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—
Chair

Mr. Brent St-Denis

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Monday, April 11, 2005

• (1530)

[*Translation*]

The Chair (Mr. Brent St. Denis (Algoma—Manitoulin—Kapusking, Lib.)): Good afternoon, everyone.

[*English*]

Good afternoon, everyone. I'm pleased to call to order this April 11 meeting of the Standing Committee on Industry, Natural Resources, Science and Technology.

Pursuant to our Standing Orders, we are considering estimates, specifically for the Canadian Tourism Commission. We've set aside the first hour and a half for representatives from the commission and the last half hour to honour a request by the Office of the Commissioner of Official Languages on the same estimates.

I'm not sure if any of our witnesses have been here before.

Monsieur Lapointe, will you be speaking for the commission? We would invite you to speak for five to seven minutes, maybe give or take a little bit, allowing our colleagues around the table ample opportunity to ask questions.

Thank you for being here, and I invite you, Mr. Lapointe, to start.

• (1535)

Ms. Michele McKenzie (President and Chief Executive Officer, Canadian Tourism Commission): The three key programs of the CTC are marketing and sales—for which I suppose we're best known—our research program, and our product innovation and enhancement program. Under marketing, we position Canada as a desirable tourism destination under the brand of Canada and develop new markets for Canada in this regard. We work with partners from across Canada who sell in specific regions, and they invest about dollar for dollar for every investment the federal government makes.

We're working on marketing, from generating awareness right through to selling our product. In the U.S. market, we invest in both the leisure market and the meeting, convention, and incentive travel market, which has been a very big market for Canada. In Europe, we're invested in the U.K., France, and Germany. In Latin America, we invest in Mexico. In Asia Pacific, we invest in Japan, South Korea, and Australia, and we've just opened a permanent office in China.

We have some activities in Canada. But since our mandate is to generate export revenue, this part of our activity is quite limited. In 2004, our total tourism expenditures in Canada were \$55.5 billion, which was up 6.5% from 2003. Canadian residents spend a lot of money travelling within Canada, but it is important to note that

international revenues, which is new money to create wealth in our country, was 32% of that amount, up \$17.7 billion, or 11.2%.

Government tourism revenues were \$16.7 billion in 2004, up 6.5%, and tourism GDP was \$24.1 billion, up 6.8%. Our travel account deficit, however, grew 17.4% to \$4.1 billion. This means that Canadians were spending more money outside of our country than international visitors were spending here. Canadian expenditures in the United States alone were \$11.5 billion, up 8.1%. The overseas markets were \$9.2 billion, up 15.4%

We have a chart that depicts how this travel deficit flows across the seasons of the year. Not surprisingly, you'll see that Canadians travel outside of Canada in the first quarter of the year, but by the third quarter of the year we have attracted more international dollars into Canada.

Our overall outlook for our industry is now a lot brighter than it has been during the past couple of years, but the U.S. market continues to fall short of our expectations. Major challenges for the CTC include the overall resources we have to spend, given what our competition is spending and the markets we're invested in; the weak U.S. market; increased global competition; increased issues at the Canada-U.S. border, which makes travel to Canada, especially along the border markets, less attractive; and overall brand awareness of Canada as a travel destination.

Our initiatives therefore are to revitalize Canada's tourism brand and attract more attention to Canada as a travel destination. We will reflect this in a brand-new 2006-2008 strategic plan, which will be presented to our board for consideration next month. We have recently been working on China's announcement that Canada will be granted approved destination status. This is a huge opportunity for Canada and an area on which we're putting great emphasis. We are working with major partners—Air Canada, for example—in our major markets. Since they've come out of their bankruptcy protection, they have been investing heavily in CTC programming. We will also invest in new markets such as China and Mexico.

• (1540)

[Translation]

Hon. Charles Lapointe (Chairman, Board of Directors and President and Chief Executive Officer, Greater Montréal Convention and Tourism Bureau, Canadian Tourism Commission): Our priorities are to provide for long-term stable funding, earn more revenue for Canada in the tourism sector and outdistance our competition. We're carefully monitoring our competitors, like Australia, for example, which increased its budget in 2003 from \$82 million to \$230 million. We also saw the same thing in South Africa and with a number of our other competitors. We want to help the industry better resist the shocks of international crises and also take advantage of the 2010 Winter and Paralympic Games to raise awareness of Canada as a destination of choice.

We've also made a lot of submissions to get \$55 million in incremental marketing funds and \$35 million without a partner, for a total of \$90 million for all markets. If we obtained those additional funds, we could generate additional revenues of \$1.37 billion for the industry, nearly 19,400 jobs, \$202 million in federal revenues and \$211 million in provincial, municipal and territorial revenues.

I believe the Canadian Tourism Commission is a winning combination. We conduct our operations like a business because we're directed mainly by the industry. We stimulate partnerships and cooperation among the private and public sectors. And lastly, across the country, we stimulate job creation and economic growth.

Thank you.

The Chair: Thank you, Mr. Lapointe.

[English]

We'll get you to start, Werner, please.

Mr. Werner Schmidt (Kelowna—Lake Country, CPC): Thank you very much, Mr. Chairman.

Thank you very much for the presentation you have just made.

I think, Mr. Chairman, this is probably the most concise presentation in a very short time. It was rather an involved thing, but your panels are self-explanatory, easy to understand. I don't know if that means your commission is operating very simply and very successfully. I think that's great.

I refer to a document that you put together—at least I think you did. The title of the document is “Corporate Plan Summary 2005-2009 — Discover our true nature”. In that report on page 4, one of the things you say is, “Enabling units will enhance this focus”. The first bullet is “by providing the proper and valid technological

infrastructure to support the e-business suite of activities required”. I think that's a very significant and a rather forward-looking issue.

The question I have is, how much of that valid technological infrastructure will require a capital outlay?

Hon. Charles Lapointe: Michele.

Ms. Michele McKenzie: We've been investing in our technological infrastructure over the years. Primarily what this investment involves is securing this infrastructure so that we can operate on a global platform that will back up all of our marketing with one global website operating in a number of languages, but we will not be operating separate websites all around the world. This will actually improve our effectiveness while also making us a lot more efficient. It will allow us to speak to our consumers all around the world from our home head office as well as from our locations across the world.

• (1545)

Mr. Werner Schmidt: My question really is, how much of that is a capital expenditure?

Ms. Michele McKenzie: At this point we have a \$12 million project on the go for technological upgrades over the next five years. Of that, about 40% is capital upgrade and the rest is software.

Mr. Werner Schmidt: If I understand the one-to-one ratio of federal government money and private sector money, that would mean that your total budget is roughly about \$157 658 000. Is that correct?

Ms. Michele McKenzie: That's correct.

Mr. Werner Schmidt: In your presentation here this afternoon, I think you indicate that about \$90 million will be spent on incremental marketing funds and across all markets. That means a major part of that \$154 million will be spent in this way. The question I have is, what will the relationship be between the tourist commission expenditure of funds for this kind of promotion and the private sector money that is going to be spent in promoting their own product?

Ms. Michele McKenzie: Okay—

Hon. Charles Lapointe: Before Ms. McKenzie gives you a more detailed answer, I want to say that the \$90 million additional is an increment we want the government to allow us. It's not the case yet.

Mr. Werner Schmidt: In other words, you want \$157 million plus \$90 million.

Hon. Charles Lapointe: Yes.

Mr. Werner Schmidt: I see. So that's what you're after, this is \$90 million plus.

Hon. Charles Lapointe: But the budget we control is the appropriation we get from the federal government, which is \$78.8 million.

Mr. Werner Schmidt: Correct. So you want \$90 million on top of that.

Hon. Charles Lapointe: Yes. The partnership money—

Mr. Werner Schmidt: You don't want much, do you? You want to double the amount of the allocation.

Hon. Charles Lapointe: It's only because we are looking at competition. I mentioned this in my opening remarks. When we look at Australia in particular, which has more or less the same model as the Canadian Tourism Commission to manage its tourism activities, the budget started at \$82 million, which was exactly the same as ours. That was in 2001. Now the budget is \$250 million, not counting the money from partners. The budget for Australia's commission is also submitted to the same practice we follow, which is the matching of public money with money from partners. Therefore, we're kind of "out-competed" by the competition, if I may say so. That's why we have been requesting additional moneys together with the Hotel Association of Canada and the Tourism Industry Association of Canada.

Mr. Werner Schmidt: If those numbers are correct, and if you're still maintaining the one-to-one ratio, that means what you really want your budget to become is \$537 million. Wow!

Hon. Charles Lapointe: No, I think you're counting something twice.

Mr. Werner Schmidt: No, no.

Hon. Charles Lapointe: I'm sorry. Now we have \$78 million. Multiple this by two, which is \$156 million, plus \$180 million.

Mr. Werner Schmidt: Yes, that's right. But you're still going to exceed the money that is spent by Australia if we do that.

Hon. Charles Lapointe: No. In Australia, the \$250 million is only the public appropriation. It does not count the money from partners.

Mr. Werner Schmidt: Okay. I'm glad we asked those questions. We now have that clear. It's very important that we do this.

The question I would like to ask here is, what is the relationship between the advertising the Canadian Tourism Commission does and what Air Canada, for example, does in its own right? How much of this is joint and how much of it is individual? Of course, there are a whole lot of other industries as well that are part of the partnership but also have their own special advertising program.

Ms. Michele McKenzie: We don't count, in our partnership dollars, the money Air Canada spends marketing just to sell tickets in Los Angeles, for instance. What we're talking about is when we go in together on an advertising campaign, or a public relations campaign, or any kind of marketing activity where we're selling Canada as a leisure destination and pointing out that the way you can get here is on Air Canada. It's a message you wouldn't see here in Canada as it's specific to the international markets.

