



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Finance**

---

FINA • NUMBER 079 • 1st SESSION • 41st PARLIAMENT

---

**EVIDENCE**

**Thursday, October 18, 2012**

—  
**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Thursday, October 18, 2012

• (1535)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order. This is the 79th meeting of the Standing Committee on Finance. Pursuant to Standing Order 83.1, we are continuing our pre-budget consultations for 2012.

We have again, colleagues, two panels today. In the first panel we have the Association of Canadian Community Colleges, the Canadian Association of Community Health Centres, and Financial Executives International Canada. By video conference, we have the Council of Canadians with Disabilities.

We will start with the Association of Canadian Community Colleges. You each have five minutes for an opening statement, and we will make our way down the list.

**Mr. James Knight (President and Chief Executive Officer, Association of Canadian Community Colleges):** Thank you, Chair.

Thank you, members of the committee, for the invitation to join you this year.

Canada's 130 colleges, institutes of technology, polytechnics, and CEGEPs have campuses in 1,000 Canadian communities. I know many of your ridings have college campuses. We serve 1.5 million learners. The principal attributes of these institutions include sky-high levels of student and employer satisfaction, intimate links with industry, employment placement rates ranging from 85% to 95% within six months of graduation, and educational programs that respond to local economic opportunities. About 20% of college learners have a university background or university degree.

I will speak to measures to address the acute skill shortages pervasive in all sectors of the economy and the contribution of college and small and medium enterprise partnerships to address Canada's innovation ecosystem and productivity needs.

In successive hearings of this committee we have talked about the looming skills deficit. I am happy to report today—or perhaps I am unhappy to report today—that the private sector has come on board this theme very strongly. Both the Canadian Chamber of Commerce and the Canadian Manufacturers & Exporters have said that attracting and retaining qualified employees is the most significant challenge jeopardizing economic growth.

Unless aggressive measures are adopted soon, within 10 years employers will not find qualified candidates for about 1.5 million positions that will be available in our economy. Now 70% of new

jobs require a post-secondary credential. Within a decade we foresee that this will be 80%. Our post-secondary achievement rate is 60% in Canada.

Immigration will make a difference, but only a small difference. The real solution is to enhance the capacities of our current population. I want to be very clear on this point. We already have the people we need to replace the baby boomers. They are here, but these people do not have the skill sets that employers require.

We urge the Government of Canada to collaborate with other governments, civil society organizations, and educational institutions toward the goal of equipping every Canadian with the skills necessary to participate in our economy. We have come a great distance here, but we are far short of realizing the vision.

There are many remedies. For example, there are 906,000 people between the ages of 15 and 29 who are neither employed nor in education, and who are obviously at risk of social exclusion. This is the NEET generation. Unless we foster opportunities for disengaged youth, the social costs will be enormous. We should increase access to essential skills and education for employment, which is what colleges do.

The educational gap between aboriginal and non-aboriginal Canadians is vast. Balanced investments in K to 12 and post-secondary education are needed. We made a good start in the 2012 budget. We are very happy about that, but we have some considerable distance to go. We do need to sort out the long-standing impasse surrounding the aboriginal post-secondary student support program.

Immigrants confront barriers to labour market integration, obviously. Their employment outcomes improve through overseas orientation services, occupation-specific language training, and bridge-to-work programs offered at colleges.

Canadian employers report that trades professions are the most difficult to fill, yet apprenticeship completion rates lag compared to registrations. Apprentices would benefit from improved tax credits and interjurisdictional mobility. Despite much self-congratulation about removing barriers for the disabled, the participation of this large sector in the economy falls far short of other groups. We should incentivize employers to engage the disabled through the tax system.

• (1540)

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

**Mr. James Knight:** We urge the Government of Canada to equip the colleges and institutes with a capacity to respond. There are many opportunities. The knowledge infrastructure program provided tremendous support. There's an opportunity to renew that.

