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Mr. Massimo Pacetti

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• (1535)

[English]

The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)): I call the meeting to order.

I want to thank everybody for attending. We have a problem in the sense that there are seven witnesses or groups, so if we could keep the opening remarks to a limit of about five minutes, I would appreciate it. Members, the first round will be about a seven-minute question period.

I have here the first group, the Canadian Centre for Philanthropy, Georgina Steinsky Schwartz.

Ms. Georgina-Steinsky Schwartz (President and Chief Executive Officer, Canadian Centre for Philanthropy): Thank you, Mr. Chairman.

We did know about the time limitation, so this group has coordinated our comments because we all represent groups that are interested in promoting a strong non-profit and charitable sector, and in promoting charitable giving. What you will hear from us in our remarks will be very complementary, and in some cases when you read our briefs, you'll see that we have the same recommendations.

As a group, we received the questions and reviewed those that you sent us. We believe we can be more helpful to your deliberations by not giving general answers to the very broad questions we received. Rather, we will illustrate to you some specific instances where your committee can show leadership that will impact both the economic competitiveness of Canada and the social vibrancy of Canada's communities.

My comments are focused on giving you background about the nature and scope of Canada's non-profit and voluntary sector and also on trends in charitable giving. Both are the evidence for the briefs. My colleagues will then speak to specific recommendations that have been formulated on the basis of that evidence. However, there are two overarching themes in our briefs. First, we believe that federal government leadership is critical in ensuring strong non-profit and voluntary sector organizations through the spending, regulatory, and taxation powers. This matters for all Canadians because these organizations are sources of community innovation, social cohesion, and access to economic opportunity. Our studies estimate that each Canadian affiliates with at least four non-profit organizations—there are 139 memberships across Canada in these organizations.

The second overarching theme is that we are conscious that all governments, including the federal government, are seeking to

ensure control of their spending, as they should. Tax measures are very powerful instruments to stimulate giving by individual Canadians, and the point we hope you will take from our collective recommendations is that the individual giving can leverage public spending and enhance the reach of those public dollars if appropriately stimulated.

Now I'd like to take a few minutes on the two areas of evidence that we'd like you to be aware of as a background to our recommendation. The first relates to the non-profit and voluntary sector in Canada. There has been a recent survey, which we've left with the clerk of the committee, which is the first ever survey done jointly with StatsCan and the sector, highlighting that there are 161,000 non-profit and charitable organizations in Canada, making a \$112 billion contribution to the Canadian economy. They employ more than two million staff, and they also are complemented by two billion hours of volunteer time. Statistics Canada estimated that this represents 8.6% of the gross domestic product, which includes the value of volunteer time, and the paid labour force in the non-profit sector accounts for 13.5% of the wage bill. If one looks at our national accounts, one realizes that this is much larger than many industry sectors in Canada.

There are some significant findings when one drills down into that report. The first is that 63% of the organizations serve primarily local needs. They work in your constituencies. Twenty per cent of these organizations actually are sports related, but in total, all 161,000 touch all aspects of Canadian life: health, education, the arts, social services, environment, immigrant settlement, and international cooperation. What the report shows is that many are facing threats to their survival and to the capacity to serve their client constituencies. In particular, those with revenues between \$100,000 to \$500,000, which would put them in the mid-sized range, are facing major challenges across the board. This segment of that grouping is highly dependent, both on public and private funding, and they appear to be losing ground to the larger, better resourced organizations in the non-profit sector. Given that these organizations in that mid-sized range are often a grassroots source of social innovation, these trends are concerning. In our briefs we'll be proposing solutions for you to consider.

•(1540)

I'll turn now to some facts on charitable giving. My organization analyzes the tax-receipted charitable donations from the CRA data and sees a close correlation between gross domestic product and the level of receipted tax donations. This is reflected in a general year-to-year increase in donations. Indeed, over the last decade an emerging trend has been of larger donations coming from relatively fewer tax filers.

As well, thanks to previous improvements in tax incentives, the data is supporting the impact of these incentives and there have been increases in charitable donations that have outpaced the growth of the economy. In particular, preferential treatment of capital gains on some gifts of securities may also have increased the size of the donation.

However, what we are also seeing through these surveys is that their donors are becoming more and more careful about their decisions, about the types of organizations they support, and are also looking for accountability in these organizations.

Given the capacity issues that we're identifying in the previous survey I mentioned, particularly in the grassroots innovative organizations, this is a concern for us as well, because we feel that the donors could be shifting to the larger organizations.

The other important thing for you to be aware of from that survey is that it found that almost one-half of all Canadians would increase their donations if tax credits were enhanced, and this is a substantial increase over the previous same survey, where only 37% said that they would increase their donation. It also corresponds with other surveys that we've seen.

Mr. Chairman, I'm going to end my comments there and start dealing with the recommendations. If you agree, I will pass the floor over to Jean Christie, who is president of the Voluntary Sector Forum.

The Chair: Perfect. Thank you, Ms. Schwartz.

Ms. Jean Christie (Executive Director, Voluntary Sector Forum): Thank you, Mr. Chairman.

I too am very grateful for the opportunity to be here today, and to be here in particular with others from the voluntary sector.

I should say a word about the Voluntary Sector Forum. It's a national leadership body in the voluntary sector. It works on behalf of the sector as a sector. There's a very short description of it in the brief, which I hope you have in front of you.

•(1545)

[*Translation*]

We have presented you with a short brief by the Voluntary Sector Forum. You will note that it concludes with five recommendations. Today, because of time constraints, I will focus on only a few areas, but I hope that you will take the time to read the brief at greater length.

[*English*]

Now let me turn very quickly to the recommendations.

Our first one is to secure the legacy of the voluntary sector initiative. I'm not going to go over that in detail, but I do want to remind you that the voluntary sector initiative has been and continues to be a remarkable undertaking. It's intended to do three things: to improve the relationship between the Government of Canada and the voluntary sector, to strengthen the capacity of the voluntary sector, and to improve the regulatory environment in which we work.

The voluntary sector initiative is still underway and it has already achieved a remarkable amount. This includes, as Georgina said, new national data on organizations in the voluntary sector and the place the sector plays in Canada's economy.

We also have an accord between the Government of Canada and the voluntary sector and two codes of good practice, one on funding and one on policy dialogue.

But there are other things that should be done, and I turn to those now. They are the final four of our recommendations.

Our second recommendation is about the involvement of charities in the public policy process.

On the one hand, we have an accord and a code of good practice that encourage the voluntary sector to engage in public policy dialogue. On the other hand, charities are restricted under the Income Tax Act from contributing fully to public policy dialogue.

In 2003 the Canada Revenue Agency did change its guidelines regarding charities and political activities, as it was called, and we much appreciate that. I think the CRA went as far as they could within the confines of the present act, but two poorly worded sections in the act, and I make reference to them in our document on page 4—

[*Translation*]

and at the end of page 4 in the French version

[*English*]

— still restrict the role that charities can play in policy dialogue, and so again this year we are recommending that the act itself be amended.

We're asking that this committee propose minor but important wording changes to the Income Tax Act that would allow charities to engage—and I underscore this—in non-partisan ways in public policy dialogue and debate that relate to their charitable purposes. This would not cost a lot and it would modernize the working environment for Canadian charities.

Our third recommendation addresses the single most important problem that voluntary sector organizations in Canada are facing, regardless of what field they work in. This concerns how organizations are funded and how they're asked to account for their funding to their multiple funders.

To put it bluntly, organizations across Canada are buckling under the pressures of short-term funding and of project funding. They're swamped by the paperwork they have to do for their funders, and they're spending very scarce resources to do that paperwork. This problem has now been very well documented. It's referred to, I know, in the briefs of at least two others of the presenters here this afternoon: the Philanthropic Foundations Canada and the Canadian Centre for Philanthropy.

We would like the Government of Canada to take leadership on this issue and to find ways to streamline funding processes and accountability requirements across the federal government and to address the problem more widely with other funders.

Let me say very clearly here that we're not talking about more funding at this stage; we are talking about better funding, more strategic funding. Let me also say that we are not talking here about abdicating our responsibility to account for public funds. Organizations that receive public funds know we have a responsibility to do that. In short, what we're asking for is what we call smarter funding and more appropriate accountability, consistent with the code of good practice on funding that both the government and the sector have signed.

Let me move to our fourth recommendation, which deals with the crippling effects of the insurance environment on non-profit organizations.

The forum recently released a first-ever study on how insurance considerations are affecting the sector—and we have copies of it here that we will leave with you. There's a summary of our findings at the bottom of page 5 in our brief and at the top of page 6.

[*Translation*]

You will find that at the end of page 6 in the French version.

[*English*]

Essentially, we are looking for leadership from the Government of Canada to help get governments, industry, and the voluntary sector together to find solutions to the insurance crisis that's crippling the voluntary sector.

Finally, in our fifth recommendation, we want to underscore the role that Georgina has already spoken to, the role that voluntary sector organizations play in our communities.

The voluntary sector is at the heart of Canadian communities. It's a defining feature of our social infrastructure. It is a vehicle for delivering countless community-based services by three levels of government. Our sector often is the place in communities where three levels of government, the private sector, and philanthropists come together with new responses to community problems. We want this committee and the Government of Canada to recognize the sector's place in Canadian society, and we want to make sure the voluntary sector is present in politicians' minds and at the table when governments are talking about a new agenda for communities.

Specifically in this regard we recommend that a new fund be set up to support the social community infrastructure that the voluntary sector represents, to encourage voluntary sector-led innovation, to facilitate the scaling-up of proven good approaches to community

needs, and to make effective links between policy and the front line work that community-based organizations do.

● (1550)

[*Translation*]

I will conclude on that note and turn the floor over to my colleague.

[*English*]

The Chair: Thank you.

I would like to remind the witnesses to keep the presentations to five minutes, please. I don't necessarily want to interrupt you, but there are seven of you, and I want to be fair, because we're going to run out of time.

The next witness is Mr. Brown, from the Association of Fundraising Professionals.

Mr. Tad Brown (Association of Fundraising Professionals): Thank you, Mr. Chair and members of the Standing Committee on Finance. On behalf of everyone at the Association of Fundraising Professionals, thank you for the opportunity to present before you today.

My name is Tad Brown, and like many of my colleagues, I serve the charitable sector in a number of capacities. Today I'm presenting as chair of the government relations committee of the Association of Fundraising Professionals, better known as AFP.

By way of brief background, AFP is the largest professional association of fundraisers in the world, with 26,000 members worldwide and more than 2,500 members in Canada, representing organizations literally from coast to coast, from Victoria, B.C., to St. John's, Newfoundland. We represent charities of all sizes, from grassroots organizations to the largest charities in the country. Our members also champion the full diversity of missions and causes, from health care to housing, literacy, the environment, arts, education, and scientific research, just to name a few. Our members are required annually to sign our code of ethical principles and standards of professional practice, which were first developed in 1964.

I cite this background for two reasons: first of all, to emphasize the importance that AFP places on ethical fundraising; and second, because of our diverse membership, it's critical to us that any changes in tax policy must apply in a way that benefits the entire charitable sector.

I support fully the presentations that have just been made by our colleagues from the Canadian Centre for Philanthropy and the Voluntary Sector Forum, and their written submissions.

I'd like to focus on a couple of things in particular. One of the key outcomes that came out of the voluntary sector initiative was the identification of sustainability and capacity building as key objectives in building a strong and healthy charitable sector within Canadian society. The key to this is funding. Support for the charitable sector must come from a variety of sources if the goals of sustainability and capacity building are to be met. In an era of shrinking budgets and expanding needs, philanthropy—the giving of private sources for the public good—is becoming an ever increasingly important component of the solution. This was highlighted just now by the research that was done by the Canadian Centre for Philanthropy.

Therefore, today I'm going to focus on two measures that will encourage and enhance donations from the public. These recommendations are, first and foremost, the complete elimination of capital gains on gifts of securities, including gifts to private foundations, as well as expanding that measure to include gifts of real estate; and second, the creation of a government-sponsored day to recognize and celebrate the importance of the voluntary sector and increased public awareness of charitable giving—a national philanthropy day.

The complete elimination of capital gains on gifts of securities remains the number one priority for the Association of Fundraising Professionals, and it is the single most effective method and measure this committee can recommend to enhance charitable giving. I want to thank the committee for recommending this enhancement for the past two years in a row, including the extension to private foundations and the consideration of extending that provision to gifts of real estate.

I would like to take the opportunity to remind the committee of the reasons why this recommendation is so vital to the voluntary sector and virtually unanimously supported by the sector itself. This measure will affect all charities, large and small, across all sectors and provide them with a valuable tool to increase charitable giving. The evidence of the success of the current measure of reducing the capital gains in half has been dramatic and empirical. In fact, since 1997, when this measure was first introduced, there have been an incredible number of truly transformative gifts across the country, across the board, to charities. In particular, gifts of \$5 million plus have totalled collectively an additional giving of over \$1 billion. As someone who deals with these kinds of donors on a regular basis, I can tell you that these kinds of gifts simply would not happen if it were not for this provision.