For instance, we have a campaign now of television ads with Céline Dion that you see here in Canada. It was created to be completely different for the Los Angeles market. The ad there doesn't show any airplanes. We don't show the same people that you see here. The campaign is all about selling Canada as a destination, and it's showing beautiful images of Canada.

• (1550)

Mr. Werner Schmidt: Okay. Let me be very specific.

The Chair: I need to get you to wrap up there, Werner.

Mr. Werner Schmidt: Okay.

Who is paying for the ad with Céline Dion and Air Canada in Canada?

Ms. Michele McKenzie: Air Canada is. We have no money invested in Canada.

Mr. Werner Schmidt: Thank you.

The Chair: Thank you, Werner.

Paul, and then I have Lynn next.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chairman.

Thank you for being here today.

First, we've been told that the head office is moving. Has the board of directors, the chairman or the executive director of the Canadian Tourism Commission issued an opinion on the relevance of that move?

Hon. Charles Lapointe: I've had occasion to discuss it a number of times with the Minister of Industry. The board has discussed it twice, and we've remained neutral. Under the act, the government has the prerogative to decide where to locate the head office. The act states: "The head office of the Commission shall be in the place in Canada that the Governor in Council may, by order, designate."

As the Government of Canada is the sole shareholder of the Canadian Tourism Commission, the board of directors feels this is the government's responsibility, not the board's.

Mr. Paul Crête: Do you think it's a good decision?

Hon. Charles Lapointe: Have I stated an opinion or not? I believe the Canadian Tourism Commission can work out of any major Canadian city, whether it's Montreal, Halifax, Toronto, Calgary or Vancouver.

Mr. Paul Crête: How much will it cost to move employees from Ottawa to Vancouver?

Hon. Charles Lapointe: According to our preliminary evaluation, the costs may vary between \$14 and \$17 million, depending on the number of people who decide to move or to stay in Ottawa.

Mr. Paul Crête: Would that amount come out of the Canadian Tourism Commission's budget, or is that an additional amount?

Hon. Charles Lapointe: From our understanding, the last budget allocated \$25 million to the Canadian Tourism Commission for one year only. We'll finance the move out of those funds.

Mr. Paul Crête: Here I have a letter from the Tourism Industry Association of Canada, which was sent to each of the members and which refers to that \$25 million figure. In that letter, the Association asks that the amount be allocated to marketing, not the move. Are you telling me that a significant portion of that \$25 million amount, that is to say \$14 to \$17 million, will be simply used to pay moving expenses?

Hon. Charles Lapointe: That's correct.

Mr. Paul Crête: Don't you find that operation somewhat costly in view of the fact that your budget is \$100 million? In your request, you referred to additional amounts in order to compete with other countries. Wouldn't it be more appropriate to allocate that amount to marketing rather than to moving officials?

Hon. Charles Lapointe: I don't decide on the government's financial allocations.

Mr. Paul Crête: As Chairman of the Canadian Tourism Commission, you must have an opinion on these matters. We're in a very particular dilemma, Mr. Chairman. Here's an amount that doesn't appear in the Estimates, and the Tourism Industry Association of Canada says the amount should be allocated to marketing. The only other opinion I've had from the minister's office is that of Mr. Ian Jack, who says the amount constitutes additional funding for the Canadian Tourism Commission and suggests that it will be allocated to promotion, to marketing, to the Commission's mission. If you had the choice, would you allocate this money to marketing or to the move?

Hon. Charles Lapointe: Mr. Crête, I don't have to make that decision. I'm not the shareholder of the Canadian Tourism Commission. I'm the Chairman of the board. My 25 colleagues and I are trying to manage the Commission as best we can. I can't substitute myself for the government.

Mr. Paul Crête: In the same letter, Mr. Randy Williams, President and Chief Executive Officer of the Tourism Industry Association of Canada states:

[...] we've slipped from seventh to tenth place with regard to the number of tourists and from ninth to twelfth place in revenues. The CTC's lack of funding for marketing has also contributed to an increase in the deficit in the balance of tourism trade between Canada and the United States.

Do these indicators justify your request for an additional \$25 million? I'm going to put my question differently. Shouldn't the money allocated to the move come from another part of the budget if there ever were a move?

• (1555)

Hon. Charles Lapointe: If the government found money somewhere else, it would be better for the entire amount to go to marketing, but I live with what the government gives me. It's as simple as that. Our priority on the board is to get more permanent funding. I mentioned exactly \$96 million because there would be \$6 million for management and operating expenses. That's our priority and that's the argument we're trying to develop. The move question is circumstantial. It doesn't meet our long-term funding needs.

Mr. Paul Crête: As members of this committee we have to evaluate the Estimates, and we can understand that your priority is marketing. That would be entirely warranted by the international competition put up by other countries. The money used to pay moving costs, if the government maintains its decision, should come from a different budget.

Hon. Charles Lapointe: Don't make me say what I didn't say.

Mr. Paul Crête: No, that's not what I'm trying to do. However, I'm trying to understand what you're thinking. I know you're not the principal shareholder, but, on the other hand, you have privileged information in that respect, whether it's you, Ms. McKenzie or

Ms. Zabel. We have to have something on which we can base a judgment.

Let's talk about the moving cost. This is the cost of physically moving, premiums for transporting people, amounts allocated for travel and so on. Do you think there would ultimately be a loss of expertise as a result of this move?

Hon. Charles Lapointe: We're trying to avoid any loss of expertise. However, we can swear to nothing right now, since the decision was announced 10 or 15 days ago. We're going to meet with all employees to discuss the matter with them and try to help them make their decision.

As regards the loss of expertise, it's like for any business. We have business plans and everything we do is documented. We have projections over five years. I hope we don't lose too many good employees, or any employees at all, because they're all good. We're equipped not to lose any expertise.

Mr. Paul Crête: Do you think you're able to offer the same service to the entire Canadian tourism industry, in the Maritimes, Quebec or Ontario, from a head office located at one end of the country?

Hon. Charles Lapointe: I think it'll be possible, Mr. Crête. The board of the Canadian Tourism Commission, as well as all its marketing committees, whether it be the committee for the United States, the committee for Europe, the committee for Latin America, the committee for Asia or the committee for business tourism, meet year-round across the country. We're going to continue doing that.

Mr. Paul Crête: Wouldn't it be preferable to have a storefront in Vancouver to oversee the new agreement with China and keep the head office in Ottawa?

[English]

The Chair: Merci, Paul.

Hon. Charles Lapointe: May I answer?

[Translation]

We're not moving to Vancouver to have a window on the Chinese market. We're already handling the Chinese market from Ottawa. That's not new: we've always handled that.

The government decided that the head office would be in Vancouver. So we're going to Vancouver. As I told you, we can operate from anywhere in Canada.

• (1600)

[English]

The Chair: Merci, Mr. Lapointe.

Lynn Myers is next, please, and then Mr. Broadbent.

Mr. Lynn Myers (Kitchener—Conestoga, Lib.): Thank you, Mr. Chairman. I want to first of all thank the witnesses for their very good testimony today. I appreciate it because it gives me a good handle on some of the things you've been up to.

I have three questions. First, in light of some of the announcements we see coming out of the United States about passports, you never know if this is going to happen for sure or not, but the indications seem to be that Americans returning to the United States will need to have one, and Canadians will as well.

I wonder if you've done an assessment yet on the kind of impact that might have, where this is heading, and exactly what it might mean for us as a tourist destination, and other things.

Ms. Michele McKenzie: Last week we announced that we had launched some further research into this area. Most of our heavy investment is in longer-haul U.S. city markets. We do not believe the issue around passports will be as great in those markets as in the border city markets. It will perhaps impact southern Ontario most, from a leisure point of view, in people crossing the border. We don't know what the full impact of that will be. Certainly the rate at which Americans are acquiring passports is growing rapidly. Now 21% of U.S. citizens hold passports, which is up from 13% just a couple of years ago. So that number is also very encouraging.

We're also tracking U.S. meetings that have already been booked in Canada for the next number of years, to make sure all the potential delegates to those meetings understand what the requirements are. That's where a lot of our effort is going right now.

We don't have a full assessment of the impact, but we think it will be significant along the border, and we're working on mitigation strategies now.

Mr. Lynn Myers: You had the American number. Do you have the Canadian number too?

Ms. Michele McKenzie: Yes, it's 31%. It's a full 10% higher.

Mr. Lynn Myers: We're higher.

Ms. Michele McKenzie: Yes. Canadians have always held passports at a much higher rate than Americans, but Americans are actually catching up quite rapidly now. There's a very strong campaign in the U.S. to encourage people to get passports.

Mr. Lynn Myers: I think you'll agree with me, though, that there is monitoring. We need to make sure we mitigate, as you point out, any kind of damage that might occur as a result.

Ms. Michele McKenzie: Absolutely.

Mr. Lynn Myers: The second question I had was with respect to the board of directors. I don't know a great deal, but it is my understanding that there's representation from all provinces. How does that relationship or partnership work vis-à-vis the provinces and the kinds of marketing programs you undertake as a result of those relationships and partnerships? If it in fact differs from industry, how does it differ?

Ms. Michele McKenzie: Are you talking about the people who represent the public sector on the board specifically?

Mr. Lynn Myers: Yes.

Ms. Michele McKenzie: As you know from our briefing note, the board is made up of seven public sector members and the balance is made up of private sector members, plus myself. They come to the board table and help us to approve strategy. It's a policy-based board, so they approve strategy and overall policy for the corporation. They're not talking about specific programming or wearing specific jurisdictional hats when they come to the table. They approve the overall strategy.

