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—
Chair

Mr. Dean Allison

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• (1110)

[Translation]

The Vice-Chair (Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.)): Pursuant to Standing Order 108(2), the Committee is continuing its study of government funding cuts to Human Resources and Social Development Canada.

First of all, I would like to welcome our witnesses. I also want to welcome Committee members.

I will just quickly explain the procedure: each of the six groups appearing today will have six minutes to make a presentation, following which we will open it up for questions and comments.

[English]

I invite the Boys and Girls Clubs of Canada to do their presentation, for a maximum of seven minutes, please.

Mrs. Janis Douglas (Manager, Capacity Development and Community Affairs, Boys and Girls Clubs of Canada): The Boys and Girls Clubs of Canada appreciate the opportunity to present to the committee today.

We have a 106-year history of providing support and services dedicated to improving the health and well-being of children, youth, and families in diverse communities across the country. We're an association of 104 clubs in 700 service locations that provide safe, welcoming, and affordable environments to over 178,000 young people and their families.

We have witnessed the positive outcomes for Canadian children, youth, and families, which are the direct result of the federal investments through HRSDC. These include investments through the youth employment initiatives, particularly the summer career placements program, and support to the national organization through the social development partnerships program.

Our members and the young people who have received funding through the summer career placements program are very concerned about the enormous impact that the \$55.4 million from investments in youth employment would have on the young people and families served by our clubs. While young people in Boys and Girls Clubs benefit from a number of federally funded youth employment initiatives—such as the youth skills link, youth employment and referral programs, and the summer work student exchange—by far the largest is the summer career placements program, about which I will make most of my comments today.

The majority of clubs, in both urban and rural communities, receive wage subsidies through SCP to create summer jobs for students. These jobs are as day camp staff, providing safe and valuable summer activities for children. They offer affordable spaces that provide tremendous support particularly to low-income and working families.

The number of students hired varies for each individual club, as does the number of children served by the summer camps. Collectively the total number of summer student placement positions is in the hundreds, with the number of children and families served through the programs in the thousands.

Nationally our collective experience has demonstrated that SCP programs create meaningful employment and skills development for youth—skills such as team work, leadership, mentorship, and role modelling for younger children. The student program is an excellent leadership and training tool for future employment. The students learn practical skills, such as problem solving, effective child management, program planning, teamwork, interpersonal skills, etc., as well as develop their confidence, self-awareness, and self-esteem.

The predominant proportion of students hired through this program wouldn't have found jobs easily without these opportunities. Many of the students hired at the clubs face real challenges, whether that's because of where they live, their ethno-racial or socio-economic backgrounds, or other barriers. Without the youth employment programs, many of these young men and women would not be able to further their education. As well, many youth employed through the SCP return to volunteer or work on a casual or part-time basis through fall and winter program opportunities. Frequently the summer students return for a few summers in a row, and also they often continue their education in the fields of child care, recreation, and education, as a direct result of spending the summer working through this program.

As a not-for-profit organization, Boys and Girls Clubs hire many young people through SCP who otherwise they would not be able to afford to hire at all. What is clear is that without this program, these local organizations would not be able to afford to hire students. Also the hiring of these summer students plays a role in strengthening families and communities. The support SCP offers is a direct benefit to children and families who are the beneficiaries of quality programs primarily during summer camps.

The cuts in funding to the summer placement program would have drastic effects on young people, their families, and communities served by the majority of clubs. The opportunities for meaningful employment for young people and the need of local organizations for subsidies are great, regardless of whether or not the community is productive or economically challenged, whether we're in somewhere such as Preston, Nova Scotia, or in Calgary, Alberta. Based on about 60% of our clubs, funding cuts to the summer career placements program would affect approximately 600 student employment positions and 7,200 day camp spaces.

First and foremost, the cutting of the summer student positions would adversely affect students both financially and personally. Of course summer employment provides financial means for many students to further their education and the opportunity to learn skills in a positive environment, which will benefit them in all future employment. It also engages them civically within their communities.

A number of summer students and Boys and Girls Clubs have given testimonials. There is a handout in the package, where an executive director and a number of the youth have spoken to the benefits of the program.

Many of the clubs would have to reduce their child care spaces, so the impact on children and families would be enormous. As we can't increase the fees, we'd have to reduce the number of spaces available.

We believe there is proof that the investment through HRSDC to youth employment initiatives, such as the summer career placement program, yields an incredible return on investment. It provides tremendous value for money. We urge the Government of Canada to work collaboratively with not-for-profit organizations such as Boys and Girls Clubs to deliver meaningful youth employment opportunities. We also urge continued investment in organizations such as ours to ensure that we are in a position to support innovation and responsible approaches and opportunities that have a positive benefit for young people, families, and their communities.

Boys and Girls Clubs recommend that the summer career placement program be maintained, with the focus on placements in the not-for-profit sector. While we understand the possible need for improved targeting, we do not believe that such targeting equates with funding cuts. Over the past few years, we've already seen a decrease in allocation of funding, when in fact there has been an increase in the demand within communities across the country, and increased needs of many people for hope and opportunity.

I understand the committee has put forward a recommendation that the summer career placement program stay in effect with the same level of funding. We affirm this recommendation.

Thank you.

• (1115)

The Chair: Thank you very much.

[*Translation*]

We will now hear from the Fédération étudiante collégiale du Québec.

Mr. Haddon-Gagnon and Mr. Laliberté-Auger, you have seven minutes.

Mr. François Laliberté-Auger (Vice-President, Fédération étudiante collégiale du Québec): The Fédération étudiante collégiale du Québec has more than 40,000 members in 19 CEGEPs located in more than ten different administrative regions of Quebec.

First of all, we would like to apologize for not providing you with a brief in advance. The fact is, we had trouble obtaining information about the cuts made by the government. Even yesterday, we were still waiting for someone to call us back to provide more information about the cuts, but unfortunately those calls never came, despite repeated requests for information from the Department of Human Resources. That is also the reason for our lack of information, to a certain extent, about programs that have been affected by budget cuts.

Other programs with respect to which we were unable to obtain any information are those dealing with literacy and learning. I won't mention all the programs about which we were given no information — that would not be useful — but at the same time, it is distressing to see that a month and a half after these cuts were announced, no information is yet available.

Indeed, we are concerned about the fact that we are being told, with respect to many of these programs, that these measures involve only targeting or administrative cuts, when in actual facts, these programs are losing more than 50 per cent of their budget. In our opinion, the result of these budget cuts will be to abolish these programs or, at the very least, seriously weaken them.

I will turn it over to my colleague to continue our presentation.

Mr. Étienne Haddon-Gagnon (President, Fédération étudiante collégiale du Québec): One of the programs we believe to be important, and which will probably end up seeing its budget cut back, is the Summer Career Placement program. I'd like to briefly remind Committee members of the three objectives of this program: to help students prepare their entry into the world of work, to create additional jobs that would not be created otherwise, and the third objective — in my opinion, the most important one — is to provide students with income with which to pursue their post-secondary studies.

Having myself benefited from this program, I can assure you that it does allow young people to gain work experience in their specific field of study. It provides an initial work experience in anticipation of a professional career. It's worth repeating some of the statistics: 51.6% of job offers are from non-profit organizations; 31% come from the private sector; and 41.2% of the young people who take part in the program are between 15 and 19 years of age.

In our opinion, cutting the budget of this program is tantamount to cutting future prospects for young people. This program has its place and has proven itself. I do not understand why there is a move to cut back its funding when the money is available. The government claims that these are purely administrative cuts that will allow for greater efficiency, as François said. But we do not believe that is the real purpose. Rather, we believe the government wants to cut the budget of a program that has proven itself and could mean a better future for young people in Canada.

Thank you.

Mr. François Laliberté-Auger: In closing, I would just like to mention the elimination of the grant provided to Canadian Policy Research Networks. We have talked to people at CPRN and they told us that they signed a three-year funding agreement in April and that a study of the program's performance had yielded positive results. They learned subsequently that their budget would be cut. Although we have been unable to obtain additional information, we do not believe that is appropriate.

• (1120)

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you very much.

[*English*]

We'll go now to the Ontario Literacy Coalition's Ms. Brown and Mr. Taner.

Ms. Lesley Brown (Acting Executive Director, Ontario Literacy Coalition): Literacy is defined as the different ways that people use information in their lives, their workplaces, and their communities. Today, 42% of Canadians have challenges with literacy. Four out of every 10 citizens have some difficulty taking in and using written information and math in their everyday lives. This is a significant portion of our population, and the economic and social impacts are not something that can be ignored.

Many years ago, the Conservative government, under Brian Mulroney, recognized the importance of literacy by instituting the National Literacy Secretariat and establishing a network of coalitions in each province and territory. Federal funding was also made available across Canada in an effort to build the capacity of the literacy field.

In 2003, this committee presented a report titled, "Raising Adult Literacy Skills: The Need For A Pan-Canadian Response". It recommended that the National Literacy Secretariat's annual grants and contributions budget be increased to \$50 million from \$28.2 million; that new funding continue to be delivered through the national funding stream and the federal-provincial-territorial funding stream; and that the federal government increase spending under part II of the Employment Insurance Act by \$100 million for literacy and numeracy programming.