The latest example was provided just last week, when Audrey Campbell and her three daughters gave \$25 million to the Princess Margaret Hospital. This gift will create The Campbell Family Institute for Breast Cancer Research. It is the largest gift to cancer research in the history of Canada and would not have happened but for this provision.

Again, the effectiveness of these measures can't be measured in purely financial terms; they also have to be measured in human terms. The real effect of this gift is that it's going to allow Princess Margaret Hospital and Canada to retain the scientist and leading cancer researcher, Dr. Tak Mak, at Princess Margaret Hospital and in Canada.

● (1555)

Donors don't give because of tax benefits, though, but because they passionately believe in the mission of the charity they support—but the size of their gift is affected. While we should celebrate that the wealthiest citizens in this country are giving back like never before in our history, it is equally important to recognize that this measure applies to all donors, regardless of their means. This measure has been equally effective in encouraging people to make the biggest gift of their lifetime to the charity of their choice, whatever their means.

The full exemption will unquestionably be equally effective in encouraging further giving, thereby enhancing the sustainability and capacity building of the sector as a whole. For these reasons, I would encourage the committee to once again recommend the complete elimination of capital gains on gifts of securities.

I'll be very brief on the last point. As most Canadians' wealth is holed up in real estate and securities, we would also recommend that this exemption be extended to gifts of real estate. As was done for gifts of securities, we would be supportive of the government introducing this measure on a five-year test basis so that it can look at it and determine the effectiveness before making it permanent, which we believe will be as strong as it was for the gifts of securities.

My final recommendation is for the creation of a government-sponsored day to recognize and celebrate countless gifts, acts of giving, and the importance of the voluntary sector. While national philanthropy day is already celebrated in communities across the country on November 15 of each year, the creation of a government-sponsored day would send a powerful message to the public that charitable giving and volunteering are critical to our society. Given the remarkable statistics presented by the Canadian Centre for Philanthropy, a government-sponsored national philanthropy day would give a forum and a focus to celebrate our successes, large and small, and to tell our stories.

Last, I'd like to note that both of the recommendations I am presenting today—the exemption of capital gains on gifts of securities and real estate and extending that to private foundations, as well as the creation of a government-sponsored national philanthropy day—have the full support of all the other major national voluntary sector umbrella organizations represented here, as well as a number of others, including the Association of Health Care Philanthropy and the Council for Business and the Arts in Canada, which collectively represent virtually every type of charity in this country.

Thank you for your time. The AFP appreciates everything this committee has done for the voluntary sector in the past. I would be happy to answer any questions.

The Chair: Thank you, Mr. Brown.

That was the best one so far, but you were still a minute and thirty over. “Finally” usually means finally, but you can't say “finally” and “in conclusion”.

Some hon. members: Oh, oh!

The Chair: Ms. Pearson, please.

Mrs. Hilary Pearson (President and CEO, Philanthropic Foundations Canada): All right, I'm feeling the pressure. I'll talk fast, but not too fast for the translators.

Bonjour. I'm here to speak to you on behalf of Philanthropic Foundations Canada, which is a registered charity and an umbrella organization for independent foundations in Canada that include family, private, and public foundations. We represent over 80 foundations now across Canada, and together these foundations hold about 40% of all foundations' assets. The total assets of the foundations sector are about \$11 billion.

Our mission is to promote both the growth of philanthropy and the practice of more effective and accountable philanthropy. Our case to you today is similar to the case that's just been made to you by Tad, a change in tax policy that would provide an incentive for individual Canadians to create and grow private foundations.

It's based on the view that foundations of all kinds make a unique and important contribution to the quality of Canadian life. It's further based on the argument that private foundations are structures that should be treated no differently from public foundations for purposes of tax incentive. That's the difference I'm going to be talking about.

The recommendation that Tad has made and that a number of our organizations are making is for elimination of the capital gains tax. But what we want to underline to you is that there is a difference in the capital gains tax treatment of donations of securities to private foundations—it's less favourable than to public. We want to make the argument that there should be a full and equal treatment of that capital gains tax.

Reductions. In my brief comments to you now, I want to address some of the questions you've asked all of us to consider during these consultations. Although they were very general questions, there is a point that we can answer. We want to address the reasons that public policy through tax assistance should support the growth of foundations.

You asked whether the federal tax revenues are sufficient to provide adequate services for investments in Canada's people and communities. We would answer that direct public expenditures in many areas are rendered more effective and given more impact by the partnership contributions of private funders who promote research, who extend the reach of social service agencies, who expand the benefits of the education system, who complement the investments made in our health system, and who undertake many community projects otherwise left unfunded.

You asked whether taxes should be reduced and by how much. We would answer that a reduction in the capital gains tax on gifts to charities, including foundations, would have significant positive impact on Canadian charities. As you know, by law, Canadian private foundations must disperse only to qualified Canadian charities. Every gift that goes into foundation endowments will ultimately benefit the public through the support given to the work of charities. I think that point has been made several times already.

How much will equal treatment of gifts to private and public foundations cost? We have a good estimate from the Department of Finance itself, which noted in a report they released in October 2002 that the capital gains tax reduction that was introduced in 1997 had

led, by 2000, to about \$15 million in forgone capital gains tax revenues in return for \$200 million in gifts of securities. It has been said already that this is a tax incentive that really seems to work. Obviously the amount of gifts would be larger if the full half inclusion rate on capital gains tax were available to donors to private foundations, and that's the essence of our argument. The important point is that the gifts of securities almost tripled after the incentive was introduced and the number of donors of securities rose five times over the four years analyzed by finance officials.

The incentive has been criticized as being directed primarily to those wealthy enough to own securities and to be able to donate them to charities, and Tad has mentioned that point. While we do not know who all these donors are who've been encouraged to give to charities, it's fair to say that ownership of securities is by no means restricted to the wealthy. In the case of private foundations it's also a myth that they are only created by wealthy families. Most private foundations in this country have assets under \$10 million, and very many are less than \$1 million. However, the key issue is not how wealthy the donors are, but more importantly, how much impact private foundations can have on their communities.

It is said that private foundations only serve the interests of their donors and do not take into account the needs of the wider community. To counter these ideas, I want to refer you to our collection of stories, which is a collection of great grant stories that will be handed out to you as part of our package that we brought.

I will in fact conclude by saying that I think you have our message. There are 100 examples of important grant making going on across the country, but it has to start somewhere, and the more private foundations can be encouraged to start in Canada, the better off many communities will be.

● (1600)

We ask for your support in urging the government, as this committee has done so strongly in the past, to provide a signal of public support for the work of private foundations, by putting donors of securities to private foundations on an equal footing with donors to all charities. The change in tax policy we are suggesting is not expensive, nor is it new. The tax incentive is already in place. Foundations are charitable organizations subject to public regulation and accountability, as all registered charities should be. We ask that you let private foundations be treated equally and fairly by public policy.

Thank you for your attention.

● (1605)

The Chair: Thank you, Ms. Pearson.

Ms. Patten, from the Community Foundations of Canada.

Ms. Monica Patten (President and Chief Executive Officer, Community Foundations of Canada): Thank you.

I'm going to follow up on my colleague's presentation and continue to talk a little bit about foundations. In this instance, I'm going to make a very brief presentation on community foundations, and in doing so, I am here on behalf of the 140 community foundations who are members of the association that I represent, Community Foundations of Canada.

I know several of you actually are familiar with community foundations, but for those of you who aren't, let me just quickly remind you that a community foundation is a public foundation and has three main roles. The first one is to build permanent funds for local communities and to provide opportunities and services to donors...as they give to building those funds. The second purpose is to make grants from the earnings on those invested funds to a very wide range of important community initiatives. The third role they play is to provide community leadership by working with others in partnership and by mobilizing the local communities around issues that require their attention.

Donors to community foundations, just as those who set up private or independent foundations, do not necessarily have to be people of great wealth. We have had gifts as significant as \$100 million to the Winnipeg foundation not very many years ago, but we have many, many gifts that are well under \$1 million to local community foundations, and in fact many of them in the hundreds. We reach a very broad range of donors. Collectively, we hold just over \$1.8 billion, and last year we made just over \$90 million in grants. We add about \$100 million every year to the collective pool of assets held by community foundations. Those sound like, and to us they are, impressive numbers, but we realize that they are really just a drop in the bucket when we are talking about the kinds of issues and priorities that our communities are addressing. But we are a growing movement here in Canada and internationally.

Our deep commitment is actually not just about building community foundations, but more importantly, about building philanthropy in this country. We believe that Canadians want to give—they want to share their resources with others. They often don't know how to do that, and it is often difficult. There are often barriers to their doing that. While community foundations would obviously like to increase their own funds, our fundamental desire is to help donors make wise choices about their giving, to make those choices so that their giving can really be focused on benefit for all Canadians. It is in this spirit that we offer our ideas.

We believe the Government of Canada has a role to play in encouraging donors to step forward and make contributions to whomever, and perhaps including to community foundations. I want to tell you about three that we have, at least two of which will be repeats of what my colleagues have said. So I think you're getting the picture here that we are all pretty clear about the kinds of things that are very important and need to happen if philanthropy in the charitable sector in this country is going to grow.

My first point to you would be the invitation, a repeated invitation, to consider some revisions to the Income Tax Act that will lead to increased giving by Canadians. That review could include, but need not at all be limited to, the possibility of expanding the number of organizations that can give a charitable receipt. There are some organizations to whom donors would like to make gifts but are not able to because they are not able to get a receipt. The other one

would be picking up on AFP's recommendations, again to be illustrative for you, on the availability of preferential treatment of capital gains to assets beyond publicly traded securities, such as real estate.

We believe very firmly that the extension to private foundations of the eligibility for the reduced inclusion rate on capital gains that is currently available to public foundations and to charities is absolutely critical to grow philanthropy in this country, and we stand firmly with our sister organization in making that recommendation.

A final recommendation that I would like to make, which has not been made here before but in fact was made in last year's committee report, is to continue to support the creation of a bank for the country's voluntary sector. This community bank would be a vehicle for voluntary sector organizations to use for a range of their banking and financial needs. It would be one—but not the only—vehicle for providing greater stability and sustainability for voluntary sector organizations, and I believe it would contribute to considerable growth in the Canadian economy.

● (1610)

I thank you for the time to make this presentation.

The Chair: Thank you, Ms. Patten.

Mr. Burrows is next, from the Canadian Association of Gift Planners.

Mr. Malcolm Burrows (Chair, Government Relations, Scotia Private Client Group, Executive Office, Canadian Association of Gift Planners): Thank you, Mr. Chair and committee members. My name is Malcolm Burrows. I am a volunteer director with the Canadian Association of Gift Planners.

The Canadian Association of Gift Planners is a national voluntary association that focuses on the advancement of philanthropy through charitable planning. Of our members, three-quarters are in charities and one-quarter are in private practice of one sort or another. We've been engaged in this process of dialogue with the committee and the government over a number of years, and we're proud to be here today.

We focus primarily on incentives and ways of giving. So we focus on the charitable part of the voluntary sector. Today I'm going to be focusing on three pieces that look at generating more revenue for the sector and building capacity through greater equity, simplicity, and clarity.

To reiterate, since 1996 the sector has been transformed due to the changes in the Income Tax Act brought in by this government. What's working is gifts of assets. Over 15 major measures have been introduced since 1996 promoting gifts of assets. These are life savings. Giving has gone up by 62.5% from 1995 to 2002—twice the gross domestic product—at a time when median income in the country was flat. This is the greatest growth of revenue in the sector—gifts of assets of all types, not just publicly listed securities, although that's been an important piece of it.

We want to focus on three pieces. I really want to bring to your attention that one of the big shifts over this time has been that government has started to work exceptionally well with the sector—CRA and Finance. In many ways we've gone from not talking to increasingly working together. For example, CRA has put together a charities advisory committee that has been a very important piece in dialogue in this sector.

As part of this process, the Canadian Association of Gift Planners was requested by the Department of Finance in 1999 to put forward a proposal on a charitable remainder trust, which is a life income gift for donors aged 65 plus. It allows donors to put assets into trust and retain the life income, and the assets at the end of their lives go to charity.

This is an exceptionally important giving tool in a number of other jurisdictions, but there's no clarity in Canada. We've been working with the Department of Finance for a couple of years on a specific proposal, but due to the regulatory changes in the sector this has been somewhat put off.

I wanted to draw this proposal and this work to the attention of the committee once more, and I urge you to ensure that it comes out the other end.

The second piece is picking up on extending the one-half capital gains inclusion rate for gifts of listed securities to private foundations. I just want to amplify what Hilary Pearson from Philanthropic Foundations said.

In 1997, when the prejudice was introduced into the Income Tax Act, there was probably good reason. There were abuses in practices by private foundations, which have now been almost entirely eliminated through a change in regulatory systems—change in audit provisions. This is what has been happening in the sector. We are not in 1997 anymore.

Extending this provision out means that large gifts are going to go to private foundations because private foundations, along with public foundations, are one of the most important funding mechanisms for small and medium-sized charities. That's why we'd like to see this put in place.

