very dedicated. They deserve recognition. I wanted to thank them as you did earlier.

Mr. Fontaine asked us a moment ago what costs more: education or prison? Prevention or amputation? That brings into focus the ideas we are sharing here. Investment in poverty is a true investment, not an expense. I think we have to look at it that way.

Each of you put forward the view that our report must make reference to a comprehensive plan that includes a timetable and priorities. There is a good chance that that suggestion will be followed. But how we get there is an entirely different story. If we are going to do it, we have to identify our priorities quickly.

Can each of you tell me briefly what the priority should be? I would like you to identify just one, not three or four, even though we will also be taking other priorities into account. If each of you had to name a priority, what would it be?

[English]

**Ms. Shauna MacKinnon:** For me, it's housing. That's what we've been hearing loud and clear from the community. So I would say social housing.

**Chief Donovan Fontaine:** Treaty rights in the three core areas: housing, health, and education.

**A voice:** That was tricky. You got three in.

**Voices:** Oh, oh!

**The Chair:** Martin, go ahead.

**Mr. Martin Itzkow:** That's a hard one.

Yes, those are important, but if you don't have the ability of organizations to do that, to be able to deliver on those things and support them, you will not have longevity and you will not have the ability to service in the long term.

•(1055)

**Mr. Lindsey McBain:** A national housing strategy for social housing in Canada.

**The Chair:** All right. I'm going to wrap it up.

Tony, do you have one more question?

Go ahead, Gerald. I'm sorry.

**Mr. Gerald Duguay:** I'd like to see a recovery-based national mental health plan with actual teeth, because mental health affects everybody. It affects all cultures and socio-economic groups. We're going to pay the price if we don't start taking care of our people, and it's getting to that point now.

I'm not talking just about severe cases. A lot of the problems are with people who have maybe not severe mental illness, but they're getting there. And I think these people need to be treated.

We need a national plan. We don't need to keep talking about it. We need to have something implemented that helps people with mental illness.

**The Chair:** Thanks, Gerald.

[Translation]

**Mr. Yves Lessard:** Thank you very much.

[English]

**The Chair:** Mr. Martin, just a final comment.

**Mr. Tony Martin:** I just wanted to respond again to Martin and ask him a question. Or maybe somebody else has a comment.

I mentioned the failure of the market to list everybody. I mentioned the failure of the private sector to provide affordable

housing. I am also very cognizant of the fact that labour market strategies targeted at poverty have not really made a big dent in poverty. And that seems to be where the federal government is falling at the moment, as you suggested.

How do we make that bigger? Do you have any suggestions as to how we get beyond that? I know that's probably a long answer. Are you cognizant of that fact, that this labour market strategy is very limited in its ability to actually deal with poverty and the causes of poverty?

**Mr. Martin Itzkow:** Absolutely. It's a very narrow scope. It is very much limited to how labour market adjustments take place and what the agreements allow for. Within that, there are obviously targeted populations that are identified in a way that's actually trying to address those people living in poverty who need those kinds of skills, and so on.

I don't think, in a sense, that it actually has a very long-term perspective of how to do that and how to build the layers of it. It seems to me that under labour market agreements between the provinces and the federal government, the transfer of the resources is still based on how governments and how the provincial governments actually define that environment and where their priorities are. So they're not tying the LMA directly to a strategy on poverty. It is unscoped and it's not necessarily going to be that useful.

Again, it's a cycle of how LMAs are actually put into place. It's always based on a three-year timeframe based on an environmental scan provided by the province. If it's out of context with the poverty strategy, it will not necessarily address that issue. That's one of the issues. I continue to hear that. It's not connected to the poverty strategy. It's in isolation of that, tied directly to certain communities that are deemed to be important in terms of priority areas, but not identified in terms of a long-term strategy.

**The Chair:** Shauna, go ahead.

**Ms. Shauna MacKinnon:** I'm sorry. This is my area of research, so I thought I would respond.

One of the biggest problems with labour market policy right now is that we are trying to train people really quickly to enter the labour force and to match them with existing jobs. The problem is that you can't train people who have really complicated lives in a really short time. People are coming from all sorts of situations. There are low literacy levels, and you can't expect in six months, or two years, which is the maximum, that people are going to be prepared to get the kinds of jobs they need that will give them economic success. We need to look more broadly and look at providing people with long-term funding so they can move into the workforce and have access to the good jobs that are available. We also need to couple that with demand-sized strategy so that we're creating good jobs, so people have access to the new jobs that come into the market rather than the precarious jobs that are available.

**The Chair:** Listen, I want to thank all our witnesses once again for being here and taking the time. We really appreciate your input. As I said, as we look at completing this report over the next couple of weeks and months, we look forward to including those recommendations that you have made.

Once again, thank you very much.

With that, the meeting is adjourned.

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