In 2005, another report was tabled by this committee titled, "Towards a Fully Literate Canada—Achieving National Goals Through a Comprehensive Pan-Canadian Literacy Strategy". This report called for the adoption of a pan-Canadian approach to literacy and sustainable funding approaches by the federal government.

In an age of increased economic competitiveness and globalization, more investment in literacy is imperative. Therefore the \$17.7

million in cuts to literacy do not make good economic or social policy sense. The rationale for the policy cuts from the federal government were said to be found in three areas: value for money, unused funds, and efficiency. I will argue that this reasoning does not hold true for the cuts to literacy spending.

With respect to value for money, Imagine Canada's report on investing in citizens and communities states that governments benefit from partnering with the community non-profit sector to deliver programs. Non-profit organizations add 60% of the value to government investments in non-profit service delivering, through their initiatives and the support of their donors and their volunteers. Literacy organizations provide cost-effective services for the public. Their rates are lower, they are supported by countless volunteer contributions, and they work on a not-for-profit basis.

I will give you one example from Ontario. The provincial government developed outcomes to measure skill areas and progress in adult literacy learners. The Ontario Literacy Coalition took the government's approach and made it into an accessible and tangible resource. We then trained 600 teachers across this province for \$190,000. This resource is still in use, and it is a good tool for measuring accountability. This is just one example of good value for money; there are countless other examples from all the other literacy organizations across Canada.

I want to address the unused funds. The rationale for funding shortfalls with unused funds is not applicable in the case of literacy spending. For the most part, literacy organizations fund portions of their work through projects. A call for proposals is done on a yearly basis. This year the call for proposals was severely delayed and then cancelled altogether a week after the deadline for the proposals was reached. Therefore literacy organizations never received the opportunity to bid for new funding opportunities, let alone use unused funds.

The argument that literacy programs have been cut because they are inefficient cannot be supported on any grounds. Literacy organizations are funded on a yearly project basis. Therefore each year they have to prove their worth. In order to be approved for funding, organizations need to submit comprehensive proposals. I have a copy with me today, if anybody want to look at it. There is a stringent review process whereby proposals must demonstrate, based on current research findings, the need for the particular project. They must include references, and they have to support their work through extensive project timelines, project plans, communications, sustainability, and partnership plans.

• (1125)

All funded projects require external evaluators to assess the effectiveness in meeting the deliverables of their project, and a report of these findings is submitted at the end of the project. So the determination of efficiency is built into the application process itself.

Furthermore, literacy organizations have not been provided with an outline indicating what constitutes effective programs and projects upon which the determination of ineffectiveness has been determined. The only rationale that the government thus far has made is that literacy organizations are being cut because they are not effective, based on findings from the IALS study between 1994 and 2004, which indicate there's been no marked improvement in literacy rates.

This is not a valid method by which to make this argument. The statistics don't tell the whole story. A direct comparison is not possible because Canada's population increased 10% between 1994 and 2004, from 29 million to 32 million. According to Satya Brink, from the learning policy directorate of the HRSDC, at the current rate of investment in the current programming, any improvements achieved are slower than the population growth nationally. If we keep doing what we do now, the number of people with low literacy skills will increase at the rate of 100,000 a year.

Other factors that contribute to these findings that need to be considered include an aging population. Findings indicate that the average Canadian worker begins to lose prose literacy at the age of 20. Literacy skills are like muscles. If they are not maintained and strengthened through regular use, they will be lost.

We need to go beyond simplistic interpretation in our analysis of progress in literacy levels in Canada and take into account Canada's population growth. In addition, without comprehensive planning and a robust policy framework in place, Canadians do not have adequate opportunities and support to maintain their literacy skills throughout the course of their lives.

Decreasing investment in literacy will have a substantial impact on program delivery and the adult learners themselves. Without the infrastructure in place to support the capacity and continuous improvement of literacy programming in Canada, the programs will not have the valuable support they require. Any teacher is only as good as their ability to access ongoing professional development, research, resources, and curriculum.

Some of the tangible losses we face include the loss of provincial and territorial coalitions. They provide an important interconnected link between the provinces and territories and the national

organizations. They also include coalitions that have been set up for the francophone community, the deaf community, and the aboriginal community to meet the specific language and cultural needs of these groups. Adult learner networks that allow for the input of adult literacy students in assessing and determining programming needs...and there are many more, but in the interests of time I will move forward.

There's also been a major policy shift whereby the federal government has now moved to supporting projects with only a national focus. The federal government has substantially withdrawn from its involvement in coordination and capacity-building efforts within the provinces and the territories.

Without funding that supports provincial and territorial initiatives—

The Vice-Chair (Mr. Jean-Claude D'Amours): Ms. Brown, I'm sorry, you will probably have to answer during the question period, because we're already past your time.

Ms. Lesley Brown: Okay, thank you.

The Vice-Chair (Mr. Jean-Claude D'Amours): Now we will go to the Canadian Taxpayers Federation.

Mr. Williamson, for a maximum of seven minutes, please.

Mr. John Williamson (Federal Director, Canadian Taxpayers Federation): Mr. Chairman, I'd like to thank committee members for having me here today. It's always fun to come the Hill and appear, on the surface anyway, to defend the shooting of Bambi.

I'll be happy to answer questions with respect to specific programs—why, for example, it's not necessary to fund literacy advocacy, or why it's not correct or necessary to provide wage subsidies in some of the hottest markets in the country—or the role of the federal government vis-à-vis provincial governments in delivering some of these services or programs.

I'm actually going to start today by really taking us up to a macro level, perhaps as a starting point, but as I said, I'll be happy to answer questions afterwards.

I found that it was a bizarre line of attack on the government's plan to chop a billion dollars over the next two years and then find another billion dollars in efficiency savings over the same period. Opposition members questioned the necessity of trimming fat when the government is in fact sitting on bags and bags of surplus dollars. In fact, what the opposition was telling Canadians is that using tax dollars responsibly is just not a priority when the federal government is swimming in excess money. It seems to them and their supporters that a surplus means Ottawa can afford to fund everything and anything, regardless of necessity. This is an absurd belief, but it does explain why the previous Liberal government was a far better steward of tax dollars when faced with annual deficits than when handling surpluses.

When in the red, the Liberal government had to make choices and spend more prudently, which they did, and our organization commended the previous government for its commitment to balancing the budget and pulling this country out of deficit. When the Liberals assumed office in 1993, program spending, which is government spending on everything except debt interest, stood at \$122 billion a year. In 1999, program spending was \$119 billion, or 3% lower. Holding down the size of government was an impressive accomplishment requiring fiscal discipline. It resulted in a more resourceful federal government.

Moderate budget surpluses were recorded beginning in 1997, but the cash really started to tumble in when the surplus hit \$14 billion in 1999. Spending soared with this turnabout. In 2004, program spending hit an all-time high of \$176 billion, an eye-popping 48% increase in just four short years.

Excess tax revenues do not give lawmakers licence to start wasting money. Canadians understand that saving diligently and living frugally are what underpins wise financial planning. Finance Minister Jim Flaherty and Treasury Board President John Baird are to be congratulated for trimming program spending, albeit by a tiny amount. Let's not forget, a billion-dollar cut represents approximately half of 1% of Ottawa's total program spending.

Similarly, it was pleasing that the Conservative government reported that program spending fell to \$175 billion last year. This was actually a drop of \$1.1 billion versus the 2004 fiscal year. The reduction marked Canada's first year-over-year decline in nine years. Government shrunk and the sky did not fall.

Regarding the spending reductions that were announced, I think there was a credible case made that they really fell under three categories. The first was duplicate, redundant spending that was refocused on priority areas. Number two, the money simply was not used. It was lying around in bank accounts. In fact, this was one way the previous government was able to report surpluses at year end: by looking at this excess money, banking it, and often applying it against the debt. The Conservatives have in fact adopted the policy of the previous government in both these cases.

The third one, though, is the one we're really talking about today, and that is cutting the funding of advocacy organizations in this country. There is a belief in this town that not-for-profit organizations expect a constant draw from the government to fund themselves so that they can then go out and promote their pet causes. This is one area where the new government has actually not

done enough in terms of pulling back some of this funding. I don't believe an advocacy organization that is Conservative, Liberal, left, right, or you name it, is entitled to turn to the federal government and demand its funding so that it can then go out and push its pet cause in public.

So I'll leave it at that. Those are my brief remarks, but as I said, I'm happy to address any of the programs that were reduced within this department.

Thank you.

• (1130)

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Williamson.

[*Translation*]

We will now hear from the Front d'action populaire en réaménagement urbain, or FRAPRU.

I would ask Messrs. Roy and Laporte to make their opening presentation in no more than seven minutes.

Mr. Jean-Claude Laporte (Organizer, Front d'action populaire en réaménagement urbain): Good morning everyone.

The Front populaire en réaménagement urbain, or FRAPRU, is a Quebec coalition of 120 organizations that work mainly in such areas as housing and, more specifically, poverty and respect for social rights.