Finally, we just want to address something that is now in draft legislation and will be coming before the House in the next little while. Tax legislation was put forward in draft on September 16, and there is one section dealing with section 149.1 that is a complete overhaul of the disbursement quota for charities. We've made a submission on this, along with the Canadian Bar Association. We want to draw it particularly to your attention. It seems like a minor technical point. It's taking us in the right direction, but it deals with the use of capital by charities with endowment gifts. The way it's been drafted—the intent is right but the drafting is wrong—it will not work. It's too complex, and we need greater simplicity. So we're advocating that this section be removed from the draft legislation and that you work with members of the charitable sector to rewrite it.

Thank you very much for the opportunity to address you.

•(1615)

The Chair: Thank you, Mr. Burrows.

Not bad—18 seconds over.

Mr. Armour is next, from Health Charities Coalition of Canada.

It's like Halloween. I've got to give you guys candy.

Mr. David Armour (Steering Committee Member and CEO, Canadian Medical Foundation, Health Charities Coalition of Canada): Thank you very much for the opportunity to appear before you on behalf of the Health Charities Coalition of Canada.

My name is David Armour. I'm a volunteer and a member of the HCCC steering committee. I'm joined by Marjolaine Lalonde, director of the organization.

I think I join with everyone else in very loud support of all the recommendations you've heard so far. I know that the major health charities in Canada would be in support of all the recommendations you've heard.

I'd really like to start by thanking all of you for hearing us as a group. Over many years you've met with the charitable organizations, and you've made some pretty significant changes to charitable tax credit, charitable tax law. I think what you're hearing from everyone is, thank you and keep going.

A lot of the changes you've made over the last 10 years have been in the right direction. You've heard us, and we're back here again with the confidence that you'll be hearing the changes that are being recommended this year.

We'd like to make three recommendations on behalf of health charities. Health charities may play a number of key roles in the health system through research, public education, and direct delivery of service. In research, we're a co-funder with government of some of the most important leading health research in the world.

In public education, we provide leadership and lifestyle change for prevention, early detection, and quality of life. In service delivery, health charities are part of the vast network of services that care for people throughout their lives, before they get to hospital, and after they leave hospital.

Miss Marjolaine Lalonde (Director, Health Charities Coalition of Canada): The Health Charities Coalition of Canada represents national health charities and provides a strong, unified voice on issues of shared concern to our members. Our members make up 16 of the largest and strongest organizations in Canada; for example, ALS, the Cancer Society of Canada, the Heart and Stroke Foundation, the Foundation Fighting Blindness, and the YMCA.

[*Translation*]

Member organizations bring together a wealth of knowledge, expertise, human resources and experience.

Health Charities Coalition member organizations are deeply committed to improving and sustaining health care for Canadians, a goal that they share with the Canadian government.

[English]

In addition to human resources and partnered service delivery, the voluntary health sector is a major stakeholder in the field of health research. It funds approximately \$400 million each year to support research and development in health. This is a tremendous amount of money, all of which is raised through the nation from individual Canadians, corporations, and foundations.

[Translation]

Because of the close ties between national health charities and Canadians, the HCCC ensures that the ideas, questions, views, suggestions and recommendations of Canadians whom it represents are heard by policy and decision-makers.

[English]

Mr. David Armour: The government has demonstrated a commendable commitment to the health of Canadians, as demonstrated in the recent 10-year plan to strengthen access to health care, in the creation of the Canadian Public Health Agency, and in the continued investment in and support of the Canadian Institutes of Health Research and research chairs.

I'd like to briefly outline three recommendations from our submission that relate to these items.

Our first recommendation is that the federal government should invest in the annual capacity and core funding programs for national voluntary health agencies, to better respond to the health needs of people in Canada. National health organizations, as you heard from a number of presenters, are increasingly challenged to fund core operations. Many funders are now funding projects only. Health charities cannot exist without some core funding. After all, governments could not exist without funding of the core operations; neither could hospitals; neither could universities; and neither, I dare say, could the private sector fund without some available funds for core operations.

The resultant strain of lack of funding to voluntary organizations has been outlined, as you've heard, in many reports. Lack of funding can and will result in organizational volatility and decreased stability of organizations that are physically needed as part of the fabric of our health care system. This will have a large impact on society, including obvious decreases in services and support, an increased socio-economic burden, increased demand on the health care system, and higher government expenditures.

As Marjolaine indicated, health charities are vital to the health of Canadians. The reason a cardiac patient arrives at the hospital alive may be because a bystander provided CPR—managed by the Heart and Stroke Foundation—and they learned it at St. John Ambulance. The hospitals are able to move people out in record times back into the communities because of the services they get at home: the Victorian Order of Nurses, visiting homemakers—a range of organizations from the health care sector.

The work national health charities do for the health of Canadians is critical. In order to continue to respond to the needs and to meet new challenges and opportunities, national voluntary organizations require strong support from government. Sustainable federal funding is critical for such areas as developing and delivering services and

programs, health promotion, and prevention. We estimate this item would cost approximately \$15 million on a national basis.

I go now to recommendation number two. We're very pleased with the creation of the Canadian Public Health Agency. The rising trend of chronic disease is creating an increasing socio-economic burden on the lives of Canadians that's of significant interest to our members and the people they serve. The global reality is that non-communicable diseases contribute to 70% of deaths in Canada. This figure is expected to continue to rise. In Canada, 67% of the total direct health care costs are expended on chronic care. Every eight minutes in our country one person dies of a chronic disease.

It's the view of our members that chronic diseases not be left out or sidelined in the Canadian Public Health Agency. We recommend that adequate funding and investments be dedicated to non-communicable diseases in the Canadian Public Health Agency.

Our third recommendation is, the members of the Health Charities Coalition of Canada believe the federal government should continue to provide national leadership in health research for public good. The government should build on its investment through the Canadian Institutes of Health Research, the pre-eminent vehicle the federal government has created for health research in our country. We recommend that the government should commit to a planned increase in the funding of CIHR to \$1 billion over the next three years, an eventual increase of an estimated \$400 million per year.

This commitment will support a program of predictable increases in federal government investment in research that will send a strong signal to both researchers and other research funders. This will allow for strategic advance planning that supports systematic research campaigns and will ensure that our talented scientists, researchers, and doctors will know they can pursue important work here and stay in Canada. Research is sometimes referred to as the ultimate patient service.

To close, the government has an opportunity to show strength and take leadership roles in these three areas. It can successfully do so in partnership with national health charities. We can be involved in a real and tangible way also in strategic health planning and redesigning health care delivery. To this end we ask to be at the table when health care is being planned.

• (1620)

The current limited discourse on “government versus private” or “federal versus provincial” leaves out the second-largest player in health care, and that's the voluntary sector. We ask to be at the table when health care is being planned in Canada. Together we can strengthen the health of all people of Canada.

Thank you.

The Chair: Thank you, Mr. Armour.

Members, we have a first round of seven minutes. We have four members at seven minutes, and then we have three more at five minutes. That's going to bring us to 43 minutes if everybody is on time, so we're going to go eight minutes over, if that's okay with everybody. We have another panel, so we can't go much more than that. If some of you can afford to give me back some time, I'll take it.

Ms. Ambrose.

• (1625)

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Thank you for all of your presentations. I wanted to say, as somebody who has worked in the non-profit area and been a volunteer for years, I really appreciate the hard work you're doing and I'm glad you're here to speak to us about these issues.

I wanted to specifically say that you're back again to ask for a complete removal of the capital gains tax on donations of publicly traded securities. You've asked for that for many years, obviously, because you're back again. I'm new, but I've read most of what you've said. It's obviously very frustrating for you, and it's frustrating for us as well, because we agree wholeheartedly with what you're asking for here.

I wanted to ask Hilary Pearson specifically—and this is along the lines of corporate governance in private charities—how you see us being able to prevent private charities from using their influence to directly benefit their largest donors, if there's any influence there.

Mrs. Hilary Pearson: Speaking about private foundations in particular, you're right in saying this is a concern Department of Finance officials have expressed to me and to others who have come to talk about the difference in the treatment of donations of securities to private foundations versus public. They've argued that the fact donors to private foundations control these foundations could potentially lead to abuse.

Our argument has been consistently that the way in which you deal with abuse is through provisions, which are there now in the Income Tax Act, that are specifically directed against self-dealing. What they're doing with the differential capital gains tax treatment is limiting the donations of securities into foundations in the first place. They're choking off the money going into philanthropy; they're not controlling the potential abuse that could happen once the money is there. We're saying it's not something that is good public policy, to limit the donor's choice of philanthropic vehicle.

Ms. Rona Ambrose: Thank you.

I know, Malcolm Burrows, you referred to this too. You said that in the past there was a sense there was abuse in private foundations. Is it your sense that a regulatory framework has been implemented that would take into consideration these corporate governance issues of abuse?

Mr. Malcolm Burrows: Absolutely. Since 1997 when the differential or the inequity was introduced, there has been a complete overhaul, particularly within the last year actually, of the regulatory framework, of audit controls on the part of CCRA, of funding of audit.

There is more oversight in the charitable sector now than there has ever been in recent memory. We believe this was a—I believe, quite frankly, legitimate—concern in the past. I don't believe it's a concern now, and I know from working with donors that if the comfort's there, they'll give it. For so many of them, it ends up being a philanthropic holding company, essentially, that then supports a lot of small and medium organizations. That money is not going to go directly to those small and medium organizations, because they're tiny voluntary organizations. You need intermediate steps. The United Way, for example, is an intermediary charity that supports many small agencies.

Ms. Rona Ambrose: Having said that, I'm trying to figure out whether it's just a lack of political will. Even with this new regulatory framework, then, you don't see any need to cut red tape or anything? Is it strictly the issue you're talking about, the political will to do this?

Mr. Malcolm Burrows: I think it's a question of political will, yes.

Ms. Rona Ambrose: Thank you.

The Chair: Thank you, Ms. Ambrose.

Monsieur Loubier.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Thank you, Mr. Chairman.

Thank you as well to the panellists for their very enlightening presentations. I would also like to congratulate you on the work you do, because this is not an easy sector. I've had occasion to be involved in a number of charitable endeavours and I know it can be very difficult, particularly when it comes to fundraising activities.

One issue has been uppermost in my mind since last week. Fabrice de Pierrebourg, a reporter with the *Journal de Montréal*, published a series of articles on telemarketing firms which, on behalf of charitable foundations or agencies, fundraise for children, the disadvantaged or the blind. The reporter infiltrated a telemarketing operation with a clean record, at least so far. He observed that when a goal was set to raise \$150,000 for a specific charity, for example, a children's charity, the firm would often collect \$700,000 or \$800,000, and then pocket the difference.

Pursuant to the Income Tax Act, 80 per cent of all funds raised must go to the charitable organizations. To get around the act, telemarketers sold promotional items such as mugs and sweaters, items for which no tax receipts were issued. Therefore, when the Canada Revenue Agency audited the telemarketing operation, no irregularities were cited.

I realize that your ability to raise funds depends greatly on your credibility and in my opinion, this kind of practice can damage that credibility. The Income Tax Act could be amended to specify that tax receipts must be issued for cash donations, minus the value of the item. Would you be amenable to an amendment of this nature? Have you witnessed this type of situation which could undermine the trust that you are seeking to establish with donors?

The article noted that 172 officials were responsible of auditing the operations of tens of thousands of agencies.

• (1630)

[*English*]

The Chair: Is there someone in particular who wants to answer Monsieur Loubier?

[*Translation*]

Anyone?

Mr. Yvan Loubier: Perhaps Tad Brown could answer that question because I believe it involves his clients.

[*English*]

Mr. Tad Brown: I'm happy to put in a couple of comments.

I think the first issue you're identifying has been a concern about commission-based fundraising—in particular, telemarketing. Certain fundraising companies will have a contract, usually with smaller organizations that are not organized to do their own telemarketing, and will take a percentage of the overall donations as part of their fees.

The view of the Association of Fundraising Professionals—in fact, it's embedded in the code of conduct that I referenced earlier—is to prohibit commission-based fundraising. Our view is that it should be curtailed and taken out. Again, in terms of how that might be addressed, I'm not sure it would be addressed through this forum.

There is also a project going on right now of the Uniform Law Conference of Canada, which is looking at potentially implementing a charitable fundraising act in all provinces. There's currently one in Alberta and one in Saskatchewan. This very issue is being debated in that process. So this issue is actually being debated through provincial matters right now.

[*Translation*]

Mr. Yvan Loubier: I'd like to clarify one thing. Under the provisions of the Income Tax Act, 80 per cent of all funds raised must go to the activities of the client organization, while 20 per cent can be used to cover administrative costs, rent and commissions. The reporter who wrote the article uncovered cases where the exact opposite occurred, that is to say 80 per cent of the funds raised were used to cover expenses. There is, after all, a difference between an 80 per cent commission, and a smaller cut. According to the telemarketers, the money raised would help to feed children breakfast every morning. However, in reality, the money collected was benefiting the children of the telemarketing firm's owners and employees.

This matter concerns us directly. Pursuant to the Income Tax Act, 80 per cent of any funds raised must be directed to charitable activities. Issuing tax receipts makes it possible to monitor the flow

of donations. If tax receipts must be issued for the value of cash donations or of promotional items, then a big part of the problem will be resolved, besides which your code of ethics will be upheld. I totally agree with these new rules of law.

