



The Muttart Foundation

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By fax to (613) 941-6900

Rt. Hon. Stephen Harper
Prime Minister of Canada
80 Wellington Street
Ottawa, Ontario K1A 0A2

Dear Prime Minister:

The Directors of The Muttart Foundation understand the difficulties governments face in establishing priorities for spending. It is an unenviable task to decide which programs and services should be reduced or eliminated. We also acknowledge that whatever decisions are made, there will be those who are left unhappy.

Having said that, we believe that funding cuts announced this week that affect voluntary non-profit organizations – amounting to some \$200 million of the \$1 billion total – will hurt some of our most vulnerable citizens and will create social deficits that will require far more than \$1 billion to repair.

We write from the perspective of an organization that has not received, and does not seek, government funding. As one of Canada's larger private foundations, we have spent more than a half-century providing assistance to charitable organizations to undertake important work on behalf of Canadians. Our "ox" has not been "gored." Thus, we are able to take a perspective that is not influenced by the situation faced today by a number of charities across the country – laying off staff, turning away clients and contemplating shutting their doors.

Programs aimed at literacy training for adults – an essential program in a country trying to promote a knowledge-based economy – are facing significant reductions. Programs aimed at helping prepare young people – many of whom have been "written off" – for employment are facing reductions and possible closure, even though we can point to any number of examples of cases where young people are now successfully in the workforce, taking their place alongside other taxpayers – and happy that they are able to pay taxes.



Investing in Communities for 50 Years

Established in 1953 by Merrill D. Muttart and Gladys E. Muttart

The list goes on – programs that assist the disabled, programs that improve the welfare of young children: the program changes announced this week disproportionately affect the most vulnerable in our country, and the agencies that have tried to work with them. Moreover, elimination of such programs as the First Nations and Inuit Tobacco Reduction Strategy, reduction in health-research grants, even the social economy initiative which held out hope for new ways of caring for people, all will have significant negative impacts on Canadians and the voluntary agencies that serve them.

We also mourn the loss of those programs which supported alternative means of researching and developing public policy. All good ideas do not come from government, as you have noted. But the elimination of funding that created capacity in voluntary agencies to engage in policy work will mean that only those with their own resources will be able to be “actors” in policy development. We find that inconsistent with attempts at addressing the democratic deficit.

These are not reductions that can be made up through private philanthropy. The problems addressed by some of the programs you cut will not disappear; they will fester and Canadians will spend far more in the future to “fix” problems that could be prevented or ameliorated now. Programs that Treasury Board lists as low-priority grants are definitely not low-priority to those who would have benefited from them.

We have already heard from some voluntary-sector agencies that must now look at cancelling programs, laying off staff and even some who are wondering whether they must close their doors permanently. Leaving aside the services that will no longer be available, such actions will impair the social capital and the ability of Canadians to come together to address common issues. It has been said that the voluntary sector is the fundamental building block of democracy; this week’s announcements do little to recognize that.

For the past five years, The Muttart Foundation has increased its support of charitable-sector infrastructure, believing that assisting agencies to become better at what they do and ensuring they had the tools to do so, would pay dividends across all of their programs, whatever their fields and whatever the major funding source. Given that, we are particularly disturbed by the decision of your government to eliminate the Canada Volunteerism Initiative.

The voluntary sector, and the volunteers who are part of it, are critical components of Canadian society. More and more over the past 20 years, we have come to realize that governments cannot deliver their programs without the voluntary sector. We know from public-opinion polling that we have published that Canadians regard charities as important to society, deserving of trust and better able than government to understand and meet the needs of Canadians. (See “Talking About Charities” and “Talking About Charities 2004”.) It is no exaggeration to say that if every not-for-profit organization in Canada were to shut for 24 hours, the country would come to a standstill.

We also know, from the experiences of agencies and from the National Survey of Giving, Volunteering and Participating, that we are facing significant changes in the nature of volunteering and the expectations of volunteers. It is becoming more and more difficult for charities to find volunteers who will make the type of long-term commitment that is required for the delivery of effective programming. In our part of the country, this is exacerbated by staff leaving charities for better-paying positions in government or the private sector.

The Canada Volunteerism Initiative has provided a vehicle that serves all of the estimated 161,000 not-for-profit organizations in Canada. It has created, and is continuing to create, a far more public profile of volunteering and the needs of voluntary sector agencies. It is an effective means of engaging Canadians in work to support other Canadians, whether through arts, recreation, social services, education or environmental action. We understand that initial evaluation reports were positive about the impact and potential of the program. Monday's announcement not only eliminated that program but has all but assured the dismantling of Volunteer Canada – the only national organization in Canada whose sole purpose was to encourage and promote volunteerism.

Also unfortunate, in our view, is the description of the CVI as non-core; if government does not understand the core role of volunteers in Canadian society – and in the priorities your government has announced – then the right questions have not been asked. Among those questions is the degree of leveraging that federal-government funding was able to accomplish. Some funders were able to provide “add-on” funding that allowed greater activity because the infrastructure was already in place. Funders may not be able to afford to provide the base funding, but can add to the base. The elimination of base funding because of the cutbacks removes that option, so additional funding is lost by organizations who exist not to earn profit, but to serve the community.

On a more philosophical note, Monday's announcement implicitly renounced the Accord that had been signed between the Government of Canada and the voluntary sector. It repudiated the jointly written documents on funding practices and policy dialogue. These were not documents that belonged to the previous governing party, they were commitments of the Government of Canada that had been carefully crafted and had obtained widespread acceptance. They served as the model for similar relationship-building exercises in several provinces.

Your government's decisions this week, and the process by which those decisions were made, serve to damage – perhaps permanently – a relationship that we believe has served Canadians well.

We call upon you and your colleagues to reconsider your decisions and to demonstrate a willingness to work with the voluntary sector for the benefit of Canadians. We also hope that the government will learn from this experience and act in the manner described by the Accord and the policy guides – a positive step whichever political party forms the government.

Yours truly

Joy D. Calkin, PhD, RN
President

cc: Hon. John Baird, President of Treasury Board
All Alberta and Saskatchewan Members of Parliament
Hon. Bill Graham, Leader of the Opposition
Mr. Jack Layton, Leader, NDP
Mr. Gilles Duceppe, Leader, Bloc Quebecois