There are two main reasons why we find it somewhat paradoxical to be appearing before your Committee to present our views on cuts to the Department of Human Resources and Social Development announced by the government.

The first of those reasons is that these budget cuts coincide with the Conservative government's announcement that there will be a \$13.2 billion surplus in fiscal year 2005-2006. Surpluses of that magnitude would, on the contrary, have warranted reinvestments in social development, as opposed to budget cuts.

The second reason relates to the total contradiction between these cuts and the recommendations of a UN committee, made barely five months ago, with respect to respect for social rights in Canada. That committee made a whole series of recommendations that should have had quite different budgetary repercussions at the Department of Human Resources and Social Development: an increase in federal transfers for social assistance and social services, improvements to the Employment Insurance program and, finally, recognition that housing and homelessness are a matter of national urgency — as stated by the UN committee — which should normally result in reinstatement of social housing programs.

The Harper government which, it should be said, has not even deigned to respond to the UN report, has chosen the opposite direction, by introducing a billion dollar's worth of budget cuts that have more to do with ideology than with budgetary requirements.

And I want to emphasize that point: cutting spending by \$1 billion, when there is currently a \$13 billion surplus, is beyond all comprehension. However much we may try to see some logic in this, from both an economic and social standpoint, the fact is that it makes no sense whatsoever. So, at some point, someone will have to provide us with an explanation that goes beyond pure ideology, because we simply cannot understand why these cuts are being made when the government has such enormous surpluses.

What other opinion could one possibly have of the cuts being made to grants for women's groups, or the abolition of the Court Challenges Program?

But, strictly in terms of cuts to the Department of Human Resources and Social Development, FRAPRU is particularly opposed to efficiency gains of some \$45 million at the Canada Mortgage and Housing Corporation, or CMHC.

CMHC has told us that these cuts will have no effect on programs or on existing social housing stock. That may be true, but if CMHC is capable of realizing certain efficiencies — for example, because of interest rates that are lower than expected — any money that is saved should be used to provide additional assistance to families and individuals.

Do CMHC's own estimates not show that some 1,484,800 households are in serious need of housing in Canada, and that there are 150,000 homeless people in this country? That last figure is the number of people it would take to fill three football stadiums. So, just imagine three stadiums filled with homeless people. That is what that figure represents here in Canada.

In fact, CMHC could provide more appropriate support for the current social housing stock, which is not only aging but also experiencing serious financial difficulties.

• (1135)

Mr. François Roy (Representative, Outaouais, Front d'action populaire en réaménagement urbain): Good morning. Rather than reducing CMHC's budget for social housing, the Parliament of Canada should instead be rallying behind Bill C-285, the private member's bill tabled by Bloc Member of Parliament Christiane Gagnon, which is currently at the second reading stage in the House of Commons.

As a matter of general policy, the bill proposes that any profits realized by CMHC as a result of its economic activities be used to provide adequate funding for its social activities.

It is important to remember that in 2005, CMHC's net after-tax profit was \$1 billion and that it now has an accumulated surplus of \$4.4 billion.

Is it too much to ask that part of that money be used to provide housing to individuals and families who are not certain to have a roof over their head and are forced to spend up to 60%, 70% or 80% of their income on inadequate housing?

In a different connection, FRAPRU is also against the \$17.7 million budget cut, including \$5 million in Quebec, to funding for literacy.

According to the Regroupement des groupes populaires en alphabétisation du Québec, these cuts represent almost half of the annual budget of the Regroupement and the entire budget of grassroots-based literacy organizations working in this area as part of federal-provincial joint literacy initiatives.

These cuts come at a time when efforts in this critical area are yielding results. But there is still so much more to be done: there are still 800,000 adults in Quebec aged from 16 to 65 with low literacy skills, compared to 1 million ten years ago.

When it signed the International Covenant on Economic, Social and Cultural Rights 30 years ago, Canada made a commitment to the international community to ensure over time that the rights set out in that covenant could be fully exercised. In that respect, we are taking a step backwards at a time when the federal government is swimming in budget surpluses. This is not only unacceptable, it is absolutely indecent.

In closing, I would just like to mention that we do, of course, share the views expressed by others with respect to cuts to the Summer Career Placement program. Again, given the considerable surpluses now available to the government, it is completely indecent in our opinion to be cutting the funding of such an important program as this.

Thank you.

• (1140)

[English]

The Vice-Chair (Mr. Jean-Claude D'Amours): *Merci, messieurs.*

We will go now to Imagine Canada. Ms. Kirk, for seven minutes.

Ms. Teri Kirk (Vice-President, Public Policy and Government Relations, Imagine Canada): Thank you, *monsieur le président, mesdames et messieurs, députés.*

Imagine Canada appreciates this opportunity to appear before this committee on the important issue of cuts to both funding and advocacy activities by Canada's community non-profit organizations.

Many of you will be familiar with the work of Imagine Canada. We are largely supported by 1,100 members that are themselves charities and community organizations drawn from diverse communities—from sport, to Christian charities, to health charities. We also work with corporate Canada through our Imagine Caring Companies program. We work with companies like EnCana, Bell, and the Royal Bank, which, as some of Canada's largest and finest corporate citizens, commit to giving 1% of their earnings back into our communities.

Many of you, I know, are very familiar with the depth and breadth of this sector. Defined most broadly, it is truly Canada's third sector, so it captures economic activity that falls outside the direct scope of business and public service. What always enchants me most about the sector—and this is data collected by Statistics Canada—is that 22.2 million Canadians make donations into this sector every year. With a population of 35 million Canadians, that's virtually every adult Canadian voluntarily making contributions to support their churches, sports organizations, and charities.

I'd like to address the issue that's being raised today and is increasingly raised. I think the federal government doesn't have an active role vis-à-vis this sector. When one looks at western democracies around the world, they're generally characterized by a public-private partnership vis-à-vis this sector. Even countries like the United States have a more generous culture of giving to their community non-profit sectors than we do here in Canada—more corporate contribution, more individual contribution. In the U.S., the state contributes more than 50% toward the cost of maintaining a vibrant third sector, this set of activities.

In particular in Canada, many of the activities of the sector fall very squarely within the jurisdiction of the federal government. They relate to immigrant settlement. They relate to reintegration of criminal offenders back into the community so our communities can be safe. Therefore the relationship of the sector to the federal government is indeed a very important one.

I'd like to address specifically the question of the cuts. Those in the sector understand it's very complex for government to make difficult financial choices and measure balanced spending versus taxation. We very much appreciate the government's tax measures in budget 2006 to support capital gains exemptions, which have indeed brought forward significant new giving in select public charities.

On behalf of our 1,100 members, I can say there was upset with the cuts, as one can imagine. They felt the process was at odds with the accord that the sector negotiated with the Government of Canada. Many of these organizations financed themselves to come to Ottawa to work over a two-year period with the Government of Canada to say how they will partner with the federal government to make sure this sector remains viable and strong in Canada.

We're not a federal department and we're not businesses, but we do have a special kind of partnership with the government. We would like to work constructively with you in negotiating very significant policy changes. That's important to the sector. We felt the changes to the important research and public policy role that sector organizations feel they carry out was done outside the scope of that kind of partnership.

Secondly, the language that was used was certainly clear, but it did offend many. Many in the sector are people who volunteer their time and work at below-market rates to help carry out these activities in their community. To have the spending described as having a lack of value or being redundant offended many in the sector. We'd like to work with the committee, work with members of Parliament, work with the government to try to repair some of the damage that has been done to that important partnership.

• (1145)

In that spirit, the sector feels that the maturity of the sector now in Canada—its importance to the day-to-day quality of life of Canadians—does merit a view. It's not clear where accountability for this bundle of activity, which employs 2.2 million employees and accounts for 8.6% of economic activity, of GDP in Canada, really lies and therefore it tends to be disproportionately subject to cuts. We'd like to work with government to have a clear view of what the nature of the partnership with the sector is. We can be a very viable alternative service provider to governments in many instances.

John Howard is a viable alternative to help criminal offenders reintegrate into their communities as an alternative to using the Solicitor General or the Department of Justice, for example. These are viable alternative service delivery models that can be used very effectively. Canadians say over and over again that they trust charities and non-profit organizations to deliver these services in their communities more than they trust governments to do so.

We're not asking for a big, new department, or a lot of spending in order to do this. We like the blue ribbon panel. We think it had, on grants and contributions, which was struck by Treasury Board, three excellent people working at a dollar a year. We had to encourage the government to strike that kind of longer-term committee to look at a new partnership and some new ways in investing in this sector.

Thank you very much.

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Ms. Kirk.

[*Translation*]

We will now open it up for questions and comments.

We will begin with a seven-minute round. I would ask Mr. Regan to begin the questioning.

Hon. Geoff Regan (Halifax West, Lib.): Thank you, Mr. Chairman.

I want to thank all the witnesses for being with us today.
[*English*]

As members of this committee when we have our time allotted—I have seven minutes here—we actually control that seven minutes and we decide with whom we want to share it, and for how long.

