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## Standing Committee on Finance

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EVIDENCE

**Tuesday, November 2, 2010**

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**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

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• (0900)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order. This is the 43rd meeting of the Standing Committee on Finance.

Welcome to all of our guests here this morning. We have two panels of seven organizations each this morning. We are continuing our pre-budget consultations for 2010-11. I want to welcome you all here.

We have with us here in the first panel the Canadian Institute of Chartered Accountants, the Canadian Home Builders' Association, Cardus, the Canadian Chamber of Commerce, the Alberta Chambers of Commerce, the Canadian Association for Community Living, and the Canadian Diabetes Association. You will each have five minutes for an opening statement, and we'll proceed in that order.

I just want to point out that the austerity measures have begun early, because we don't have that many lights in the room. That is on orders from Minister Flaherty to start saving some money. We're trying to rectify that matter as quickly as possible.

**A voice:** It's Treasury Board.

**The Chair:** It's Treasury Board, yes.

We'll begin with the Canadian Institute of Chartered Accountants, please.

**Mr. Bruce Flexman (Chair, Tax Policy Committee, Canadian Institute of Chartered Accountants):** Good morning. I am Bruce Flexman, chair of the CICA Tax Policy Committee and president of the International Financial Centre of British Columbia, which looks to attract international business to Canada and British Columbia. On behalf Canada's 77,000 chartered accountants, I thank you, Chairman, for the opportunity to appear before the committee.

In my remarks today I will highlight our views on how Canada's competitiveness can be enhanced through measures that follow two tracks: making the country's tax system more competitive, simpler, more effective, and more efficient, and at the same time ensuring prudent fiscal management of the country's finances.

We applaud the government's commitment to reducing the general corporate income tax rate to 15% by 2012. Finance Canada's own analysis shows that for every 10% reduction in taxes on business investment, expenditure on machinery and equipment increases by 10%. Research also shows that most corporate taxes are borne by workers in the form of lower wages and that lower investment in machinery, equipment, and software hurts job creation and wages.

Indeed, the U.K., in its most recent budget, and at a time of financial crisis, reduced its corporate income taxes.

In deciding whether to invest, businesses are driven by the need for certainty. In the current economic climate, it is crucial that the government remain visibly committed to reducing corporate tax rates. This is essential for attracting investment, enhancing Canada's competitiveness, and creating prosperity.

The complexity of our tax regime plays an equally important role in attracting investment. Every year, the World Economic Forum measures the global competitiveness of 133 countries around the world. The forum's most recent report shows that concerns over Canada's tax rates and tax regulations are among the top five most problematic factors cited by business executives in doing business in Canada. The report deems both the extent and effect of taxation and the total tax rate to be competitive disadvantages for Canada. Canada's tax system must be simplified to lessen this burden of compliance and to reduce complexity.

Our submission makes a number of points in this regard. Allow me to highlight two that were endorsed by the Advisory Panel on Canada's System of International Taxation.

Consolidated tax returns or loss transfers for groups of related companies are not permitted in Canada, despite the fact that more than two-thirds of OECD member countries now offer group taxation. The ability to transfer losses to other corporations within a group would reduce administrative and compliance burdens, improve cashflow within a group, and increase the harmonization of federal and provincial tax systems.

We acknowledge that in its December 2009 report, this committee recommended that the government review the implications of allowing consolidated tax reporting, and accordingly, the 2010 budget included a commitment by the federal government to explore the possibility of implementing a formal system of loss transfer or consolidated reporting for corporate groups. We urge the federal government to work with the provinces to facilitate the use of tax losses and credits within a group of companies.

There is also a significant cost associated with complying with Regulation 105, which imposes a 15% withholding tax on fees paid to non-residents for services rendered in Canada. Canadian businesses are frustrated by having to bear administrative responsibility for another person's tax liability. We urge the government to adopt a certification system, as the U.S. does, to shift the compliance burden at the withholding stage from the payer to the non-resident.

I would also add that we continue to believe that additional progress in harmonizing sales taxes is needed.

On the issue of retirement income, the CICA has raised concerns regarding the adequacy of Canada's retirement income system and urges the government to put in place further incentives for retirement savings.

• (0905)

We support the recent announcement by the government that an independent expert panel will examine federal programs that contribute to innovation, with a view to recommending how to maximize them, such as the scientific research and experimental development program. Under the SR and ED program, investment tax credits are fully refundable only for smaller companies.

**The Chair:** You have one minute.

**Mr. Bruce Flexman:** As part of this review, we urge the government to make credits refundable for all claimants, regardless of size, or consider allowing an offset through which they are creditable against an employer's portion of EI premiums.

If we are to stay competitive and attract the best and the brightest, we need to stay attuned to the personal income tax burden placed on Canadians. Roughly half of Canada's tax revenue comes from personal taxation. This is high by international standards. Our top marginal rates are high and apply at lower-income thresholds than is the case with many of our competitors.

Let me say at the outset that we do not believe the way to address this is through the introduction of additional targeted tax benefits. While such targeted measures initially seem attractive, in the end they simply introduce more complexity and inefficiencies in the tax system.

Acknowledging the need for fiscal responsibility, we believe that broadly based reductions to personal income tax are preferable to targeted tax benefits. Over time, and as finances permit, we urge the government to consider an increase in the top two thresholds and the rate of tax applied to them.

Thank you.

**The Chair:** Thank you.

I'm sorry, but we're well over five minutes here. Thank you for your presentation.

We'll now hear from the Canadian Home Builders' Association.

**Mr. Victor Fiume (President, Canadian Home Builders' Association):** Thank you, Mr. Chairman, for inviting us to be here today.

I am Victor Fiume, president of the Canadian Home Builders' Association, and I have with me here today Mr. Vince Laberge, first vice-president. Both Vince and I are new home builders and renovators. My company operates in Oshawa, Ontario, while Vince is based in Edmonton, Alberta.

Let me begin my remarks with a short summary of CHBA's views on market conditions going forward. The last year has certainly shown that our industry contributes significantly to Canada's economic well-being. Looking ahead, we are entering a very

uncertain period for our industry. This certainly is reflected in the wide range of new home starts forecast by Canada Mortgage and Housing Corporation of between 146,900 and 210,500 in 2011, with a point forecast of 176,900 starts. At a recent meeting of CHBA's economic research committee, builders estimated there would be 165,000 starts next year, which serves to underline the concerns we have going forward.

While we expected a slowing of the housing activity and view CMHC's point forecast for 2011 as a healthy housing market, we are very concerned about the uncertainty surrounding this forecast. As the Governor of the Bank of Canada has observed, there is the potential for a more pronounced correction.

We cannot be complacent about our industry's performance going forward and its ability to continue to contribute to the economic recovery. A marked downturn in housing activity will have serious ramifications for the economy. It should be noted that our industry's working capital and reserves were seriously depleted last year, and we remain in a weakened state.

On the employment front, while employment levels have increased dramatically and the number of jobs now exceeds pre-recession levels, the jobs recovery has been uneven. Specifically, we are not seeing a recovery in employment for younger workers in the 15-year to 24-year cohort. These are tomorrow's first-time homebuyers, and they continue to face very challenging job prospects, which will impact our industry.

With respect to house prices, a major element in the price increases is the costs imposed by governments through taxes, fees, levies, and other development-related charges. Over time, reduced housing affordability will inevitably lead to lower housing activity and reduced job creation.

Now let me turn to the recommendations contained in the CHBA's pre-budget submission. The CHBA has called upon the federal government to introduce a single threshold, full rebate treatment of GST on new home purchases. In 1991 the full rebate threshold was set at \$350,000, with an upper cut-off point of \$450,000. At that time the government made a commitment to review these limits over time so they would reflect changes in economic conditions and housing markets. To date this has not been done. As a result, in most urban markets, few new homebuyers are eligible for a full or even partial GST rebate on their new home purchase. Lack of action by the government on this issue continues to undermine housing affordability.

In addition to the need for action on how the GST is applied to new homes, the CHBA has also called upon the federal government to introduce a permanent 2.5% home renovation GST rebate. This measure would return the effective rate of GST on home renovation expenditures to the pre-GST level, restoring fairness to how home renovations are taxed by the federal government.

● (0910)

We saw that Canadians reacted with enthusiasm to the home renovations tax credit. As a result, they demanded proper paperwork from their renovation contractors, seriously hampering the activities of cash operators who rely on undocumented transactions. Properly configured, a permanent 2.5% home renovation GST rebate would build on this experience by supporting the legitimate taxpaying contractor and increasing the government's tax revenues.

The federal government must take firmer and more effective action to combat the underground cash economy. The current contract payment reporting system simply doesn't address this problem—something even the CRA has noted. The CHBA has called on the government to develop more effective measures that directly target cash operators. For example, all businesses, regardless of their annual sales, should be required to register for a business number. The continued growth of the underground cash economy is a threat to legitimate businesses, consumers, and the integrity of our tax system.

I'll talk, in closing, on the next generation of the federal ecoENERGY program. This program was a great success. Over 600,000 homeowners received home energy evaluations, and the majority of them have followed up by carrying out energy-efficient improvements. That amounts to one in twenty households in Canada. We believe it is important to build on this momentum to both improve the performance of Canada's existing housing stock and to address the government's broader environmental goals. The CHBA hopes the next federal budget will contain the next generation of this important initiative.

Thank you.

**The Chair:** Thank you for your presentation.

We'll now hear from Cardus, please.

**Mr. Michael Van Pelt (President, Cardus):** Thank you, ladies and gentlemen.

My name is Michael Van Pelt, and I'm president of Cardus. I'm with my colleague, Ray Pennings, who is a Cardus senior fellow and director of our research. I appreciate the opportunity to appear in front of you today.

Cardus is a Canadian think tank, a research institution based out of Hamilton, Ontario. Our mission is to strengthen Canada's social architecture.

Regarding the purpose of our meeting here today, it has been our observation for some time that Canada and Canadians increasingly default to fewer and fewer institutions to solve the problems we meet day to day. This has come largely at the expense of many mediating institutions that make Canada a vibrant and flourishing society.

Today my colleague Ray Pennings will outline and analyze this challenge that we face in Canada and make the kinds of tax recommendations we would like this committee to consider.

**Mr. Ray Pennings (Director of Research, Cardus):** Thank you, Michael.

At the heart of our research is a focus on the fact that a civic core of Canadians—approximately 29% of them—provide over 80% of

the charitable giving, volunteering, and participating in the various organizations that make up society. This is based on StatsCan data. We have been actively working on this data, and in January or February we will be coming out with a follow-up report that looks at incidences of giving.

There we will see that we've moved from about \$1.4 billion in 2000 to over \$3 billion today, which is coming from just 15% of donors. Perhaps to put the numbers a little more starkly, in 2007 the average donation those 15% made was \$961, compared to \$227 for donors who are not part of this core group. It's very clear that a small group of Canadians are providing the bulk of the support that our charitable sector needs to continue.

It's estimated that due to various factors—I've outlined some of them in the brief, and there is some other research—that group is declining by about 1% to 2% per year. Project that forward over a decade and it's quite clear that if we lose 10% to 20% of the capacity of our civic core, it will pose significant challenges to the way of life we have been taking for granted.

The charitable sector needs to be sustained. In 2008 charitable receipts declined by 5.3%. This comes at a time when demographics, immigration, and urbanization combined are putting upward pressure on the demands of the charitable sector.

Our suggestion is that the most immediate way to address this problem in the short term is through direct incentives to those who are already giving. Research has shown that the small proportion of donors whose giving is planned, recurring, and in significant amounts are most likely to respond to incentives.

● (0915)

Our proposal before you this morning is a straightforward one, that we add a category to the charitable tax credit to provide for donations over \$450 receiving a 42% tax credit. We believe this is the most effective way to provide relief to charities, as the benefits will go to those who are already giving, those who research shows are most likely to give some more. The proposal is easy to understand and easy to communicate, given the current structure for charitable giving.

The estimated costs are \$300 million to \$400 million. Last year, you may recall, we proposed replacing the 29% with 42%. We received a lot of support from various quarters. The objection was the costs. By proposing the \$450 threshold, we more than halve the costs, and I would remind you that the costs are directly focused on those who give.

That's the essence of it. We look forward to your questions.

Thank you.

**The Chair:** Thank you for your presentation.

We'll now hear from the Canadian Chamber of Commerce, please.

● (0920)

**Hon. Perrin Beatty (President and Chief Executive Officer, Canadian Chamber of Commerce)** Thank you very much, Mr. Chairman.

I'm Perrin Beatty. I'm president and CEO of the Canadian Chamber of Commerce.

[Translation]

It's a pleasure for me to present the views of the Canadian Chamber of Commerce and its 200,000 members who are active in all sectors of the economy and are present in all regions of Canada and employ millions of Canadians.

[English]

As you know, the Canadian chamber network is the most broadly based business association in Canada, representing close to 200,000 businesses of all sizes and sectors of the economy and in all regions of the country. Our members create the jobs, pay the taxes, power the growth, and contribute the leadership that provides the quality of life that we enjoy in our country.

We led the call for our political leaders to work together on a clear strategy to stimulate the economy, to ensure access to affordable credit, and to lay the foundations for long-term economic growth and competitiveness, and we saw results. Canada's economy weathered the financial and economic crisis better than most industrialized countries and staged an impressive turnaround. In only four quarters, the economy recovered all of the output and jobs lost during the recession. No other G-7 country can make that claim.

However, after the dramatic bounce-back, second-quarter GDP results provided telltale signs of a slowing recovery, and recent data give further confirmation. The near-term global economic outlook remains uncertain, and our economy faces strong headwinds from weak U.S. demand and overstretched Canadian households.

Continued vigilance and leadership are required to secure the recovery in jobs. In our submission we urged the federal government to follow through on delivering existing stimulus plans. The steady fiscal course is essential to reinforce consumer and investor confidence. We also stressed the importance of returning to budget balance over the medium term. Left unchecked, high and growing government debt will drive up interest rates, drain national savings, and threaten our future economic prosperity.

The October economic and fiscal update reiterated the government's pledge to balance its books by fiscal 2015-16. This outcome cannot be taken for granted. The government will have to follow through with its commitments to allow temporary stimulus measures to expire come March 31, 2011, and constrain growth and program spending to an average of about 2% per year, starting in fiscal 2011-12.

The opportunity to bring indebtedness down is rapidly ending as an aging population and slower growth in the labour force will exert significant pressures on the public purse. To meet the challenges we must address the longstanding structural impediments to growth. Now more than ever, leadership and courage are needed to dismantle the internal barriers to trade and mobility, foreign investment restrictions, overlapping regulations, and work disincentives in the income support system.

Additionally, a better designed and more efficient tax system would lift the economy's long-term growth potential. High marginal personal income tax rates discourage people from working, saving, and investing, and entrepreneurs from taking on risk. With growth in Canada's labour force slowing, our personal income tax system must be competitive so we can maintain, attract, and develop one of the

most skilled and productive workforces in the world. That's why it's crucial that we maintain a strong focus on expenditure restraint to recapture our fiscal flexibility, to deliver meaningful personal income tax cuts.

Mr. Chairman, increasing business income taxes or renegeing on promised corporate tax reductions to raise additional revenue is economically destructive. Businesses have a critical role to play in sustaining economic growth by initiating new investments and hiring to expand productive capacity. Loose talk about cancelling the reductions may cause companies to pull back. Businesses require certainty and predictability from their government to operate and to invest with confidence. Parliamentarians must keep their word.

Mr. Chairman, it has been estimated that giving up the planned three-point reduction in federal general corporate income tax rate would result in the long-term loss of \$47 billion in capital investment and 233,000 jobs. We also need to ensure that Canada's tax system is fair, simple, and efficient.