Therefore, in my opinion, the provisions of the Income Tax Act respecting charitable donations should be amended accordingly.

Have you anything further to add, Mr. Burrows?

[*English*]

Mr. Malcolm Burrows: That is a very good point.

Take comfort also that part of the regulatory change over the last year has actually introduced new rules within the Income Tax Act—intermediate sanctions for charities. In the past, the only way the federal government could sanction charities was to revoke their registration. It rarely happened. So in certain rare abusive situations charities got away with murder, essentially, to cite a hyperbole. But with the new intermediate sanctions that have been introduced into the Income Tax Act with the draft legislation of September 16, there will actually be teeth in the system and a process.

The second piece is that you specifically mention the idea of acknowledging if there is a product sold as well as the gift made—so a two-part process, a product and a gift. That was also acknowledged recently in the Income Tax Act as part of the changes, in the sweeping overhaul that has gone through.

I think a lot of people on this side have a fair bit of confidence that a number of these factors will end up addressing the issues that you are raising.

• (1635)

[*Translation*]

The Chair: *Merci.*

You have 30 seconds remaining, Mr. Loubier.

Mr. Yvan Loubier: I'll wait until the next round to continue.

Thank you.

[*English*]

The Chair: Ms. Minna, and then Ms. Wasylycia-Leis.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you, Mr. Chairman.

There was mention of the charity bank earlier by Ms. Patten. I had a meeting with my colleagues about a week ago. We were talking about the social economy, which some of you may have heard about in the Speech from the Throne. They were talking about a charity bank. Are we talking about the same thing here, or something different?

Ms. Monica Patten: It was the same thing. It has been known under a variety of names—charity bank, community bank, or a bank for the voluntary sector—but I'm quite sure it's the same bank that is being created as a result of a number of business people, leaders in the voluntary sector, innovative and entrepreneurial thinkers, coming together, first of all, to examine the barriers that exist for the voluntary sector in banking in accessing capital, in mortgages, and in the fees, and so on, that they are paying. They are trying to determine if there is the potential or at least the space for a bank to be created that would serve the sector and that, in serving the sector, would in fact save the sector some money, build some capacity, and so on.

A steering board of directors is in place, a first board of directors, because the bank is not yet an officially created bank. They have status as a charitable organization, as you perhaps know, and they are now in the process of looking at the regulatory requirements for establishing such a bank.

Hon. Maria Minna: But if I understand correctly—I'm just trying to clarify the conversation that I had last week—the lending or the moneys that the charity bank would be handling wouldn't be strictly for charitable organizations or not-for-profit; it would be for small projects that had a social value added. So it wouldn't necessarily have to be restricted to—

Ms. Monica Patten: I think that's correct. I think this is an evolving concept.

Hon. Maria Minna: It's a bit like community economic development with a social—

Ms. Monica Patten: Right. There may be others. There are a couple of other colleagues around the table who are familiar with the bank.

As I say, it is evolving on quite a rapid and ongoing basis, but I believe you are right in terms of who the clientele of the bank would be. It is primarily for organizations in the voluntary sector, the not-for-profit sector.

Hon. Maria Minna: At this point, it is primarily in Toronto. It is happening in Ontario and—

Ms. Monica Patten: I can tell you that some of the leadership has come out of a group of people in Toronto and Montreal. That is absolutely the case. But increasingly the principals involved in this initiative have been doing quite a broad consultation with sector organizations right across the country. I am not part of this board—I should declare that. My organization is one that believes very strongly that this will be a very important resource to this sector.

My understanding is that in the most recent work and survey work that has occurred across the country within this sector, there is very strong support for this.

Hon. Maria Minna: Thank you.

Ms. Georgina-Steinsky Schwartz: Perhaps I could just clarify for you that, as I understand it, the target audience for the bank would include not only the 80,000 registered charities, but also some non-profit organizations that might be what are called social enterprises, which means that their goal is to achieve social goals by, for example, employing populations that might otherwise have difficulty finding employment.

Hon. Maria Minna: Good. That's what I thought. I just wanted to know if you were talking about the same thing at the beginning.

I have two other areas. I want to know whether you think taxes are a possible mechanism for ethical giving. Is that something you've given much thought to at all?

• (1640)

Ms. Monica Patten: I'm sorry, could you repeat the question?

Hon. Maria Minna: The question was whether you thought taxes are a possible mechanism for ethical giving—in other words, emergency funds to a school in Africa.

Ms. Monica Patten: I understand. Thank you.

Hon. Maria Minna: That's one example of it.

Mr. Malcolm Burrows: There's been a lot of interest in tax shelters for approved social objectives such as international food development aid programs, even poverty programs and food programs within Canada.

You may recall that last December this government introduced legislation to shut down a proliferation of tax shelters, which were frankly outright scams. They were the use of the provisions in the Income Tax Act for charitable giving, but they were used to buy comic books at a low price and donate them at a high price. Our organization was one of the most vocal in helping to shut these things down. The question remains, though, and there's been some interest—Marilou McPhedran, who's actually in the room today, has been very interested in this—in looking at salvaging a very narrow slice of tax shelters and using a private-public mechanism to get food aid internationally, for example, or poverty programs here.

Hon. Maria Minna: Can it be scam-proofed?

Mr. Malcolm Burrows: Can it be scam-proofed? That's the big question. It would have to be introduced as a pilot program, heavily regulated. It would also mean a stretching of current charitable tax policies. It would mean a departure for the government to do this, because it's outside the current framework.

It probably could be scam-proofed if it were done right and if it really helped people.

Hon. Maria Minna: Do I have one...?

The Chair: Thirty seconds.

Hon. Maria Minna: Very briefly, I was having a meeting recently with a group of people who came to see me about increasing incentives for businesses to give to charities and foundations by using the tax system as incentives for corporations to give even more money than they're now giving. Is that something that's been discussed by your foundations at all? They came to see me. We had a chat. I always hate tax cuts for large corporations, but it's something that I thought I would check out with you.

Mr. Malcolm Burrows: We don't see the growth there. We see the growth from individuals through gifts of assets. Corporate donors are very important donors, but they represent a small proportion of the overall receipted giving—as a matter of fact, 1% or 2% compared to 94% for individuals.

The Chair: Thank you.

Ms. Wasylycia-Leis.

After that, it'll be Mr. McKay, Monsieur Côté, Mr. Bell. Those are all five minutes.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Thank you, Mr. Chairperson.

I have two areas that I'd like to pursue. One is a tax-related issue that I think is referenced in the Voluntary Sector Forum report. It is the issue of organizations that are very much involved in the voluntary sector doing charitable work but are subjected to the 10% rule. That's something we've heard about before. Many have screamed bloody murder for years on this, but we can't seem to move it. Do you have a suggestion for how we can make it happen this time? What's the biggest holdup? How do we make the case?

Ms. Jean Christie: I think we thought you were going to help us answer that question.

Ms. Judy Wasylycia-Leis: It helps with a minority government. It helps a bit, but....

Ms. Jean Christie: We have proposed a couple of options for wording changes. We think there is a very small wording change that would clear up a really big ambiguity. It would make things much easier.

Where's the holdup? It would be quick. It could be done quickly.

I'll ask Laurie, my colleague, who works on this, if she has any response.

Ms. Judy Wasylycia-Leis: What is your wording change?

Ms. Jean Christie: I can leave it with you. It's probably more technical than we need to go into; there is cross-hatching and so on. But I'd be happy to give it to you.

•(1645)

Ms. Judy Wasylycia-Leis: It would help if you were to table it with us.

Ms. Jean Christie: Yes, I will.

Ms. Laurie Rektor (Manager, National Issues, Voluntary Sector Forum): We also have some new data from the Muttart Foundation study about Canadians' opinions about charities. It's a revisit to a study that they had done a number of years ago, and in fact the support that Canadians have for charities' right and ability to speak on issues that matter to them has gone up. About 95% of Canadians support charities' ability to speak out on issues that are relevant to their charitable objects and missions. And 78% of the respondents to the survey said they would like to see the law changed to make it easier for charities to speak out on these issues.

It's more productive. You've heard from every single witness speaking today that charities have important information and policy input to give, and it's a waste of that if we're restricting charities' ability to do that.

I was at a meeting in Ottawa yesterday with about 45 charities that wanted to learn more about the new guidelines that the CCRA put out about a year ago, which helped move this along quite a bit and made it a lot clearer, and what they came up against in writing those guidelines was the way that the current Income Tax Act is worded.

Charities are spending an inordinate amount of money and time being afraid to speak out because they fear that they will lose their charitable status. We have new intermediate sanctions that will make that easier for charities. They don't always have to face the loss of charitable status, but there's a lot of concern about this.

It seems to me, and I think you're right, that in a minority government it might be an easier issue to bring forward.

Ms. Judy Wasylycia-Leis: Does anybody else want to add this topic?

Then I want to ask about the support for the voluntary sector initiative.

Mr. David Armour: Just briefly, I'm in agreement with what's being said. The language needs to be unpacked. We need to be able to talk about advocacy that a charity does that's related to its charitable purpose. If an organization is working with the disabled year-in and year-out, they'd better advocate on their behalf.

Ms. Judy Wasylycia-Leis: Exactly.

Mr. David Armour: They understand their perspective.

That's very different from lobbying government. I think what we need to do is get in there and, as the work has already started, start breaking out some of the definitions—what's appropriate advocacy related to the charitable purpose of the organization that every citizen would hope they'd be doing versus what is outside of their charitable mandate, and taking off that artificial 10% that covers both right now. I think it's getting into that and starting to move that.

So far the concern has been on the government side, taking the lid off something that they won't be able to get back on, and I think more clarity of definition and working with the organizations that are working in that area would really help move this forward a long way.

Ms. Judy Wasylycia-Leis: Wouldn't it be better to err on the side of supporting some groups that might in fact be a little more political than others as opposed to restraining genuine charitable efforts and voluntary initiatives?

Mr. Peter Broder (Acting Vice-President, Public Affairs, Canadian Centre for Philanthropy): I think we're out of sync with other jurisdictions on this. In the United Kingdom, for example, you can undertake any advocacy activity as long as it doesn't become more than incidental and solely for the purpose of your organization.

Ms. Judy Wasylycia-Leis: It seems reasonable, yes.

My last question is a follow-up to the whole voluntary sector initiative, and I go back to the final report. When was that, again? How many years ago was the VSI?

Ms. Laurie Rektor: The initiative was announced in 2000.

Ms. Judy Wasylcia-Leis: Right. Four years ago what it said was that the institutional machinery governing the sector needs to be redesigned to respond better to the new realities facing both governments and the sector work. And that's just one small snippet from this report.

You've touched on this. What are you looking at in terms of budgetary commitment to meet some of the outstanding obligations.

Ms. Jean Christie: It's difficult to speak specifically about budgetary commitments, but there are some initiatives that have been well launched under the voluntary sector initiative for which there is not continued funding.

There is a portal, an electronic gateway to the voluntary sector, being developed at the moment. There's no long-term funding for it. There is a sector council being developed for human resources in the voluntary sector. That will require follow-up funding.

There will have to be institutional supports within government to ensure that the accord between the Government of Canada and the voluntary sector is implemented across government and in governments' relationships with the voluntary sector.

There are a number of very specific things, and we actually outlined them in the first of our recommendations. There are a number of things that have begun that we risk losing for lack of continuity. We haven't costed them yet. We still have a year to run on the voluntary sector initiative, but those are the kinds of things I think we have to ensure there's long-term funding for.

• (1650)

Ms. Georgina-Steinsky Schwartz: Another example would be something like this study. Every other sector of the economy has ongoing good information. This study, at the current time, is not funded to continue. Our recommendation would be that it be repeated every three years, and that would represent about probably \$5 million to \$7 million for each time it's done.

There are things like this, which are just good basic hygiene, that we believe should continue.

Ms. Judy Wasylcia-Leis: Thank you very much.

The Chair: Thank you.

Ms. Christie, can you table that document with the clerk so all the members can get it—when you're ready, that is. It doesn't have to be right now.

Ms. Jean Christie: Yes.

The Chair: *M. McKay, M. Côté, M. Burrows, pour cinq minutes, s'il vous plaît.*

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Chair, and thank you all for your presentations and all your hard work.

I want to continue the discussion on amending the income tax so that charities are not limited by their ability to contribute to policy development.

Sometimes this is a bit in the eye of the beholder. We have a situation where a bishop in Calgary spoke out on the issue of marriage. It seems to me that's well within the purview of the Catholic Church since it's considered to be a sacrament. He received

a call from Revenue Canada that the charitable status of his organization might well be jeopardized by his participation in the rather animated debate that the nation is having on this public policy issue.

I'd be interested in knowing what advice you might be able to give Revenue Canada on an issue such as this, because this is where the rubber hits the road. It's not the 90% that basically stay within advocating for disabilities or things of that nature. It's when a charity or a religious organization takes a stand on a particularly contentious issue and there is offence taken by the Revenue Canada folks and an interpretation applied that some might argue is ambiguous at best.