For starters, I want to share about three seconds of it with Mr. Williamson. I would like to ask him whether he was or was not—yes or no—consulted by the minister or the department in relation to these particular cuts we're discussing here today, before the cuts were announced.

Mr. John Williamson: Was I consulted?

Hon. Geoff Regan: Yes.

Mr. John Williamson: No.

Hon. Geoff Regan: Thank you.

It seems to me we have a difference of opinion, Mr. Williamson, about whether learning to read or write is trimming fat, and about whether there are enough summer jobs in the country, and let's say, outside Alberta you couldn't have moved the money elsewhere—there was certainly a lot of need for summer jobs elsewhere—and whether there was enough money at all, in total, for summer jobs.

It's surprising to me that an organization like yours, which has credibility nationally, comes here and suggests that the Liberal opposition is against trimming the fat. That's a bit like my suggesting that you advocate letting people starve on the streets, and it detracts from your credibility before us today. I suggest you consider that in the future.

Let me ask this of the other groups who are here today.

In relation to the cuts that were announced, has the minister consulted you prior to these cuts being announced? Do you know anybody else she's consulted with? And how did you find out about the cuts?

Why don't we start over here and go around?

Ms. Teri Kirk: I'd be pleased to answer that.

No, we weren't consulted and we're not aware that any of our member organizations were consulted. Most of the organizations found out in ways that were very upsetting to them. These organizations tend to function on a shoestring. In many instances, their funding had just been renewed and they had entered into some long-term commitments, had found out through websites, and are still in fact finding out the extent to which the cuts were made. This is something where, again, in the spirit of partnership, I think we can learn and work together more constructively to find ways to go about managing changes in financial and public policy that are less disruptive to a vulnerable sector of the economy.

[*Translation*]

Mr. Jean-Claude Laporte: No, we obviously were not consulted.

[*English*]

Mr. Askin Taner (Public Policy Analyst, Ontario Literacy Coalition): No, the OLC was not consulted in any capacity. I think we could have really contributed some valuable information. I'm no legal expert, but to the best of my knowledge, Revenue Canada limits the advocacy dimension of non-profit organizations to 20%, so when we paint the literacy organizations as advocacy groups it's simply inaccurate.

Advocating for adult literacy, from a policy perspective, makes us smart professionals who are in tune with the OECD. I was at the OECD conference with a member, Ms. Savoie, in June. One of the four pillars of OECD's job strategy is training, and adult literacy is definitely part of that.

From an advocacy perspective, advocating for some of the most underprivileged Canadians makes us compassionate Canadians.

• (1150)

Hon. Geoff Regan: By the way, when you say “advocacy”, it reminds me of a point about advocacy. It seems to me that Mr. Williamson is not against advocacy, because that's what he does for those who can pay for it. That's what it seems like—and I'm sure my friends opposite will give you a chance to respond to that in due course.

Mr. John Williamson: Aren't you going around the table?

Hon. Geoff Regan: I'm going to those other groups that actually are affected by these cuts.

[*Translation*]

Mr. François Laliberté-Auger: No, we were not consulted, and the groups that we contacted were not consulted either, just as they had no detailed information about these cuts.

[*English*]

Mrs. Janis Douglas: Likewise, like other people at the table, we weren't consulted. I think Teri did a great job of describing what we would say.

As well, I think we're still somewhat unclear on the particular details of the cuts, so to contribute—which I think we can—it's more helpful to have some of that information in order to be able to work collaboratively.

Hon. Geoff Regan: Thank you.

It strikes me that it makes sense to look at an organization, to look at the expenditures that it has, to examine what it's doing, to look at each program and see if there are things that don't need to be done. But it strikes me that this is not what happened here. There was a decision that the government was going to cut this much and the department had to find it in their budget and then do it. I have an impression that the minister and the cabinet did not really do much to understand these programs before making these cuts. That's a very important point here.

Let me ask something of the groups here that have experienced these cuts, the groups affected. Here is how the minister described the impact of the cuts when she appeared before this committee last week: "If you think about your own personal budget, can you cut out a coffee a week? Because that's just about what it works out to."

Can I ask for comments on what she said from those groups here that have been affected by these cuts. What's your reaction?

Ms. Teri Kirk: Obviously, for many organizations, the impact of the cuts was much more extensive than that. For Volunteer Canada, 85% of their budget has been removed. More importantly, for all of these organizations, it's not necessarily about preserving jobs; it's truly about delivering services in their communities. That's what motivates them.

Again, Imagine Canada tries to work very constructively with the government, and we're not here to criticize. We understand that governments do have difficult decisions to make. But I think what it does speak to and what all of us have learned from this is that we do need to have a strategy in place for how we are going to deal with this sector in Canada.

There are some very significant threats on the horizon. Number one is the major indicator for Canadians and around the world to get involved in giving their time and writing cheques. And by the way, Canadians write \$9 billion in cheques to these organizations every year. The major driver is religious participation. We may not like that, but that's what the data shows. But religious participation is in massive decline right now.

So if we care about this sector, what activities will we be doing to ensure that it carries on?

Hon. Geoff Regan: Thank you.

[*Translation*]

Mr. Jean-Claude Laporte: In terms of the Minister's analogy, my response would be that in terms of cutting out a coffee per day or week — I believe that was the analogy — if the coffee pot is full, I won't have to cut my consumption; indeed, I'll even offer some to others. And that's what I think we should be doing with these budget surpluses — we should be sharing them, not using them for ideological purposes.

[*English*]

Ms. Lesley Brown: In terms of the literacy field, it impacts about half the budget that they're working with.

Another important thing to note, too, is that there is a policy change here that has tremendous impact, because the federal government will only fund those programs with a national interest. This now takes away all the programming across the provinces and

the territories for local and regional needs, because the provinces and the territories do not have large enough budgets.

Let me give you an example. For shared projects, the federal government gave \$4 million in Ontario to go with the \$1.5 million the province was able to contribute, so that's a substantial decrease in the amount of funding and the amount of work that could be done. I think it's more than a cup of coffee.

• (1155)

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you.

Mr. Reagan, you can come back on the second round. We are now going to a second seven-minute round.

Mr. Lessard, you have the floor.

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

I would like to begin by welcoming the witnesses and thanking them all for being here this morning. We may be able to improve our understanding of the situation somewhat.

This week, the Minister appeared before the Committee. I believe she was here on Tuesday. We systematically asked her, for each and every one of the budget items that are affected, what had been cut. But the Minister was unable to provide answers. She didn't know, even after checking with her officials.

In the House of Commons last evening, we had a four-hour debate on the Budget Estimates. It ended around midnight. But the Minister still didn't know what she had cut. Do any of you know?

The Vice-Chair (Mr. Jean-Claude D'Amours): Does someone wish to answer?

Mr. Étienne Huddon-Gagnon: Well, as we said earlier, rumours have been circulating with respect to the Summer Career Placement program. We actually spoke to the person in charge of the program, and she told us its budget would be cut. But the Department was in no more of a position to answer our questions than Cabinet.

Once again, I think it's extremely unfortunate that people who are illiterate and students are being compared to a cup of coffee.

So, the short answer is that we do not know either what specific amounts or what specific programs are involved.

Mr. Yves Lessard: For our part, we see this as an incomprehensible situation that can only be explained on the basis of an ideological choice — the term used earlier by Mr. Laporte. But let's leave that aside for a moment, since we have to deal with a very concrete reality here.

A very important Canadian organization reminded us that there are some 160,000 volunteer and community organizations out there. We're talking about 7 million volunteers, which is quite extraordinary. That social fabric has been built up over the years. It is both strong and extremely vulnerable. Indeed, to work miracles, people very often need only small amounts of money.

Ms. Kirk, I found you to be extraordinarily polite and diplomatic as you extended a hand to your government partners. I see something very noble in that. But the fact is that they're not interested in a partnership with you. Can we come right out and say that? Now that I have given you my take on this, perhaps you could let me know whether you agree or not.

I am not new to this life, but I am new to politics. I have been here since 2004. I find it absolutely incomprehensible that the grass roots of the social solidarity movement would not have been consulted before the government made one billion dollar's worth of cuts. We are talking about \$152 million, but that is only the amount for Human Resources and Social Development Canada. Let's not forget that the total amount of the budget cuts is \$1 billion.

As regards literacy programs, we're talking about cuts totalling \$17.8 million out of an overall budget of \$80 million, approximately half of which goes directly to organizations to help them carry out their work. That is not a huge budget, but it certainly is a huge cut. If I understood correctly, according to Alpha Ontario, if we slow or break the pace of literacy training, the number of people who are illiterate will increase by some 100,000 per year, all because of socio-demographic changes occurring in society.

I would be interested in hearing other comments on that. Someone talked about the way the process works. I would like to hear more about that. I hope our Conservative friends who, even though they're honest people, share an ideology that is devastating for our social fabric, will clearly comprehend the extent of the damage that has been caused.

• (1200)

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Roy.