We also work with the individual working committees that represent all the areas to work out the programming, and then partners buy in. When they come to the table, they're not there to get

the best deal for themselves as partners, and that has generally worked quite well within the corporation.

Mr. Lynn Myers: Does it differ from industry, or is it similar to how you'd deal with industry?

Ms. Michele McKenzie: It's very similar. The only big difference is that the provinces tend to be bigger players financially. They'll buy into more programs and they'll lead more programs. But our programming goes right to small and medium-sized enterprises because most of the Canadian tourism industry is made up of small business. We're also working with them quite closely. Sometimes our provincial and territorial partners will create campaigns that encompass a number of small and medium-sized enterprises, and then we'll partner with them collectively.

It differs, but it's not a program for the public sector and a program for the private sector. We work with them all within pretty much the same partnering guidelines.

Mr. Lynn Myers: Thank you.

Mr. Chairman, my final question deals with e-commerce.

There's obviously a global trend to e-commerce. How do you in fact address consumer preferences with respect to the use of Internet and those kinds of things that are specifically related to e-commerce?

Ms. Michele McKenzie: The use of the Internet is shifting on a country-by-country basis. In some countries we operate in, the Internet is used extensively for research, and bookings may be made through travel agents or through other areas. But generally speaking, bookings are going to the Internet around the world in all of our markets

That's what we're preparing for with our e-commerce strategies. Our partners will provide the specific avenues for people to book a specific product, but we'll provide the overall worldwide portal to sell Canada as a tourism destination.

Mr. Lynn Myers: That has been effective, and will continue to be so, hopefully.

Ms. Michele McKenzie: Well, we're actually improving it dramatically right now. As I mentioned earlier, we've been servicing different countries on a country-by-country basis. We're now globalizing our overall infrastructure and support network so that we can speak to customers no matter where they are and no matter what language they want to speak to us in with the same secure back end. It's going great so far.

• (1605)

Mr. Lynn Myers: Very good.

Thanks very much.

The Chair: Thank you, Lynn.

Welcome to the committee today, Ed. Please go ahead.

Hon. Ed Broadbent (Ottawa Centre, NDP): Thank you, Mr. Chairman.

Bienvenue, Monsieur Lapointe and Ms. McKenzie.

I want to use my seven minutes by making a couple of statements that I'd like you to respond to, and then I'll also ask some particular questions.

My information is that both the CEO and you, Monsieur Lapointe, as chairman, spoke to your staff in December, and in that meeting the following points were made. At your board meetings in August and October, you discussed the move to Vancouver or to British Columbia. The conclusion of the discussion was that no business case had been made to justify such a move. The minister responsible never asked the commission to do a business case assessment on moving to the west coast, but he did ask for an estimate on moving. The figure I was given was up to \$17 million, which you have confirmed today.

Now if this is true—and I know the distinction very well; I don't want to put you in a position where you have to answer political questions. I know that distinction and I respect that distinction, but I want to get at some facts here.

If these facts are right, first of all, I'd like you to comment on what I've alleged. Is that the case?

Hon. Charles Lapointe: As I mentioned earlier, we have discussed the question of the move of the CTC to Vancouver on three occasions at the board. The board decided to stay neutral on the issue. The decision was also made to pressure the government into putting more money into the CTC. That was the gist of the board decision, and that's what I can say. Our minutes are available.

Hon. Ed Broadbent: I want you to be clear on that. I was told—and I had this confirmed in a subsequent conversation by Ms. McKenzie—more than what you said. I didn't ask if your board was neutral or not, because I understand this is a government decision, not your board's decision to make. But in your discussion of whether there was a business case, you actually told your staff that the board—17 of whose 26 members, I emphasize, come from the private sector—said there was no business case to be made for it.

You're nodding to that.

Ms. Michele McKenzie: I'll speak to that, Mr. Broadbent.

Hon. Ed Broadbent: I just saw the chairman nod to that.

Hon. Charles Lapointe: No, I'm nodding because I'm listening to you. I'm nodding to indicate that I understand your question.

Hon. Ed Broadbent: Okay. But did you or did you not tell your staff that?

Ms. Michele McKenzie: I was the one who made the statement, and as I said to you on the phone, I did not make the statement that there is no business case for this to my staff. I made the statement that this was not driven by a tourism business case, meaning that we would not be more effective marketers in Vancouver versus Ottawa versus Halifax versus Montreal. We've maintained that the CTC could operate effectively from any major city in Canada.

Hon. Ed Broadbent: Okay.

Ms. Michele McKenzie: I did speak to the fact that there may be other drivers and other factors beyond that. I did not say there was no business case.

Hon. Ed Broadbent: When I pointed out what the staff had told me, you said, no, it wasn't the case that there was no—

Ms. Michele McKenzie: I subsequently corrected what they had reported.

Hon. Ed Broadbent: Your terminology was that there was no tourism business case. Well, since you're in the tourism business, I don't know what other kind of business case could be made.

Subsequent to this, I understand it has been said, rather appropriately I would have thought, that this is clearly and simply a political decision. I'll make the assertion now that this was a political decision to move this facility from Ottawa to the west coast, to totally disrupt the lives of some 80 working people, for no good business reason.

I totally agree, by the way, with your need for an increased budget. I think it's terrible that we've fallen behind competing nations for tourists in the way we have. You cite specifically the Australian example, and I agree. You should have had more money allocated to you to do your job, which is to promote tourism. But instead you get, if I read it correctly, a \$2,000 increase—not even in the millions—in your budget. We can't even fly to Vancouver and back for that, or maybe we can. Meanwhile, other national tourism bodies are getting increases in the millions of dollars.

I would make the suggestion—and you may comment, if you wish—that instead of spending up to \$17 million, and it may well go over \$17 million, to move people from point A to point B, a total waste of money in terms of the business operations of your organization...if we're talking about British Columbia and the Olympics coming there, wouldn't it be better to take that \$17 million and spend it promoting British Columbia for the Olympics. Wouldn't we get more jobs created in British Columbia itself if we spent that money on tourism to get people to come to Canada, rather than moving 80 jobs out of one location, where they're all working and happy and content? Wouldn't we get many new spinoff jobs—to use your own language in your presentation—if we increased your budget to allow you to do the proper job in marketing Canada and, particularly with the coming Olympics, British Columbia as tourist sites?

• (1610)

Ms. Michele McKenzie: I think there is a strong business case for increased investment in tourism marketing, and we have put forward the numbers in terms of what the return on investment would be with that increase.

Hon. Ed Broadbent: Could you give us some of those numbers?

Ms. Michele McKenzie: There's some in the presentation, near the back of the presentation. We speak to the return on the investment for the additional \$90 million.

Hon. Ed Broadbent: What's the spinoff in jobs for that?

Ms. Michele McKenzie: It would be almost 20,000.

Hon. Ed Broadbent: Almost 20,000.

Ms. Michele McKenzie: Yes, 19,400 jobs.

Hon. Ed Broadbent: If you concentrated, for example, on promoting the Olympics in particular, do you have any idea what percentage of those jobs might occur within British Columbia?

Ms. Michele McKenzie: We haven't done that particular analysis. We will certainly promote the Olympics in Canada—not as a specific event, but we'll take the attention the Olympics brings to Canada and try to leverage that awareness over a long number of years. So we haven't done the analysis specific to an event, because we think the opportunity for tourism awareness is much greater than that.

Hon. Ed Broadbent: Yes, well, I would have thought the money....

This will be my last comment, Mr. Chairman.

You've confirmed, in terms of the spinoff dollars, that even if we're looking at the regional concern—we are all interested in different regions—with the Olympics coming to Canada, it would have made much more sense to increase your budget and let you do the job, and then we'd get those spinoff jobs disproportionately—in this case appropriately—in British Columbia, because the Olympics are occurring in British Columbia.

Thank you, Mr. Chairman.

The Chair: Thank you, Ed.

We'll go to Michael Chong and then Andy.

Now this round we're going to try to keep it at about five minutes, colleagues.

Mr. Michael Chong (Wellington—Halton Hills, CPC): Sure.

My question is for the head of the Canadian Tourism Commission. There's approximately \$50 billion in tourism revenue generated in Canada. That's what I've seen in the research here. Can you tell this committee what percentage of those revenues are generated in Quebec and Ontario?

Ms. Michele McKenzie: Certainly, I can.

Are you talking about...? I can tell you the international revenues coming in, which is a portion of the overall revenues.

Mr. Michael Chong: Sure, break it down.

Ms. Michele McKenzie: About 40% of those revenues come into Ontario, as a province. About 22% come into the province of Quebec.

Mr. Michael Chong: What percentage of the domestic, non-international tourism revenues occur in Ontario and Quebec?

Ms. Michele McKenzie: Domestic? I'd have to get that number to you. We do have that number.

We focus on the international specifically because that's our mandate.

•(1615)

Mr. Michael Chong: Sure.

My other question is this. I heard earlier that the estimated cost to move is about \$14 million to \$17 million. What I didn't catch, though—I'm not sure if you've mentioned it or not—was how many staff of the existing staff of about 90 or so will be moving to

Vancouver and what percentage would be losing their jobs or staying behind.

Ms. Michele McKenzie: I don't have an answer for you yet because all the staff have been given an opportunity of three months to make a decision.

The estimates swing between \$14 million and \$17 million, because depending on how many choose to make that move, it will impact that overall number.

I won't be able to have a final number.

Mr. Michael Chong: Would you be looking at half, or one-third, or all of them?

Ms. Michele McKenzie: The union did a survey some number of months ago that indicated that well less than half of its membership would choose to make that move. They're all very anxious to see what the move entails in terms of specific jobs. We're meeting with them all individually this week.