I'd be interested in any assistance you could offer the committee, and indeed offer Revenue Canada, that takes the fear out of speaking in the public marketplace, because a lot of religious charities are extremely fearful of speaking for fear of that dreaded telephone call from Revenue Canada. I'd be interested in all your comments on that.

Mr. Peter Broder: The challenge in that particular situation is the question of whether that particular intervention by the bishop was partisan political activity. I think there is wide agreement in the charitable and voluntary sectors that partisan political activity should be left to the political parties.

Hon. John McKay: What is partisan?

Mr. Peter Broder: It's where you have a public call to action around a particular issue that is related to a policy position of a particular party.

Hon. John McKay: That sounds awfully vague to me. I could see partisan when it comes to endorsing a candidate, or endorsing a party, or something of that nature. That makes partisan sense to me, but—

Mr. Peter Broder: In that particular instance, I believe it was the letter that referenced the same-sex issue in the context of commenting upon the Prime Minister. That was the challenge. I don't think the issue was with the bishop speaking out in terms of the issue of same sex and the church's position on that. It's the fact that he did this juxtaposed with a comment about supporting the Prime Minister.

Hon. John McKay: I don't know the letter. I don't know the issue that well, but I leave it as an example of where you can put your foot in it very quickly and not realize you are doing so.

Ms. Georgina-Steinsky Schwartz: I'd like to make a more generic comment, which is that I think these grey cases will always emerge, but there has been extensive discussion on the more broadly based issue around advocacy and potential amendments trying to explore some of these instances.

The question I would have for the committee is whether the risk that there will be some difficult cases—and there always are, although they are usually a minority—is worth holding up what is usually, as you yourself noted, a very broad range of cases that today are inhibiting charities from taking a legitimate public voice?

The other point I would repeat is that we are not the only jurisdiction that is addressing this issue, and in fact we are probably the furthest behind, certainly in the common law world. I believe there are a number of lessons to be learned from these other jurisdictions where they have tackled these issues and, again, have recognized that there will always be problematic cases on the fringes, but they have chosen to act progressively and deal with that very large group that has a legitimate voice.

• (1655)

Ms. Jean Christie: Perhaps I could follow up.

The Chair: Only for ten seconds; it's not even 30 seconds any more.

Ms. Jean Christie: Going back to the earlier question on what changes could be made, one of the wording changes that have been proposed links charitable purposes. If an organization's purposes are deemed to be charitable, then speaking out on things related to its purposes should be acceptable. In a way, without speaking to the specific case, if an organization is deemed to be charitable, for instance, when dealing with disabled people, it ought to be able to speak out publicly on policy matters that relate to disabled people to take it into a less contentious area. So I think the language around purposes would address your problem to some extent.

Hon. John McKay: The Catholic Church has a lot of purposes.

The Chair: Thank you, Mr. McKay.

Monsieur Côté, and then Mr. Bell.

[Translation]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): I will put two questions to you right away, and then give you time to respond.

Earlier, Ms. Ambrose spoke of extending privileges to private foundations and this has me somewhat concerned. Right now, there are only 172 officials responsible for monitoring, in some form or another, the activities of 86,000 private or public charitable agencies and foundations. My concern is this: if these privileges are extended to private foundations without any thought being given to how they will use them, do we not run the risk of seeing a dramatic increase in the number of private foundations with increasingly specific objectives? The question is directed either to Ms. Pearson or to Mr. Burrows.

In a similar vein, I recall an incident that made the headlines a year or two ago and that had to do with hospital foundations in Quebec. Apparently, a major hospital foundation donor was the recipient of some preferential treatment.

This is a question that I have been asking myself, one for which I do not have an answer. In the case of foundations that provide services of a public nature, such as health care services, shouldn't anonymity be a consideration in order to prevent conflicts of interests — that may be too strong a word — and to ensure that a person who makes a donation to a hospital, for example, does not receive any kind of preferential treatment? This question is directed more to Ms. Lalonde and to Mr. Armour.

Mrs. Hilary Pearson: Regarding your first question, I'd like to see the number of private foundations increase dramatically. That would be wonderful. At present, there are approximately 3,000

private foundations in Canada. You'd expect the number to be higher, given our country's population and GNP.

However, to answer your question, I will admit that CRA lacks the resources to audit files, because of limited staff. However, there are significant self-regulating mechanisms in place to carry out audits. Malcolm has already talked about them.

Every year, CRA asks each registered private foundation to submit a very detailed report. With the recent changes announced in the federal budget tabled in March, foundations will be required to provide even more information about their financial statements. Registered private foundations will not easily be able to get around this requirement.

• (1700)

Mr. Guy Côté: I have two brief questions for you.

When you speak of financial statements, are you referring to audited financial statements?

Furthermore, you mentioned that there were 3,000 private foundations in Canada. By comparison, how many such foundations are there in the United States?

Mrs. Hilary Pearson: In the United States, somewhere between 68,000 and 70,000.

Mr. Yvan Loubier: Therefore, the number could easily be double...

[English]

Mr. Malcolm Burrows: The last official figure for private foundations in Canada was 3,985, as of January 2004.

[Translation]

Mrs. Hilary Pearson: The number is close to 4,000.

Mr. Guy Côté: I see.

Miss Marjolaine Lalonde: I'd like to answer your second question. I have no specific expertise in hospital regulations, but I worked in a hospital and I can assure you that hospital foundations guard the identity of donors very closely.

I've personally been involved in this area and I can assure you that information of this nature remains confidential, to the point where sometimes people in the hospital inadvertently request information, addresses or telephone numbers for some reason — there is nothing shady involved — and we cannot under any circumstances provide them with that information.

Let me assure you that based on my experience as a hospital employee, this information is kept in the strictest confidentiality.

Mr. Guy Côté: I'm happy to hear that.

[English]

The Chair: Merci.

Mr. Bell.

Mr. Don Bell (North Vancouver, Lib.): I want to thank you all for coming out. I found your presentation interesting. I've had associations with charitable foundations, both in my corporate world and in local government, over the last few decades.

I have a couple of questions. One is for Monica Patten. Concerning this charity bank, or the community bank for voluntary sector foundations, the note I took down said you wanted the federal government to provide support. What do you mean by support? Is it moral support? Is it money?

Ms. Monica Patten: Yes. And yes.

Mr. Don Bell: I guess that's why you're here.

I have some other questions. How much?

Ms. Monica Patten: Oh dear, I did not come prepared with that number. I would be very happy, though, to make sure the principals involved with the bank were in touch with you with that information. Would you like that?

Mr. Don Bell: I'd like to get that information.

Ms. Monica Patten: I'd be delighted to advance it to you.

Mr. Don Bell: Thank you. I think the idea sounds good. I just want to know what it costs.

Ms. Monica Patten: I'm happy to forward that information to you.

Mr. Don Bell: The other question I have is to Tad Brown. You say the organization is suggesting we create a government-sponsored national philanthropy day, and you're referring to November 15. Is it presently just various provinces that have adopted this, or municipalities? Why does it need to be national?

Mr. Tad Brown: No. This is an initiative the Association of Fundraising Professionals has been advancing and that it celebrates itself. It has used November 15 because internationally, in other countries, it's also been used.

Right now, through chapters across the country, it is used as a forum for celebrations, for award dinners to recognize donors and volunteers across the country. It is celebrated, not through a recognized government initiative but through charities themselves that have picked that day and used it under a banner as a specific focus to celebrate activities.

Although AFP was one of the groups that have led this, we have no interest in branding it as our own initiative. We want to do it and open it up to the sector and let it have the support of the sector not as something led by a particular organization but as something that's open to all organizations to use as a vehicle to celebrate in their own communities and to use as a specific focus to centre activities and celebrations around.

The Chair: Quickly, Mr. Armour.

Mr. David Armour: I think the other support the federal government could provide to the community bank would be to give regulatory support and assistance in moving it through quickly, and to really grasp the spirit in which the bank is being proposed in that regulatory support.

Mr. Chair, you mentioned you were from the corporate sector. I just wanted to go back to Maria's questions very briefly, about enhancement of corporate tax credits. While I understand Malcolm's response from the context of gift planning, I have to say there is a huge number of charities in Canada that receive tremendous support from the corporate community. Corporate social responsibility has evolved dramatically in Canada in the last ten years; it has really

moved forward. I think anything the federal government can do to enhance corporations' ability to support the charitable sector would be greatly appreciated. They provide great support to a huge number of organizations in every community across the country.

• (1705)

Mr. Don Bell: My question is to Georgina Steinsky Schwartz.

You talked in your material about establishing an interdepartmental task force on funding instruments. Do you have anything recommended? Do you have something for us more specifically?

Ms. Georgina-Steinsky Schwartz: In fact, that was in Ms. Christie's proposal. I'll let her speak to it.

Mr. Don Bell: Oh, yes, it was Jean Christie. I looked at the wrong page. I'm sorry, Jean.

Ms. Jean Christie: I can tell you that the Department of Social Development, which has the lead responsibility for the voluntary, not-for-profit sector, is working on an interdepartmental task force. We're aware that it's happening and would like to underscore the importance of it. It is in the works at the moment and is something we're looking forward to with eager anticipation.

Mr. Don Bell: Do I have another 30 seconds? I have a question for this lady, and maybe she can roll two answers into one.

The Chair: Okay, go ahead.

Mr. Don Bell: I just want to comment on your material, in the place you mentioned finding a place for the non-profit voluntary sector in the community's agenda. I'm very involved in that directly, and if you're not aware of the criteria for it, it's for green, sustainable infrastructure. It's for transportation priorities such as transit and transportation. It's not a social infrastructure program. It's not intended to be, anyhow, as I understand it.

Ms. Georgina-Steinsky Schwartz: We're aware of that, Mr. Bell, and I guess we were trying to persuade folks that in fact social infrastructure is also a very critical component of communities. We also made representations to Mr. Harcourt, hoping that issue could be revisited if there are going to be funds made available. We understand what the original intent was.

Mr. Don Bell: I agree with you entirely. The social infrastructure is an important part of communities. It's just that this fund hasn't been set up for that, to my knowledge. Good luck in your argument.

Ms. Georgina-Steinsky Schwartz: Thank you.

Could I just also add—

The Chair: We're done, because we have an extra group.

I want to thank everybody for their cooperation. I also want to thank you all for your coordinated effort. I hope the rest of the panels are able to do the same.

I have to ask this question, because nobody has asked it and this is the finance committee. I'll just ask you, Ms. Schwartz. You specifically asked for establishment of a new fund. How much is that going to cost us, and where are we going to get the money?

I think that was among the prepared questions. I think Mr. Armour, also from the health sector, asked the same question.

If you're going to go over 10 seconds, you could just submit it to us in writing.

Ladies go first.

Ms. Georgina-Steinsky Schwartz: We have not come up with a specific number, because we're aware, as Mr. Bell mentioned, that there are some limitations, but we would be happy to submit a suggestion in writing.

The Chair: Thank you.

Mr. David Armour: Our first recommendation, around core funding, was \$15 million. The second recommendation, around public health, we did not price out, but we think the way it's priced out needs to be transparent. The third recommendation was \$400 million to enhance Canadian Institutes of Health Research.

The Chair: For your specific presentation, what we want to know is where we would get the money from.

Mr. David Armour: Other than from the citizens of Canada, I think that's a balancing act this committee needs to figure out. I don't think it's our role to do that in coming here.

The Chair: On that note, thank you very much. There's not even two minutes until the next panel, when the council gets ready. Thank you.

• (1709)

(Pause)

• (1716)

The Chair: Can we get started, please?

I want to thank all the witnesses for allowing us to start a little bit later than we wanted to. Plus, we have an additional problem whereby we have to be pretty well finished by 6:15 p.m., because we have votes.

If I can ask the witnesses or the associations to keep their opening remarks to less than five minutes, I would appreciate it, and I'm going to have to be a little bit severe.

I have six groups. I am going to call them in the order that I have here, beginning with the Assembly of First Nations, and Mr. Jock.

Mr. Richard Jock (Executive Director, Assembly of First Nations): I'm accompanied by the chief of staff, Bob Watts.

The Chair: Five minutes, please.

Mr. Robert Watts (Chief of Staff, Assembly of First Nations): Thank you very much, Mr. Chair.

My name is Bob Watts. I'm chief of staff with the Assembly of First Nations. Along with Richard Jock, chief executive officer of the Assembly of First Nations, I want to thank the committee for the opportunity to present here today.

The Assembly of First Nations is a national organization representing first nations citizens in Canada. We represent our citizens living in reserve communities, as well as in remote rural and urban centres.

National Chief Phil Fontaine is not with us today, but he asked us to convey the message that he is ready and willing to appear before

the committee when there is an opportunity for a full discussion on first nation issues.

Our issues are unique and distinct, and that should be reflected in the work of the committee and the work of government generally.

This is the sixth time the assembly has appeared before the standing committee. We would like to report that there has been great progress, but the quality of life for first nations citizens continues to lag behind that of Canadian citizens. A recent study by Indian Affairs ranked the well-being of Canadian communities. Of the top 100 communities, there was one first nation community. There were 92 first nations communities in the bottom 100. The same study found that the gap in quality of life between first nations and Canadians is not closing. It stopped closing in 1996. This is significant.