Mr. François Roy: My colleague talked about an ideological position, and I would just like to add that in this case, that position is based on a lack of awareness or a profound disregard for what is going on and what is being done in civil society, as well as by community organizations. To actually believe that cuts of this magnitude will have a minimal impact is tantamount to believing in magic. The impact will be far more significant than just one less cup of coffee.

Social issues will only get worse. And how will we address those issues? Are we going to invest more in social control and criminalization? The role of literacy organizations is important in terms of our social and economic development, and the same applies to programs such as Summer Career Placement. We are talking about volunteer and student organizations that are seeking work experience.

[English]

Mr. Askin Taner: Let me speak to your question. Dr. Satya Brink is from HRSDC. She is the director of policy research for national learning, and I'm quoting her: "At the current level of investment and with current programming, any improvements achieved are slower than the population growth nationally. If we keep doing what we are doing now, the number of people with low literacy...will increase at the rate of about 100,000 a year." That's a direct quotation from her.

There are two aspects to this.

One, Canada grows about 1% a year. Between 1994 and 2004, we grew 10%. We need to take this into consideration when we look at literacy performance and say there is no improvement. Second, as my colleague mentioned, literacy is like muscles: without the robust policy framework, without means and programs out there to maintain your literacy skills, as you get older you simply lose them. Take that into consideration.

We can successfully claim that we are performing well, but given the current level of programming and funding, we can only do so much.

[Translation]

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Lessard. Your time is up now.

Ms. Savoie.

[English]

Ms. Denise Savoie (Victoria, NDP): Thank you.

I want to go back to what Mr. Taner said. I was indeed at that meeting and remember very well the comments about the importance of investing in training if we want Canadians to remain competitive, and about the importance of these basic skills.

I believe, though, that the government has fundamentally misunderstood the impacts of the cuts they're making—for example, to literacy; to the summer placement programs; to Central Mortgage and Housing, which is another completely separate issue that I'd like to deal with later. It is clear that the importance of the work of the provincial coalition to support delivery on the ground has been overlooked and just put under the heading of "advocacy" or refocusing on national programs or not supporting advocates.

I'm wondering whether either of you would comment on what learners will lose on the ground, in local delivery capacity, from these cuts.

• (1205)

Ms. Lesley Brown: Thank you for that question.

There are a few things. It's very easy to get caught up in the idea that literacy classes will not be cut, but what will be cut is the entire infrastructure that supports a literacy program.

Let me give you an example that may be closer to home here, in terms of running a government. You do not run a government with just a Prime Minister. You have your ministers, you have your researchers, you have your analysts, you have your lobbyists. You have an entire component that actually supports the work that needs to be done.

Taking it back to literacy, an instructor will not be able to deliver the same kind of programming—and also volunteers, because we have a lot of volunteer tutors—without tutor training, without practitioner training, without the research that looks at what the needs of this population are, without the outreach to try to draw students into programs.

Right now, only 10% of people who actually need literacy programs are identified and come to programs. For the type of outreach you need, you cannot send out flyers. You have to be very creative in how you highlight the opportunities for people.

Ms. Denise Savoie: Maybe in this case we do have a government that's just run by the Prime Minister, with no research, no analysis.

I have heard from some provincial and territorial literacy coalitions that, first of all, they were under the impression they could no longer apply, but they've received phone calls in the past few days telling them they could indeed apply. What do you make of that, and what's your understanding of this turnaround or this kind of sudden change in direction?

Ms. Lesley Brown: Just to go back, the call for proposals was severely delayed. It usually should come out in early January. The call did not come out until August, and at that time the deadline was September 15. People took a lot of time—talk about accountability—and used a lot of resources to write those proposals and submit them, and a week later they were told those proposals were not going to be even considered. As I said earlier, the provinces and territories do not have the budgets to support that project work.

There was a conference call from HRSDC to the coalitions yesterday that was a bit ambiguous. It said that those proposals previously cancelled will be reviewed, but they mentioned that the \$17.7 million cuts are still on the table, so there's no change to the cuts.

I'm actually unclear what this means; if they're going to be reviewed and there's less money to fund them, I don't know what will happen. It's for this year only, so I don't know whether or not they will honour agreements this year but we will have the full impact of the \$17.7 million next year.

Ms. Denise Savoie: It sounds as though there may be more applications considered, with a smaller pot of money. It's interesting.

Mr. Taner?

Mr. Askin Taner: I would like to give you a concrete example of the impacts of the cuts.

The AlphaPlus Centre, originally founded as Alpha Ontario, is an organization that deals in four streams: a deaf stream, a native stream, and francophone and anglophone streams. It's a support organization. According to the Government of Ontario, its resource collection is the largest adult literacy resource collection in the world. They are closing their library; they are dismantling their entire collection. They have to apply to the Trillium Foundation to get funding to distribute the collection basically to libraries across the province.

As to the uniqueness of this organization, let's say you're a practitioner in northern Ontario, in a town that just recently experienced a mining operation close-down. In a Toronto program, obviously the needs would be different. You have called the library, and they cater to your needs; they send you the necessary resources.

You're a practitioner; you give them a call; they send you the materials according to your needs. This is a huge loss, and it's real. It has been announced they're closing down by the end of March.

•(1210)

Ms. Denise Savoie: So much for the minister's comments of books, books, books, and more books. It sounds like books and fewer books, and fewer resources.

Mr. Williamson, I and I think our side of the House certainly don't disagree with the efficient use of funds, but we believe this is just a cover for having the federal government remove itself from social programs and social issues such as literacy, with the impacts that doing so is going to have on productivity.

I'm wondering—and would like to hear from any of you—whether you believe that re-targeting is needed to better serve people, with the cutting that's going on. We know that literacy funding was inadequate, judging from Claudette Bradshaw's recommendation from the previous government. It was already inadequate—\$1 per Canadian per year—and as you pointed out, it wasn't keeping up. So I'm wondering whether “re-targeting” was just jargon for cutting.

Can you re-target with this kind of cutting in areas such as literacy, or Central Mortgage and Housing, and the student placements?

The Vice-Chair (Mr. Jean-Claude D'Amours): Let's have a short answer, please.

Mr. John Williamson: I'll take a stab at it. There are numerous examples: \$82,000 spent on design of a website for literacy; \$34,000 spent on graphic artists for logo development; \$211,000 for printing, communications, and travel costs; \$110,000 spent on developing and printing ads; a project manager paid \$97,000—

Ms. Denise Savoie: I'll stop you right there if I may. I'm not saying that programs shouldn't be re-evaluated. Does that mean that you cut that money, rather than direct it to programs you think will do a better job towards literacy?

Mr. Askin Taner: To the best of my knowledge, the federal government has contributed, during the last funding year, \$38.5 million to the previous National Literacy Secretariat. Now, with \$17.7 million gone, I cannot see how you can redirect and still maintain efficiency and effectiveness. So no, it's not possible.

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): I'm sorry, but your time is up.

Ms. Brown, I would just like to clarify one point, for my own information.

You mentioned that the call for proposals was supposed to come in January, but that it actually only came in August, and that submissions had to be in several weeks later — in September, before there was any announcement to the effect that funding would not be available.

Did this jeopardize any small groups that did not have the necessary resources to respond to the call for proposals?

[*English*]

Ms. Lesley Brown: Are you asking whether the delay caused hardships to programs?

The Vice-Chair (Mr. Jean-Claude D'Amours): No, I mean that the timeframe to prepare the call for proposals does not allow some smaller NGOs to participate. They don't have the resources to process an application in a short time. You'd think that would put some small non-profit organizations in jeopardy. They wouldn't have the chance to apply.

Ms. Lesley Brown: I don't think so. Traditionally, the literacy field has had only had three weeks to prepare these applications. This year, between August and the September 15 deadline, we actually had more time. The problem is that we never know when these calls are going to come out. They continue to be delayed. So it's hard for organizations to be accountable, to maintain budgets and program planning, when they're not sure when the call will get out or when they'll get approved for funding.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Lake.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I want to clarify something right up front. Often we hear, especially in this committee, a lot of political agendas being pursued. But when we have conversations in private, we can see that we believe in the same things, though we may believe in different ways of achieving them. The Conservative government believes that we can achieve higher rates of literacy. We believe that we can achieve lower rates of homelessness and higher rates of employment for workers, both old and young. We believe in support for boys, girls, families, workers, and seniors. Our party simply believes that we can do it better than we have in the past.

We also believe that we need to be better stewards of the dollars Canadians have entrusted us with. I don't think there should be a lot of disagreement on that point. I believe Canadians deserve more credit for their ability to make the right decisions with their money. And our government has made decisions to give Canadians back more of their own money. We're talking about all Canadians: children within families of all kinds, single parents, two-parent families, seniors, workers young and old, and students. We've tried to make decisions that we believe are in the best interests of all Canadians.

I want to thank you all for coming. It's good to hear all opinions. I even appreciate opinions opposed to some of the things we're doing. We can always learn and we can always do better. Of course we can.

I have some specific questions today for each of you. I'd like to know what each of your organizations had cut from your budgets.