Mr. Chairman, it costs businesses tens of billions of dollars each year to comply with their tax obligations, the lion's share of the burden carried by small and medium-sized enterprises. These costs are the result of excessive paperwork due to the complexity of the tax system, frequent changes in tax legislation, different rules across jurisdictions, and dealing with multiple audits by different jurisdictions.

Mr. Chairman, I recognize the time is short. I'll perhaps stop here, and I'll be pleased to respond to questions from any of the members of the committee.

**The Chair:** Thank you very much for your presentation.

We'll now hear from the Alberta Chambers of Commerce.

**Mr. Ken Kobly (President and Chief Executive Officer, Alberta Chambers of Commerce):** Mr. Chair, my name is Ken Kobly, and I'm the president and CEO of the Alberta Chambers of Commerce. With me today is Don Oszli, our past chair.

Thank you to you, Mr. Chair, and to members of the committee for this opportunity to present to you our policy advocating the reintroduction of the accelerated capital cost allowance for oil sands and extending it to include resource processing investment.

By way of introduction, the Alberta Chambers of Commerce is a voluntary federation of 124 community chambers in the province of Alberta who in turn represent in excess of 22,000 businesses. As well, all chambers in Alberta are proud members of the Canadian Chamber of Commerce. The Alberta Chambers of Commerce is the largest business organization in Alberta. We count among our members small, medium, and large businesses. Our policy process is at the grassroots, being developed, submitted, and approved by our community chambers; therefore, it reflects the opinions of our member businesses. Every business in Alberta, and I would dare say Canada, is affected by the health of the oil patch. Whether it's labour sourced from Newfoundland or manufactured materials coming from Ontario, the oil sector has a dramatic positive impact on the economy of Canada as a whole.

Specifically, today we wish to encourage you to reintroduce the accelerated capital cost allowance for oil sands investment and further extend it to merchant upgraders in the petrochemical industry. The ACCA was first introduced in 1996 to encourage investments in the oil sands. It proved to be a great stimulus to the industry. However, it was removed in Budget 2007. This, coupled with the major economic downturn we've seen since 2008, has resulted in almost all major industry construction shelved. Indeed, there was over \$150 billion in planned spending on the books before oil prices collapsed. There is now, however, some cautious optimism in the sector, and government has within its power to add an additional piece of encouragement to the optimism by reinstating the ACCA.

By the numbers, the construction of one upgrader has the following economic impacts.

The capital cost of an upgrader is approximately \$5 billion. The construction period, which comes after an 18-month engineering and planning phase, is approximately four years. So you can see the outlay of capital dollars takes at least five and a half years until the first dollar of production revenue is seen. During the construction phase, 3,500 jobs are created for the full four-year construction period. The average wage during this period is \$75,000 per year. This would generate in excess of \$263 million in employment income per year, as well as \$42 million in personal federal tax per year on that income. There is also a benefit to all provinces in addition to the federal taxes collected, as approximately 44% of the jobs created by oil sands investment are generated outside of Alberta. It would also produce an estimated \$195 million in corporate tax from the construction companies working on the project. These numbers indicate that for the first five and a half years after approval of an upgraded project, the big winner would be the federal treasury in terms of personal and corporate taxes collected. We have not included any multiplier in these numbers for the spin-off effect of the additional spending in the economy.

Capital cost allowance is a deductible expense under the tax act, which is available to every business in Canada to help them recoup a portion of the cost of acquiring capital assets. Capital cost allowance allows a business to write off a portion of their investment in capital assets against income every year, thereby reducing their tax bill by a percentage of the capital cost.

The ACCA is much the same. The difference between the two is the length of time to recover the portion of the capital cost. As the

name indicates, under accelerated capital cost allowance, the recovery rate is somewhat faster.

However, at the end of the day, the cost to the federal treasury is the same, as noted in a Finance department study, written in 2001, by Ketchum, Lavigne, and Plumber. To reinforce an earlier point, it is at least five and half years until any revenue is generated by the project and the first penny of capital cost allowance is claimed. Further, the ACCA may only be claimed to the extent that the particular project is profitable. This is not a subsidy. As the quoted authors pointed out very correctly in their paper, this is a timing difference.

**The Chair:** One minute.

**Mr. Ken Kobly:** In addition, we've tabled letters of support for our policy from the Canadian Chamber of Commerce, and Building Trades of Alberta, the organization that represents the unions that construct these projects. We also know you've heard from the Edmonton Chamber of Commerce. As well, we understand you'll be hearing from the Building and Construction Trades Department on this same issue.

In summation, we encourage you to reinstate the ACCA, which was removed in Budget 2007.

• (0925)

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

We'll now hear from the Canadian Association for Community Living.

**Ms. Anna MacQuarrie (Director, Policy and Programs, Canadian Association for Community Living):** Good morning.

My name is Anna MacQuarrie. I'm with the Canadian Association for Community Living, the national federation that advocates for people with intellectual disabilities and their families.

It's exciting to be here today. I get to start by thanking all of you for Canada's ratification of the UN Convention on the Rights of Persons with Disabilities on March 11 of this year. It was a proud moment, and certainly it was a turning moment for the rights of people with disabilities in Canada. If meaningfully implemented, the CRPD has the potential to make a real difference in the lives of Canadians with disabilities.

Our focus in our budget submissions for this year is to tackle the staggering and persistent rates of poverty facing Canadians with disabilities. When we look across the country today, we know that working-age adults with intellectual disabilities are almost three times more likely to live in poverty than working-age Canadians without disabilities. About 45.5% of working-age people with intellectual disabilities indicate they receive provincial or territorial social assistance. The employment rate is abysmal. We know that the employment rate for working-age adults is only one-third of the employment rate for people without disabilities and that the average income for people who are working is less than half of that of those without a disability.

The truth is that in Canada we have created poverty as the most likely outcome of life with a disability.

We know there has been building momentum to address these issues. In late 2009, we saw both the Senate standing committee, in their report “In from the Margins”, as well as the report from the finance committee, suggest that we have a refundable disability tax credit. The finance committee went on to recognize the need to address the registered disability savings plan in regard to concerns around the legal capacity of people with intellectual disabilities. We thank you for those recommendations, and we urge the committee and the Government of Canada to implement them and take some action.

We are suggesting that a refundable disability tax credit for low-income Canadians be a first step in a broader income reform strategy. To guide the broader income reform strategy, we suggest establishing an advisory committee that reports both to the Minister of Finance and the Minister of Human Resources and Skills Development to explore options for addressing poverty, income reform, and the federal role in income support for people with disabilities.

Additionally, we are encouraging the Government of Canada to take concrete steps to meaningfully implement the Convention on the Rights of Persons with Disabilities. Ratification was step one; we need to move on to probably the more difficult job of making it real and meaningful in our communities.

Lastly, in order to do any of the above, we need a robust and comprehensive disability data collection strategy. The current survey, which has been used in the past—the participation and activity limitation survey, more often known as PALS—has been cancelled.

We are working with the government. We know that a new data strategy is being developed. Any such strategy is going to need significant resourcing and time invested in ensuring we are not losing data. We do not want to find that four or five years from now we do not know what's happening with people with disabilities in this country because we don't have the data to understand it.

Thank you.

**The Chair:** Thank you very much for your presentation.

We'll now hear from the Canadian Diabetes Association.

**Mr. Glen Doucet (Executive Director, Office of Public Policy and Government Relations, Canadian Diabetes Association):** Good morning.

I appreciate the opportunity to participate in the committee's pre-budget consultations. I wish I were here to report better news about the fight against diabetes. However, that is not the case.

Today, three million Canadians are living with diabetes. Diabetes rates in Canada have doubled over the past decade and are forecast to nearly double again by 2020.

Over the next decade we expect to see a 67% increase in diabetes rates in Alberta and a 62% increase in British Columbia. If these statistics are not troublesome enough, a recent report by the Centers for Disease Control estimates that one in three people in the United States will be living with diabetes by 2050.

While these numbers are staggering, the economic impact of diabetes on our health care system and our economy is equally

sobering. The cost of diabetes in Canada currently stands at \$12.2 billion annually, and it is estimated that this cost will grow to \$17 billion by the end of the decade. By 2020, the economic impact of diabetes in Canada will have increased by over 130% from year 2000 levels.

If, as projected by the CDC in the United States, Canada were to reach the one-in-three level by 2050, the costs associated with diabetes in Canada would be \$54 billion annually. So it's clear: we have a diabetes epidemic in Canada and it's getting worse. It is also clear that this epidemic poses not only a significant threat to the health of millions of Canadians, but it also threatens the sustainability of our health care system and our future economic prosperity.

Our recommendations today are aimed at improving not just the health of Canadians but the health of our economy. Eighty percent of diabetes-related costs are for treating the complications associated with diabetes and not the treatment and management of diabetes itself. These serious, potentially life-threatening complications include kidney failure, heart attack, stroke, and limb amputation. Therefore, if we are to address the economic impact and the burden of diabetes, we need to focus on keeping those living with diabetes healthy to avoid or at least delay these serious complications.

Our brief to the committee contains three recommendations. However, today I will focus my remarks on our first recommendation, which is to extend the federal disability tax credit to those living with chronic diseases such as diabetes.

The greatest challenge for people living with diabetes is the affordability of the medicines and devices they need to effectively self-manage their disease. People with chronic disease face three times higher out-of-pocket health expenses than the average Canadian. The average out-of-pocket cost for someone living with type 2 diabetes in Canada is \$2,400 a year. In New Brunswick it's \$3,500 a year.

People living with diabetes are among those who can least afford these costs. In fact, 57% of people living with diabetes cannot afford to comply with their prescribed diabetes management therapy. As a result, many of these people end up developing serious complications that lead to poor health and premature death.

Over 6,000 Canadians die each month due to their diabetes. To put that in perspective, Mr. Chair, that is equivalent to the population of the town of Devon, Alberta, dying each month due to diabetes.

The disability tax credit would offset some of these out-of-pocket costs and would allow an increased number of Canadians living with diabetes the means to prevent these secondary complications. When originally introduced, the disability tax credit was limited to people who met very specific eligibility criteria based on severe physical disability. However, since its introduction, the criteria for this tax credit has been expanded to recognize the changing health status and needs of Canadians, including those with mental illness and those requiring life-sustaining therapy. However, only a very small number of Canadians living with diabetes are eligible for this credit.



So my question to the committee is this: why must people living with diabetes have to wait until they lose a limb or go on dialysis to be eligible for this tax credit? Would it not make more sense to provide this tax credit beforehand so that they can afford to effectively self-manage their disease and thereby prevent the need for amputation or other acute interventions? Such an enhancement to this tax credit would not only assist in preventing needless human suffering but would also save much needed health care dollars.

Thank you.

• (0930)

**The Chair:** Thank you very much for your presentation.

We'll start members' questions.

We'll go to Ms. Coady for seven minutes, please.

**Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.):** Thank you very much. I'll be sharing my time with Mr. Brison.

I appreciate you all coming here today and giving your perspective on the pre-budget submissions. I know how much work goes into preparing them. By way of disclosure, I sat for 11 years on the board of the Canadian Chamber of Commerce and was the chair of the Canadian Chamber of Commerce in 2003-04. So I've been in your position, where you had to come and try to convince government to do certain things.

My first question goes to Mr. Beatty of the Canadian Chamber of Commerce. In your discourse this morning you talk about returning to balanced budgets. I remember during the 11 years that I sat on the Canadian Chamber of Commerce how diligent we were in working to ensure that government did just that.

We have a very serious deficit right now. I guess this is the biggest spending and biggest borrowing government in the history of Canada, and we have concerns about its fiscal strength and the economic strength of our country.

I note in your discourse that you talk about continuing along the lines of decreasing corporate taxes. I can remember when I was on the board in 2000 that the effective tax rate was about 28%. It is now down to 18%, and you're asking this government to borrow money—borrow money—to drive up our deficit and our debt to ensure that tax rates continue. I find it a little ironic that you would ask this government to continue in the way of debt and deficit, borrowing, to fund these lower taxes.

I note on your website today that you have this: "Do you believe that the recent Fiscal Update is pointing Canada in the right direction?" Over half have voted no, they don't think it's going in the right direction.

So you're asking this government to continue on this course of lowering corporate taxes. Could you comment on why at this particular time your board and your 175,000 businesses are following in that direction when in fact you've been very strong in advocating for, and I'll quote your own words, "vigilance and leadership" in making sure we have a strong economy?

• (0935)

**Hon. Perrin Beatty:** Thank you very much, Ms. Coady, and let me go one step beyond you. Not only were you a former chair of the

Canadian Chamber, but you were also a revered former chair of the Canadian Chamber and somebody who still has many friends within the chamber movement across the country. So thank you very much for the question.

Canada has made progress, you are absolutely right about that, starting with the Liberal government, which started to bring down corporate tax rates because it understood a fundamental principle, and that is, to attract investment to Canada, to create jobs, to get businesses in a position where they're able to be competitive, we have to have a competitive tax system.

**Ms. Siobhan Coady:** We did it at a time when there was a surplus, right?

**Hon. Perrin Beatty:** Sorry, I'm just trying to answer your question.

The Liberal government was correct in taking that action. It was an action that was advocated by the Canadian Chamber of Commerce indeed at the time that you were there. We pressed for a better tax treatment for business to enhance competitiveness in the global system. This was followed on by the Conservatives as well. But other countries have not stood still. Other countries continue to improve their tax competitiveness.

What is critical for us, if we want to move away from the recession that we've been in to have private-sector-led growth, is that we have the investment at the private sector level, which will create new jobs and ensure the competitiveness of our business.

Parliament has spoken on this. Parliament has written into law those tax reductions that have been promised. Business has made commitments based on the commitment that was made by Parliament itself.

Some people argue now that Parliament should renege on those commitments. To do that would damage business confidence very substantially and would undercut growth in Canada.

**Ms. Siobhan Coady:** I'd like to reiterate my earlier comment that the Canadian Chamber of Commerce is advocating going into debt in order to do that. The Canadian Chamber worked very hard to ensure that the Government of Canada addressed its serious deficit and debt situation. Now we have a debt-to-GDP ratio that's growing and going to continue to grow if we allow these tax decreases to continue. What the Liberal Party is advocating is just simply stalling them.

Just let me ask you another question. It goes to the EI rate. As you know, this particular government is going to increase the EI rate as of January to 5%. Now that is a job-killing tax. We all know that payroll taxes are very, very detrimental to both small and large businesses. The Canadian Chamber of Commerce represents, by and far, small businesses in this country. I think you represent around 60% or 70% of small business owners. Is that correct?

**Hon. Perrin Beatty:** Considerably higher than that.

**Ms. Siobhan Coady:** Exactly. So considerably higher than 70% of your clientele, your businesses, are small business owners. The tax increase in January is actually going to hurt their bottom line, substantively. We're going to have a 5% increase in EI tax.

I understood that you supported the 5% when Minister Flaherty said that instead of increasing it by 15%, it was going to be increased by 5%, and you were supportive of that. The CFIB says that's going to take about 70,000 jobs out of our economy, and that's a pretty significant amount. What you're asking this government to do is not only to go into deficit to fund a large business tax decrease, but you're also, at the same time, going to have an increase in the EI payroll tax rate.

I find it quite ironic that the Canadian Chamber of Commerce would advocate for small businesses to have an increase and large businesses to have a decrease at the same time as—

● (0940)

**The Chair:** There's about 45 seconds remaining.

**Hon. Perrin Beatty:** I'm glad you voiced it, if you're uncertain about it, because I'm glad to have the opportunity to respond to it.