In 1996, the federal government capped Indian Affairs core program funding increases at 2% per year. This does not keep pace with inflation or with our young and growing population. In terms of real dollars, resources for our people are shrinking. Holding the line on spending simply means our people are failing to catch up. This is unacceptable in a country that boasts a budget surplus of \$9.1 billion. The status quo is not an option.

Our submission today identifies strategic investments that deal with immediate priorities while setting a foundation for the future. We made hard choices. We call on you to show equal commitment in your deliberations.

Our submission is based on four key objectives. The first is the implementation of first nation government. We must make strategic investments that result in real power sharing and real transformative change, investments that assist and support first nations in developing their own professional, administrative, and regulatory systems.

We recognize that results management must be improved. The Auditor General's report on reporting requirements is a good starting point. Communities with less than 500 people still have to file up to 168 reports a year, or three a week.

Finally, we must embrace the goal of ensuring a sustainable rate of growth for first nations. We must account for population growth, community needs, and cost drivers. Our governments need a flexible and consolidated funding base, and successful governments require multi-year funding arrangements for long-term planning.

Our specific recommendations are aimed at the key critical areas of health, housing, and lifelong learning.

• (1720)

Mr. Richard Jock: Thank you.

In the area of health, we are seeking a first-nations-controlled, sustainable system that adopts a holistic, culturally appropriate approach. Our health action plan has already been submitted to first nations, and we can act on this immediately. Long-term sustainability in health, however, will require an escalator clause that matches funding to population growth needs and real cost drivers. Our analysis calls for an investment of \$182 million in the first year, for a total of \$1.1 billion over five years.

In addition, we are seeking \$800,000 for a study that will help to identify gaps in the first nations public health infrastructure. The need for this work is referenced in every critical health study that has been done to date, as a critical area of investment.

In housing, we're urging immediate action to address the critical housing shortage and health risks. Our overarching goal is a first-nations-designed first nations housing structure. Our submission calls for a national housing survey and inventory that's budgeted at \$79 million over five years; an increase to the housing program to address the backlog and future needs, which is budgeted at \$953 million additional annually; \$9 million to implement the national vermiculite remediation program; and resources of \$251.5 million over five years for a housing program that would be managed by bands, tribal councils, and provincial-territorial organizations. In short, this would be an investment in the development of a first nations housing infrastructure.

"Lifelong Learning" is our next heading. Education, like housing, is one of the most important determinants of future health and success. Our goal in lifelong learning is to raise educational levels and opportunities so that our people reach levels equal to those of the general population. This can be accomplished, again, through moving toward first nations ownership and control of education, coupled with some specific targeted investments. Overall, we are recommending \$3.9 billion over five years in specific investments for lifelong learning. This includes preliminary investments in child welfare, as well as in elementary and secondary school systems and in post-secondary education. This is nothing less than an investment in Canada's future.

Finally, our submission deals with one legacy of the past that continues to impede our progress to this very day, and this refers to residential schools. The current federal approach to resolving individual claims is not working. It's failing survivors and it's failing the government, and it is therefore failing all Canadians. The national chief will be tabling a report in the near future that will point a way forward. In this submission, we are also recommending a significant endowment for the Aboriginal Healing Foundation, so that it can continue its excellent work on a permanent basis. We're also recommending that Canada consider dedicating a portion of future budget surpluses so that the debt owed to survivors of the schools and the generations that follow can be paid down.

Mr. Robert Watts: In closing, we encourage the members of this committee to read our full submission, which will be delivered to your clerk tomorrow. It is well researched and well reasoned. Some numbers may seem large, but these are investments. Canada will save money in the short term and the long term.

We must also consider the cost of continuing to throw resources at a broken system that is not working for anyone. Our pre-budget

submission is a path forward. It deals with priority issues while laying a foundation for the future. We owe it to ourselves and to the seven generations that follow to begin a real effort at positive and progressive change and to close the gap in the United Nations development index that exists between Canadians and first nations.

Thank you very much.

[Translation]

Thank you very much.

[English]

The Chair: Thank you.

We don't have anybody here from the Women Warriors of Sahtu.

The Métis National Council, Mr. Belcourt.

• (1725)

Mr. Tony Belcourt (President, The Métis Nation of Ontario): Thank you, Mr. Chair. My name is Tony Belcourt. I'm president of the Métis Nation of Ontario and a member of the board of governors of the Métis National Council. Our presentation is going to be quite a contrast to that of the Assembly of First Nations.

This is the second time we've appeared before the committee. The first time was on October 13, 2002, and at that time our national president said:

I would also like to state that since this is the MNC's first appearance before the committee, my presentation will not have...the detailed economic analysis or specific recommendations that have been presented to you. The MNC currently does not have the capacity or available Métis-specific data needed to prepare the type of presentation on behalf of our people.

That situation hasn't changed.

The Métis in Canada are 25% of aboriginal population. We have been a political football. The federal government has denied jurisdictional responsibility for the Métis, but the Powley case in September 19 last year, a year ago, settled the issue that Métis do have existing constitutional rights and that these rights are equal to first nations.

I'm here to bring a warning to the committee and the Government of Canada that the Government of Canada, the House of Commons, is going to have to start preparing to deal with the Métis people.

One of the issues directed by the Supreme Court of Canada was that it is an urgent priority to identify Métis rights holders in Canada. I will say that the Government of Canada did set aside some \$20 million for post-Powley funds last year, half of which the Government of Canada has kept so that it could build its own infrastructure. Some \$6 million—or less than that, actually—is now eventually being made available to the Métis National Council, and some to the Congress of Aboriginal Peoples. We have received some funding within each of our provincial organizations to be able to do some of this work towards the identification of Métis rights holders.

In Ontario we did negotiate an agreement with the government for the recognition of Métis rights on July 7 of this year. However, the Ontario government broke that agreement just before the harvesting season began. We're dealing with new charges that are being laid against Métis people. We're calling upon the Government of Canada, and we will be doing so in many different ways, to protect Métis rights. This is one of the things that the Supreme Court said:

The inclusion of the Métis in s. 35 is based on a commitment to recognizing the Métis and enhancing their survival as distinctive communities. The purpose and the promise of s. 35 is to protect practices that were historically important features of these distinctive communities and that persist in the present day as integral elements of their Métis culture.

That is the honour of the Crown. That is the responsibility of the Government of Canada. We're going to hold the Government of Canada responsible to that and ask them to come to our defence for the gross violation of the recognition of our rights, not only in Ontario but in all of the provinces so far, with the exception of Alberta, which announced recently that it was not going to be charging Métis people in that province.

Mr. Chair, I circulate for members of the committee a booklet called *Snapshot of the Nation*. This is two years old in terms of the data, but much of the activities within each of our provincial bodies, member organizations of the Métis National Council, remain the same. The level of funding has not changed. Our funding is very limited. I do want to make it very clear, Métis do not receive funding from the Department of Indian and Northern Affairs. The federal interlocutor for Métis now happens to be the minister responsible for Indian and northern affairs, but we do not receive funds from the Department of Indian Affairs' budget, nor do we receive funds from Health Canada for funds that are set aside for "aboriginal health".

With the exception of these new funds, or new commitments, that were recently announced, we will be receiving some funding for some work related to diabetes, for example. In our province it's completely inadequate. We receive some funding to hire one person to be able to provide information about diabetes to Métis citizens throughout the whole province of Ontario. An information program like that is just completely inadequate.

I want to say these things to the committee, and perhaps through question and discussion I might be able to elaborate further.

Thanks.

• (1730)

The Chair: Thank you, Mr. Belcourt.

Ms. Dickson, from the Inuit Women's Association, do we have your presentation? Are we ready to go?

Ms. Jennifer Dickson (Executive Director, Pauktuutit (Inuit Women's Association)): Yes. Thank you very much.

The Chair: Does anybody have your presentation, or is it not ready yet?

Ms. Jennifer Dickson: It's only in English and Inuktitut. You need it in French, so someone was going to keep it and translate it later.

The Chair: Sorry. I misunderstood. Go ahead.

Miss Mary Palliser (President, Pauktuutit (Inuit Women's Association)): [*Witness speaks in her native language*]

Thank you for inviting us to your committee here.

My name is Mary Palliser. I am an Inuk, I'm Eskimo. I'm from Inukjuak, which is in Nunavik, northern Quebec. We are Inuit women. The Pauktuutit Inuit organization is an association.

When I'm at home, I speak in my mother tongue, and when I have to speak in English, I get a little bit... Anyway, we're very happy to be here. Since I'm not very comfortable speaking in English, I will ask our executive director, Jennifer Dickson, to do the talking.

Thank you.

The Chair: That's fine. Don't feel shy. I speak three languages, none of them very well, so don't worry about it.

Ms. Jennifer Dickson: Thank you, and Mary speaks wonderful English.

I think we have six minutes. Let me just tell you what Pauktuutit is, since nobody seems to know.

My name is Jennifer Dickson. I'm the executive director. In 1984 the women of the north got together and decided that the issues of real concern and the then-developing crisis were not being addressed by anybody, and they started their own organization called Pauktuutit Inuit Women's Association. It's really a wonderful word.

The pauk is a knife that you stick through the skin of whatever animal it is that you are trying to dry. You've killed a seal and you have the skin, and you stick the pauk all around the edges of the sealskin in a way that leaves air under the skin and over the snow. So you have snow, air, and then the skin. If the knives, the pauk, are all in it perfectly, at the right distance from each other and with the right tension, the skin dries beautifully and you can then make your clothing, whatever you wanted to make, out of the skin. If one of the pauk has fallen over or is put in slack or is missing, the whole skin can't be used later.

The metaphor is that the women of the north are the pauk of the society of the north, and they really truly are. Without strong, dynamic, engaged women, the north can't succeed.

So the women got together and started Pauktuutit in 1984 to address the issues that were then called "women's issues"—abuse, fetal alcohol syndrome, lack of education, dental and health problems, residential schools—a whole bunch of issues that no one was addressing.

Abuse happens to 83% of the women in the north, just to give you an idea. Teenage suicide is nine times the numbers that you hear when people talk about aboriginals, because people don't cut out the numbers for Inuit from the numbers for all aboriginals. When you do that, you find that the issues that the Inuit are facing are in many cases many, many times more difficult and at higher crisis levels than others.

So for 20 years the Pauktuutit Inuit Women's Organization, with just about no recognition anywhere and very little funding from anywhere, has been struggling to get a little piece of money here and a little piece of money there to go to do a tobacco cessation project for young women, or a teenage pregnancy project for 14-year-old girls who are pregnant and would like to have healthy babies or alternatives to pregnancy projects, or HIV-AIDS projects.

We are now funded by Canadian Heritage to the tune of \$220,000 a year, which I find interesting, listening to some of the numbers of our colleagues here. This means that for that amount of money we're to cover off 52,000 people in the north and a territory of 53 communities, mostly isolated completely from every other one. There are no roads in the north, so if you want to take a flight to somewhere else that's how you get there—no other way. There is very little Internet, although there is some and it's growing. It's a high priority for us because it's going to save the women.

So we're very grateful to be here talking to a committee that is going to have some input into the budget, because what we're asking for is a minimum of \$500,000 a year in core support from the Government of Canada. We wrote a letter to the Prime Minister on October 1 that we still haven't had an answer to, although that may be the reason we got invited to this, I don't know. We've never been invited to this finance committee before, although we are one of the strongest and oldest national aboriginal organizations and we probably have the best track record in terms of success on the ground.

So it's a delight to be finally recognized. If we had even that minimal amount of reliable multi-year, obviously transparent and answerable core funding, we would be able to leverage the money that we are now turning away on the program side to get some of the programs that we're involved in. Let me just list a few of them so that you know the sorts of things that we're involved in—

• (1735)

The Chair: Quickly.

Ms. Jennifer Dickson:—many forms of abuse; unique northern environmental sensitivities, we're all learning about global warming; gender equity; traditional knowledge; intellectual property; economic self-sufficiency; all the social issues from diabetes, tobacco cessation, suicide prevention, justice corrections, respite for caregivers; all the children's programs that you can even think of—sudden infant death syndrome, traditional midwifery, maternal and infant care, children in care, teen pregnancy, suicide of the youth, fetal alcohol syndrome, building healthy babies, child sexual assault, and many others.

The reason we're having to turn down some of the projects is because the funding for projects comes in and we can't support it with our core funding. We don't have anybody in the centre to do the work of managing and directing some of the projects. We have so many on the go now that we're at capacity. We have two people in an office. We have appalling living conditions in our offices and we would like to do better on behalf of the women and their children, and also the elders, who are real clients.

So we're asking this committee to help us on that matter.

The Chair: Thank you, Ms. Dickson.

We have the Congress of Aboriginal Peoples. Mr. Dorey, you'll make the presentation, is that correct? Five minutes, please.

Chief Dwight Dorey (National Chief, Congress of Aboriginal Peoples): Thank you, Mr. Chairman, vice-chairs, committee members, and aboriginal colleagues.

I'd like to begin by introducing my vice-chief, Mr. Patrick Brazeau.

The Congress of Aboriginal Peoples has been in business for 35 years, advocating for off-reserve aboriginal people across the country.