Mr. Michael Chong: The reason I ask these questions is that Ontario has 13 million people, approximately. Quebec has about 8 million people. Together they represent two-thirds of the total population in this country. You've mentioned that 62% of international tourism dollars are spent in these two provinces. You've also mentioned in your report that you're struggling, to a certain extent, to raise tourism revenue in this country. From 2002 to 2003, tourism revenues declined by 2%, and you have a mandate to increase tourism revenues.

Why on earth would we move this head office from the very centre, where the bulk of tourism occurs in this country, precisely the area where we need to increase tourism, to the very opposite end of the country? It seems to me that companies' head offices, or offices, are more aptly located where the core market is, as opposed to somewhere else.

Ms. Michele McKenzie: Well, our market is actually not in Canada. Our market is outside of Canada, by definition. We're trying to attract visitors. Our product is, however, in Canada.

Mr. Michael Chong: Two-thirds of your product is in Ontario and Quebec.

Ms. Michele McKenzie: We still maintain that we could operate from any major city in Canada. Our staff, by the nature of what they do, are on the road constantly. Our committee meetings move all across the country on a regular basis. Our board moves around the country on a rotating basis. It probably would mean more travel for some of our employees, but it does not change our working business model at all.

Mr. Michael Chong: With all due respect, I know in this age of computers people make the argument that it doesn't matter where you locate, but I don't agree with that mantra. I think it does make a difference where businesses locate. That's why on Bay Street we have the financial centre of Canada; that's why in Montreal we have a large number of technology companies; that's why in other parts of the country we have different sorts of clusters. I think this raises a lot of questions about the logic of this move, assuming there's anything behind it other than pure politics.

Those are all the questions I have for now, Mr. Chair.

The Chair: Thank you, Michael.

We'll go to Andy Savoy.

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Thank you very much, Mr. Chair.

I have some concerns with regard to Tourism Canada, specifically on the recent announcement in the U.S. of the passport initiative. I wonder if you could enlighten the committee about the impact you think this will have. Living in a border community, I know there are serious concerns about the impact it'll have on cross-border efficiency and efficacy of travel, not only in tourism, but also in goods. Can you comment on your plans to combat this, on how you mean to deal with this tourism issue?

• (1620)

Ms. Michele McKenzie: We are monitoring the situation quite closely. We understand the initiative will be phased in, with air travellers treated differently than road travellers. We will work with all aspects of the transportation industry separately. We expect that the limitations will come into effect on air travel first, and we feel we're in better shape because of that. These people are usually travelling longer-haul, and they're more likely to be carrying a passport.

We're very encouraged by the fact that the rate of acquisition of passports in the U.S. is growing dramatically—a full 10% growth over the last few years. We've now gone from about 11% of U.S. citizens holding passports to 21% just in the last few years. The U.S. government has a major push on to encourage American citizens to buy passports.

We are very concerned about what it will do to our border leisure market—people who cross the border for the day or the weekend. Will they acquire passports for that kind of travel, or will they make decisions to go somewhere else if they consider it easier? Those are some of the things we're looking at as part of the new monitoring we have in the marketplace. We feel much more confident about the longer-haul markets we're emphasizing, New York and Los Angeles specifically. Our early indications are that this may not be as much of a problem in those markets.

We're also monitoring very closely our work with the meetings and conventions market. We have American associations having meetings in Canada, and we're trying to ensure that their delegates and potential delegates are not turned off by the need to have a passport.

Mr. Andy Savoy: In respect of purchasing trends, specifically e-commerce and how it relates to tourism, what's the CTC doing for industry? Do you have any future initiatives regarding e-commerce, the new reality in Internet use and e-commerce?

Ms. Michele McKenzie: Most of our marketing is shifting its base to the Internet. We're globalizing all of our web activity and launching it as a feature of our new strategy, starting in 2006. What that means is that if you go on to the Canada Tourism website, no matter what country you're in and no matter what language you're accessing, you'll be accessing the same back end, booking Canadian travel products more quickly and making your trip more easily. It is the backbone of our new strategy. We're very encouraged by it. It's taken a lot of our focus, and it's going great.

Mr. Andy Savoy: The winter Olympics are coming up. What has been your engagement to date with the winter Olympics? Do you see your role changing, increasing, or decreasing for the future?

Ms. Michele McKenzie: Our emphasis with the Olympic opportunity is to take advantage of the awareness the Olympics will bring to Canada and try to leverage that for tourism purposes all across Canada over a number of years. So we get all this awareness coming in. We think that's great for Canada, and we see it as a much bigger opportunity than just the specific Olympic event.

We are working with the intergovernmental communications committee on activities specific to the event and we will continue to do that. We're also working with the Tourism Industry Association of Canada on leveraging the great big opportunity of increased awareness to Canada. We've seen many countries fail at doing that. We've seen one country, Australia, do quite a good job of it; we think they did a very good job of their summer Olympics. We're mirroring some of their activities and some of what they did well. We're learning from where they failed, and we're very optimistic that this will be a great opportunity for Canadian tourism.

Mr. Andy Savoy: I have one more question. If you saw the centralization of jobs in the national capital region as an issue, and if you're looking for potential to move those jobs in fact to the regions, would you say that the impact of moving CTC will be negligible in terms of the ability for you to do your job?

Ms. Michele McKenzie: I think CTC could operate from any major city in Canada. We're constantly on the road, travelling. Our sales staff are located in countries around the world. We could support them from any major city.

Mr. Andy Savoy: Thank you.

The Chair: Thank you, Andy.

We're going to go to Mario Laframboise. Then we'll go to John and then Brian.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Thank you very much, Mr. Chairman.

Mr. Lapointe, you said that the Commission was directed by the industry and by what the markets order you to do. The industry and the markets have probably ordered \$55 million more in marketing from you. That's the amount you've requested. Is that correct?

• (1625)

Hon. Charles Lapointe: Yes.

Mr. Mario Laframboise: Have the industry and markets asked you to move your head office?

Hon. Charles Lapointe: No.

Mr. Mario Laframboise: So the government did that, and that's what bothers me. I don't know whether this is also your feeling, but that bothers me because it concerns an election promise. I'm sure you heard about that in the media. Team BC made that election promise, and Minister Anderson, whom I'll quote just for the fun of it, said:
Politically, I have to deliver the goods; otherwise I'm cooked.

It seems to me there are better reasons for getting cooked. However, it's important for him.

You said earlier that this wasn't your choice. The move will cost you between \$14 and \$17 million. Between you and me, if you only have \$8 million left out of the \$25 million on the table, you could say that's a bad business decision.

Hon. Charles Lapointe: I can answer, although I have \$8 million more than I had last year.

Mr. Mario Laframboise: Is that \$8 million enough?

Hon. Charles Lapointe: Our request totals \$96 million. I think that, with time, we're ultimately going to convince the government to invest more in tourism. I haven't lost hope of doing that.

Mr. Mario Laframboise: However, it's the \$55 million you're requesting for marketing that you need most urgently. If you get \$8 million, are you going to spend it on marketing or for other purposes?

Hon. Charles Lapointe: It will be for marketing.

Mr. Mario Laframboise: Ms. McKenzie, you said earlier that you thought moving from one province to another wasn't a problem. However, according to what the Professional Institute of the Public Service told us, 80 percent of its members wouldn't be interested in moving, according to a poll it conducted. Imagine you lose even 50 percent of your staff. Those are qualified people. You also said they were competent. No one is irreplaceable in life, but, by the union's estimate, it could take two or three years to train new employees and for you to be as efficient as you are right now. Is that correct?

Hon. Charles Lapointe: We're dealing with a decision that was announced two weeks ago, and we're trying to find a way to proceed that, to the extent possible, won't prevent us from carrying out our mission. I can't tell you whether it's 20 percent, 30 percent or 40 percent of the employees. The union conducted a survey in October or November, if my memory serves me. We're just starting to meet with our employees to ask them whether they prefer to stay in Ottawa or to move. So I'm not in a position to offer this kind of hypothesis.

Mr. Mario Laframboise: For a manager like you, not knowing that... It's not your decision. You said it was the government's decision. From what I can see, there's been no analysis or impact study. You're doing it, aren't you? You're meeting with staff and you don't know how many will move or not. That's where the problem is. Before the board makes the decision, you'll definitely have to conduct a study to determine how you can apply the service afterward, won't you?

Hon. Charles Lapointe: We have no concerns about efficient service. We may take six or seven months, and we'll start by divisions. One division will be transferred to Vancouver, another two months later and so on. I'm not concerned about efficiency of service.

We hope we can keep the largest possible number of employees because we're satisfied with them. If employees choose not to go, we'll conduct competitions across Canada. We'll manage to find other people who know tourism.

Mr. Mario Laframboise: But there's always a learning period. There's always an adjustment period, as a result of which you won't be as efficient as before. It's fine for you to play the politician...

Hon. Charles Lapointe: I'm not playing the politician at all. That's not my job.

● (1630)

Mr. Mario Laframboise: Perhaps if the President and Chief Executive Officer tells you you can't have... If you have half of your staff — the union's talking about 80 percent — if you're missing 50 percent, the way you render services will be affected.

Hon. Charles Lapointe: No, because we're going to hire new employees.

The people who decide not to come will continue working in Ottawa until their positions are moved to Vancouver. If we know those people aren't coming, we'll start the hiring process at that point, and there will be other people in place when the positions are transferred to Vancouver. We're going to make every effort not to undermine our mandates.

Mr. Mario Laframboise: But when you tell me that...

Hon. Charles Lapointe: This isn't the first company in the world that ever moved.

Mr. Mario Laframboise: Except that you have 80 employees and you'll lose half of them. Any company that loses 50 percent of its employees... It's not just any company in the world that's moving.