You've raised two issues. The first is the question of should we be lowering taxes at this point and will this have a damaging impact on Canada's fiscal position. We've called upon the government to establish a program to bring us back into balance within five years and to restore this position where we can start to pay down debt again. To do that, we need to encourage growth in the economy and constrain new expenditures.

If we're going to encourage growth in the economy, we have to restore business confidence. We have to encourage business to hire, to invest in new technology, and to invest in R and D.

We don't do that if we break our word, if having made the commitment that business has been planning on, based on Parliament's decision, we suddenly reverse course and say we're going to whack business with \$5 billion or \$6 billion in more taxes.

You then asked about employment insurance.

**The Chair:** Very briefly, Mr. Beatty.

**Hon. Perrin Beatty:** The Canadian Chamber of Commerce was very active in the fight against the employment insurance increases, and that's why we were very pleased with our success.

Mr. Chairman, as you're well aware, what was recommended was an increase three times the size of what was approved by the government. We have taken the position that it's important for the government to recognize that payroll taxes are job killers. By getting that increase reduced by two-thirds, we got a significant—

**The Chair:** Thank you.

**Hon. Perrin Beatty:** —win for small business across the country.

**The Chair:** Thank you.

Thank you very much, Ms. Coady.

Monsieur Paillé, for seven minutes.

[*Translation*]

**Mr. Daniel Paillé (Hochelaga, BQ):** Thank you, Mr. Chair.

It is actually entertaining to see the former President of the Canadian Chamber of Commerce talking with the new President, who was himself a minister here for a long time.

You were the Minister of State responsible for Treasury Board, and then Minister of National Revenue, all before 1993. So you are very familiar with how it works. I was asking myself more or less the same questions, but from another standpoint. In the first three or four paragraphs of your brief, you cautioned us. You note that there could be headwinds, and, according to the Conference Board, consumer confidence dropped for the second straight month.

You seem to be recommending vigilance and thinking that the economic recovery has not necessarily arrived yet. At least, it is has certainly not arrived at the same time everywhere in Canada. However, immediately after that, you talk about what is going to reduce the debt and the deficit. Then there is a kind of space. I don't know how many pages are missing between the fourth and fifth paragraphs, but it's as if it was a done deal. I am always impressed by the fact that you represent 175,000 businesses and 325 chambers of commerce. That amounts to a lot of people and SMEs, in Quebec. In another life, I too did the round of Quebec chambers of commerce.

What recommendation should we make to the government, to avoid the gales, the headwinds? For example, if we decide to cut business taxes, everyone is going to slam on the brakes and sooner or later we'll find ourselves with our head in the dashboard. I have the impression you are leaving out the coming year, in terms of the economic situation.

I'll give you a minute to comment on what I've said.

[*English*]

**Hon. Perrin Beatty:** Thank you for the question, Mr. Paillé. Please interrupt me if I don't fully understand your question. I'm trying to respond to it as accurately as I can.

**Mr. Daniel Paillé:** I will.

**Hon. Perrin Beatty:** If I understand you correctly, your concern is that lowering taxes may put a brake on the economy?

[*Translation*]

**Mr. Daniel Paillé:** You seem to be saying that the government should reduce its debt, reduce the deficit, but you are forgetting the effect the government has on the economy. You are hoping for government spending to be cut. The government is going to arrange it to suddenly stop the impact it has on the economy. There is no growth.

Are you not afraid that by putting too quick an end to these macroeconomic incentives, the government is going to be helping to slow Canada down?

● (0945)

[*English*]

**Hon. Perrin Beatty:** I see where you're coming from. Your concern is the stimulus as opposed to the tax cut.

What's important for the economy at this point is that we move away from a government-led or stimulus-led recovery to one that's private sector driven. We need to create the jobs in the private sector. We need to see permanent growth that isn't dependent upon government spending year after year.

We did support the stimulus program during the recession, and we believe it should be allowed to run its course. The real issue for Parliament to decide at this point is whether it should continue the stimulus program beyond its expected expiry date. Our feeling is that it should not be extended because it's important for us to focus instead on a private-sector-led recovery. What is important with that, one of the key elements, is the tax reduction that we've just been talking about.

[Translation]

**Mr. Daniel Paillé:** I apologize for interrupting you, but we have already taken four minutes.

Does putting a sudden stop to the activities by this hypothetical March 31 deadline, which suggests we can pave the roads in Canada during winter, not mean we are going to have a pile-up at the beginning of 2011? The government has forgotten to take the situation into account. This is a danger.

I would also like to ask the representatives of the Canadian Institute of Chartered Accountants. At page 3, you say...

[English]

**The Chair:** You have 30 seconds.

[Translation]

**Mr. Daniel Paillé:** I'll give you 30 seconds.

[English]

**Hon. Perrin Beatty:** The single most important or most damaging thing the government could do at this point to stall the recovery would be to cancel the planned tax reductions. Business has been planning on them. The private sector has been hiring based on them. The private sector has been investing based on them. If suddenly those were repealed at this point, the impact would be to get business to shelve its plans for expansion and getting people back to work.

[Translation]

**Mr. Daniel Paillé:** We disagree on this. Your businesses know very well that you can't have your cake and eat it.

I want to come back to the Canadian Institute of Chartered Accountants. At page 3, you talk about harmonizing sales taxes. You talk about British Columbia and Ontario. You say at one point that three provinces have not yet harmonized their sales tax: Prince Edward Island, Manitoba and Saskatchewan. So you are saying that Quebec has harmonized its sales tax with the Government of Canada's tax.

[English]

**Mr. Bruce Flexman:** Yes, Quebec has a sales tax system that is harmonized with the federal GST. Although these systems are operated independently and administered independently, they are harmonized, in the sense that they have a common base and are calculated in much the same way.

[Translation]

**Mr. Daniel Paillé:** Thank you, sir.

I will let Mr. Mulcair ask that question, when it's his turn to ask questions.

Ms. MacQuarrie, at page 3 of your brief, you say you need precise census data. What is your impression of a government that is doing the opposite and that even wants to abolish the long form census questionnaire?

**The Chair:** What is the question?

**Mr. Daniel Paillé:** The government wants to take away the statistical data you need.

**Ms. Anna MacQuarrie:** If you have no objection, I will answer in English.

**Mr. Daniel Paillé:** No problem.

[English]

**Ms. Anna MacQuarrie:** We definitely have some concerns about the cancellation of PALS. To date, it is the only comprehensive disability strategy we have.

Is it flawed? Is it problematic in some regards? Absolutely. Can it be improved? For sure.

So at this point we are willing to work in partnership with the government. The Department of Human Resources and Skills Development is in the process of developing a disability data strategy, but we do remain concerned. We have not seen, from our perspective, significant resources committed to this or significant effort to ensure that we do actually have ways and means of accessing these data on a go-forward basis.

**The Chair:** Thank you.

[Translation]

Thank you, Mr. Paillé.

[English]

We'll go to Mr. Menzies, please.

**Mr. Ted Menzies (MacLeod, CPC):** Thank you, Mr. Chair, and thank you to our witnesses.

I'm assuming that Perrin Beatty is going to be the star witness today. He seems to be getting most of the questions.

• (0950)

**Hon. Perrin Beatty:** It's making me feel very much at home, Mr. Chairman.

**Mr. Ted Menzies:** Welcome back.

We do appreciate all of the prepared comments today, but I do need to clarify a few inaccuracies in Ms. Coady's question to you. In fact, we'll all remember that in real dollars, the Liberal deficit way back when was three times what we're running right now, so that's an important thing to remember. No matter how many times you repeat the false statement, it doesn't make it any more correct.

The Liberals continue to suggest that we're borrowing to fulfill a legislated tax reduction, and "legislated" needs to be emphasized. They keep using this \$6 billion figure, which of course we know is wrong. It never was right. You were more accurate, Mr. Beatty, when you said the \$5 billion to \$6 billion. In fact, it's about \$4.5 billion with the slowdown in revenues. But we would remind this committee that the Liberals in their promises have probably spent that ten times over in the last few weeks.

They also commented about how serious the 5¢ increase was in EI. And we do thank you, and I appreciate the efforts that your group put forward in making sure that we heard loud and clear, that rather than take the recommended 15¢, we needed to keep it at 5¢, and we appreciate your support on that. But God knows what the 45-day work year that the Liberals were supporting would have cost us.

Let me just quickly move on. Provinces need to, and have agreed to...and my home province of Alberta—Mr. Kobly, you'll appreciate this—has done a lot to reduce taxes. Ontario as well. We've heard a lot of people complaining about high provincial taxes. In fact, let me read a quote from a speech from October 2 of this year:

High taxes on investment are high taxes on productivity. Nova Scotia also has the highest corporate tax rates in the country, including the highest marginal effective tax rate on new business investment at 11.2 per cent. Our provincial corporate tax rates are six per cent higher than New Brunswick.

The politician who gave that speech was actually our good friend, Scott Brison.

What's the difference between provincial taxes and federal taxes? They're taxes on your members. Is there any difference?

**Hon. Perrin Beatty:** Mr. Chairman, I'm detecting a certain partisan overtone in some of the questions.

**Mr. Ted Menzies:** They're not intended, of course.

**Hon. Perrin Beatty:** I hope everybody will play nice today because it bruises my ears if I hear this.

In principle, obviously there's none. The net impact is the same.

If I can also go back on the issue of the \$4.5 billion versus \$5 billion or \$6 billion, I understand the Department of Finance uses the \$4.5 billion figure for the tax reductions. The \$5 billion to \$6 billion that we referred to was used by the Liberal Party at the time they announced their intention to defer the tax reductions. If those are not included in the tax reductions themselves, if there's a further \$1.5 billion in addition to that, obviously that would be of concern to us.

**Mr. Ted Menzies:** Thank you.

To Mr. Kobly, you invited the Alberta members of Parliament to a dinner a few weeks back. It was very productive for us to hear what your issues are. Some of the people around the tables were actually talking about labour shortages already in Alberta. Can you share with us this concern that your membership is putting forward?

**Mr. Ken Kobly:** Certainly we're starting to see signs that the employment rate is increasing. Areas such as Cold Lake right now are sitting at about 4.4% unemployment, where 3.9% could be considered full employment. Anecdotally, when you take a drive around certain parts of Alberta you're seeing the "help wanted" signs come out again. It's not unexpected. I think most Albertans knew that we were going to come out of this little downturn faster than the rest of the country, and the signs are showing that. I think what we have done in Alberta is we've become poised for the next round of shortages. Employers are taking it to heart that there are some things they're going to have to do.

**Mr. Ted Menzies:** Thank you.

Just to change gears, if we can.... To the Canadian Diabetes Association, you've shared some pretty troubling numbers with us. The number of people suffering will be doubling over the next 10

years. I think everyone here has at least a friend, if not a family member, who is suffering from it. Why 62% in Alberta, if I did hear that number correctly? It increased?

• (0955)

**Mr. Glen Doucet:** It's 67%.

**Mr. Ted Menzies:** It's nothing to do with the Alberta beef, is it?

**A voice:** Oh, oh!

**Mr. Glen Doucet:** I would say that Alberta currently has the lowest prevalence rates in the country. The government there has done a lot of things to support people with diabetes. What's happened is that we have a growing and aging population in Alberta, and we have a different ethnic mix. In fact, 80% of the immigrants who come to Canada are from high-risk populations. They're more susceptible to diabetes. So you have a growing and aging society, a different type of mix, and a growing mix of different populations within Alberta.

I would also mention that these are locked in. There's nothing we can do to prevent this from happening. These rates are going to happen. So really our focus needs to be on what we can do to prevent those people from developing the serious complications. Eighty per cent of the costs associated with diabetes aren't from treating diabetes itself; they're from treating the complications when folks with diabetes don't comply with their regimen.

**Mr. Ted Menzies:** The circulation issues....

**Mr. Glen Doucet:** Exactly—limb amputation, heart attack, stroke, and blindness.

That's where the government needs to focus over the next decade, making sure those people stay healthy. Otherwise, this not only threatens the sustainability of our health care systems across Canada....

We'll be in Newfoundland at the end of the month to release that model. It's by far the worst result in the country, and it will really threaten that province's ability to afford health care going forward if the province does not take aggressive action to stem the tide and to provide services for people living with diabetes.

In Alberta, for example, they don't cover test strips for people with diabetes, the means to be able to monitor their performance. That's one of the things the province needs to do.

**The Chair:** Thank you.

Thank you, Mr. Menzies.

[Translation]

Mr. Mulcair, you have the floor.

**Mr. Thomas Mulcair (Outremont, NDP):** Mr. Chair, I also want to address Mr. Doucet from the Canadian Diabetes Association.

I would like to go back to another aspect of your presentation, the stretch tax credit as proposed by Imagine Canada. Have you done longitudinal studies to assess what that might cost the public treasury? We are doing a lot of work in this area. In the next few weeks, we will have to release our own analyses. There is a way to do it.

We support Imagine Canada's idea, but as long as we have Mr. Doucet here, who seems to be very familiar with his subject, we are going to take advantage of it and ask him whether his organization has been able to determine exactly what it would cost the public treasury. That is the question. What we're talking about today is a future budget.

[English]

**Mr. Glen Doucet:** First of all, cost—it's deferred taxes. We've adopted Imagine Canada's recommendation, and we've estimated it would cost the government about \$20 million incrementally. However, the benefit to our society is tenfold. The impact would be \$200 million in terms of things that various charities can do in investing in diabetes—for example, in our case, diabetes services. The Canadian Diabetes Association not only invests in diabetes research to the tune of \$7 million a year through those donations, but it also provides direct services to Canadians living with diabetes—everything from diabetes education...and, in some provinces, devices and other supplies to help Canadians manage their diabetes.

This is truly a real investment in Canadians, and it's a tenfold investment from the deferred tax that the government wouldn't collect by making this change.

[Translation]

**Mr. Thomas Mulcair:** I'm going to stay with the same subject. I'm going to continue to take advantage of having a representative here of the association fighting what is currently one of the most serious diseases. It is on the rise in this country, for reasons that have been cited.

If we're talking about the budget cycle and negotiations at the federal level, that is, for 2014, that is in the fairly near future. We are completing the 2010-2011 fiscal year. So this is for tomorrow, from the standpoint of the federal government. The existing agreements have to be renegotiated. Health is under federal jurisdiction, but for 40 years the federal government has made agreements with the provinces in this area.

One fact you mentioned startled me. I think my friend Ted Menzies said earlier that we all knew someone with this disease. My father died of it. So it's a disease I am very familiar with. You said that in some provinces, they don't even pay for the tests used to monitor glucose levels. Is that right?

• (1000)

[English]

**Mr. Glen Doucet:** That's right. A number of provinces don't—New Brunswick, Alberta. Some other provinces don't cover some of the recommended medications under the clinical practice guidelines of the Canadian Diabetes Association. In fact, the average is that about 14 out of 30 of the medications are covered.

Also, one of the more important tools for people living with diabetes is an insulin pump. These pumps change lives and they save lives. In this country, we only have three jurisdictions that cover insulin pumps for their populations. These insulin pumps cost between \$6,000 and \$10,000 to purchase. Most people living with diabetes cannot afford to pay that, and in provinces such as Ontario and in other jurisdictions that provide them, we've seen markedly

increasing performance in terms of health outcomes when people have access to them.

It's a real investment in people, because we know that if they don't comply, and 57% cannot afford it, they are going to develop a series of complications—

[Translation]

**Mr. Thomas Mulcair:** Yes. I all too familiar with them.

[English]

**Mr. Glen Doucet:** —that will end up costing the government more.

[Translation]

**Mr. Thomas Mulcair:** That is going to be my last question, because I would like to address another subject with Ms. MacQuarrie.