I want to thank you for the opportunity to appear before you on this important matter related to the federal budget.

I understand the invitation was to respond to eight questions you have prepared, all of which essentially call upon Canadians to make different choices or, should I say, recommendations, because it is governments who make the choices, not us. In the case of the 1.3 million people of aboriginal ancestry living in Canada, making decisions about who gets what is all the more challenging. I say this because the ratio of poor to middle class and certainly to rich aboriginal people is much higher than it is for the rest of Canada.

We've all heard of spreading the wealth. Well, the question many of our people ask is, what wealth? We all know the current situation isn't working, not for aboriginal people, and if it doesn't work for us, then it's not working for Canada. There are those who would argue that for far too long, too much money has already been spent on the aboriginal file, and probably some of you will agree with that statement. But I would argue that a basic part of the problem is that there isn't an equitable distribution of already scarce resources among aboriginal Canadians. I'm referring specifically to the off-reserve aboriginal population living in urban, rural, and remote areas throughout Canada, who are about 78% of all aboriginal people in the country. I suggest that we don't have enough aboriginal people benefiting from the effects of federal spending on the aboriginal files.

There are over 800,000 aboriginal people living away from reserves. These are the people for whom the Congress of Aboriginal Peoples has acted as a national advocate since 1971, and it is these people who continue to fall through the cracks. They are predominantly excluded from the provisions of the Indian Act, from health care programming, from housing initiatives, from access to economic opportunities, from lifelong learning programming, from early childhood development programs, and from skills training and labour market development. These are but a few examples.

I know the Prime Minister has stated that the aboriginal agenda is high among his national priorities, and I believe that is why he has engaged us in the Canada-Aboriginal Roundtable process, to deal with issues of fundamental concern to us. I'd like to think the same holds true for you.

However, I must confess that I cannot answer the eight questions you have posed with the precision of a trained economist—if that is not an oxymoron. But I do believe that among the keys to success in the federal budget must be initiatives to spur the Canadian economy by spurring the aboriginal economy. It has the potential to make a significant difference to the future direction and well-being of this country by providing a source of skilled tradespeople, professionals, entrepreneurs, and investors, all those who combine to contribute to a strong and vibrant economy.

But to those who believe too much money is being spent on aboriginal people, let me add that there's a big difference between throwing money at a problem in the hope it will go away and working sensibly with your partners to correct a terrible situation. That's what I'm arguing for, a policy of engagement. That should include ensuring that the fiscal imbalance suffered by aboriginal people gets corrected by engaging aboriginal people through investing in the education of a young, rapidly growing aboriginal population; providing safe, clean, healthy, and affordable living environments in which to grow and thrive; pursuing innovative, cost-effective initiatives in labour market development programming and in sustainable jobs; and infusing capital into promising aboriginal enterprises.

These are not handouts, Mr. Chairman, but an investment, with a view to working with us to develop the basic tools for success for aboriginal people living in Canada, all aboriginal people, regardless of their status under the Indian Act and regardless of their place of residence, on- or off-reserve, urban, rural, or remote. That's what the federal budget should be all about: doing better, not necessarily more, for all Canadians.

• (1740)

The motto of the Congress of Aboriginal Peoples is to participate in, contribute to, and benefit from our place in Canada. My job is to seek out the chance to do so.

I invite your questions.

Thank you very much.

The Chair: Thank you, Mr. Dorey.

The first round is six minutes, the next round is four minutes, and we're still going to go over, so I'm taking donations of time, please.

Mr. Penson.

Mr. Charlie Penson (Peace River, CPC): At the risk of going over my six minutes, Mr. Chair, I'd like to welcome the panel here today. I thought there were some very good presentations.

I'm interested in Ms. Palliser and Ms. Dickson's presentation and how it is you don't feel you are able to access the money from DIAND, the Department of Indian Affairs and Northern Development. I think in total the Canadian taxpayer is spending about \$12 billion a year, and I'm hearing the message from Mr. Dorey and from

your group, Ms. Dickson, that somehow you're not able to be part of that or you feel you're outside of it.

I'll start with you, Ms. Dickson. How is it you're not able to go through the departmental process that has jurisdiction for dealing with your problems?

• (1745)

Ms. Jennifer Dickson: Thank you.

That's a very important question. There are a couple of things happening on that matter. One is that the Prime Minister—I think it was in the April 19 meeting of the Canada-Aboriginal Roundtable—promised there would be a new secretariat in INAC devoted to Inuit activities. I gather that secretariat is under development, and they're either going to bring in all Inuit pieces of INAC's activities into one place or may even turn it into some sort of advocacy unit on behalf of Inuit. But for the moment that isn't there.

We do access some INAC funding for specific project activities, but more and more—I don't know whether it was Enron or what—what has happened in the last several years and is getting worse is that.... Let's assume for the moment we're talking about tobacco cessation and we've put in a proposal for \$100,000 for a program on tobacco cessation. We're required to promise that none of that money will be used for what's called administration. They assume we get our core funding elsewhere. We have to not spend any of that money on an office for the person who's going to do the work, on the lights, on answering the phones, on the financial support that person needs to do the financial paperwork, on the management of the project in the case where we bring on a consultant, or on a staff person for a two-year project—if we were silly enough to hire one, knowing they'd probably have to leave at the end of it because there's never any multi-year funding. So in order to accept that money for tobacco cessation, we have to have already found sufficient core funding elsewhere.

This probably goes for everybody, but everyone else is on a much bigger scale than we are. We've even been told, by people who shall remain nameless, that one of the ways they evaluate the relative effectiveness and community support of an organization is how much the community itself contributes to the core funding. The suggestion is that we're to go to these women in the north—to say they're destitute is a vast understatement—and ask them all to chip in \$10 a year to Pauktuutit's core funding because that'll prove we have a strong mandate.

Mr. Charlie Penson: And the result of this matching formula is that you're not able to access the funds you require.

Ms. Jennifer Dickson: It's not so much a matching formula; they say fine, you can have \$100,000 anytime you want it. I have a file full of projects we can't access. We turn them away because I can't hire one more coordinator to do one more file without having my financial officer resign because she has too much on her plate. She has to do all the core financial support for however many projects we have on line.

We probably have 32 projects on line now, and they're all dynamite; they're all really successful. In fact, we have two private sector foundations approaching us that want to work with us. They're actually contributing to our core; they allow you, I think, 12% or 15% towards your administrative costs.

It's just this sort of circle. In the nineties, when the economy was really tight, everybody had their core funding cut. Ironically, we were learning right then how important and how much of an investment these community-based projects really are.

Mr. Charlie Penson: Ms. Dickson, because I have limited time, I just want to wrap this up. I also want to ask Mr. Dorey a question.

It seems like there's a problem here that needs to be overcome.

Ms. Jennifer Dickson: A systemic problem.

Mr. Charlie Penson: It would seem to me that reasonable minds should be able to figure out a way you can access that kind of funding.

Mr. Dorey, if I have it right, you're saying that over 75% of aboriginal Canadians live off reserve.

Chief Dwight Dorey: That's correct.

Mr. Charlie Penson: Therefore, they are not having access to the programs or funding of the Department of Indian and Northern Affairs.

Chief Dwight Dorey: That's right.

Mr. Charlie Penson: So in places like Winnipeg, Regina, Edmonton, or Grande Prairie, where I come from, somebody has to pick up the slack or nothing happens in terms of programming. The provinces would then have that responsibility fall on them?

Chief Dwight Dorey: You're right on all three of your first points, but as for where the problem lies, whether it's with the province or not has always been one of the big issues. It's one of those cases where we feel we're the hot potato that keeps getting tossed back and forth. The provinces do not, for the most part, accept the fiduciary responsibility—though there are some exceptions where the provinces are trying to do what they can. On the other hand, under federal policy, the federal government does not either. So therein lies the problem.

I think it's one of the reasons the Prime Minister himself, in the throne speech, said we have to get away from jurisdictional wrangling, and that's what he was referring to—who has the responsibility for the aboriginal people. Get away from that and start dealing with the issues.

• (1750)

Mr. Charlie Penson: So things like land claims really don't affect you, because the people you represent are not part of them?

Chief Dwight Dorey: That's correct. We're totally excluded from the land claims process; it is only Indian Act bands that can effectively access—

Mr. Charlie Penson: You're saying, Mr. Dorey, that the people you represent fall very much in the category of aboriginal Canadians, but cannot benefit from land claims or cannot benefit from the \$12 billion a year, or whatever it is, being spent by Canadians to try to help aboriginal Canadians.

What do you recommend as a way of resolving this?

The Chair: If I may, just 30 seconds, please.

Chief Dwight Dorey: I think I've alluded to some of that in my presentation here. Those are the questions we're asking: how can we do that? We have to look at a more equitable distribution of the resources that are there.

Mr. Charlie Penson: Mr. Chairman, just so that everybody understands, the people who pose the problem, or tell us what the problem is, usually have the best solution and know better than we do what needs to be done.

So I'm looking forward to reading your brief, Mr. Dorey, to see what solutions can be used here to fix this problem.

The Chair: Thank you.

Monsieur Côté, and Mr. Bell.

[*Translation*]

Mr. Guy Côté: Thank you very much for your presentations.

Mr. Dorey, I'd like to comment on the accuracy of the projections made by economists. These have been grossly underestimated. There is a subject that you could discuss with the Finance Minister.

Seriously though, I recall that during the last Parliament, the Standing Committee on Finance heard a number of presentations on the appalling conditions in many aboriginal communities. I'm thinking in particular about the Barrier Lake community which is facing very serious problems in terms of housing, drinking water and other basic human needs. We had discussed the possibility of implementing an emergency plan. The situation does indeed call for immediate action to resolve these problems.

If this is not already happening, in the weeks and months to come, will pressure be put on the government to draw up an action plan to help these communities?

[*English*]

Mr. Richard Jock: Thank you.

In fact, what happens is that we do have a function within the Assembly of First Nations that seeks out communities who are expressing a certain level of problems, and there is an advocacy process through the Assembly of First Nations to help those communities in terms of their own issues, but also to advocate to the respective department.

I would say there does need to be developed, however, much more of a proactive process, because as you've pointed out, I think we very much know which communities are more in a crisis than others. What is in place, in my opinion, is too passive. Essentially, I would like to see a process by which we are much more proactive to try to help groups start doing the moves they need to make to deal with their circumstances, rather than the current wait-and-see process, which sometimes has very catastrophic and unfortunate results.

[*Translation*]

Mr. Guy Côté: I don't know if the other groups have any comments to make on this matter. If not, Mr. Chairman, you've saved a few minutes.

The Chair: Thank you.

Mr. Bell.

[English]

Mr. Don Bell: I have a couple of questions.

First of all, Bob, you mentioned that improvement has occurred over the years, but the gap is still wider. I don't know if the word was "wide" or "widening".

My question to you is, is the gap growing; and if so, is it because of increasing aboriginal population or identification of new problems?

Mr. Robert Watts: Thank you very much for the question.

Sometimes you get speech writers and they're far too subtle. What I said in the speech is that we would like to report that there has been great progress, but we can't.

• (1755)

Mr. Don Bell: I see.

Mr. Robert Watts: The gap is widening.

Some of the factors include inflation, the cap on core programming from the federal government, the increase in population. We have the fastest growing population of any segment of Canada. Half of the first nations population in Canada is under 25 years old, putting tremendous strains on our systems, and our systems are being underfunded by the federal government.

Mr. Don Bell: All right .

Then I had a question for Richard.

You ran through the health action plan and listed a bunch of things, and at the end I think it was either you or Bob who indicated that the full submission would be available tomorrow. Is that going to do a summary, a categorization, of your requests, and then a tally somewhere of the dollars requested?

Mr. Richard Jock: Absolutely.

I think I want to also make it clear that the dollars we're talking about are not for AFN, that there are no dollars in there for AFN, that these are all targeted at community-level interventions or needs and services essentially equivalent to the kinds of services that any population in Canada receives through its municipality or its province. That would include such things as education, social benefits, infrastructure. All of those kind of services are lumped into what tend to be considered large sums but are in reality some of the dollars that are taken for granted by any population in Canada.

Mr. Don Bell: The other question I had is—and it's to those who spoke, including the two gentlemen I just spoke to—is there a coordinated body that pulls together all aboriginal interests? I'm describing that as the acknowledged first nations identified, the off-reserve aboriginals, the Métis, the aboriginal women's groups, including the Pauktuutit and other aboriginal/first nations women's groups. Do any of you want to respond to that? I'm curious. Are the issues so diverse? For example, in the non-aboriginal community we have major differences and it's hard to get together. Is it the same problem there, or is there somewhere where you can all sit and start to discuss the issues?

Mr. Richard Jock: Thank you for that question.

Speaking for the Assembly of First Nations, we're mandated by over 630 first nation communities in Canada to speak on their behalf. We do have a strong working relationship with the Métis and the Inuit in Canada. We spearheaded jointly the development of the April 19 round table hosted by the Prime Minister, and we worked very closely in terms of some of the follow-up to that. There are tables that we all sit at, representative organizations that have different claims in terms of who they represent. In some of the sector-specific round table follow-up that's going to happen this month and over the next couple of months, we'll all be sitting at those tables, but there is no one coordinating body. Some of our interests are very diverse; some of our constitutional histories and treaty histories are very diverse.