• (1215)

Mrs. Janis Douglas: With respect to Boys and Girls Clubs of Canada, we do not know of any specific cuts. We were concerned about some of the summer career placement programs. We're unclear about where the cuts will come and the effect they might have on potential recipients of such programs. We just wanted to say they were valuable. We didn't want to dismiss the idea of targeting. Perhaps corporations would hire students anyway, but there may still be some room for help.

Mr. Mike Lake: I want to make sure we get through everybody, so just be fairly quick.

[*Translation*]

Mr. Étienne Huddon-Gagnon: Our organization was not directly affected, but these cuts mean that there will be 100 fewer jobs for students this summer.

[*English*]

Mr. John Williamson: We don't accept government money; therefore, we were not worrying.

Ms. Lesley Brown: The major thing we have lost is family literacy. We've done research and policy development in this important area, and now it's off the table. We will not be able to do anything more around family literacy.

Mr. Mike Lake: But how much federal money have you had cut from your budget?

Ms. Lesley Brown: I can only anticipate. It's all project funding, so nothing is ever for sure. I would say it's about \$250,000.

Mr. Mike Lake: That's potential money based on—

Ms. Lesley Brown: Potential money.

Mr. Mike Lake: —money that you would submit for projects later on, so you're not 100% sure right now. There's not a specific budget that's been cut for you.

Ms. Lesley Brown: You can say it's a specific budget, because it's project funding.

Mr. Mike Lake: Okay.

[Translation]

Mr. Jean-Claude Laporte: As a coalition, we were not affected in any way, and that is the reason why we feel perfectly comfortable appearing before the Committee. The fact is that we are not here to defend our own organization; we are here to defend people with inadequate housing and the homeless in Quebec and Canada. We also support literacy groups and students seeking employment.

However, when there are cuts or when there is a lack of investment by CMHC, that does affect us. Neither myself nor our coalition directly suffers, but people with inadequate housing or homeless people do. The cuts made to the Summer Career Placement program also affect us. Indeed, many member groups of FRAPRU use Summer Career Placement to give students a chance to gain work experience or help out community organizations, since they are able to work more effectively by having an additional employee during the summer.

I would just like to add that partisanship has nothing whatsoever to do with our position, because whatever government is in office, if budget cuts are made that affect people, we will be there to denounce them.

Mr. François Roy: I just want to add that the current environment is such that we should be investing more in social development. And yet, we see the government making significant budget cuts even as we are swimming in surpluses.

Mention was made earlier of the fact that there are 150,000 homeless people here in Canada. But that is a very conservative figure. At the present time, based on our analysis...

• (1220)

[English]

Mr. Mike Lake: Excuse me, but I want to move on. I only have a couple of minutes left, and I have another question that I want to ask.

Ms. Kirk.

Ms. Teri Kirk: We need to lay off about 35% of our workforce who were engaged in programs that the federal government had initiated and financed. They are divided into three broad categories. One is something called the Knowledge Development Centre, which was a national initiative to help charities become more knowledgeable about federal regulations, such as under the Lobbyists Registration Act, charity law, and the taxation of charities. That activity centre is eliminated.

We're working with Heritage on trying to solve insurance crises for organizations that try to run summer camps, for example, for disabled children. They face liability costs that are through the roof, and many in the sector were very much looking forward to trying to come together through that initiative to deal with insurance challenges, as well as some important research on the sector.

Mr. Mike Lake: Was there a dollar amount?

Ms. Teri Kirk: I don't know the exact dollar amount. Frankly, there are some sensitivities. We have not given notice to employees about talking about this in a public forum, but it's certainly in the range of several million dollars.

Mr. Mike Lake: I have a question for Mr. Williamson, specifically about what you feel the role of government is to fund

external advocacy, regardless of what it's for. Oftentimes in the past, however, we've seen that it has been in favour of its own particular agenda.

Mr. John Williamson: First, there's actually one correction about how Revenue Canada treats advocacy versus charitable organizations. If a charity exists, they're permitted to issue a tax receipt in their work. Their advocacy organization, their lobbying, if you like, is limited to 20% of their budget. Advocacy organizations do not have charitable status, but they then have no limitation placed on their advocacy of ideas. So there is a difference between charities that are actually doing work or educational work and are delivering services and an advocacy organization, which is what the Canadian Taxpayers Federation is. We promote ideas, we push ideas, and then we talk about them in the public square.

Every year, the Government of Canada spends \$26 billion on grants and contributions to organizations large and small, big businesses, libraries, up and down, throughout society. Of that, \$6 billion to \$8 billion goes to fund activities of special interest groups, non-governmental organizations, and third party groups. I can't stand before you here today and say that all of that \$6 billion to \$8 billion is being used for political pressure, and it would be irresponsible just to cut it out, because in that there certainly is some good work being done.

Having said that, the Government of Canada—or any government, for that matter—should not be funding political opinion. Far too often, what we hear from some of these groups being cut is that they truly believe they are actually neutral, that they are independent, and that they come to their conclusion without any political viewpoint, which is completely false.

The Vice-Chair (Mr. Jean-Claude D'Amours): Sorry, Mr. Williamson. You will have to come back in another round.

Mr. John Williamson: Okay, I think you get my point.

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Lake.

We will now start the second round of questioning for five minutes each, starting with Ms. Brown.

Ms. Bonnie Brown (Oakville, Lib.): Thank you very much.

Mr. Williamson, we're talking about consultation by ministers as to consequences of actions, and we found out this morning that most of the groups, including yours, were not consulted about these changes.

I'm wondering if you were consulted about being in the tax business. I wonder if you—and you represent taxpayers—were consulted about the income trust tax changes.

Mr. John Williamson: No, I think that was a surprise for everyone.

Ms. Bonnie Brown: Okay. Good.

Then we shouldn't all feel so bad because the groups that provide human services at the community level with the help of volunteers weren't consulted about the cuts affecting them. Nor was Mr. Williamson consulted about the cuts or the changes affecting the particular group he serves.

Mr. John Williamson: That's actually incorrect.

Ms. Bonnie Brown: You just said you weren't consulted.

Mr. John Williamson: Income trust is not something we advocate on.

Ms. Bonnie Brown: That's the most recent impact on taxpayers. Believe me, my emails tell me they're affected.

But then we have a finance minister who has a reputation for not consulting. I wouldn't be surprised if he did not consult the minister this committee refers its information and advice to. I'm pretty sure he didn't consult the good people over on the other side of the table, who seem to have a better understanding of civil society and community than these cuts would indicate.

My first question is to Ms. Kirk, who is responding to all her member groups, and I'd like to know what she has in her coffee to keep herself so calm, when in fact I'm sure she's facing outrage. I would like to get some of whatever it is.

Some hon. members: Oh, oh!

• (1225)

Ms. Teri Kirk: Those are very fair comments, Ms. Brown. We spend a lot of time thinking about what positions to bring forward here. There's no doubt about it; there's a lot of upset in the sector about these public policy and funding changes.

On the other hand, I think all of us who are engaged in our communities—and I think everyone around the table is, from hockey to libraries, and so on—have to focus on how best to move forward and what our ways of serving this community are in order to make sure it remains viable, because it is vulnerable. As somebody indicated, we look around the world and see governments changing, and these sectors largely disappearing.

So we're really asking for three positive things. It's really one and three activities within that bundle. Let's have a partnership with government—with the federal government, which can even endure changes in government—that addresses how we will finance and work with this sector, and what kind of partnership is in place. Let's look at some investment funding. Grants and contributions over the last 10 to 12 years have been reduced to the point where they cost organizations almost more to comply with and apply for than their benefit. Let's look at some longer-term investment instruments.

Ms. Bonnie Brown: Thanks, Ms. Kirk. I have such a short time.

I would take issue with one of the witnesses who thinks the government has a deep misunderstanding of the activities of civil

society. I wouldn't call it a misunderstanding; I would call it ignorance, and a misunderstanding, therefore, of the impact of the cuts. But I don't think it's that. We have a government that does not want to be burdened by the facts. The proof is the cutback to the Canadian Policy Research Networks, and the new examples we found out this morning, to the Alpha database and library.

They don't want to know, and the reason is that they have a different view of society than the healthy, pluralistic society that Canada has become, with all this activity among volunteers and citizens interacting with each other to build a civil society. The proof of that is the Prime Minister's own statement before he was the Prime Minister, when he said that if he became the Prime Minister of this country, in two years we would not recognize the country. No one really knew what that meant at the time, except those of us who had heard some of his earlier speeches.

The lack of respect for civil society and the volunteer sector that is shown by these cuts, the lack of consultation, the lack of discussion, the lack of consultation with those who deal with many volunteer groups, like Ms. Kirk, suggests that it isn't a misunderstanding. It's the moving forward to a different kind of society, one that is characterized more by huge expenditures into the military. There was \$1 billion announced on Monday or Tuesday of this week. That is probably the same \$1 billion they're saving, taking off your backs. There is much more money put into police and much more money set aside for more prison cells for the anticipated increase in prisoners—this is taken from the budget speech.

Mr. Roy and Mr. Laporte are absolutely right. You put the money in to keep people busy and helping one another, training them to do good work, or you put it in at the other end. This government's own budget suggests that they are going to put it in at the other end, with more police, more jails, a bigger army, more deadly equipment.