In the early 1960s, the NDP advanced the principle of universal, public, free health insurance. The main consideration was hospitalization. There is a paradox in your analysis. A person who is not being adequately cared for at home with drugs because the cost is not covered is going to end up in hospital. In hospital, on the other hand, everything will be paid for. So there is a kind of paradoxical perversity in the system. For the province, at least, there is practically an incentive to find a solution for the future. The agreement with the federal government would cover hospitalization, which reflects how medicine was seen 50 years ago, but we would also contemplate, for the future, that ambulatory medicine would be a firmly established part of our day to day concerns.

In other words, for the 2014 negotiations, should we not be making sure that the drugs, the tests, and so on are a mandatory part of what is negotiated, and that the funding cover that too?

[English]

**Mr. Glen Doucet:** Yes. In the past, the Canadian Diabetes Association and many other health-care-based associations have supported the call for a catastrophic drug coverage program to ensure that people living with diabetes, for example, don't face catastrophic costs due to their illness. Formularies differ across the country based on the province, and some provinces obviously make decisions around affordability.

Obviously, the varying capacity of provinces to provide health care services are very much a concern to the Canadian Diabetes Association.

**The Chair:** You have one minute.

**Mr. Glen Doucet:** We would encourage the federal government, in their negotiations with the provinces, to take that into account and ensure that provinces can at least provide a comparable level of service across the country.

[Translation]

**Mr. Thomas Mulcair:** Thank you.

Ms. MacQuarrie, one paragraph in your brief is entitled "Secure a Robust and Comprehensive Disability Data Collection Strategy". Where does that fit in with the respective powers of the federal government and the provinces? Do you want there to be an incentive at the federal level for the provinces to coordinate this? In the past, there have been efforts in that direction, but it has not always been a success.

**The Chair:** Answer briefly, please.

[English]

**Ms. Anna MacQuarrie:** Yes. I think we need to ensure that our data can talk to each other. We have a lot of provincial data and a lot of federal data. We have data that have difficulty communicating with each other. We need to ensure that whatever strategy moves forward, they have the capacity to talk with each other, so that we get a comprehensive picture.

● (1005)

**The Chair:** Okay. *Merci*.

To Mr. Szabo now, for a five minute round, please.

**Mr. Paul Szabo (Mississauga South, Lib.):** Thank you.

I want to thank the Canadian Home Builders Association for raising the issue of the underground economy. Estimates range anywhere from \$10 billion to \$30 billion a year. I think your suggestion is certainly worth considering, around getting more people who are under the radar now.

Since he raised it, I wanted to ask the Canadian Institute of Chartered Accountants about whether the CICA and its collaborators in the world of looking at people's.... I think it's whether or not the government should seriously consider getting into some more forensic auditing to start picking away at the significant sectors of our economy that are abusers in the underground economy.

**Mr. Bruce Flexman:** The value of forensic accounting is really dealing with a fraud issue.

I believe the best approach is to have a system that encourages people to comply. If people feel the tax system is fair...I think things like a value-added tax make it more difficult not to comply or have consequences.

I know the government has introduced some reporting requirements, particularly within the construction trade. The best approach, from a tax policy standpoint, in my view, is to go at it from the end of promoting better compliance. Forensic accounting is really coming in at the end in trying to define the—

**Mr. Paul Szabo:** Okay.

My time is limited. I'd like to move on to Mr. Beatty, a former minister of health. I do appreciate the work that you did a long time ago on poverty-related issues.

Mr. Beatty, you did say "keep our word" as part of your.... I guess our word is very important. Particularly today, in a dysfunctional parliament, people get judged on their word.

The government initially proposed in the budget EI increases three times larger than they're proposing now. It looks like they have said that now it's only one-third of the EI increases, so let's give credit to the government for taking that decision.

What really happened is we have created a crisis or an alert, and now we've resolved the problem we created in the first place and somehow we have to get credit.

How do you read the signals it gave to business about having increases of EI three times larger than the current proposed increase?

**Hon. Perrin Beatty:** Thanks very much, Mr. Szabo. It's a very important question.

What the government did was to put in place a mechanism where they would receive a recommendation to bring the EI account back into balance. The recommendation they received was for an increase three times the size.

The Canadian Chamber was very active on that front because we recognize that payroll taxes are job killers. The government, fortunately, agreed with us that this would have been exactly the wrong thing to do at this point in the recovery and decided what it would do is reduce that increase by two-thirds.

I think it was the right thing to do—

**Mr. Paul Szabo:** I understand the math—

**Hon. Perrin Beatty:** We also believe, Mr. Szabo, that there needs to be a fundamental reform of the EI system and of the system that's used to calculate how to bring the account back into balance.

**Mr. Paul Szabo:** All right. I only have a short time, so I'd like to shift to another.

The Parliamentary Budget Officer has issued his own alert about the possibility that of the economic stimulus projects currently approved, from 25% to 50% of them may not be complete by March 31, 2011.

**The Chair:** One minute, Mr. Szabo.

**Mr. Paul Szabo:** Would it be your view that the government should keep its word, honour those projects, the job impacts, the economic impacts, provided that any delays were beyond the control of the applicants?

**Hon. Perrin Beatty:** Mr. Szabo, the commitment that was made by Parliament was that the program would expire at the end of this fiscal year. All of the applicants understood that at the time they made their applications.

In some cases, because of circumstances that weren't their responsibility, their fault, obviously they're affected by it. But at some point the program has to end. The key is for us to transition from a stimulus-driven recovery to one that's driven by the private sector.

**Mr. Paul Szabo:** But it certainly does put a lot of municipalities and cities in a bad situation when they don't know whether or not it's going to happen...beyond their control.

And keeping our word...let's remember income trusts.

Thank you.

● (1010)

**The Chair:** Thank you. I guess we'll leave that as a statement.

[Translation]

Mr. Carrier, you have five minutes.

**Mr. Robert Carrier (Alfred-Pellan, BQ):** Thank you.

Good morning, ladies and gentlemen. My first question is for the people from the Alberta Chambers of Commerce.

You are proposing to retain or restore the accelerated depreciation treatment in the case of mining and oil sands projects. Do you have an idea of the cost that represents for the government?

[English]

**Mr. Ken Kobly:** You bet. We believe there is no incremental cost, simply because the capital cost allowance that is currently allowed and is 25% would extend the time period the company would have to write off their asset. The accelerated capital cost allowance would mean that they would be able to write that off sooner. But once you get to the end of the write-off period, the amount they've been able to save in taxes or that costs the government is identical.

So if you go back to the paper that I referenced in 2001, by those three gentlemen from Finance, they said, based on the benchmark system that exists—the 25%—if the accelerated capital cost allowance comes along and does not cost the federal government any additional dollars, there is no tax expenditure.

[Translation]

**Mr. Robert Carrier:** But still, this is revenue the government will lose in the immediate future, in the first few years, that it might be important to allocate to other needs. I understand this is depreciation that is done immediately and replaces depreciation that might be done later, but there are also other demands. We are meeting with dozens of groups here, and we see all of the needs that exist. I will limit myself to that information for the moment.

I want to ask Ms. MacQuarrie a question.

What you are asking us for strikes me as refreshing. I am an MP from Quebec and we are currently receiving requests from organizations complaining that budgets have been cut for the Opportunities Fund for Persons with Disabilities. The information we have received is that the reduction would apply only in Quebec. This is a question we are setting aside and will be asking the government. Nonetheless, the overall budget is very limited.

You want a refundable tax credit for persons with disabilities to be added. Do you have an idea of how you want to model the credit? Would it be by disability? Do you have any idea on that subject?

[English]

**Ms. Anna MacQuarrie:** Sure. The suggestion we have been looking at is using the disability tax credit eligibility criteria and targeting that at low-income Canadians in particular within that. There is a bigger plan that has actually just been released by the Caledon Institute around a basic income plan for Canadians with severe disabilities, which is the criteria under the disability tax credit.

It would be costed out. The Liberals had done some costing on this a couple of years ago, on about the \$350 million mark, if we target the low-income Canadians as one step into a bigger income reform program.

[Translation]

**Mr. Robert Carrier:** Thank you. I see that you are also concerned with reducing poverty in general. You suggest that a

committee be formed or a long-term plan established for the government. I hope it is going to listen to you, because this is a problem we run into constantly. When you're an MP, you are asked to address this question. There is poverty, in particular among seniors, whom the government does not want to look after, supposedly because it doesn't have the money because of its other priorities. In any event, I encourage you to continue.

**The Chair:** You have one minute left.

**Mr. Robert Carrier:** I have one minute left?

We are given limited time. Thank you, Ms. MacQuarrie.

I have a question for the people from the Canadian Home Builders' Association.

Your concern is stimulating home building. I wanted to get your opinion about the Canada Mortgage and Housing Corporation, which has billions of dollars in its coffers at present. Do you see a way for it to contribute to building affordable housing, which is in short supply everywhere in the country?

• (1015)

[English]

**The Chair:** A very brief response, please.

**Mr. Victor Fiume:** Certainly I think they had a lot of money in reserves, and I think that's put away for a rainy day. I don't think that was the intent of their funds. We're very satisfied with the CMHC's commitment to making housing affordable to the vast majority of Canadians, and right now I don't see that they have a role to play necessarily directly with reducing the costs of construction.

**The Chair:** Thank you.

We'll go to Mr. Wallace, please.

**Mr. Mike Wallace (Burlington, CPC):** Thank you, Mr. Chairman.

I thank our guests for coming. I have a few questions, so I'm going to go fairly quickly.

For our delegation from the Alberta Chambers of Commerce, in your presentation you talked about the ACCA as a stimulus to getting the oil sands moving a number of years ago, and we have moved to phase that out. Do we have to do both, then, based on these recommendations? Is the oil sand production not doing okay based on the price of oil today? Should we be looking at providing that ACCA support to other industries or other areas that need the stimulus?

**Mr. Ken Kobly:** When you look at it, certainly the production coming out of the oil sands is just fine. What we're looking at is expanding the production, perhaps bringing on new, better equipment that can increase productivity, that can also have a decrease in the effect of greenhouse gas emissions.

We do have to remember that we're in a competitive environment here for processing capacity between Canada and the United States.

**Mr. Mike Wallace:** You have two recommendations. Is one more important than the other?

**Mr. Ken Kobly:** I'm sorry, I didn't catch it.

**Mr. Mike Wallace:** Is one of your two recommendations a priority over the other? If we were to do one, which one would you prefer?

**Mr. Ken Kobly:** Reintroducing it for the oil sands.

**Mr. Mike Wallace:** Thank you very much.

Just a very quick question for the Home Builders' group. This has nothing to do with party politics, but I'm in favour of having everyone register for the GST, regardless of income level. I used to have a very small business myself. I registered, so it looked like I was bigger than I was.

**Voices:** Oh, oh!

**Mr. Mike Wallace:** But in your industry, somebody could be offering a discount for cash. They're not charging GST because they claim they're making under \$30,000 a year. So you're competing against somebody who isn't charging and you are. Is that what the issue is?

**Mr. Victor Fiume:** The issue is obviously much deeper than that, but generally that's one of the reasons why their costs are lower than the legitimate taxpaying contractor: they don't remit GST, whether that's a legitimate under \$30,000 or whether they just make \$100,000 and still don't remit.

**Mr. Mike Wallace:** Okay. My last question is for my chartered accountant friends and maybe the chamber.

Every year I've been here we've heard we need to simplify the tax system. Then we hear from some of your colleagues that we need ACCAs, we need to expand those schedules, we need a tax credit for home renovations, we need a tax credit for this, we need a tax piece for this. You can't have it both ways. You can't have a simplified tax system and then have individual businesses and individuals ask us for different changes to the tax form. That, in my view, adds complexity.

Has your organization—I'll pick on the accountants at this point—had to look through the tax book, which I know is nine inches thick, and point out the things that need to be changed, that need to go to make it simpler? Instead of just talking about reducing the personal income tax rate, do other significant changes need to be made? Has your organization put them on paper and given them to government to have a look at?

**Mr. Bruce Flexman:** It's a very good question, because you're right, people talk about simplification, but then when it comes to some particular program, it runs into some resistance.

We've recommended a few areas where there should be simplification, where I think there could be some major impact. Certainly, completing the process of sales tax harmonization is important. In Canada, a study was done by one of our members that shows 295 taxing points a national business can run into, and that is complexity. Anything toward harmonization helps that.

We've talked about loss consolidation and loss transfers, which is something this committee has recommended to the government. Withholding tax—a number of people have to comply and deal with the tax obligations of another party.

Coming back to the personal tax situation, I think it involves some discipline around looking at whether the tax system is the best mechanism to deliver the benefits. I think in many cases an economist would tell you no.

• (1020)

**Mr. Mike Wallace:** Does your association have those issues in writing in their submission somewhere that I have not seen?

**Mr. Bruce Flexman:** Yes, we have more detailed briefs that we can get to the committee that deal with—

**Mr. Mike Wallace:** On your website?

**Mr. Bruce Flexman:** It will be going up on the website, yes.

**Mr. Mike Wallace:** Thank you very much.

**The Chair:** Thank you, Mr. Wallace. Unfortunately, that round is out of time.

We'll have Mr. Brison now, please.

**Hon. Scott Brison (Kings—Hants, Lib.):** Thank you, Mr. Chair.

And thank you to each of you for your presentations.

Mr. Beatty, we believe very strongly in having competitive corporate tax rates. Currently we have the second lowest in the G-7 and corporate tax rates that are 25% lower than the U.S. This is as a result of Liberal governments under Mr. Chrétien and Mr. Martin cutting corporate tax rates from 28% to 21% during surplus, and then further cuts under the Conservatives to the current 18%.

You are referring to the further cuts that were proposed in Budget 2007. I'm just curious. Has anything changed in the global economy since 2007 that we should be aware of?

**Hon. Perrin Beatty:** Yes, certainly, Mr. Brison. There has been a significant slowdown in the global economy, which is why it's essential for us to ensure that the private sector can compete in Canada and can grow.

**Hon. Scott Brison:** Okay. Has there been—

**Hon. Perrin Beatty:** That's why it's vital that Parliament keep its word.

**Hon. Scott Brison:** Sure. So you're saying that despite the changes in the global economy, we should ignore the global economic financial crisis. We should not have had a stimulus, for instance? So we shouldn't—

**Hon. Perrin Beatty:** Absolutely not. What I'm saying is just the opposite. Far from ignoring the global economic crisis, what's vital is that as we are starting to see a private-sector-led recovery, we have to make sure we don't pull the rug out from underneath that by reversing the commitment that was made by Parliament.

**Hon. Scott Brison:** So the fact that we have the biggest deficit in the history of Canada shouldn't bother us? In fact, you say that deficit paydown is right on track. The fact is, this finance minister has missed every deficit target he has set.



Now, when you're talking about breaking promises, when the Prime Minister said he would practise restraint, before becoming Prime Minister, and then increased spending by 18% in the first three years, putting Canada into deficit before the downturn, did you run ads saying, "Prime Minister, don't break your word"? When the Prime Minister said, "I won't tax income trusts" and then proceeded to do that, throwing many of your members into a tailspin during a very difficult time, did you run ads saying, "Prime Minister, don't break your word"? When the Prime Minister said there would be no deficit—he was emphatic—and then ran Canada into the biggest deficit in Canadian history, did you run ads saying, "Don't break your word"?

**Hon. Perrin Beatty:** As you pointed out, there has been a change in the global economic circumstance in the course of the past few years. It's not surprising. I think every single member of Parliament took the position, correctly, supported by the Canadian Chamber of Commerce, that indeed there should be government stimulus and that it was essential in the short term for the government to run a deficit. But running ads against Parliament to argue that we shouldn't have had stimulus during that period wouldn't have been rational.