The Chair: Thank you, Mr. Bell.

Do you want to add something quickly, Ms. Dickson?

Mr. Don Bell: I invited anyone to respond if they wanted to.

The Chair: Yes, quickly. I don't have any problem. We're okay on time.

Ms. Jennifer Dickson: Thank you for that question, Chair.

What we find, the women—and I hate to say that I speak for NWAC, because I don't, but we are very collaborative on many files with NWAC—is that although INAC has primary responsibility for most of what they call aboriginal activities, many departments are engaged and indeed are partners in funding.

As far as the north is concerned, just looking at the north—and in this one I know I can speak for our colleague organization, Inuit Tapiriit Kanatami, which everybody knows as ITK, and what they are is the representative organization of the four land claim regions in the north—is that on almost every level Inuit are very different from all other aboriginals in Canada. There are huge problems with lumping the Inuit in with aboriginals elsewhere, with first nations, or any of the aboriginals of Canada. They have very different culture, geography, language, and race.

A little known fact about Inuit is that all the Inuit pay taxes in Canada. One of the biggest slogans in the north is "I may be a first Canadian, but I'm a Canadian first", and some of you may have heard that. It's a whole different take on their participation in and their place in Canada. So one thing that's a very high priority for all of us is to have what we call disaggregated numbers and disaggregated activities for Inuit. What that really means is let's not just say, in order for us to put a check in the box beside "aboriginal", let's just get all those aboriginal organizations into a room, then we can put a check in the box and then we can say we've heard from them all, because it inevitably makes the social, and economic, and real ground situation of the Inuit look better than it is, and it is appalling up there.

What we need to do is, just for a little while, take it aside and look at it separately.

•(1800)

The Chair: Thank you, Ms. Dickson.

Just a quick one, Mr. Dorey.

Chief Dwight Dorey: Yes, thank you.

In response to Mr. Bell's questions, one process that has been in effect for a couple of years now is the FPTA, federal-provincial-territorial-aboriginal leaders. That's been, I suppose, a concerted or coordinated effort in trying to address some of the issues. But that process in itself has somewhat fallen by the wayside. It's not moving along very much since the round table process got started. As a result of the round table the Prime Minister has established an aboriginal affairs secretariat, which, I believe, is to do that coordinating work, but that's pretty much it.

The Chair: Thank you, Mr. Corey.

Ms. Wasylycia-Leis.

Then we're going to go to Ms. Minna and Ms. Ambrose, and then that's it.

Ms. Judy Wasylycia-Leis: Thank you, Mr. Chairperson.

I want to deal with the broad issue of funding for aboriginal people. I think we're living with the perception out there that all this money is going in bucketfuls to aboriginal people and that it's just a problem of mismanagement and poor accountability. When I look at some of the statistics, it seems to me that in fact we're dealing with a situation of cutbacks at a time when we should be at least holding the line. I think specifically of the work that Pat Martin raised in the House last week over the estimates for the Indian Affairs department, which showed a 6% cut for the next fiscal year, and interestingly, to Jennifer and Mary's point, it was a cut all in programs and none in administration.

Then I look at some reports like the Auditor General's report last year on housing, where she clearly points out that there's been no commensurate increase in funding to meet the growth in the population, to meet the fact that there will be an increase by 50% by the year 2021 of on-reserve population, or to meet the needs of off-reserve people who, in a case like Winnipeg Centre or Winnipeg North, will soon be 25% of the overall population.

So I think we need to hear from you a general message about the approach we should take in this budget. I'll start with the AFN and work around the room.

Mr. Richard Jock: Thank you.

That is an excellent point. From our analysis, if you factor out the lawful obligations of DIAND that relate to land claims and other payments, we actually calculated that it's a 7.4% decrease since 1995-96, and specifically, a 13% decrease in essential services and programs since 1999.

Further, if we then do some adjustments based on inflation and population growth, our analysis is that per capita spending on infrastructure, for example, decreased by 31%, housing decreased by 28%, post-secondary education decreased by 13%, and social assistance decreased by 9%. Many of the figures and amounts that we are putting forth in our estimates are to start bridging that gap and also to start doing reasonable adjustments so that future funding is

not based upon those faulty assumptions. Without that sustainable base, we tend to see the blaming-the-victim scenario, which arises when funding is capped in a way that doesn't make sense.

Your question is excellent. Our research summarizes those elements. Our areas of infrastructure are intended to catch up and lessen that gap in wellness and well-being that Mr. Watts referred to.

•(1805)

Ms. Judy Wasylycia-Leis: I hope you can table that research with our committee.

Mr. Richard Jock: Yes, sure.

Mr. Robert Watts: If I may, Mr. Chair, our report goes into great detail on this.

On Friday, in Winnipeg, National Chief Fontaine is revealing a report we've done on myths with respect to first nation funding. We would be pleased to forward that report to all members of the committee. It directly deals with some of the issues that you raise.

Ms. Judy Wasylycia-Leis: Jennifer or Mary.

Ms. Jennifer Dickson: Thank you.

I agree with that question, of course.

From Pauktuutit's perspective, we are a national organization from the grassroots. Our board of directors are Inuit women from across the north. There are 52 tiny communities, as I said earlier, mostly entirely isolated from each other. Often they are not highly, what we would call, literate, although they are very wise. Often they are unilingual, speaking Inuktitut, but they are the agents of change of the north. We should be learning from them instead of pretending they are invisible.

Without going into all of that, if we're talking strictly about finances—and I know this is the finance committee—we could talk about leverage. David Dodge and everyone are now saying what a good investment it is to do things like early childhood development, prenatal care, and trying to keep kids in school. All that stuff is absolutely demonstrated by this tiny little organization called Pauktuutit.

I would challenge anyone who feels like testing this on the ground to come and look at the results of our programs over the last ten years in terms of value for dollar. We really are an agency of government. We really are the roll-out organization for Health Canada, INAC, Status of Women, and Heritage Canada to do on the ground what some of them seem to think we're better at than they would be. I tend to agree. Partly it's because we have the contacts, but we also have the flavour, the cultural sensibility, and 20 years of experience. In a way, on the financial side, it is true to say that this is a very valuable way of doing programs in the north.

What we're really saying now is that tokenism is so insufficient as to be appalling. We don't need to have somebody invite us to a meeting to be able to say the Inuit women were there, because it's not real anymore. It has to be because they value the work that's happening and they want it to multiply. We do a project, then everybody says how wonderful it is, and 50 other communities want it to happen. But we have to say that we're terribly sorry, it was only a pilot, we had to promise never to do it anywhere ever again, and it's over now.

The Chair: Ms. Minna, and then Ms. Ambrose.

Hon. Maria Minna: Thank you.

Mr. Tony Belcourt: I thought we were all asked if we'd like to make a response.

The Chair: Okay, sorry.

Thirty seconds each, please.

Mr. Tony Belcourt: Thank you for my 30 seconds.

The point I want to make is that I wish we were in a position where we could be talking about cutbacks. Less than 1% of federal resources invested in aboriginal health goes to the Métis people. They have all these other statistics about how funds are not being made available to the Métis people.

If I can say one thing to this committee, it is that investments such as the funds that are available through HRDC for job training are not the place to start making cuts. Those kinds of budgets ought to be increased.

I think this committee, or the House of Commons, at some point is going to have to start doing its own study about how it's going to meet the future financial requirements for the Métis people, for whom Parliament has a responsibility as much as it does for status Indians and for Inuit. The Supreme Court of Canada made that clear. This committee could do some good work by starting to look at that issue with the Métis people and start looking at options for how we can address the financial issues in the future.

There is one very good model that the Government of Canada used; that is, when it decided a number of years ago to transfer to the provinces the resources for human resources development, it withheld one big pot for aboriginal peoples, including first nations, the Métis, and the Inuit. Now those funds are increasing to the provinces, and cost-sharing for the revenue that comes from all Canadians, but the fund available to aboriginal Canadians has decreased. Does that make any sense?

I'm sorry we don't have enough time to be able to properly discuss these issues with this committee.

•(1810)

The Chair: Thank you.

Ms. Minna.

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

At the outset I want to say, on the discussions, we can't finish today, because there's always not enough time, but individually, I know I'm interested in continuing dialogue and discussion with you on different issues. I hope you won't mind if I get in touch with you

and I hope you feel free to get in touch with us, because it's an ongoing process and we can do a lot of things.

What I want to talk about and ask you a question about is this. We now have a minister responsible for working out an arrangement with the cities, the communities. You just mentioned that 75% of aboriginals are actually living in urban settings at this point, including Métis communities. Is there at this point any discussion between your organizations and people from the office of the minister, who is negotiating and working out arrangements with communities or cities through the Harcourt-arranged discussions, and so on, as to the kinds of priorities and the kinds of things to identify when it comes to housing and all kinds of other issues that they're looking at?

In developing the urban agenda, obviously there needs to be some special attention given to the needs that we heard here today and some others. Have any of you been involved at all in any discussion? Has there been any reach out to you? I think that's an area in which we need to solve some things at the start. We need to begin to deal with it, as opposed to after the fact.

I just want to know.

The Chair: I'm not sure who she's addressing the question to.

Hon. Maria Minna: Any of them.

The Chair: Mr. Belcourt wants to speak.

Mr. Tony Belcourt: I would like to say that the Government of Canada's approach to urban aboriginal issues is very much adhocery. Where the Métis are concerned, I can say that this urban aboriginal strategy by the Government of Canada is nothing but a complete source of frustration.

There are three peoples in the Constitution—the Indians, the Inuit, and the Métis. There are three representative bodies of the constitutionally represented people that the government ought to at least be dealing with—the Assembly of First Nations, Métis National Council, and Inuit—in trying to work out strategies that work in cities. And I recognize that there's an organization representing off-reserve people and non-status Indians, CAP.

What I'm trying to say is that the issues concerning our people in the cities are issues that can best be addressed by us, not by government turning around and saying, we're going to throw \$40 million at these cities and create some new organizations out there of groups that are completely not accountable to anyone.

So the urban aboriginal strategy is an urgent issue that needs to be addressed, but it needs to be addressed through the representative bodies. We are elected to represent our people in our cities.

The one final thing I want to say about the Métis is that we are, in many of our cities, not people who migrated to the cities; these cities grew up around our historic communities. The historic Métis community at Sault Ste. Marie and the first nations community were there historically. Sault Ste. Marie grew up as a city. It's the same with Winnipeg; it grew up around the historic Métis community of the Métis people there. It's the same with Edmonton.

Our issues are not quite the same as migrating from reserves. Our issues in the urban areas are quite significantly different.

•(1815)

Chief Dwight Dorey: Perhaps I can also answer that question.

Our organization as well, as Mr. Belcourt has pointed out, has encountered the same frustrations with respect to the aboriginal urban strategy. With respect to having to deal with that, my organization, the Congress of Aboriginal Peoples, represents constitutionally recognized people right across Canada. I might point out that the Constitution makes no reference to organization; it says that the aboriginal peoples of Canada include Indians, Inuit, and Métis. It doesn't limit the aboriginal peoples to those three categories.

We have our own urban strategy. We've been trying to share that with federal, provincial, and municipal governments. We're continuing on that road, along the same lines that Mr. Belcourt just mentioned. It's really incumbent upon us to be engaged in the process, not just be consulted but be fully engaged in addressing these issues.

The Chair: I just want to give Ms. Ambrose a chance to ask her question.

Go ahead.

Ms. Rona Ambrose: Mr. Belcourt, I want to ask you a very specific question. Obviously you've had a lot of time to talk about the government not recognizing the status of Métis, but you commented earlier on Alberta having a different approach. I'm an Albertan, and this is an issue I've been getting questions on, so I appreciate this opportunity.

How is Alberta treating the Métis differently? I know that there was a recent agreement between the Métis people and the Province

of Alberta. I wonder if you could comment on that, and on how that might have an impact for Métis across Canada.

Mr. Tony Belcourt: The situation is very straightforward. The Government of Alberta has an agreement with the Métis Nation of Alberta to recognize the citizens who are registered with the Métis Nation, or entitled to be registered, as Métis rights holders. They are now harvesting in that province without any incident.

Conservation is not the issue, discrimination is the issue. You can't say to me that in the province of Ontario, where the government issues 37,000 adult moose tags and an unlimited number of calf tags, somehow 518 Métis Nation of Ontario citizens are going to be a threat to conservation. It's plain and simple discrimination. Ironically, that same discrimination is existing in places like Manitoba and Saskatchewan.

All I can do is commend what is going on in Alberta. The province is obviously enlightened in its approach toward the Métis.

Ms. Rona Ambrose: Thank you.

The Chair: Thank you, Ms. Ambrose.

The bells mean that we have to go to vote. That's why we're packing up; it's not to be rude. It has nothing to do with the company.

Again, I'd like to thank you for making the time to come and see us. If you as organizations or associations have additional written submissions or comments, you can send them along to the clerk. We'll have them translated, no problem.

Have a good day.

The meeting is adjourned.

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