A voice: Get the American crime rate, right?

Ms. Bonnie Brown: Exactly.

The interesting thing is the states in the United States, often referred to as the red states, that have those very strict and punitive laws and large police forces also show the highest incidence of social problems, the kinds of social problems that your organizations are trying to prevent or eradicate.

Thanks, Mr. Chair.

• (1230)

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Ms. Brown. You're out of time.

[Translation]

The next five minutes will be shared by Ms. Bonsant and Mr. Lessard.

Ms. France Bonsant (Compton—Stanstead, BQ): I would like to talk about the Summer Career Placement program. I have been working on this file for the last two years. If you're wondering why you haven't received a response from the Minister, well, if it's any consolation, neither have I. She is not in much of a hurry to provide answers.

Last year, we looked at 14 recommendations regarding the Summer Career Placement program. Everyone around the table agreed to increase the hourly rate, whether they were Conservative, NDP, Liberal or Bloc Québécois members of Parliament. Indeed, we felt that this sometimes penalized the profession. But now we're talking not only about the secondary level, but the university level as well. And in response to our 14 recommendations, we received an utterly simplistic letter from the Minister saying that she did not approve of them, but she didn't disapprove of them either.

You are from Montreal. I'd like to know whether you ever had an opportunity to talk to students living in rural areas who only have access to jobs in non-profit organizations. Have you heard any complaints about a lack of funding or resources for students living in rural areas?

Mr. François Laliberté-Auger: A large proportion of the members of our federation live in many different regions of Quebec. There is no doubt that this kind of program allows a great many of them to find a job, particularly in regions where the unemployment rate is high. When it is a first job, this kind of program is extremely useful.

Ms. France Bonsant: You also said earlier that you heard through the grapevine that there would be administrative cuts. However, I can tell you that I am the person that manages the Summer Career Placement program with Service Canada. I have the last word. And I really don't see what the Minister can possibly cut. In my case, we're talking about \$1,300,000. My budget is \$235,000. I receive applications from about 600 people. Of that number, I only accept 75. If she wants to make administrative cuts, she certainly won't be doing that in Quebec. I have told MPs that they are going to have to look after their young people.

Ms. Douglas, how many of the young people you use will not have access to the program next year or in the coming years?

[English]

Mrs. Janis Douglas: Should the potential cuts affect young people who are hired through our organization, as I said, based on just 60%, there would be about 600 or 700 young people. That would impact potentially around 70 to 100 spaces for children and families who often use the summer camps for child care, also for pre- and post. So the ripple effect is based on that.

That would be per year.

[Translation]

Ms. France Bonsant: Yves, would you like to put a question to this gentleman?

Mr. Yves Lessard: Yes, thank you.

Mr. Chairman, I would like to close by putting a question to Mr. Williamson.

You represent the Canadian Taxpayers Federation. On September 25, you issued a press release stating that you were delighted to see the government making budget cuts of \$1 billion. You also said earlier that you didn't know where those cuts had been made.

I just want to be sure I understand, because we will be held to account for the seriousness of the presentations made this morning.

I have received a great many letters from people in Quebec. The petition circulated by the Coalition québécoise contre les compressions fédérales en alphabétisation was signed by central union organizations and literacy and community groups; four million of the seven million people who live in Quebec are angry. They have written to the Prime Minister of Canada and have sent me a copy. I have also received letters from women's groups and community groups in Quebec.

When you say that you're delighted that these cuts are being made, on whose behalf are you making that statement? Who gave you that mandate? The people I referred to got together in the capital of Quebec to voice their opinion and examine the situation. And yet you are saying that even though you don't know what has been cut, you are very happy that these cuts have been made.

• (1235)

Mr. John Williamson: The Federation has 72,000 members.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Williamson, a quick answer please.

[English]

Mr. John Williamson: We have 72,000 supporters across the country who donate their after-tax dollars to support our watchdog and advocacy organizations, our work.

[Translation]

Mr. Yves Lessard: Who are the members of your Federation? Are they individuals or organizations?

[English]

Mr. John Williamson: Individuals.

[Translation]

Mr. Yves Lessard: Individuals. So, you represent 72,000 individuals in Canada.

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Lessard. Your time is up.

Ms. Savoie, you have five minutes.

Ms. Denise Savoie: Thank you very much.

I want to come back to some of the points raised by Mr. Williamson with respect to literacy.

Do you believe the economy should serve Canadians by helping to build a stronger society, one that protects social and environmental interests, or do you instead believe that Canadians should be serving the economy?

[*English*]

Mr. John Williamson: Sorry, are you asking me who should...? You mentioned the economy, the environment, a few of these issues that—

Ms. Denise Savoie: I'm saying, do you believe that a good economy should serve to protect Canadians' interests to build a strong civil society, to protect our environment, or should Canadians be serving the economy?

Mr. John Williamson: Well, I think it's both. I think, on one hand, we have a strong economy. It's not an accident that Canada is a strong—

Ms. Denise Savoie: What is the purpose of a good economy?

Mr. John Williamson: Well, it's to create jobs. Through a strong economy, we generate tax revenues to fund the programs that Canadians view as priorities—not everything on the wish list, though, but priorities, and that's what we're talking about here.

Ms. Denise Savoie: Thank you. So it's to fund our Canadian priorities.

I want to come back to the issue of re-targeting or cuts. Re-targeting implies that either we have too much money for a particular program or that it's misdirected and should be redirected. In this case, we've heard this morning that there wasn't enough funding for literacy programs to begin with. I just want to hear a little bit more from around the table on the question of re-targeting or cuts in the case of literacy.

Are we just using lingo here to really talk about cuts? We're not really talking about re-targeting in the case of literacy or these summer programs. I wonder if you have any comments.

Ms. Lesley Brown: Thank you. I'd like to talk about re-targeting, because we're getting lost in the rhetoric.

One of the issues is that the cuts have been made because programs are ineffective. Based on what? I didn't see any information about these programs that have determined they're ineffective. Everybody around this table believes we need to be accountable. We're very accountable in the literacy programs. Outside evaluators come in for everything we produce to make sure we're within budget and delivering what we have been paid to do. We can't just throw out things like “not a good, effective use of money” or “fat” or things like that, without saying what this is about. You can't just cut and say it's because it's ineffective. If something is ineffective, go after that specifically. Don't make a blanket cut.

• (1240)

Ms. Denise Savoie: What would a pan-Canadian literacy program look like, if we were really determined as a society to meet the interests of Canadians?

Mr. Askin Taner: Perhaps I may answer your previous question with regard to re-targeting. There are different funding streams in the National Literacy Secretariat, or whatever it's called these days. One of them is what we call FPT, federal-provincial-territorial. That has been eliminated, so what exists is funding for national projects. Some of the literacy organizations across Canada are so small and have such limited resources that it's absolutely impossible for them to carry out national projects. Therefore, they focus their efforts on local needs, and they are effective for that purpose. But if you take out that funding stream, only very large organizations that are able to go across the country and spend large sums of money with large human resources can realistically apply for that funding.

Ms. Denise Savoie: Thank you.

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): Ms. Savoie, if you don't mind, Mr. Laporte would also like to comment.

Mr. Jean-Claude Laporte: Earlier, we talked about spending that could be considered unnecessary or wasteful, such as developing a Web site for a literacy group.

But I'd like to give you a specific example. In a working class neighbourhood in Eastern Montreal, people who take literacy courses do not only learn by getting to know their multiplication tables and grammar rules; they can also gain practical experience, while at the same time learning to read and write.

A Web or Internet site can be used to develop a newsletter. The trainers are not the ones developing the newsletter. They are students receiving literacy training who develop it and distribute it to other organizations. They are proud to be able to do that. Knowledge acquisition and self-esteem are also important factors to consider. Without self-esteem, one cannot move forward.

So, cutting literacy programs means cutting people's self-esteem.

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Laporte and Ms. Savoie.

[*English*]

The last five minutes of this round will go to Mr. Brown.

Mr. Patrick Brown (Barrie, CPC): Thank you, Mr. Chair. The first question will be to Ms. Kirk.

Ms. Kirk, as I'm sure you are well aware, the recent 2006 federal budget announced that donations to publicly listed securities to registered charities would be exempt from capital gains tax, effective immediately. Could you comment on Imagine Canada and tell us how this measure will specifically help charities and non-profit organizations?

Ms. Teri Kirk: Thank you for raising that. It is something our sector asked for, and we are very pleased to see the measure included in budget 2006. We have some hope and some expectation that the measure may be extended in budget 2007, so it would apply to gifts of other types of assets besides publicly traded shares and might apply to gifts to private charities as well as public charities. That's an important distinction. Private charities include 4,500 private foundations, often set up by wealthy entrepreneurs and successful families who decide they would like to give back to their community. We would like those 4,500 private charities to be eligible for those sorts of gifts as well.