**Hon. Scott Brison:** But your ads are "Don't break your word", and you've never held the Prime Minister to that standard, as president of your organization.

Furthermore—

**Hon. Perrin Beatty:** I'm sorry, Mr. Brison, I want to be very clear on this. You have put out an open letter to me—you haven't delivered it to me, to the best of my knowledge, as yet, but I have seen it—

**Hon. Scott Brison:** Yes.

**Hon. Perrin Beatty:** —because you believe that our ad that was run yesterday was aimed at the Liberal Party of Canada.

**Hon. Scott Brison:** No, no.

**Hon. Perrin Beatty:** It was addressed to all parliamentarians. The Liberal Party was not mentioned.

Our primary target is sitting across from you, and we are saying, particularly to the government, when the government is—and that's why I'm here today—preparing its budget, I'm saying to the Minister of Finance, don't break your word.

**Hon. Scott Brison:** No, no, Mr. Beatty, we can—

**Hon. Perrin Beatty:** You're asking me whether or not—

**Hon. Scott Brison:** Mr. Beatty, furthermore—

**Hon. Perrin Beatty:** —I'm prepared to hold the government to account if it breaks its word—

**Hon. Scott Brison:** Mr. Beatty.

•(1025)

**Hon. Perrin Beatty:** —and the answer is yes, I am.

**Hon. Scott Brison:** Mr. Beatty, the fact is that we have to be aware of what's happening in the world and how it affects Canada, and we have to get Canada out of deficit. You're saying on one hand we have to keep Canada out of deficit and on the other hand we need deeper corporate tax cuts that we can't afford right now, and I don't think that holds water.

Furthermore, we're now seeing on the horizon a demographic shift that is going to increase health care costs dramatically, there will be fewer Canadians working and a big hit on productivity, and you're saying cut corporate taxes further, right now, on borrowed money.

You've been part of a government in the past. What would you cut? What would you cut? Would it be education? Would it be health care? What would you cut? I just want to be able to tell people what you would cut.

**The Chair:** You have about 20 seconds to respond, Mr. Beatty.

**Hon. Perrin Beatty:** Twenty seconds.

**Hon. Scott Brison:** What would you cut?

**Hon. Perrin Beatty:** Mr. Chairman, what's abundantly clear is we would look at any area that was not economically productive as a primary candidate.

**Hon. Scott Brison:** Like education?

**Hon. Perrin Beatty:** There are areas where we can make investments that are economic generators. There are other areas where clearly we are not receiving that return for the investment. When we talk about the issue of the deficit, though—

**The Chair:** Thank you.

**Hon. Perrin Beatty:** —and economic growth, the single best way to promote economic growth is to seek private sector growth. The single worst way to deal with the deficit is to push us back into recession, to have business pulling back from its investment plans, pulling back from hiring commitments that have been made, pulling back from buying new technology.

**The Chair:** Thank you.

I'm going to take the final round and try to follow up in an equally friendly fashion.

**Voices:** Oh, oh!

**The Chair:** I want to follow up on Monsieur Carrier's questions.

Mr. Kobly, you and I know each other well, but I want you to pay very close attention to his questions, because if this committee is going to recommend what you're recommending, I think the Alberta chamber, the Edmonton chamber, and the national chamber do have to answer the question about what the short-term fiscal cost is, and you can provide that later on if you want. But there is a short-term fiscal cost. I think we have to be upfront about that.

Your argument is that over the long term it's a deferral in taxation, so you make that up over time. I accept that argument, but you have to show the upfront fiscal cost, what it takes in terms of deferral time, and then I think you have to make an argument as to economic benefit. I think it's a very good idea that you have provided a letter from the Building Trades of Alberta. Obviously that has a greater impact on my colleagues than perhaps the Alberta chamber might on its own. So I think it's a very good partnership there. But you can address it now or you can certainly provide it, but I think those questions do need to be answered to this committee.

**Mr. Ken Kobly:** Thank you, Mr. Chair.

Due to the short notice we had that we were going to appear here, we were trying to get that information ready for the committee, and we will continue to pursue that, to get you the actual costs of what this deferral is. Again, it's a timing difference.

It also works in, just to reinforce the point, that the federal government is collecting personal and corporate taxes for five years before there's any potential of having to shell out money for the accelerated capital cost allowance.

We will undertake to get that information to you.

**The Chair:** Okay. I appreciate that. We begin our deliberations on the recommendations after the November break, which is in about a week and a half. So if we could get that as soon as possible, we would appreciate that.

I want to follow up with the chartered accountants. I appreciate your presentation. There's a lot of good recommendations in here. I certainly concur with my colleague, Mr. Wallace, on any recommendations you have on simplifying the system. But I did want to have you comment on capital cost allowance rates, because there are many industry groups and others that look at it as a form of spurring economic development. In fact, even some economists we had before the committee said this may be in fact the best change you can make to the tax system that would spur economic growth. But you talk in terms of actually corresponding to the true economic life of the asset.

Those who have opposed changing CCA rates in the past have said it has to correspond to the economic life of an asset. But those folks like, Jay Myers from the Canadian Manufacturers & Exporters, say that in fact the rates as they're applied today by the government do not adequately correspond to the economic life of an asset. I wonder if you could perhaps comment further on the recommendation you have in your brief.

**Mr. Bruce Flexman:** Our recommendation is aimed at ensuring that capital cost allowance or tax appreciation is competitive, and as a technology changes, as the useful life of an asset changes, if the rates don't keep up, then you're putting business at a competitive disadvantage. Usually what happens is that things change such that lives may shorten, and CCA rates should reflect that. So it was a general recommendation, not looking to incent one industry versus another, but ensuring that this is regularly reviewed and is made current with respect to current technology.

**The Chair:** Okay. I'd like to follow that up. I have more questions, but unfortunately our time is up here for this panel.

I thank you all for your presentations and responding to our questions. If there's anything further you would like the committee to consider, please submit it to the clerk and all the members will get it. Thank you all.

Colleagues, we will suspend for two minutes and bring the next panel forward.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
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- (1035)

**The Chair:** We will continue with our second panel, continuing our pre-budget consultations for 2010-11.

We want to welcome all of our witnesses here to this panel. We have six organizations presenting for our final panel. This is actually our final panel with witnesses, so you're in the enviable position of having the most influence prior to our deliberations.

We have six organizations.

[*Translation*]

First, we have the representatives of the town of Lebel-sur-Quévillon. Welcome.

[*English*]

We have the Business Tax Reform Coalition, the Canadian Lung Association, the Canadian Gas Association, the Canadian Feminist Alliance for International Action, and the Chemistry Industry Association of Canada.

[*Translation*]

You will have five minutes to make your presentation.

We will start with the people from the town of Lebel-sur-Quévillon.

**Mr. Gérald Lemoyne (Mayor, Ville de Lebel-sur-Quévillon):**

Good morning. My name is Gérald Lemoyne and I am the mayor of the town of Lebel-sur-Quévillon, a one-industry forestry town that has been hit by the forestry crisis. This morning, I will tell you what it means, in real life, to live through a crisis like the one that has hit us.

First, I will give you some background. Lebel-sur-Quévillon is what is called an isolated single-industry town: our nearest neighbours are over 100 km away. It is a town that was created with the construction of a pulp and paper plant in 1966. The road was built, the town was built, the plant was built, and the town has lived with the ups and downs of the forest industry all these years. There is also a sawmill nearby that was built in 1975. In the late 1960s, another sawmill, that belonged to another company and is now owned by AbitibiBowater, was opened about 15 km away. The workers live in our town, in Lebel-sur-Quévillon. So it is a community with close ties to the forest industry. Until 2005, it was a town where wages and household incomes were among the highest in Canada.

In 2005 we learned, from the media, that Domtar had just announced that it was shutting down its plants, the sawmill and the pulp and paper plant. It was done in a single blow, with no prior announcement, with no other discussion. It meant the loss of 700 jobs in an isolated community. This all happened almost five years ago, at the end of November. When this kind of thing happens, it is a disaster. It is an economic disaster, but it is first and foremost a human disaster.

Imagine that you are a worker thinking about retiring, who believes your children are going to be able to work in the same place as you. This kind of thing happens and not only have you lost your job, but your house is automatically devalued. So this is all going around you.

The local economy, which depends on forestry, has also suffered a heavy blow, and there are problems associated with all that too. In a community like ours, when these things happen, we are concerned about the social problems that may result.

That was the background. Because I have only five minutes, I will try to be brief.

This morning, we are here to tell you what the federal government should be doing. We are the ones who are suffering the consequences of these closings, and we certainly do not think that what the federal government is doing is sufficient. There are priorities that have to be set, including assistance for individuals, the people of Lebel-sur-Quévillon.

Let me tell you about my own case. I am a plant worker; I am not a mayor who earns an honourable living from being mayor. I paid into employment insurance for 40 years, but when I lost my job, I was not entitled to a single day of employment insurance. Assistance for individuals is certainly a priority in cases like these, along with assistance to the community, assistance in recovery and diversification, and although this aspect is often ignored, support. The senior governments should support us in finding solutions. There is also financial support for our projects. There are ways to avoid disasters happening, ways of preventing them. In the pulp and paper industry and the forest industry, for example, there are research and development, reducing the costs of fibre and other costs, and integrating lumber, paper and energy. There has to be encouragement for integrating these activities.

• (1040)

When we talk about integrating activities, we aren't necessarily talking about merging two plants into one; that's not what we're talking about at all. We're talking about converting plants for the production of products that may have a better future and promoting wood construction. That is also an important aspect. In Quebec, in Canada, we have forests, a forest industry that was one of the jewels of our economy, and one way to get the industry going again is certainly to promote wood construction.

That is all for now.

**The Chair:** Thank you for your presentation.

We will now hear from the people from the Business Tax Reform Coalition.

[English]

**Mr. Roger Larson (President, Canadian Fertilizer Institute, Business Tax Reform Coalition):** Thank you, Mr. Rajotte and members of Parliament. My name is Roger Larson. I work for the Canadian Fertilizer Institute.

I'm here today to speak on behalf of the Business Tax Reform Coalition, which includes nine associations: our own, the Chemistry Industry Association of Canada, the Canadian Plastics Industry Association, the Canadian Steel Producers Association, the Canadian Association of Petroleum Producers, the Forest Products Association of Canada, the Rubber Association of Canada, the Mining Association of Canada, and the Canadian Petroleum Products Institute.

Collectively we represent manufacturers that have production of over \$320 billion, exports of over \$210 billion, and direct employment of 1.4 million people. The significance of the coalition is that we have a consensus on the most important issues for our sectors.

We thank the committee for the opportunity to make our recommendations.

Given the global challenges faced by the Canadian resource-based manufacturing and exporting sectors, the Business Tax Reform Coalition believes that the Standing Committee on Finance should focus on policy measures that will ensure that the Canadian industry is equipped to take on what will surely be tougher competition in uncertain economic conditions.

We need policies that encourage investment. Manufacturing needs a clear, competitive advantage over competing international jurisdictions if it is to attract the necessary capital to make new investments in greener and more productive technologies and to create jobs for Canadians.

An extension of the accelerated capital cost allowance for no less than five years will send the only signal that matters to investors. It will encourage the necessary turnover in capital stock and the acquisition of the best available technologies for improving productivity and achieving environmental goals, which are key challenges for Canada. And it will stimulate additional investment, with zero long-term impact on Canada's tax revenues.

As well, Canada's Department of Finance needs solid advice and analysis to support value-added resource upgrading and manufacturing. The most senior independent economic policy advisory position within the federal government, the Clifford Clark visiting economist post at Finance Canada, carries the rank of assistant deputy minister. Understanding that global competition is crucial, we therefore recommend the appointment of a resourced-based manufacturing specialist as the next Clifford Clark visiting economist.

In conclusion, we urge the committee to recommend the extension of the accelerated capital cost allowance for no less than five years to help Canadians compete in the global marketplace for new investments. Developing an investment advantage will deliver on a number of policy objectives, including productivity and environmental performance, and it will encourage the development of value-added product chains so that Canada can secure its role in the global marketplace. This step, along with maintaining the announced corporate tax reductions to 15% in 2012, will support the long-term competitiveness of Canadian resource-based manufacturing and processing industries.

Thank you.

• (1045)

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

We'll hear from the Canadian Lung Association, please.

**Mr. Christopher Wilson (Director of Public Affairs and Advocacy, National Office, Canadian Lung Association):** Hello. I'm Christopher Wilson, the director of public affairs and advocacy for the Canadian Lung Association. With me is Dr. Andrew Halayko, who is the chair of the research committee of our medical arm, the Canadian Thoracic Society.

Today we want to highlight the urgent need to increase federal funding for practical patient-focused research on respiratory illnesses. There are three strong reasons why this should be a national health priority.

First of all, the incidence of respiratory illnesses like asthma and chronic obstructive pulmonary disease, COPD, is rising nationally, even as the burden of other diseases like cancer, breast cancer, and heart disease are falling.

Second, lung diseases are very costly in human and economic terms. They affect over six million Canadians and they know no socio-economic, age, or gender barriers. Asthma is the leading cause of emergency room visits for children, and COPD is the leading cause of repeat hospitalizations among all major illnesses, frequently involving admission to costly intensive care units. Lung cancer has by far the highest mortality rate of any form of cancer.

The annual economic burden of lung disease is conservatively estimated at \$15 billion, including the cost of treatment, productivity losses, and premature deaths.

Third, the current investment in respiratory research is nowhere near enough to properly address and lower the heavy economic and health burden of lung disease. Respiratory illness accounts for 10% of the total disease burden in Canada but receives only 4.5% of research funding allocated by CIHR, the Canadian Institutes for Health Research.

In contrast, cardiovascular disease and cancer, with only slightly higher shares of the disease burden—12% each—receive much higher allocations of research funding: 2.5 and 4 times higher, respectively.

The current low level of funding greatly limits the impact of our research and threatens our ability to train and retain the talented clinical researchers Canada needs.

What are we proposing for the federal budget? An increase for 2011-12 of \$10 million for respiratory research from the current \$36 million to \$46 million, to be used exclusively for practical research that will result in improvements in patient care and outcomes. We're also recommending increases over the next five years to bring funding to a level that matches the burden of disease.

I realize that it may sound strange to be advocating for greater investments in research at a time when deficit cutting is the order of the day. However, we are putting our proposal forward as an investment that will pay for itself and help reduce burgeoning health care costs through more effective management of lung disease.

To give you an idea of what patient-oriented research can accomplish, I'd like to call on my colleague to take over.

**Dr. Andrew Halayko (Chair, Research Committee, Canadian Thoracic Society, Canadian Lung Association):** Thank you.

I'd like to start by emphasizing that the research we're talking about is probably very different from what you may imagine.

It's work that translates knowledge from basic research into real and early improvements in patient care, and it keeps people with lung disease out of our hospitals. To illustrate the tangible benefits of patient-oriented research, I'd like to give you an example that relates to the treatment of COPD.

This debilitating illness, which includes emphysema and chronic bronchitis, starts in mid-life and causes gradual impairment over decades. It makes patients very susceptible to frequent episodes of severe acute illness. My colleague Christopher had to watch his own mother pass away from COPD.

COPD creates a sustained demand on medical services and has a long-term negative impact on economic productivity, and at this time, there's no single treatment for the disease. Fortunately, new research by a team of Canadians has opened the door for advances in COPD care. The team developed a new home-based self-management program. It's an alternative to traditional treatment using in-hospital rehab services.