Hon. Charles Lapointe: Mr. Laframboise, I'm telling you I won't lose them. I won't wake up one morning and find I've lost half of my employees because we'll be prepared and we'll spread it over a number of months.

Mr. Paul Crête: [*Inaudible*] ... who would spend \$17 million in this way would lose his job.

[*English*]

Ms. Michele McKenzie: The other important factor is that this is affecting our head office staff, though a large number of our staff, or 68 of them, also work in our global offices around the world. So it's not impacting them, and we can maintain our in-market presence without a hitch.

Where we know we have vacancies, we are already posting them for Vancouver-based positions. We will try to hire people and bring them to Ottawa for training—if there's direct training involved—before we release anyone who's in a current position. So we're trying to make this somewhat iterative, and we're learning from the work that the farm credit group did.

[*Translation*]

Mr. Mario Laframboise: Ultimately, there will be two persons in the same position for a time: the one who's already occupying the position and the other who's receiving training. That will result in additional costs that you can't invest elsewhere.

Is that correct?

[*English*]

Ms. Michele McKenzie: Those numbers for training are included in our estimates.

The Chair: Merci, Mario. We'll get you to conclude.

I'll let you answer that.

Ms. Michele McKenzie: I was just mentioning that our estimates for the cost of this move include the cost of training new employees.

The Chair: Thank you, Mario.

We're going to move to John Duncan, please.

Mr. John Duncan (Vancouver Island North, CPC): Thank you, Mr. Chair.

First of all, I think I'll explain that I'm from British Columbia.

Looking at this from a macro scale, the CTC is as small as crown corporations go. The business community that's involved in the tourism sector, and certainly in western Canada, is very excited about this move. If I understand the slide package you've presented today, there is nobody working in Canada for CTC who is not currently in the Ottawa region. Is that correct?

Would that still be the case after the move to Vancouver? Will there be nobody working in Ottawa? As I understand it, after the move to Vancouver, would all of the Canadian employees be located out of that office in Vancouver, presumably living in Vancouver, or the area?

The Chair: We'll suspend for a moment, please. We're having some technical difficulties.

• (1634) _____ (Pause) _____

• (1635)

Mr. John Duncan: As I understand, after the move to Vancouver, would all of the Canadian employees be located out of that office in Vancouver, presumably living in Vancouver or the area?

Ms. Michele McKenzie: No, we're planning to have a small group of people working here in Ottawa. We have three people employed full time as translators and we'll keep that function in Ottawa. We have one person who works in government relations who has a lot of contact with the department—the minister's office—and that person will stay, so we see four or maybe five positions in Ottawa.

The Chair: Excuse me, Ms. McKenzie. Apparently we're not getting this recorded for the official record of the meeting. We have to be sure we have all of John's good questions and your good comments recorded for posterity, so we'll continue the suspension for another moment, and I might ask John, when we get back, to rephrase the question; Michele, you're to redo the answer.

Apparently now we are okay, so I'm going to ask John to redo that question and Michele to redo the answer. Thank you.

Mr. John Duncan: My question is this: after the move to Vancouver, would CTC have Canadian employees outside the Vancouver area?

Ms. Michele McKenzie: Yes, we do have a small number of employees here in Ottawa. So far we have identified specifically two functions that remain in Ottawa, the translation function and the government relations function. That, at this point, includes four employees. We would see four or five employees continuing to be employed here in Ottawa.

Mr. John Duncan: I heard the member from Ottawa Centre, who was quite opposed to moving the CTC to Vancouver. I don't know if

this is NDP policy or Mr. Broadbent, but I'm basically shocked, from the standpoint that British Columbia has no federal headquarters. This is the first; this would be number one. All I can say is it's about time.

The biggest potential growth area is the Pacific Rim. There's an all-encompassing lack of understanding about that area in our federal apparatus; we are getting beaten to the punch everywhere in Asia, whether it's in the sale of educational services, natural resources, manufacturing goods, or tourism. What it is—it's all about human resources; it's all about how you view the world.

So what we are suggesting here is moving CTC to an area of Canada that has a broad reach to the rest of the world. The Pacific Rim, Europe...Europeans know Vancouver; they know British Columbia. They relate that to Canada as well, and also to the U.S. marketplace. I don't understand why the move of a small crown corporation from Ottawa should be opposed on a parochial basis by some people.

This actually will have widespread support. My understanding from the business sector is the cost of the move is not an issue from the west, from the standpoint that the benefits accruing downstream are so much greater than the cost of the move, that this is a very positive thing to occur at this moment.

I wanted to get that on the record because I've been hearing contrary statements from my colleagues.

If there's any time left in my presentation, I'd like Brad Trost to—

• (1640)

The Chair: Actually, I've got Brad on the list for a full shot. Mr. Broadbent is off the list and Brian is back on. In fact, in the remaining 15 minutes I'm going to give Brian, Brad, and Paul five minutes each.

Brian, you're next.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair. I will preface my comments. I'm concerned and I guess a little surprised that the Conservative Party would support this boondoggle. That's really what it is, in terms of not having a business case and looking at \$17 million of taxpayers' money, and now we learn you're going to keep two offices open. Has there been an evaluation about the costs to the tourism bureau in sustaining two offices—one in Ottawa and one in Vancouver? Have you done that business case, not only in terms of the cost to the Canadian taxpayer, but also in relation to your own budgetary requirements?

Ms. Michele McKenzie: Yes.

Mr. Brian Masse: And what is that number?

Ms. Michele McKenzie: Our information is that it would be easier to source translation services in the Ottawa market than in the Vancouver market, and based on that business case, we've chosen to leave that function in Ottawa. We have also chosen to leave the function of government relations here because of the proximity to government. So that's the business case for that.

Mr. Brian Masse: But what is the cost of running that parallel office, which you wouldn't have to do if you were staying in Ottawa? How much is that per year?

Ms. Michele McKenzie: I don't have that specific number with me.

Mr. Brian Masse: Doesn't it sound like a drain on the tourism bureau to now have to create two different offices where we currently have one? Now I can see why most of the business people on your board voted against this, because we're actually creating two entities for which you have to pay rent, heating, utilities, as well as insurance and all the other costs of administration.

Ms. Michele McKenzie: Our board did not vote on this.

Mr. Brian Masse: I know that, but now I know why some of them expressed some concern about this or didn't have an opinion. It seems like an incredible waste of your resources. Haven't you done an analysis in terms of how much that's going to cost per year? How much is it going to cost per year to run this office?

Ms. Michele McKenzie: We did the analysis to say it would be cheaper to provide those functions from an Ottawa base than from a Vancouver base, and that's why we're leaving them here.

Mr. Brian Masse: If you did that and it was cheaper, how much are they?

Ms. Michele McKenzie: I could provide you with that detail.

Mr. Brian Masse: I would like to know that. I think that's important because we're talking about an incurred cost here that's not necessary.

I'm very concerned about some of the commentary we've had around the U.S. passport. You mentioned that you were doing further research. What are the specifics of that? How much do you have budgeted this year regarding U.S. passports and the effects on Canadian tourism?

This is the biggest threat to tourism we have right now. If a family of four consisting of two American adults and two American children come to Canada, it's going to cost them an additional \$350. That's if they're willing to actually get in their car and go down to the processing office. So it's not just in terms of those who are coming to conventions. Good luck to Vancouver, Ottawa, Montreal, and everywhere else that is trying to compete with the lower numbers in the U.S. and then is having to face that cost per convention delegate now being added on, and also the border communities.

How much money has been allocated in this budget for dealing with the passport issue?

Ms. Michele McKenzie: The research we're pursuing right now on the passport issue is going to cost us in the vicinity of \$50,000. That's a specific piece of research. We are not budgeting for the passport issue per se. We're a marketing organization. We will use that information to help us market more effectively, given the concerns we have around this issue.

Mr. Brian Masse: We have a growing trade deficit in tourism with the United States, our most important market, and we have \$50,000 to deal with the most important issue facing tourism. As a former member of our convention and visitors bureau, I can tell you that there are already other significant issues, such as the dollar, border tie-ups, gridlock, and security, and we only have \$50,000. We're going to spend \$17 million to relocate this office, and that's where the priority is going to be, and we're going to uproot people.

Meanwhile, we have \$50,000 to do some research on what could potentially be the most harmful action in tourism in Canada.

Ms. Michele McKenzie: We're also doing extensive research in the U.S. market on an ongoing basis. I'm talking about a very specific piece of research on the passport issue and the way it was announced last week. I'd be happy to give you the full detail on our research program in the U.S., which goes on every single year.

Mr. Brian Masse: I understand that. But this is a very specific case. This has been coming down the pipe for a while. This is not something that was unexpected.

Who is conducting that research and when will it actually be launched in the markets out there? I know you've been doing some stuff in Los Angeles for the long-haul markets. But there are other interests, such as the restaurants, the tourism industry, and casinos, that are going to be concerned about Americans having to shell out hundreds of dollars in advance for what are, a lot of the time, instant gratification needs, where people suddenly decide to go to Canada for entertainment or to visit.

Thank you, Mr. Chair.

• (1645)

The Chair: I'll let you answer, Ms. McKenzie.

Ms. Michele McKenzie: Our Washington office is in the lead on this topic.

Mr. Brian Masse: I'd appreciate receiving those numbers.

Thank you.

The Chair: Thank you, Brian.

Next is Brad, and then Paul.

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Since my riding is about halfway between Vancouver and Ottawa, I think I'll change topics here slightly.

I'm not sure if the member for Vancouver East would be the total representative and that we agree with that party, or the member for Nepean—Carleton on ours, but that's maybe for another day.