That measure has been helpful, and we've seen it's already incented some very significant gifts by wealthy Canadians. We have to understand that tax measures are part of a bundle of instruments supporting this sector. Federal grants and contributions are also extremely important. Tax measures tend to result in gifts to a fairly small number of the 80,000 charities. For example, the John Howard Society in a rural community is not likely to get a significant gift of shares from a wealthy businessperson. We have to look at our rural communities. We have to look at tax measures that result in dollars going into a wider range of organizations.

Mr. Patrick Brown: Thank you. I certainly concur that this government undertook a great first start for helping charities.

My next question will be for Mr. Williamson. It's a pleasure to have you here today speaking as an advocate for taxpayers and not here on the crutch of any actual taxpayer dollars, so your comments were refreshing.

My question to you relates to the first question asked of you. The credibility of your organization, which stands up for taxpayers, was slightly questioned when they said your comments about eliminating waste could call into question the very credibility of your mandate. I found this to be completely off base. I'd ask you, Mr. Williams, what are you hearing on the street in terms of the initiatives this government is taking to trim waste? What is the regular taxpayer telling you? Can you share those comments with us?

• (1245)

Mr. John Williamson: I'll be brief because I know time is running out.

I appreciate that. We're a tax advocacy organization, but we also do—

Hon. Denis Coderre (Bourassa, Lib.): I have a point of order. I think he's just related to 72,000 members, so those taxpayers, not the overall.

Mr. John Williamson: Fair enough. I don't want to misrepresent myself. The area we spend more and more time on is that of a watchdog. While we promote certain tax reforms, the watchdog component is growing.

I'll speak on behalf of my members, but also, from what you hear on talk radio, most Canadians are oblivious to these billion-dollar cuts over two years, half a billion dollars a year. That's because the Government of Canada didn't cut services or programs that directly affect Canadians. There are groups representing literacy organizations here, but if you look at the provincial groups, most of them have stepped up and said they actually receive funding from the provinces. But the federal government is funding literacy advocacy, so this does affect people who work there, but broadly speaking across the country, I don't think there's great outrage over the billion-dollar reduction.

Let me give you another example. Mr. Brown mentioned it. The Policy Research Network—that's exactly the type of relationship that should be cut. It presses a political, left-wing agenda and it promotes national day care. You're free to go out and promote national day care that advocates that we put our kids in institutional day care, but to do so on the public dime is just wrong, particularly when it runs counter to the government's own policy. That is just a waste of tax dollars, and I think that budget was being cut by \$3 million. That is a specific example of a political organization that sees itself as being independent, but is anything but.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Brown, if you don't mind, Monsieur Roy wanted to make a comment.

Mr. Patrick Brown: Mr. Storseth had a quick question he wanted—

The Vice-Chair (Mr. Jean-Claude D'Amours): Okay, but we are already out of time, so...

Mr. Patrick Brown: If the time is up, the time is up.

The Vice-Chair (Mr. Jean-Claude D'Amours): Yes, the time is up. A witness was asking to make a short answer, but the time is already up.

[*Translation*]

We have completed the second...

Mr. Regan, did you want to say something?

[*English*]

Hon. Geoff Regan: This is a point of order. In Tuesday's meeting, I said the following to the minister.

Minister, you have said you're spending more than \$80 million on a number of initiatives, but in fact this isn't just for adult literacy, as you know. What I'd like you to agree is that your officials will provide us, by tomorrow morning

—meaning yesterday morning—

with a breakdown of federal spending by your department in the area of adult literacy in 2006-07. I don't want it now; I'd like it by tomorrow morning. I don't want to take too much time right now.

I'm told by the clerk that we have not received this. It seems to me it's a very simple matter. Last night, the minister told me we'd get it when it's ready. It seems to me all we're asking for is the breakdown of what she claims she is spending on literacy—\$80 million. I don't understand why this can't be provided and I would like the assurance of the parliamentary secretary that it will be provided today; and if not, why not, and when. That's the first point of order.

As for the second one, actually, Mr. Martin has one about the report on this work here. The other point is that Mr. Martin suggests we should do a report on the work we've been doing on this study on those cuts, Mr. Chairman.

Mr. Mike Lake: I have a point of order, Mr. Chair.

The Vice-Chair (Mr. Jean-Claude D'Amours): Just a second, please. I have somebody else.

I will recognize Mr. Martin. Is it on the same subject?

Mr. Tony Martin (Sault Ste. Marie, NDP): It's a point of order on the second thing.

Mrs. Lynne Yelich (Blackstrap, CPC): This can't be fun for the witnesses. It's not committee business.

Mr. Tony Martin: I believe my point of order is on committee business. I was wondering if we could get some direction from the front on what we're going to do now as far as a report is concerned, so that we can deliver it back to the government on the hearings we've just had.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Lake.

Mr. Mike Lake: Should we not be dealing with this after the witnesses have been released?

• (1250)

Hon. Geoff Regan: Mr. Chairman, this relates to the matter we're dealing with right now in this study. It seems to me that it's part of what we've just been hearing about. It's relevant to what we've been discussing as part of the same study. It seems to me that it doesn't have to be in camera.

Besides that, it's a very simple matter. Surely the government can answer this question. If it's claiming it is spending \$80 million in this area, then how? Last spring in the House of Commons, after I asked a question, the parliamentary secretary told me the government was going to be spending \$38 million in the area of literacy, but now we know they've cut \$17.7 million. And now they're claiming they're spending \$80 million. They should give us a simple answer.

Mrs. Lynne Yelich: Why are going on like this during committee, Mr. Chairman?

[Translation]

The Vice-Chair (Mr. Jean-Claude D'Amours): I'm sorry, Mr. Regan, but that was not a point of order. We cannot accept that.

I am going to recognize Ms. Yelich.

[English]

Mrs. Lynne Yelich: I'm wondering why we are going through committee business when we have witnesses here and we're

studying. No one has ever suggested that we have to have a report by the end of hearing from four or five groups of witnesses speaking. When has that been part of our committee business? Get a report while the witnesses are here? Questions that were posed to the minister? What's going on? I'm sure we have questions yet.

[Translation]

M. Jean-Claude D'Amours: I have a duty to listen to members who raise a point of order and to decide whether or not it is really a point of order.

I am going to give the floor to Mr. Lessard, because it would seem that he, too, has a point of order. I will determine whether it is actually a point of order, and then I will tell you how we will proceed.

Mr. Lessard, if you have a point of order, please proceed.

Mr. Yves Lessard: Mr. Chairman, it is sort of a point of order. What my colleague, Mr. Regan, just said makes sense. The witnesses were not told which programs would be specifically targeted through the budget cuts and wanted to know whether we knew. The fact is that we don't know anything more than they do.

Having said that, Mr. Chairman, I am not challenging your ruling; it is a good ruling. Even though I had other questions on the main areas affected by the budget cuts, which would have given us an opportunity to gather additional information, we should now be thanking the people who appeared as witnesses today. The Committee does have some business to attend to, and the meeting is scheduled to end at 1 p.m.

The Vice-Chair (Mr. Jean-Claude D'Amours): Thank you, Mr. Lessard.

I'm sure you understand that cannot be considered a point of order either. Because the second round is now ended, does the Committee want to deal with the motions, or should we go to a third round of questions?

I want to thank all our witnesses today.

[English]

I would like to thank each and everyone for coming before us this morning. I know your time is—

[Translation]

I know that your time is very precious. So, thank you for coming today and have a pleasant afternoon.

I would ask everyone to leave the room now, so that Committee members can get on with their business.

• _____ (Pause) _____
•

Mr. Jean-Claude D'Amours: We are back in session.

We will now move directly to Item 2, Committee Business, which is the item scheduled after our session with the witnesses.

•(1255)

[*English*]

Hon. Geoff Regan: Mr. Chairman, is this the in camera portion of the meeting?

The Vice-Chair (Mr. Jean-Claude D'Amours): No, its public.

Hon. Geoff Regan: I presume the members who can vote are the first four on that side. Is that correct? I just want to understand. Can they have five votes on that side?

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Regan, I am the person that...

[*English*]

Hon. Geoff Regan: Right. The chair is not here. I'm sorry.

Oh, that works well for you, doesn't it? I see.

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): We will now deal with the motions.

Mr. Coderre.

Hon. Denis Coderre: Mr. Chairman, since we only have four minutes left, I would like to move adjournment.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Coderre has moved a motion.

[*English*]

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Chair, I have a point of order on the motion.

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Storseth, I will recognize you on a point of order.

Mr. Brian Storseth: Thank you very much, Mr. Chair.

I want to say that I think it's incumbent upon us—we still have time left on the clock—to speak to this motion.

I'm disappointed that the opposition is stalling a motion that their own Liberal critic for seniors called for.

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): Mr. Storseth, we can't debate that now, because Mr. Coderre's motion is not subject to debate. It must be put to a vote immediately.

Mr. Yves Lessard: We have two minutes left.

The Vice-Chair (Mr. Jean-Claude D'Amours): Would all those in favour of Mr. Coderre's motion please signify?

[*English*]

(Motion agreed to)

[*Translation*]

The Vice-Chair (Mr. Jean-Claude D'Amours): The meeting is adjourned.

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