The program provides education to patients, provides a clinical case manager, and they monitor their own symptoms and make decisions about their own physical activity in rehab exercises. The results of this program are striking: 50% fewer hospitalizations, 45% fewer exacerbations, and 73% fewer unscheduled doctor visits.

It also reduced treatment cost per patient by an impressive 38%. This example shows the fruits of practical research, and this is the type of research we are promoting. We think it will pay for itself.

In closing, we urge the finance committee to support the Canadian Lung Association's proposal for increased investment in respiratory health and research. A timely investment now will reap great dividends in the future.

Thank you.

• (1050)

**The Chair:** Thank you.

We'll now hear from the Canadian Gas Association.

**Mr. Timothy Egan (President and Chief Executive Officer, Canadian Gas Association):** Thank you, Mr. Chairman and members of the committee, for the opportunity today.

I am Timothy Egan, president of the Canadian Gas Association. I have with me my colleague, Alicia Milner, president of the Canadian Natural Gas Vehicle Alliance.

One of our asks is in respect to transportation. Should we take any questions, with your acceptance, I'd like to defer questions to Alicia on that point.

I will tell you a little bit about our product, then about who we are, and then very quickly what our asks are.

First, natural gas is, as we call it, the foundation fuel in Canada. Over 30% of our energy needs across the country are met by natural gas. It supports thousands of jobs and about \$30 billion in annual export revenue. It's abundant, and increasingly so across the country. It's clean; it's not a primary source of particulate matter. It has a low GHG emission profile, and with a range of efficient uses, it delivers further environmental advantages. It's versatile.

Across the country, over six million Canadian customers are using natural gas. Those six million meters represent well over half of the Canadian public. It's affordable. With abundant supply, robust commodity markets, and efficient, competitively priced technology, it's affordable for Canadians across the country. It's also reliable, with an extensive pipeline infrastructure, and it's safe, as Canada is a world leader in safely producing, transporting, delivering, and using natural gas.

That's the product.

Who are we? The Canadian Gas Association is the principal network of distribution companies across the country that delivers energy services to those 6.2 million customers I referenced. Again, that's over half the Canadian public. We also represent transmission companies, manufacturers, and suppliers.

As I mentioned, natural gas is the foundation fuel. It meets 30% of Canada's energy needs, principally delivered through our distribution systems.

With that, what do we do and why are we here before the committee? First and foremost, our goal is to educate Canadians about natural gas and the energy services we provide to Canadians.

Second, we want to promote initiatives that drive sustainability and efficiency using our product. We are a founder and a committed partner in an initiative called QUEST—quality urban energy systems of tomorrow. That's an initiative involving stakeholders from environmental organizations, community groups, other energy industry representatives, and academia, and it is aimed at developing and improving integrated community energy systems across the country. It makes efforts to recover a lot of the waste energy and improve our overall energy efficiency.

Third, we promote initiatives that drive innovation and efficiency, such as a new initiative we've recently launched called ATI, the advanced technology initiative. That is a cooperative effort by our member companies to pool their resources to look at deployment of new technology opportunities for natural gas across the country.

Fourth, we're promoting the use of natural gas in new applications, such as transportation and power generation where it has not traditionally been used as much as other fuels.

Finally, we want to raise awareness off how natural gas is the foundation fuel for Canada's energy system, not only today but for tomorrow.

We have three asks in our submission before you today.

First, we would like to see an extension and refinement of NRCan's current ecoENERGY efficiency programs. These are initiatives aimed at work on looking at the deployment and application of efficient technologies. These programs have been in

place for years, and many of them may be winding down. We believe they should continue.

Second, we believe there is merit in creating a new initiative under ecoENERGY called the ecoENERGY communities program. I mentioned the QUEST initiative. There are numerous efforts under way by our member companies and others across the country to promote integrated community energy systems. Many of those efforts cannot get off the ground now, however, because of a series of barriers to implementation, such as municipal planning rules and regulatory frameworks. There is a need for support to set up a series of showcase projects to look at how those barriers can be overcome.

Third, we're looking for supportive measures to encourage natural gas for long-haul and return-to-base transportation fleets, very targeted supports for transportation in high-emitting sectors of the transportation sector.

With that, Mr. Chairman, I'll wrap up my comments. Thank you.

• (1055)

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

We'll now hear from the Canadian Feminist Alliance for International Action.

**Ms. Kate McInturff (Executive Director, Canadian Feminist Alliance for International Action):** Thank you for the invitation to appear before the committee today.

My name is Kate McInturff, and I'm the executive director of FAFIA. We're an alliance of organizations from across Canada committed to ensuring the well-being of women in Canada.

I have three things to say to you today: don't spend more, spend better; when you spend on women, you spend better; and follow the money.

So don't spend more, spend better. Canadian taxpayers want and need a budget that meets their needs now and ensures a better future. A budget that fails to meet the needs of more than one-half of the Canadian population is economically unsustainable and demonstrates a failure to carry out the duties of government to meet the basic needs of its population.

I'm not here today to make a request for an extraordinary reallocation of resources to a special interest group. Women are not a special interest. They're not a small collectivity with particular concerns. They're one-half of the Canadian population and they have precisely the same interests as the other half of the Canadian population—a secure, prosperous, sustainable, and caring future for all Canadians.

I'm not here to ask you to allocate sufficient resources in the next fiscal year to allow women to attain their basic human rights across Canada, although I would love to see that happen. I'm here today to ask that when you spend on economic stimulus, you spend in a way that reaches more than a quarter of women in Canada; that when you deliver relief and support through tax policy, you do it in a way that reaches more than a quarter of the women in Canada; and that when you cut spending, you do it in a way that disadvantages fewer women.

If you can increase women's capacity to have an economic life that is secure and sustainable, everyone wins, because when you spend on women, you spend better. Globally, the increase in female employment in the developed world has contributed more to GDP growth than the rise of the economies of China and India combined. In the private enterprise sector, major corporations, such as, for example, PricewaterhouseCoopers, have recognized that increasing gender equality increases their productivity and their competitiveness. Yet with all of the spending on physical and defence infrastructure, there has been no corresponding spending on social infrastructure, spending that would reach more than 20% of women employed in the construction industry, for example; spending that would reach teachers, nurses, and service providers.

I'll give you an example. Spending on child care and early childhood education not only has an immediate benefit for those employed in that sector—and those are predominantly women—but it has multiple economic benefits.

First, it eliminates the single, most significant impediment to women's participation in the formal economy, women who we've already invested in through training and education.

Two, it has been demonstrated to significantly increase the educational achievements of all children, and of low-income children in particular, who have access to that early childhood education, increasing the likelihood that they will complete high school, college, and university, all of which will make for a more competitive workforce in the future.

Third, research demonstrates that, at a minimum, for every dollar invested into early childhood education for all children, two dollars is returned to the public purse. And for every dollar spent on low-income children in early childhood education, eight dollars is returned. This is just one example of how spending on women has a positive impact on economic growth and increases the well-being of all Canadians.

Finally, how do you know you're spending on women and how do you know you're spending better? Follow the money. Implement the recommendations of the 2009 report of the Auditor General on gender-based analysis. The implementation of the report's recommendations as they pertain to the budget process and all other fiscal and economic policy will provide an evident space for more effective spending, spending that provides results for women as well as men.

Thank you.

• (1100)

**Prof. Kathleen A. Lahey (Professor, Faculty of Law, Queen's University, Canadian Feminist Alliance for International Action):** Chair, could I just add some comments very briefly?

**The Chair:** Sure. You have one minute, please.

**Prof. Kathleen Lahey:** The first point I would like to make is this. Why do we feel this is an urgent situation? Because women in Canada have not yet recovered from the 1991 recession. Women's share of total incomes earned in Canada rose to an historic high of 36% of the total in 1997. It has remained exactly at 36% ever since then. That is an important benchmark, because the other brief point that I'll make is that if you do apply gender-based analysis, you will not just ask whether the corporate income tax cuts money could be spent better elsewhere; you will also ask, what are women getting from that? Statistical analysis demonstrates that women are getting between zero and, at most, 32% or 33% of the benefits of that, because of the demographics of the corporate structure in Canada.

Thank you.

**The Chair:** Thank you for your presentations.

We'll now hear from the Chemistry Industry Association of Canada.

**Mr. Richard Paton (President and Chief Executive Officer, Chemistry Industry Association of Canada):** Thank you very much, Mr. Chair and members of the committee.

I am Richard Paton, the president of the Chemistry Industry Association of Canada. With me is David Podruzny, the vice-president of business and economics.

Our association used to be called the Canadian Chemical Producers Association, so it's nice to know that Mr. Rajotte has made the transition to our new name. We made that change to represent the broader chemistry industry in Canada, which is a \$24 billion industry, with 50 major companies across the country.

I've made pretty well the same presentation for four years now on accelerated capital cost allowance. We're very focused here. It's the same presentation that Roger Larson made.

I have to admit that over the last 10 years we have made a lot of progress on corporate tax change. I came to this committee eight or ten years ago to talk about the surtax and the capital tax and the need for corporate tax reduction. We have made a lot of progress, over two governments, in this area.

However, I have to point out that over four years we have not made any significant progress on the accelerated capital cost allowance.

I remember Mr. Rajotte chaired a great committee, the industry committee, which made a unanimous recommendation. I think the first recommendation in that report was for an accelerated capital cost allowance change. We did see some changes in subsequent budgets, but they were always for a period of time that was not useful to our industry.

You will see a chart in our submission that we started using several years ago to explain our case, which is that unless the capital cost allowance operates for a five-year period, it has no value to us. It takes five years to go from the planning stages to the implementation stage of a major investment.

That's one of the questions we have heard over the years: why does it have to be five years? This chart was designed specifically for this committee a couple of years ago to explain that.

The other question—and you've seen the handout we provided that explains it—is how does this work? Something as technical as a capital cost allowance is not easy to explain, but you can go to that presentation. I'll start with the opportunities.

We are at a stage in the recovery period where we need to get private sector investment back into the economy. We are a capital-intensive industry, along with fertilizer and many other resource-based sectors. I think Canadian corporate tax cuts that have been done over the years have enabled us to stay in business and to compete in this very difficult global climate we work in. However, we need major investment in capital facilities.

This chart we've provided is an example of how \$100 million would be taxed differently under the current 30% declining balance approach, versus the 50% straight line depreciation, which is essentially the accelerated capital cost. You can see if you go through these numbers that in one case, with the normal 30% declining balance—a tax approach that takes literally forever to write off your investment—in a three-year period you're able to write off \$58.3 million and the other \$42 million is taxed. In the accelerated capital cost approach, over that three years you basically write off \$100 million, and that leaves \$10 million of cashflow for companies.

• (1105)

**The Chair:** One minute.

**Mr. Richard Paton:** In the age we're living in—very competitive, needing major capital investments—it's that cashflow that makes the difference between making the investment and not making the investment in Canada. Once you build an aluminum plant or a chemical plant or a fertilizer plant, you create jobs, investment, capacity, and you create market share for Canada.

Our one recommendation is that this committee strongly support accelerated capital cost allowance. If you don't support it, I know Finance won't support it, and we have not a chance. I'll be back here next year doing the same presentation.

Thank you.

**The Chair:** Thank you for your presentation.

We'll start with members' questions.

Mr. Szabo, you have seven minutes.

**Mr. Paul Szabo:** Thank you.

I'd really like to spend some time congratulating Kate McInturff from the Canadian Feminist Alliance for International Action. It's refreshing to finally get the women's perspective on the table, with so many men in shirts, ties, suits, and things like that.

We've heard about poverty. We've heard about the outcomes for kids. We've heard that 70% of the jobs today require post-secondary education, and that will go to about 77% very soon. All of those things start early. Women are depended upon by our mechanisms to be the first caregivers, and we need support. The gender analysis thing is a wonderful concept, but I've never seen it work. I think we have to call a bluff, really.

I'm glad you raised it. I don't know if every bill that should have a gender analysis actually has it attached to the damn thing, but you have to remind the government that it's a commitment we made and it has to be there.

Women, as daughters, are closer to their moms and dads than sons are. That means women also seem to be the first ones who have to withdraw from the paid economy to care for families.

How important is it that we recognize that unpaid work in a variety of ways? What recommendations would you like to reiterate or add?

**Ms. Kate McInturff:** Thank you for that question.

I'm going to cede the floor to my colleague, Professor Lahey.

**Prof. Kathleen Lahey:** From a strategic policy perspective, it is not a good idea to begin by recognizing the disproportionate home-based work on the part of women. That path very quickly leads to paying women to stay out of the monetized economy, and it reinforces existing gender stereotypes that destine women for that role into the future.

The countries that have had the most success in breaking down those gender stereotypes have instead turned to men and said that gender-based analysis assumes parity in all things. All things must be shared, including the care of children, family members, community through volunteer work, and so on. When that approach has been taken to open up and recognize men's capacity for unpaid caregiving work, things tend to equalize very quickly. It's a more productive route toward righting the balance.

**Mr. Paul Szabo:** I would like to shift this a little. The point is there is no meaningful compensation, in either real income or kind, to recognize the fact that one or the other of the parents has to care for kids, or whatever.

I'm trying to get at the inducements and supports that government can give through child care, family care, and caring for the aged. We talk a lot about an aging society, so I'd kind of like to shift.

I know the other problem. It's a socio-demographic problem, and all those good things, but that's history. Right now we have to move forward, so maybe you can help us a little. How are we going to help families cope with those important responsibilities that have life-long impacts?

• (1110)

**Ms. Kate McInturff:** Thank you for that question.

I think we're absolutely dealing with a crisis for those who are members of what's being called the sandwich generation. They are men and women—I'm a member of that generation—who have to care for aging parents and young children at the same time. Research demonstrates that the burden of care falls disproportionately to women at the rate of about 2:1, in terms of the hours women spend doing that care.

Not to harp on child care, but that is one of the reasons why child care is so important, as well as paid family leave, and so on. This isn't about an extra handout for women or a supplement to what we think are the basic responsibilities of any individual to their family. These are well-educated women who we have invested in.

To use myself as an example, the Government of Canada has invested—I hate to confess this—tens of thousands of dollars in my education. I have a Ph.D. that I earned here in Canada. You have all spent a lot of money on me. If I come out of the economy and start doing unpaid work, that's really a bad allocation of resources.

So we need to think about this in terms of a better allocation of resources to keep members of that sandwich generation doing paid work and allowing them the supports they need to also care for their parents and children.

**Mr. Paul Szabo:** Thank you. I'm with you.

We have limited time, so I'd like to quickly go to the Canadian Lung Association.

You mentioned CIHR. It was created to replace the Medical Research Council, primarily because it had an old boys' club thing to it and it had pet projects. A lot of the emerging stuff and the important stuff never got their attention. In fact, Parliament missed an opportunity to have the CIHR created.... But make it accountable to Parliament, at least on a periodic basis, say every three years or whatever.

I'm concerned you have raised the spectre that maybe the CIHR has lost a strategic focus on the priorities for Canadians.

I'll give you my last little moment to respond to that suggestion.

**Mr. Christopher Wilson:** We are very encouraged by the CIHR's new focus on its strategy for patient-oriented research. We think investment in practical research that translates the knowledge gained from biomedical research into real outcomes at the bedside is definitely the way to go.

Currently, 94% of CIHR's investments are in basic research. We absolutely support basic research, because it starts the stream that leads to improvements. But we clearly need to refocus on research that impacts directly on patient care. They seem to be on that track, and we strongly support it.

**Mr. Paul Szabo:** Thank you.

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

[Translation]

Mr. Paillé, you have the floor.