I have some concerns about the regional funding. As I said, my riding is in Saskatoon, so I'm interested in how the allocation for advertising is divided among regions, target markets, etc. The tourism budget for cities such as Toronto or Vancouver is going to be somewhat different than it is for Saskatchewan, where we have 100,000 lakes and we talk about our fishing, our hunting, etc. I'd like you to give me the details on what you emphasize and what you do, be it from a sectoral background or a regional background. Just give me a rundown. They're tough decisions to make, I know, but I'd like to know some of the reasoning and how it's fairly allocated across the country, etc.

Ms. Michele McKenzie: We work with areas across the country to determine what markets are a priority to them and how we can most effectively work with them. We don't allocate resources by market. We have some areas of the country that are much more aggressive than others in how they market to tourists, so it depends on the area of the country we're working in.

Specific to Saskatchewan and the prairie provinces, there's a growing interest in our overseas markets, and we're working with them now more aggressively in those areas where they've expressed some concern. They're heavily invested as well in the U.S. market, but we recognize the need, especially because of the particular nature of the business in those provinces skewing very heavily on the small and medium-sized enterprises. This year we're bringing our largest international trade show of buyers from all over the world to Saskatoon in May for Rendez-vous Canada. That's the other thing we can do to help raise the awareness and profile right across the country. We're quite proud of that initiative. It's the first time it has gone out of a major city for some number of years. We think that's the kind of thing we can do specifically to help the marketing effort.

Mr. Bradley Trost: On dollar allocations, would some of it have to do with the private sector coming up with matching dollars—things to that level?

Ms. Michele McKenzie: The private sector and the public sector...but we don't allocate on that basis. Certainly our partnership dollars reflect where the pockets of investment are, but we don't just market where people give us money for various programs. We certainly market Canada overall as the Canada brand, and all the features within the country.

Mr. Bradley Trost: I understand that will be a very tough thing to do.

This is the other question, and part of this was neatly fed into by the passport question on doing a study to see the impact. I'm curious about what commentary, feedback, and research you do on overall government programs as to how they affect tourism. We have the various 101 different transportation taxes. You buy a \$1 ticket... maybe you don't buy a \$1 ticket now since that company is out of business, but you buy a \$50 airline ticket and end up paying \$350 because of all the hidden taxes.

Another thing that has really impacted my province is the gun registry, because the hunting industry is very big there. Outfitters come and spend serious amounts of money, and if they're not coming across.... We've had problems with the Department of Fisheries and Oceans on rules having to do with fishing lures, etc.

Specifically, have you done research on the transport taxes, and on how the gun registry affects American hunters coming to Saskatchewan? What sort of research did you do? Going back to the hunting industry, when the Americans come they spend a lot of money. It's not just for one night, they watch a show, and go back across the border. It's for a week, and the Americans spend a lot of money when they come hunting or fishing in Saskatchewan.

• (1650)

Ms. Michele McKenzie: I'm really happy to talk about our research program. We're widely considered to have the best tourism research program in the world. In fact, much of our methodology for tourism research has been adopted by the World Tourism Organization as the standard for the world. It's considered to be extensive and very good.

I have listed our business-to-business website in our presentation, www.canadatourism.com. On that site you can look at all of the research we do on an ongoing basis, both the macro research that

measures the size of the industry and feeds analysis back to our sector, and market research on the trends and motivations.

Mr. Bradley Trost: Sorry to interrupt, but how much of that also looks at other government policy? On the point I just made here, the gun registry has affected tourism in my riding. I have a lot of lakes in 11,000 square kilometres of rural territory. I've got a fairly urban riding, but in those 11,000 kilometres there's a lot of duck hunting. There are a lot of outfitters. We have great goose hunting. If you ever want to come goose hunting, come to the riding of Saskatoon—Humboldt. We'll get you a few.

The Chair: Let's wind up with that.

Mr. Bradley Trost: What do you look at in government policy, more than just how it affects tourism, and not just the business case overall?

Ms. Michele McKenzie: The research we do on motivation for travel identifies a number of opportunities and barriers to travel. It's those barriers to travel that we focus on in our advocacy around government policy.

Currently a significant effort is under way, which Industry Canada is involved in, to create a tourism strategy for Canada. We think one of the big features of that tourism strategy can be a mechanism through which these larger policy issues can effectively get to the table. As a marketing agency we're somewhat limited. As we say in our presentation, we're not a policy organization, but we constantly glean information from potential visitors as to what might be a barrier that needs a policy solution. So we think the strategy will provide a more effective way for us to feed that information into government.

Mr. Bradley Trost: The removal of the gun registry would help.

The Chair: Thank you, Brad.

Thank you, Ms. McKenzie.

Paul Crête is next, and if there's a minute at the end, I think our vice-chair would like a word.

[*Translation*]

Mr. Paul Crête: Thank you, Mr. Chairman.

I'd like to reassure Mr. Duncan. There are many interesting tourist sites in Canada. We're not going to fight over which one's the best. It's not because the Canadian Tourism Commission has decided to hold its general meeting in Charlevoix in October that everyone's going to ask that the head office be moved there.

On a more serious note, I'd like you to tell me how many more tourists the moving expenses would bring to Canada. You're going to spend \$14 to \$17 million on the move. How many more tourists will come to Canada?

Hon. Charles Lapointe: I don't think the decision to move the Canadian tourism industry was based on the number of additional tourists. However, I'd like to say it's true that the Olympic Games are an extremely important chance. That can't be denied. They're probably the most important tourist event a country can get. We'll take advantage of the visibility of the Olympic Games to promote all of Canada.

Second, it's a fact that we'll be geographically closer to the Pacific basin. We're already dealing a lot with China, Japan, South Korea and so on. The ports of entry for Japanese and Chinese visitors are both Vancouver and Toronto. I believe there may be contacts that can be made in that regard, but I can't tell you how many additional tourists that will bring in.

Mr. Paul Crête: Mr. de La Palice would tell you you're probably moving away from the Eastern market at the same time.

Let's say you allocate \$10 million of the \$17 million to the Olympic Games and \$7 million elsewhere. If that money were allocated to marketing, how many additional tourists would that make it possible to bring in?

Hon. Charles Lapointe: I don't have that figure. We'd have to do an economic model. We can do it, but it's quite theoretical. I can't answer your question.

Mr. Paul Crête: Would that bring in one tourist more than moving the head office?

Hon. Charles Lapointe: Perhaps. People from Seattle will come and see what we look like in our new office.

Mr. Paul Crête: According to the table here, an additional marketing investment of \$55 million, including \$35 million, including an unpartnered amount of \$35 million, would yield \$1.3 billion in revenues generated by the industry and 19,400 more jobs. So the rule of three could be used to calculate what the \$17 million would yield if it were allocated to marketing.

If we asked the Canadian Tourism Commission to tell us what it thinks the optimum use of the \$25 million would be, would you be prepared to do that, as the board of directors? If our committee asked you in writing where you would like the additional \$25 million to be invested, would you agree to answer? It would be an advisory opinion, of course, not a decision.

Hon. Charles Lapointe: I think you could ask the question. The board of the Canadian Tourism Commission reports to the Minister of Industry. You could ask him to request that from us.

Mr. Paul Crête: If we ask you directly, as a parliamentary committee, will you respond?

• (1655)

Hon. Charles Lapointe: I think I'd refer to the minister who's responsible for the Canadian Tourism Commission.

Mr. Paul Crête: All right.

I'd like to conclude by advising you to invite the members of our committee to visit you, especially before you move, so that we can see a little of what you do. I'm very surprised that there isn't another penny in this year's budget, when we're still dealing with the consequences of 2001. What's not done this year will have an impact in one or two years across Canada, in B.C., Quebec and the

Maritimes. You've demonstrated that quite clearly. As for the rest, I understand that you're in a very bad position.

Hon. Charles Lapointe: I agree with you, Mr. Vice-Chairman.

Mr. Paul Crête: Thank you.

[English]

The Chair: Merci, Paul.

Werner, you have one minute.

Mr. Werner Schmidt: Thank you, Mr. Chair.

We spent an awfully long time talking about moving the office, which you had nothing to do with. I'd like to get to the substance of what you're really all about, which is to promote Canada as a nation and get a brand of Canada out there.

What are some of the characteristics of the brand that you'd like to see? I know it's not all in place, because that's part of your job, but what is the brand you're looking at? How will Canada be branded to make it an acceptable nation as a destination? China has just approved it as a place for Chinese people to go. So what are you doing, and what is your plan to bring about that brand?

Hon. Charles Lapointe: With the creation of the Canadian Tourism Commission in the nineties, we developed a brand, and our signature was "Discover our true nature". We promoted that, and over the years we came to a conclusion by polling our consumers, or the people travelling to Canada, asking them, "What does it say to you?" And they said, "It's unspoiled lakes and mountains", blah, blah, blah.

The best experience I had was when I was in Japan. I was in a large room like this, and we had placed posters of Canada all around the room, showing magnificent landscapes. One tour operator asked me a question. He said, "But once I'm up that mountain, what do I have to do?"

The message we were giving to our consumers was that indeed we have a marvellous country; indeed, we are fortunate to have unspoiled nature. But we have to sell excitement. We have to sell passion. We have to sell creativity. We have to sell a country that is modern. Therefore, we also have to use those magnificent products like Montreal, Toronto, Calgary, Vancouver, Halifax, and, my favourite, Newfoundland.

That's why, over the last 11 months, we have been going all through the country discussing with Canadians, both in and out of the tourism industry, to try to develop this new brand that we will be making public in Saskatoon in May at Rendez-vous Canada, with all the supporting materials. And where are we going forward? We are trying to give this idea that we have a huge country, a magnificent country, and that there are so many things to discover, including nature, including wildlife and unspoiled whatever. But we have so much more to discover. We want to give people this idea to visit us and explore further.