**Mr. Daniel Paillé:** Ms. McInturff, Ms. Lahey, I also thought, when I saw you among the chemists and people from the gas industry and businessmen, that it was arranged wrong, but ultimately

I decided it was a good thing, that your testimony would do them good, as it would the government. If there is one field where it is a champion, both domestically and on the international scene, it's in the area of reinforcing harmful stereotypes about the status of women. In any event, I want to thank you for coming to testify before us.

You will understand that I am going to address my remarks mainly to the people from Lebel-sur-Quévillon. When a plant is closed in Sainte-Thérèse or in Boisbriand, it is torn down, they build a shopping centre, and that's the end of it. But when a plant is closed in an isolated single-industry town like yours, we see what happens.

You are here with Mr. Bouchard, who owns a convenience store. I wonder, Mr. Bouchard, whether you have been reduced to giving your customers credit. It must be difficult to be the owner of a convenience store in Lebel-sur-Quévillon. How does the situation look to the owner of an SME in a town like that?

• (1115)

**Mr. François Bouchard (City Councillor, Ville de Lebel-sur-Quévillon):** Clearly it isn't easy. Given all the closings, we have no choice but to rationalize and cut jobs. We are running on the spot. Just like a duck: there's nothing going on above water, but below the surface it's paddling. The situation is the same for all business owners in Lebel-sur-Quévillon. We are out of breath after five years. Nobody is replacing the ones that are leaving.

**Mr. Daniel Paillé:** Mr. Mayor, you say nothing is being done. We have all seen that what was done for the auto industry was 60 times higher than the \$170 million over two years given to the forest industry, of which there was \$100 million over two years in Quebec. I'm sure the people on the other side will say there is the Temporary Initiative for the Strengthening of Quebec's Forest Industries, which represents \$33 million a year over three years.

Have you seen these programs passing by where you are? Is it enough to guarantee recovery for Lebel-sur-Quévillon?

**Mr. Gérald Lemoyne:** Yes, we've seen them passing by, and we would liked them to stop in Lebel-sur-Quévillon. We have heard about these programs. I think we are probably, at least in Quebec, the most glaring example of what the crisis in the forest industry means. Five years after the closings, we have unfortunately not benefited from any of this aid. Obviously, some may say we are remote and maybe we didn't make the necessary efforts to get funding. Well, I can show you that this is really not the case. Over the last five years, I think not a week has gone by that I didn't leave Lebel-sur-Quévillon to try to get assistance for reopening the plants. The good news is that we are going to succeed. However, we are going to do it on our own, so with assistance, we would have been able to get there faster.

**Mr. Daniel Paillé:** Would it help you to have credit facilities or loan guarantee programs for modernizing the facilities and getting better energy efficiency? You've made an offer to buy the plant, is that right?



**Mr. Gérald Lemoyne:** Yes, we have made an offer to buy the plant. We want to do things differently from what was done before. If we want to continue doing what was done in the paper industry in recent decades, we can get assistance. However, if we do things the same way, we are going to end up in the same place.

Our plan for restarting the plant, which focuses on energy production, is different. Although we are a small community, we have paid to do research to find out whether we were able to make other products, for example in pharmaceuticals, from the forest or from paper production—obviously, that can vary. We are a small community, but we paid for researchers who have found products that could be manufactured.

So we need assistance from the government. As we speak, we have a plan to reopen the pulp and paper plant that calls for an investment on the order of \$200 million. Obviously we will not be able to find those funds in the Lebel-sur-Quévillon municipal budget.

Of course there is a company that is with us in this project. We can't do it by ourselves. But still, given the investment that has to be made, we need help from senior governments.

**Mr. Daniel Paillé:** You mentioned that you yourself had been locked out at Lebel-sur-Quévillon. I would like you to explain something. You were locked out, the plant shut down, but you weren't entitled to employment insurance that you had paid into for 40 years. Something isn't right.

**Mr. Gérald Lemoyne:** No. In 2005, when the plant closing was announced, the people applied for employment insurance. They were told they could not receive employment insurance benefits because they were locked out. The closing occurred during collective bargaining. Even the employer said it was not a lockout, but a closing for economic reasons.

Three years later, in 2008, when Domtar announced it was closing down permanently, people applied again for employment insurance, believing they were surely no longer locked out. Unfortunately, they weren't eligible, because they had not paid into employment insurance in the previous 104 weeks. Of course we didn't contribute, because we weren't working.

There are a lot of people who, like me, paid into employment insurance all their working lives, and unfortunately were not able to receive that assistance, which would only have been a bandaid, but would have been very useful.

• (1120)

**Mr. Daniel Paillé:** How many workers are in that situation in Lebel-sur-Quévillon?

**Mr. Gérald Lemoyne:** We are a small isolated community that has a population of about 3,300. In Lebel-sur-Quévillon and the surrounding area, 1,000 jobs were lost in the forest industry. You can see the size of the disaster.

Some people chose to stay in Lebel-sur-Quévillon, but obviously most people who had training went to work all over the place. Some of them had to leave because they knew they could not get any help. Often, they had to make choices that were quite difficult, even in terms of their families. There are also people who have no opportunities.

When someone has spent over 40 years of their life working in a pulp and paper plant, they are specialized in a very specific field. Even if a digester operator wanted to work in the mines, they wouldn't get hired, because of their age and their lack of experience. So opportunities are limited.

Yes, people can take training, but when the person is 53 or 54 years old and has spent their life working in the forest industry, they are not certain to get hired in the mining industry, even if they retrain.

**Mr. Daniel Paillé:** Thank you for your testimony.

**The Chair:** Thank you, Mr. Paillé.

Mr. Généreux, you have the floor.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Chair.

I would like to thank all the witnesses for being here. I am going to continue the discussion with Mayor Lemoyne.

I was a mayor myself, and when you are faced with this kind of challenge, it's a lot of work. I congratulate you, you and your team, for the enormous energy you are putting into making sure that your community gets through these hard times.

In your testimony, you said that you were going to succeed. I think that is an important attitude to have. Whether we like it or not, everything has been said in the last five years about the forest industry in Quebec and Canada. In your case, the fact that you are a single-industry community certainly didn't help, that much is clear. When we know what the past has been and we look ahead, what exactly are the factors that will enable you to achieve that success?

**Mr. Gérald Lemoyne:** We would have to have financial assistance of various kinds, loan guarantees. Is it possible to get assistance when... You are a government and you administer public money. For example, our project would create 300 very well-paid jobs. There would be payback, as the jargon goes. It would employ 300 people who at present have no income on which to pay taxes. And those are just the direct jobs. In the pulp and paper industry, we can certainly set a cost of at least \$100,000 per job. Obviously, that is going to turn the economy around and there will be payback. Is it possible to get assistance for recovery projects?

I make a big distinction between a subsidy to keep on doing what was done wrong in recent years and a plan for the future with new markets. We have done this by ourselves, which is why it took five years, with no help from anyone, or with very little help. I can tell you that we have almost succeeded, but we still need government support.

The auto industry has been given extraordinary, exemplary assistance. Did anyone say that the auto industry would not get help because Pontiac was going to close down, there are too many brands of cars on the market, and there's global competition? No. They said they were going to give that industry assistance, because it has a future—or so I presume.

In Quebec and Canada, the forest industry and the pulp and paper industry have helped to build Canada, but forestry today is still an industry for the future. Things have to be done differently from now on, but there is a future. We have to invest a lot more than has been done. There is about \$170 million coming from the federal government. For the Lebel-sur-Quévillon project alone, we're talking about \$200 million.

• (1125)

**Mr. Bernard Généreux:** I'm glad you said that we have to invest differently now. In recent weeks, representatives of the Canadian forest industry have told us we have to look to the future, look toward new emerging markets, and do it differently. For several months, if not years, we have been told we needed to give loan guarantees to companies that were ultimately doomed to failure, to a certain extent and in certain cases.

What you are asking for, in terms of loan guarantees, I'm glad to hear it. It really is a different way of doing things, in terms of recovery projects that are going to focus on new emerging products. It's no longer a matter of doing things they way they were done in the past.

**Mr. Gérald Lemoyne:** If I may, I will add one thing.

There is something that's fairly simple to understand in the forest and paper industry, when you are a stakeholder in the industry. We have talked a lot about integration—you close three plants and leave one open, and because it's important, it will succeed. In Quebec, the example we have doesn't show that at all. The plants that have succeed are not the biggest ones and are not necessarily the ones that are integrated. Let's not try to put a system back in place. Let's look at what works, rather than creating a model that doesn't work.

In terms of integration, having a sawmill near a pulp and paper plant... Nearby means in the same yard. So that cuts shipping costs, and obviously there is also the whole question of greenhouse gases, which is an important one. In terms of competitiveness, there are lower shipping costs. There is also the whole question of energy production. We are capable of producing energy from the production of pulp and paper or related products. There is ethanol production. We have done research, as I mentioned, for manufacturing pharmaceutical products. Yes, the researchers have found some things worth considering.

In my opinion, there is one important aspect, among others, that is how we got where we are in the pulp and paper industry: each paper company in Canada had its own research centre and did a lot of research. One morning, they said this was expenses and cut them. When we stop doing research and development, we stop developing and we are doomed to fail, sooner or later.

So we have to do a little more research and development, in addition to looking at what the competition is doing. Yes, we have competition, from America, from Brazil—with eucalyptus, but we have products that have a fibre quality that means we can be competitive. It's a matter of developing the right products for the right market. We also have to look toward markets other than the American market.

**Mr. Bernard Généreux:** What the people in the forest industry have told us, because they work with...

**Mr. Gérald Lemoyne:** I often say we are at the end of a winding road, in the middle of nowhere. In terms of our project, we are not going to sell our product in the United States. We are going to sell it elsewhere. If we have succeeded in doing it incur town, with very little assistance, I really believe we are capable of doing it elsewhere. If, as a society, Quebec and Canada decided that this is a basic industry and it has to be developed, you would say, as we do in Lebel-sur-Quévillon, that you are also going to succeed.

**Mr. Bernard Généreux:** Thank you, sir.

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

Mr. Mulcair, you have the floor.

**Mr. Thomas Mulcair:** Thank you, Mr. Chair.

I am going to address the people from the Canadian Feminist Alliance for International Action first. The aim of the Alliance's presentation was to make the connection between budgets and human rights. I would like to thank its representatives for providing us with this part of the analysis, which was missing from our discussions. That is why we insisted on remedying the fact that it was not included in the first round. We can see that their presentation was an excellent one and that we were entirely right to insist that these people be present.

I am essentially going to ask two questions. The first relates to the OECD analysis from 2008 concerning the growing inequalities in Canada. We know about this, but it is very often ignored. I would like you to give us more details on this subject, obviously focusing you analysis on what we could do in terms of budgeting.

• (1130)

[English]

**Prof. Kathleen Lahey:** There is considerable evidence that inequality in Canada is growing by leaps and bounds. I think the most graphic resource to look at is the Social Watch gender index that is published every year. They did a 2004 through 2007 analysis and concluded that women in Canada had actually lost two-point-some percentage points of equality in that three-year period. Out of 135 countries that were able to be ranked in that way, Canada was ranked at 101, and the best was number one.

Other indicators reveal other dimensions of that. But budget-wise, what can be done? Anything that gives women more than 36% of market incomes would be a very good start: strategic investments in access to care facilities, housing, and expanding the maternity support available; giving all members of the family, fathers as well as mothers, strong incentives to spend time with their children; and expanding the role of the school system could all very rapidly turn things around and put Canada back on the right track.

Don't forget that in 1999 Canada was ranked number one in gender equality in the whole world. So this is a rapid and devastating change that has been taking place.

[Translation]

**Mr. Thomas Mulcair:** My next question is the natural follow-up to what you have just said, which is good.

I am on page 4 of the French version of the document. It talks about Canada's human rights obligations. At the beginning of the paragraph entitled "The principle of non regression", you say there is a "strong presumption of the impermissibility of any retrogressive measures". The rest of your quotations refer us to footnotes. Would you be so kind as to tell us the source of that quotation, about the "presumption of the impermissibility of any retrogressive measures"?

[English]

**Ms. Kate McInturff:** That is sourced from the treaties and reports of treaty monetary bodies, which are accessible through the website of the Office of the UN High Commissioner for Human Rights. That's footnote 6 in our brief.

As you clearly know, since you've read the brief—thank you for that—we identify some specific regressive measures. In response to your first question, one of the things you can do is repeal those regressive measures. In particular, take pay equity for public servants out of the realm of human rights.

[Translation]

**Mr. Thomas Mulcair:** That makes twice now that your answer has anticipated my next question. Of all the things I have seen since I have been here... I come from Quebec, where we had a system developed, in both the private sector and the public sector; and we can see that no one has died. It was a fairly technical exercise, thanks. We have given substance to the fact that women were entitled to equal pay for work of equal value. The ways of doing that might seem complex at the outset, and in fact it was, but we have succeeded.

I can tell you that since I have been here, that is what has surprised me most: seeing the Conservative government take away women's right to equal pay for work of equal value—that's its ideology, fine. But to see the Liberals voting with the Conservatives, I simply could not get over that, I was not expecting it.

Could you give us more details about the repeal of the pay equity regulations and its long-term consequences?

[English]

**Ms. Kate McInturff:** Yes, absolutely, I'd be happy to speak to the PSECA act, which was part of the 2009 budget.

I was here earlier this week speaking to the Standing Committee on the Status of Women about the importance of the legislation, currently before the House, to repeal the PSECA act. I'm here before the finance committee, so I am doing my best to make clear economic arguments, which I think are valid.

But underpinning that or at the heart of it is the notion that we need to do the right thing, which is what the human rights framework allows us to do. The right thing to do is to pay everyone for their work. We live in a country where women right now work for free one day out of every week, because of pay inequity. Women get paid, by any measure, including the most conservative estimate, something like 80% on the dollar. Other estimates bring that down to 73%; if you're a racialized woman, or a minority woman, or an aboriginal woman, it goes down considerably.

So essentially we have people in Canada who are going to work every day, who are working hard and trying to make the basic needs of their families, and they're not being paid for that work.

To take that problem out of the realm of human rights and say this is something that is subject to market competition is to fail to recognize the right of people to get paid for their work, which seems to be a pretty fundamental claim.

Now, in terms of the economic impact of that, I used my case as an example earlier, but I want to say that I'm in a very lucky position compared with the majority of women in Canada.

This is why it's so important to think about how we are enabling women to achieve economic well-being, because when you deliver assistance through tax policy, for example, there's a huge sector of the female population of Canada who can't access that, because they don't make enough money to pay taxes. And when you try to institute reforms under EI—which you're having your own problems with, including Mayor Lemoine—

• (1135)

**The Chair:** Thank you.

**Ms. Kate McInturff:** —many women aren't able to access that because they don't meet the minimum number of hours, because women are more likely to be employed in part-time and contract work.

**The Chair:** Thank you. *Merci.*

We'll go now to Mr. Pacetti, please.

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Thank you, Mr. Chairman.

Thank you to the witnesses for appearing.

[Translation]

I know, Mr. Mulcair was always Liberal and he still wants to be, but I don't know what he's talking about when he says we voted against pay equity.

[English]

I just have a couple of quick questions for the Business Reform Coalition. Mr. Larson, in your presentation you're asking for an extension of the accelerated capital cost allowance. Seeing that you represent different groups, I'm just wondering what your position is regarding the Alberta Chamber of Commerce's position on retaining the capital cost allowance for oil sands and mining projects in Alberta.

**Mr. Roger Larson:** Mr. Pacetti, I have to admit I'm not familiar with that position.

**Mr. Massimo Pacetti:** Okay, thank you.

Mr. Wilson, of the lung association, I think you're asking for \$10 million for new funding for research. Is that enough money?

**A voice:** Oh, oh!

**Mr. Massimo Pacetti:** And how do you expect members of Parliament on the finance committee to determine whether we should give priority to people suffering from lung disease, or for research for lung disease? We just had the diabetes association and numerous other groups who have asked for research money.

How can you help us make that decision? Where's the cut-off? When is there enough money, and how do we reconcile the requests?

**Mr. Christopher Wilson:** First of all, I'm going to let you off the hook. I'm not going to ask you to choose between disease groups because that would be an impossible decision for anyone, particularly for a political representative.

**Mr. Massimo Pacetti:** I appreciate that.

**Mr. Christopher Wilson:** Clearly, there is an imbalance in the research allocation at the moment and we would like to see that addressed.

**Mr. Massimo Pacetti:** An imbalance where?

**Mr. Christopher Wilson:** Well, actually two forms of imbalance. There's an imbalance between basic research and what you might call applied research or clinical research, which we'd like to have addressed, and fortunately there's movement in that direction.

**Mr. Massimo Pacetti:** Is that at the CIHR level?

**Mr. Christopher Wilson:** Yes, that's right. CIHR is moving to address that, and we support that move.

The other imbalance we've pointed out is that respiratory health research has historically been underfunded, and we'd like to see that addressed.

We're not, to be clear, raising equity issues about that, because we all know you can always point to somebody who gets more or less than you do. Rather, we are making an economic argument for it, that there is a crushing economic burden from lung disease, and to properly address that we need to see more of the knowledge from basic research translated into positive outcomes at the bedside.

I think you can see from the rather remarkable example that my colleague gave that simple applications of research at that level can have big impacts, not just on patient care but in a dramatic reduction of health care costs. Remember that COPD, the disease he was talking about, is one of the single most expensive diseases to treat.

We are asking for an additional allocation of \$10 million to start movement in the direction of rebalancing that. We've specifically asked for the additional money to save you from having to make recommendations to take money from Peter to pay Paul. We're not suggesting that. We simply think it would make good economic sense to make better investments in lung health research.

• (1140)

**Mr. Massimo Pacetti:** Thank you.

Mr. Paton, I guess I'm going to pick on you.

Perhaps the question would have been more geared to the Chamber of Commerce. But you're asking for tax reductions, accelerated capital cost.... As members of the finance committee, how do we reconcile that with what Mr. Wilson just said and previously what Ms. McInturff said? How do we balance? How do we make a decision on whether we recommend accelerated capital

cost or putting more money toward pay equity or putting more money toward lung disease?

I could have asked other people, but I figured....

**Mr. Richard Paton:** Yes, thanks very much. I really appreciate that.

I've never envied the role of members of Parliament in making these kinds of decisions. I've always found these sessions fascinating because the richness of needs is always overpowering.

To make our case, though, first of all, it's not a tax reduction; it's a tax shift. I guess if you looked at it this way, by building a strong—

**Mr. Massimo Pacetti:** You're talking about the accelerated capital cost now, right?

**Mr. Richard Paton:** Yes.

By building a stronger economy with major capital investments in this country, you do generate jobs, growth—Mr. Lemoyne knows all about no jobs and growth—and that generates income for the country, which then will enable these other issues to be also applied.

**Mr. Massimo Pacetti:** Just quickly, could I get a guarantee that it will also increase productivity?

**Mr. Richard Paton:** Oh, and environmental improvement. Win-win-win.

**The Chair:** Monsieur Carrier.

[*Translation*]

**Mr. Robert Carrier:** Thank you, ladies and gentlemen.

You know, you are the last group we're meeting with in our pre-budget consultations, after hearing from over 100 groups. To me, the fact that Mr. Lemoyne is here really illustrates the flaw in our political system in this country, from the standpoint of equity. We see an entire community reduced to nothing, and its workers are not even entitled to employment insurance. That is a detail in itself, but because of the particular situation—the workers were locked out during the weeks preceding the plant closing—the people were not even eligible for our famous employment insurance scheme. I think that is a denial of social justice. On the other hand, there are other people, like those in the gas industry, who are well organized and who can bring us fine documents. And the community of 1,000 workers can't even prepare a document and have it translated into both languages. I think that is a demonstration of the bankruptcy of the system. All my congratulations, Mr. Lemoyne, for having the courage to come back here anyway.

Earlier, I sensed a certain openness on the part of a representative of the Conservative government, Mr. Généreux. I think he can understand that loan guarantees can be given. The government's answer, for two years, is that because it is an industry with no future and a smaller market, it doesn't want to give loan guarantees. But Mr. Lemoyne has in fact told us that the people who are working on preparing plans for reopening are not idiots. They know very well that it will not be profitable to produce the same things, so they are looking for other solutions. The very least would be to have a government that supports them, guides them, precisely so they can prepare a plan for reopening, and that tells them it thinks they are heading in the right direction and it's going to support them.

I hope wholeheartedly that the arguments made today will be enough to persuade the government once and for all to help entire communities that have been hit by the weakening of the forest industry in Quebec. This sector has been neglected, supposedly because there is no future in the forest and paper industries, and because, in any event, they are industries that are not viable. It has even been said that it would be prohibited under the NAFTA accords to provide loan guarantees, when the government's own negotiators have said it was allowed.

I hope there will be provisions in the next budget to assist communities that are organizing themselves. They aren't asking that the government take them over and tell them what to do. What we are seeing, in fact, is a desire to revive the industry by exploring other areas. Some companies have switched to rayon rather than producing paper. This is an existing field, it is an industry and a community that deserves to be encouraged. That is my comment on the subject.

I have one minute left. I have a question for the gas industry, a question that I think is important, in fact. From the presentation of your brief, I see that there is gas in abundance, there is a fine reserve. You are even exporting it to the United States. The question of shale gas exploitation generates a lot of opposition in Quebec, in particular because of the negative consequences for the environment. This is an area you are surely familiar with because it's gas. I am wondering whether it is essential to stimulate gas production, to go after the slightest gas resources that exist in our subsoil, even if it means destroying the environment.

• (1145)

[English]

**The Chair:** That's a big question. You have about 30 seconds.

**Mr. Timothy Egan:** I have 30 seconds for a response.

[Translation]

I'm sorry, I prefer to answer in English, if I may.

[English]

Is it essential to push for shale gas exploration? We're on the downstream side of the equation, not on the upstream. I think markets will decide where exploration and development is going to occur and then deliver to the downstream markets that we represent. However, the one point I want to emphasize is that the regulatory framework for shale gas exploration and development is evolving in certain jurisdictions like Quebec. It's much more robust in other jurisdictions.

It's under review across the country, and the industry is deeply concerned to make sure that it's as robust as possible to address the kinds of concerns that Quebeckers are raising. I think you've seen in the events going on in Quebec the active engagement of companies like Gaz Métro—and Sophie Brochu, the president of Gaz Métro, is one of my member companies—to ensure that the public feels they're getting as much information as possible and that the processes are as robust as possible.

**The Chair:** Thank you. *Merci*.

Mrs. Block, please.

**Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC):** Thank you very much, Mr. Chair.

And thank you to all of our witnesses here today.

I believe Professor Lahey was here as a witness earlier in our consultation process speaking to a comprehensive submission on gender-based budgeting. I just want to get on the record that every proposal that goes to the Minister of Finance has a gender-based analysis included. I wanted to share that with you.

Ms. McInturff, I appreciated your submission, and I'm glad that you pointed out that women are not a special interest group and have similar interests and concerns as the other half of the population, which actually affords me the freedom to direct my questions to Mr. Egan and the Canadian Gas Association.

I understand that the Saskatchewan Research Council is involved in some technology research around new combined heat and power technology using natural gas. What I'm wondering is, what is the involvement of your industry and possible involvement of the Government of Canada in that? With this going on already, why would more assistance be required on energy efficiency?

• (1150)

**Mr. Timothy Egan:** Thank you for the question.

I think you're referring to a combined heat and power initiative that's under way with the Saskatchewan Research Council. One of my member companies is SaskEnergy, and they're one of the key funders of that initiative. Another company, SaskPower, the electrical generation and transmission and distribution company in Saskatchewan, is also involved as a key funder. NRCan is the third funder of that initiative.

The technology that is coming forward is for micro combined heat and power, which is an incredibly efficient technology, allowing for the better use of natural gas as a resource and allowing for the offsetting of potentially significant amounts of electrical generation in the province of Saskatchewan as this technology moves forward. It's early days. It requires a lot of investment to ensure that the technology can be developed properly, to ensure that deployment applications can be tested properly to see if they in fact will work in the micro applications. This requires resources. NRCan is at the table now. As this initiative moves forward, more resources are likely to be required.

I mentioned our ATI initiative. The reason for that initiative is to be able to pull resources in order to proceed with efforts to deploy this kind of technology. We believe the Government of Canada has a vested interest in being at the table for those sorts of efforts.

Many questions today have been around the challenges of balancing priorities and how as a committee you come forward with specific recommendations. You obviously have public policy objectives you are trying to meet. I would argue that some of those objectives are the delivery of environmental benefits, including reduced emissions; driving innovation, in order to see Canada be a leader in technology; and driving productivity. Initiatives like this combined heat and power program can actually deliver on all three.

**Mrs. Kelly Block:** Okay. Thank you.

**The Chair:** You have one and a half minutes.

**Mrs. Kelly Block:** I was looking at the third recommendation that you have in this submission, to “Provide supportive measures to encourage natural gas use for long-haul and return-to-base transportation fleets”.

Can you expand on what you mean by supportive measures? I know that in your opening remarks you kind of ended there. Could you expand on what those might be?

**Mr. Timothy Egan:** Sure. With the chair's approval, I'm going to defer to my colleague, Alicia Milner, on this question.

**Ms. Alicia Milner (President, Canadian Natural Gas Vehicle Alliance):** What is proposed there is a tax credit that targets 50% of the incremental cost of natural gas heavy vehicles. The rationale, really, here is twofold. One, we have a sector of the economy that's totally dependent on one energy source, which is crude oil-based fuels, except for about 2%. There's a little bit of alternative fuels, but not much.

Second is the potential for significant emissions reductions. While passenger vehicles get a lot of attention, the reality in Canada is that 4% of the vehicles account for a third of our carbon emissions. It's a very difficult part of the economy to get at. We are a technology leader in Canada. We supply the engine technologies from two of our companies based in British Columbia. We supply them to more than 15 different bus and truck manufacturers already.

So we have an early lead. What the proposed measure here is intended to do is to really get these technologies into the market as vehicles turn on their normal cycle and replace them with a lower emission.

The other dimension to this, of course, is that this is a cost-effective fuel. For truckers who operate in a regional corridor, for instance, they could reduce their annual fuel cost by about \$12,000 a year.

So it's really to help facilitate access for the fuel into a new market that's dominated by a relatively high-emission fuel.

**Mrs. Kelly Block:** Thank you.

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

Mr. Brison, the final round, please.

**Hon. Scott Brison:** Thank you very much, and thank you to all our witnesses.

The first question is to Ms. McInturff, and that is on the issue of early learning and child care. Does \$100 a month pre-tax provide real choice to Canadian women and families?

**Ms. Kate McInturff:** No.

**Hon. Scott Brison:** In terms of investments in women being good investments in the general economy, I think you made a very compelling case in terms of your own education and that we, collectively as a society and as an economy, benefit from that important investment.

There was an article a couple of years ago in *The Economist* magazine called “A Guide to Womenomics”, and it actually identified what kinds of progressive policies around the world have made a real difference in terms of strengthening productivity, from 50% of the workforce in this case, and I'd recommend it to you. You

probably are already familiar with it, but it's a very strong economic argument for these investments.

In terms of family care, you talked about the sandwich generation, where you have families looking after children and at the same time ailing or aging relatives. We've proposed a caregiver tax benefit modelled after the child tax benefit for caregivers, as well as extending the current EI caregiver benefit from six weeks to six months to provide an opportunity.... It's not just for women either, but disproportionately a lot of this responsibility seems to fall on women in households.

Would that help for the sandwich generation?

• (1155)

**Ms. Kate McInturff:** Professor Lahey is the tax expert, so I'll defer it to her.

But first I would just say that I think any effort to try to alleviate the double burden of care that many women of that sandwich generation are facing is welcome. Delivering that relief through tax policy tends not to benefit women as much as it benefits men, for reasons that I know Kathy can explain.

**Prof. Kathleen Lahey:** If I may, just to clarify, if it were posed as a fully refundable tax credit, that would be immensely better because it would be very difficult for a woman with her average female income to both earn enough money to support herself and whoever is in her household and spend time doing unpaid care work. Therefore, more than likely, that scenario focuses on individuals who are in single-income couples, and the woman herself would only realize the benefit of a tax credit if her husband or her partner had enough income to cash it out.

Therefore, it really would have to be a refundable credit, and at that point jurisdictional issues become problematic. Direct payments would be best, but if that couldn't be worked out with the provinces, then a refundable credit would be a major step down the road.

**Hon. Scott Brison:** Thank you.

On the EI reform enabling someone who's taking care of an elderly sick relative or perhaps a spouse or perhaps a sick child, to go from currently six weeks to six months with some benefits, and thus enabling them to return to the workforce, how would that help?

**Prof. Kathleen Lahey:** That would have the same sorts of deficiencies. If someone were already in the EI system, it would be, no doubt, a wonderful thing for them to have. But at the same time, we're talking about a demographic group that is itself very vulnerable to being moved out of the EI benefit range. So that I think is something that would have to be adjusted at the same time, if possible.

**Hon. Scott Brison:** Sure.

In terms of the accelerated capital cost allowance for innovation and productivity enhancement and energy efficiency and competitiveness in a global carbon-constrained economy, that's something I think we all agree on notionally, but which is more valuable to make these kinds of investments: an accelerated capital cost allowance focused on that or just a general corporate tax cut?

**Mr. Richard Paton:** Are you addressing that to me?

**Hon. Scott Brison:** Sure. Several of you spoke.

**Mr. Richard Paton:** Okay. I think you've got to look at them as two different things.

The corporate tax reductions, which business has already assumed are going to happen, have allowed us to stay in business as China and the Middle East emerged. It's a very different globally competitive environment we work in. The accelerated capital cost helps you achieve major capital investments.

**Hon. Scott Brison:** Which is more valuable right now?

**Mr. Richard Paton:** They're both very valuable, and if we don't get them both, we probably won't—

**The Chair:** Thank you.

**Hon. Scott Brison:** But in our business we have to make a choice.

**The Chair:** Thank you.

We're well over time, Mr. Brison, unfortunately.

• (1200)

[*Translation*]

Thank you for your presentations and your answers to our questions.

[*English*]

If you have anything further you wish the committee to consider, we will be considering recommendations after the break week. Please submit your comments to the clerk. I will ensure all members get them. I want to thank you all for being here this morning.

Colleagues, just very briefly, please take a look at the projected calendar and the witness list for Bill C-470. If you have any additional witnesses you wish the committee to consider, we can certainly do so, but perhaps tomorrow we'll just briefly discuss the witness list. I would like you to have a look at the list and perhaps prioritize from each of your points of view.

I see the roll of the eyes of Mr. Mulcair. That means he agrees with me.

Thank you.

Monsieur Carrier.

[*Translation*]

**Mr. Robert Carrier:** What date do you need our witness list by, on Bill C-470?

[*English*]

**The Chair:** Sooner rather than later. I would prefer tomorrow.

[*Translation*]

Is it possible to get it tomorrow?

**Mr. Robert Carrier:** Tomorrow? Right.

[*English*]

**The Chair:** The meeting is adjourned.

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