So that's the gist of the brand we are developing now.

• (1700)

The Chair: Thank you, Mr. Lapointe. Thank you, Werner.

We're going to suspend for one minute while we change witnesses. I want to thank our witnesses for this first hour and a half. It's been most helpful.

So we'll suspend for one minute, and then we're going to invite Dyane Adam, the Commissioner of Official Languages, to the table.

• (1700)

(Pause)

• (1702)

The Chair: We will continue with Ms. Adam, the Commissioner of Official Languages, who asked to appear on the main estimates for the CTC. Because of the timing—I think the clerk has explained that we have only half an hour—you will make a short intervention, and we'll try to limit ourselves to a few very short questions. So we ask you to proceed.

Ms. Dyane Adam (Commissioner of Official Languages, Office of the Commissioner of Official Languages): Yes, Mr. Chairman.

Thank you very much for giving me the opportunity—and my colleagues too—to speak to you today as part of your hearings on the Canadian Tourism Commission.

Before I start, I'd like to present my two colleagues: Mr. Michel Robichaud, director general of investigations and audits at the commissioner's office; and Johanne Tremblay, who is our director of legal affairs.

I would like to share with you today my concern on the impact of the relocation of the CTC head office on the language rights of its employees. Before getting to the heart of the matter, I will provide a very brief overview of the provisions of the Official Languages Act for those of you who may not be familiar with this quasi-constitutional legislation.

Three main parts of the act are relevant to the matter at hand. First of all, part IV of the act guarantees Canadians the right to be able to receive services in the official language of their choice from the head offices and certain regional offices of federal institutions.

Part V of the act guarantees federal employees the right to work in the official language of their choice in designated bilingual regions, and we will come to that part later.

And finally, part VII of the act establishes the Government of Canada's obligations to support the development and enhance the vitality of official language minority communities.

The government must also foster the full recognition and use of both French and English in Canadian society.

The CTC head office will continue to be subject to the same requirements regarding language of service to the public whether it is located in the national capital region or in Vancouver. In fact, the Hon. David Emerson has already indicated that he will ensure that the CTC continues to fulfil its obligation in this regard.

But as the officer of Parliament in charge of verifying the compliance of federal departments and agencies with the Official

Languages Act, I will monitor, evidently, the CTC's performance after the move on the offering of bilingual services.

I'm fairly confident that the public's language of service rights will be maintained. However, I am very concerned about what will happen to the rights of the commission employees to work in the official language of their choice.

Vancouver is not a designated bilingual region for language of work purposes. It is important to understand what all this means for commission employees. For example, the act guarantees them the right to receive documents they require in English or French to perform their duties. Employees must be provided with software and other tools in the official language of their choice. Supervisors are required to respect the language preferences of their employees when communicating with them, and employees must also be given access to professional development opportunities in the language of their choice.

According to the information provided by CTC, there are close to 50 employees—about half of the workforce—at the head office who use French as their language of work. These employees, as well as anglophones trying to become proficient in French, would miss out on a work environment that promotes the use of both official languages unless appropriate measures are taken.

So it is clear that if no action is taken, the employees of the commission will lose their quasi-constitutional right to work in the official language of their choice overnight. This right is very important to them.

• (1705)

[Translation]

How can we preserve the rights of employees? As Commissioner, I can identify problems, but I'm also responsible for helping our federal institutions and the government better meet their official language obligations.

When the announcement of CTC's relocation to Vancouver was made, I asked my Legal Affairs Branch to examine the various measures to be taken to protect the language rights of Commission employees. We quickly concluded that administrative measures alone, applied on a voluntary basis, would not be enough to guarantee a bilingual work environment in the long term.

Following our analysis, we feel that two measures are particularly appropriate. In the immediate future, we support the adoption of an order establishing that the new Canadian Tourism Commission head office still be deemed to be in the National Capital Region for the purposes of Part V of the Official Languages Act. This would ensure that Commission employees would continue to have the same language rights, without imposing additional obligations on the Commission.

In the context of increased decentralization of federal government activities, other relocations may follow that of the CTC. Therefore, it is critical that the government consider adopting a regulation to uphold the obligations set out in Part V of the Official Languages Act of head offices in non-designated regions in terms of language of work and of institutions undergoing major workforce decentralization to such regions.

Adoption of such a regulation would avoid our having to intervene each time the head office of a federal institution is relocated from a bilingual to a unilingual region. It would also allow us to make up for any inequality faced by employees working at the head offices of institutions that are already in unilingual regions. This is the case of the Canadian Space Agency, whose head office is in St-Hubert, a unilingual French region, and Veterans Affairs Canada, whose head office is in Charlottetown, a unilingual English region in terms of language of work.

I am in no way opposed to the relocation of the Canadian Tourism Commission to Vancouver. On the contrary, in terms of Part VII of the Official Languages Act, relocating its head office to British Columbia may provide a good opportunity for the government to enhance the vitality of the Francophone community in British Columbia.

In fact, if safeguards were implemented to preserve a bilingual work environment at the CTC, such an initiative would bring a group of Francophones from the National Capital Region to British Columbia and would provide employment opportunities for bilingual individuals in the Vancouver area. This would raise the profile of French in British Columbia.

To preserve the language rights of these employees and prevent a gradual erosion of the Official Languages Act, it is imperative that the Government of Canada demonstrate leadership. As is the case in many official language matters, the willingness of parliamentarians and senior public servants to act makes all the difference.

I've just given you a summary of our view on this question. Thank you for your time. I would of course be happy to answer any questions you have.

• (1710)

The Chair: Thank you, Ms. Adam.

[English]

I'm going to try to keep questions as short as possible.

We'll start with John Duncan, and then Paul.

Mr. John Duncan: You mentioned when you have head offices in unilingual areas.... You mentioned two examples. One was the Space Agency and the other was Veterans Affairs.

I think sometimes having a concrete example helps. So with regard to Veterans Affairs in Summerside, how does it operate in terms of the French language? Surely they have to deal with a national clientele, so they're able to do that successfully, but they're not doing it according to the mechanism you're proposing that would apply to CTC. Did I read that correctly? Did I understand that correctly?

Ms. Dyane Adam: If you don't mind, I'll just make a clarification. When we speak of the Official Languages Act in Canada, most people, including parliamentarians, often think it's only about services to the general public who are Canadian citizens. That is one part of the act. There are other rights or linguistic rights within that act, and the one I'm referring to is part V, which guarantees federal employees the right to work in their own language in designated bilingual areas—the national capital region being one. So

all employees, whether they're francophone or anglophone, can work in their own language.

Coming back to your question, Veterans Affairs is not subject to part V of the act because they are not operating in a bilingual region as defined in part V of the act for language of work purposes. Yes, they deliver services to the public, but their employees do not have the right to work in their own language.

Mr. John Duncan: That also applies to the Space Agency, which is in Saint-Hubert. CTC is a much smaller entity than Veterans Affairs in Summerside or, I'm assuming, than the Space Agency in Saint-Hubert. So what made you make the decision to impose this on CTC as opposed to not imposing it on much larger organizations? Obviously this is a bigger burden. If it's a burden, it's a bigger burden. I would suggest that at some point it could be construed to be that way from a training and cost standpoint.

Ms. Dyane Adam: I cannot speak for 20 years ago, because evidently some decisions were made by previous governments when Veterans Affairs was relocated at that time from Ottawa to P.E.I. We have gone through serious governmental transformations in the nineties. The previous commissioner published a study that showed that through those periods of cutbacks, there was serious erosion in the linguistic rights of both the public and the employees. My take on this is that you have to prevent. So here we are in a situation where the government is announcing a relocation with serious consequences for existing rights for federal employees, and so far this issue has not been raised. There is also an announcement of potential other relocations. So what we're talking about are the people. It's as if

• (1715)

[Translation]

the Canadian Tourism Commission

[English]

was transferred, let's say, to Quebec, which is unilingual French, and from the next day you cannot work in your own language. I think Parliament should be seized of those consequences for the federal....

The Chair: Thank you, John and Ms. Adam.

Paul, and then Ed, but we're going to keep it tight.

[Translation]

Mr. Paul Crête: Thank you, Mr. Chairman.

In your conclusion, you say that "if safeguards were implemented", that would make it possible to promote...

I'd like you to describe the situation for me if safeguards were not implemented.

Ms. Dyane Adam: If the move took place in six months or a year, employees would apparently be asked to settle and move there. Those employees would lose their right to work in French overnight. They would no longer have any documents in French and would no longer be able to be supervised in their language or have access to French-language software. All that will count for nothing. They will fall into a unilingual English environment. Even if their position is designated bilingual for service, they will only be entitled to use their language in contact with the public. This is very different. We spend most of our time working with employees.

Mr. Paul Crête: Particularly at a head office.

Ms. Dyane Adam: Precisely. You have to put yourselves in the shoes of these people, who learn overnight they have to work exclusively in English or in French, even if their position has been designated bilingual, because it concerns service to the public.

Mr. Paul Crête: I understand why an order becomes essential in order to protect the act. Would that be done before the move so that, when people make their choice, they know the situation in which they'll find themselves?

Ms. Dyane Adam: For the government, that would be showing transparency and honesty.

Mr. Paul Crête: How can that order be obtained? Who has to take that step? What's the process? What's the normal time period?

Ms. Johane Tremblay (General Counsel, Director, Legal Services, Office of the Commissioner of Official Languages): In reviewing the Canadian Tourism Commission Act, we noted a provision in section 24, which states that: "The head office of the Commission shall be in the place in Canada that the Governor in Council may, by order, designate." That means that moving the head office from Ottawa to Vancouver requires a new order to the effect that the head office is now located in Vancouver. That order could be the opportunity to add a defining clause.

Mr. Paul Crête: I'll be brief.

Do you know whether the order has been made, or whether there will be a government announcement with an order later?

Ms. Johane Tremblay: We don't know. We didn't do that check. That's our next step: to see whether the order has been made.

Ms. Dyane Adam: I emphasize that I've already written to the Prime Minister on this point, and that I've sent a copy of that letter to the ministers concerned.

Mr. Paul Crête: Have we received copies of that letter?

Ms. Dyane Adam: No.

Mr. Paul Crête: Is it possible to get them?

Ms. Dyane Adam: If you wish, yes.

Mr. Paul Crête: Yes, I wish.

Ms. Dyane Adam: We suggested more or less the same procedure to him as we have to you, and we told him we'd like that to be set down in the order in the short term, and, in the long term, of course, we're also asking that that be set out in regulations so that we don't have to start over each time.

Mr. Paul Crête: All that's in the event the decision to move is maintained. That has nothing to do with our opinion. It would also have an impact on what was referred to in the previous testimony. If the

move is carried out and people know they won't keep their bilingual status, the number of people who move may drop sharply.

• (1720)

Ms. Dyane Adam: That's definitely a determining factor for Francophones or for Anglophones who want to work in a bilingual environment. They would no longer have that possibility.

Mr. Paul Crête: You may not have an answer to this question, but do these employees have real job security? If they turn down the job in Vancouver, are they assured that they can go back into the public service elsewhere?

Ms. Dyane Adam: I don't know, and I won't dare offer an answer.

Mr. Paul Crête: If that's not the case, those people will lose a lot; that discourages people from taking bilingual positions.

The Chair: Do you want to make a comment? No?

Mr. Paul Crête: Do you have an answer?

Ms. Dyane Adam: The Commission's employees are not part of the public service. Perhaps agreements could be reached between the Commission and the public service. But they're not considered as public servants in the same way as employees of the public service.

[English]

The Chair: Merci.

Jerry.

Hon. Jerry Pickard (Chatham-Kent—Essex, Lib.): Thank you, Mr. Chair.

I understand from Paul's question that there has been a commitment made by the government that those folks who decide not to go will be offered other job opportunities here. That has been made clear, and I think everybody here should be aware of that commitment being made.

I hear part of what you're saying, Ms. Adam, and certainly I understand that going to a non-bilingual-designated area does create a different circumstance. At the same time, I would think for the policies, the operations, and the internal workings within an office, even if the majority of people in that office—not all but the majority or a large portion of the people in that office—went from Ottawa to Vancouver, the measures that were taken in the office would remain primarily the same. The access to material in both languages would be there.

Whether this committee were to meet here in Ottawa, Vancouver, Calgary, or Edmonton, all of us could ask for and receive materials in the appropriate language. The same group of people in the committees or in the operations here, again, share languages.... I think there are pros and cons to it.

On the other side of the coin, some would think we keep all federal services here in the national capital region, but many believe that Canadians in general in different provinces and different territories should receive some of our federal opportunities—or even different regions from the Ottawa region.

A lot of factors are involved, but at the beginning you made a comment, “unless appropriate measures are taken”. I think you've mentioned one, at least, appropriate measure. Did you have a list of appropriate measures that you think should be taken that would rectify the concern you have? A designated workplace, I guess, was one of them. What were the others?

Ms. Dyane Adam: Before I answer your question, I want to say this. You did have a long preamble, and in your preamble there seemed to be a presumption that if, let's say, this committee worked out of Vancouver, you'd still be operating like you do. Yes, you would, because you would still be under the Official Languages Act, with the same obligations and rights.

What I'm saying is that in the case of the Tourism Commission, it's not that it's in Vancouver that's a problem. It's that because it is in Vancouver, its obligation under the act changes and doesn't provide what is needed to ensure....

What we have proposed as a solution—the first one, the immediate one—is that in the order that the government apparently has to provide, it is recognized that in matters of the language of work, the commission is still subject to the same conditions it is now. It would be as if it was operating out of the national capital region. This is a solution

Then we say let's go beyond that, because I don't want to come to every committee that may be addressing other moves in the future. Why not state by regulation that any head offices that move out of the capital region also be recognized as if they were operating in Ottawa or in a bilingual...?

If it's moving to Montreal, you have no problem; it's a designated bilingual region. New Brunswick is entirely bilingual in terms of language of work, and some parts of Ontario are. But if we are moving west, this is not the case, so this is where we will ask for this.

• (1725)

Hon. Jerry Pickard: Could you clarify this for me? When we're moving commissions, then, your major concern is for commissions that don't necessarily fall under the full protection of the federal public service.

Ms. Dyane Adam: Commissions, departments, ministries—they're all part of that. They're all federal institutions subject to the Official Languages Act. Whatever you're called, if you're moving out of a region, from a bilingual region to a unilingual region, with respect to language of work, the employees lose their right to work in their own language.

Hon. Ed Broadbent: I want to be clear on this in light of the existing law. First of all, it's 50 employees? That's about half of the employees, isn't it?

Ms. Dyane Adam: Yes, it's half in Ottawa.

Hon. Ed Broadbent: Half of the Ottawa staff work in French.

Under existing law, this would be like a company in the private sector that moved from Kamloops, Pincher Creek, or my hometown of Oshawa to Chicoutimi, right? They would be moving from a completely anglophone community to a francophone community. All I would say is good luck to the government if they think many are going to do this voluntarily. It's not only a question of working in your own language; it's a matter of living in the community. When

you go around to the dépanneur or you go to a shop, you can talk to people in your language, whether it's English or French.

I want to underline that this is a total disruption of human lives, adversely affecting many men and women who've worked for that entity. This is not an abstraction; it's a real change in the life experience of these men and women, all because of a move that has no business justification. That's another item. You're not responsible for this.

Do I understand that the government has agreed to designate the new location. No? It hasn't agreed to this yet?

Ms. Dyane Adam: No, I just raised the issue to the government in letters. We did this only a week ago, because it's a recent announcement. I've asked to be heard here, because I want to ensure that parliamentarians looking at this issue are fully aware of the consequences.

Hon. Ed Broadbent: So if your proposal were agreed to, does this mean that, in the future, preference for jobs in the commission would be given to bilingual Canadians who were relocated there?

Ms. Dyane Adam: Yes, because all the supervisors would need to maintain their bilingual capacity to be able to supervise essential services at the commission. They would need to provide the services in both official languages. If they were not subjected to part V, then they might lose that capacity over time.

Hon. Ed Broadbent: As an old hand in federal politics, I'm certainly on the side of decentralization where it makes sense. But if I understand you correctly, if we do that in British Columbia, then the people of British Columbia—and I choose my words with care—are going to be discriminated against in job opportunities because most of them aren't bilingual.

• (1730)

Ms. Dyane Adam: Well, that's one way of seeing it.

Hon. Ed Broadbent: Yes.

Ms. Dyane Adam: But actually, there are some bilingual individuals there. So you could also see it another way—that there are opportunities now for bilingual British Columbians to obtain positions in bilingual French and English.

I will not venture there. I'm concerned about the headquarters of federal institutions. If they move out of bilingual regions, we're losing the linguistic value of existing employees. There is a link between language of work and language of service. If you use your second official language only when you speak to citizens, if it's only once or twice a day, you may not have the confidence or practice necessary to offer good-quality services to Canadians.

Hon. Ed Broadbent: You've confirmed for me the nature of this matter. There isn't a national tourism commission anywhere in the world that's not located in the national capital. In a bilingual country like Canada, there's all the more reason why it should remain here in our capital.

Thank you.

The Chair: Thank you, Ed.

I will actually give the final words to Michael Chong.

Mr. Michael Chong: Thank you, Mr. Chair.

In listening to your testimony here, it struck me as being somewhat contradictory. I'm wondering if we're giving the government a bit of an out here, because, as I understand it, the problem with the Canadian Tourism Commission relocating to Vancouver vis-à-vis the Official Languages Act is that Vancouver is designated as a unilingual region. Therefore, federal employees working at the office in Vancouver wouldn't be afforded the same protections under the OLA that they would be in the Ottawa region.

You propose that the solution is to designate an office here in Ottawa as the head office and have a satellite office in Vancouver. But if it is the case that you have two to three people working in the head office here in Ottawa and you have 90-plus employees working in Vancouver, then in actual fact the vast majority of employees are not being afforded the protections of part V of the Official Languages Act. Are we not using a loophole here in the act, if not violating the spirit of the act, in coming up with your solution to have head offices designated in the Ottawa capital region?

Ms. Dyane Adam: I believe I may have not expressed myself correctly. Let us be clear. I am not saying you should sustain a head office here. I said that if the commission or any other department moves to Vancouver, the government should recognize in the order

that the commission of tourism is recognized as being deemed to remain part of the national capital region.

Mr. Michael Chong: Even though it's in Vancouver. Are you proposing that part V of the act still applies to the satellite office in Vancouver?

Ms. Dyane Adam: It's not a satellite office.

Mr. Michael Chong: Does it apply to the office in Vancouver?

Ms. Dyane Adam: The full headquarters is there. Under the act, it's recognized as if—

Mr. Michael Chong: Sure. I understand now. Thank you for clarifying that.

The Chair: Thank you, Michael.

Merci beaucoup. Thank you, everyone.

[*Translation*]

Ms. Dyane Adam: Thank you very much.

[*English*]

The Chair: I want to thank our witnesses for their testimony and colleagues for the excellent questions.

Colleagues, we can have the vote on this today or sometime before the end of May.

A voice: The end of May.

The Chair: Okay. It will be the end of May.

[*Translation*]

Mr. Paul Crête: We can talk about it again.

[*English*]

The Chair: We're adjourned. Thank you.

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