We also reference the tremendous contribution colleges make to small and medium enterprise development through their expertise, their equipment, and their eager students who engage in applied projects with the SME community. There has been Government of Canada support for this. We urge that it be increased to 5% of the overall investment in post-secondary research. It's currently at 1.25%.

That is my five minutes, Chair. Thank you.

• (1545)

**The Chair:** We will now hear from the Canadian Association of Community Health Centres, please.

[Translation]

**Ms. Simone Thibault (Member of the Board, Canadian Association of Community Health Centres):** Good afternoon.

Like Mr. Knight, we are pleased to have the opportunity to appear before the committee this afternoon. My name is Simone Thibault, and I am the executive director of the Centretown Community Health Centre, which is located just a few blocks from your offices.

[English]

I'm also a board member of the Canadian Association of Community Health Centres, CACHC for short. It is in that capacity that I'm here today, along with my colleague, Scott Wolfe, who's the CACHC federal coordinator.

The Canadian Association of Community Health Centres supports community health centres across Canada to increase access to high-quality local health care and to improve the health and well-being of individuals, families, and communities as a whole. There are currently more than 300 CHCs across Canada, although they often go by different names from province to province.

[Translation]

Included in these 300 community health centres are the CLSCs in Quebec, such as the one in Rimouski.

[English]

They include Saskatchewan's cooperative health centres, such as the Prince Albert Co-operative Health Centre, and they include Alberta's and Ontario's CHCs, such as the Boyle McCauley Health Centre in Edmonton, the Chatham-Kent Community Health Centre in Chatham, Ontario, and the Parkdale Community Health Centre in Toronto.

In fact, examples of community health centres can now be found in all provinces and territories; however, only a small fraction of Canadians to date have access. In nearly every province, Quebec and Ontario being minor exceptions, CHCs are far too few in number, and where they do exist, they are drastically underfunded.

Let us tell you a little more about what CHCs do on the ground and how this informs the five recommendations that we are presenting to you today.

Community health centres are comprehensive, front-line, primary health care centres. They bring health care providers such as family physicians, nurses, dietitians, therapists, and others together out of their individual isolation to work as a collaborative interprofessional team. This means that people receive comprehensive care from the right providers and at the right time. These diverse health care providers are supported to work to the full scope of their training—this is where we count on the colleges—making the best use of our precious health care resources.

But more than simply making front-line care more integrated and comprehensive, CHCs couple these team-based primary care services with health promotion programs, social services supports, and community programs—especially health promotion—that emphasize illness prevention and well-being rather than simply treatment. It means that a health care provider who encounters issues facing the health of an individual or a family that lie outside of his or her capacity to treat someone—for example, poor diet linked to poverty—can connect the patient or family to in-house resources that can pick up the next steps of the journey towards health.

As a result of this integrated approach, various research studies have found that community health centres provide effective and cost-effective care, achieving better overall outcomes than treatment-focused medical models.

Our full budget submission elaborates on these points in further detail, along with further rationale underscoring the need for investment in key areas of health and health care. What we would like to share with the committee here, based upon our work on the ground and what we are seeing in communities across Canada every day, is the following.

We in Canada are veering dangerously toward an interconnected crisis of poverty, inadequate housing, and illness, and a consequent tsunami of demand on our health care system. We must do a better job—that's clear—of preventing these crises and the tsunami.

I'll move it over to Scott.

**Mr. Scott Wolfe (Federal Coordinator, Canadian Association of Community Health Centres):** Thank you.

The good news is that we can change this and we know how.

For starters, we know that an increasing number of Canadians simply do not have the personal and household income and resources required to achieve and maintain health. A widening income gap and the lack of access to adequate and affordable housing across Canada are two key factors. These growing financial pressures and our eroding social safety nets at federal and provincial levels mean that many households simply cannot afford to access the nutritious food, the recreational activity programs, the family supports, and other resources needed to maintain well-being. We must level the playing field and we must give families and communities across Canada the opportunity to access the necessary preconditions for health.

I'm going to move along to our recommendations very quickly. We recognize that these five recommendations don't cover the full spectrum of actions necessary to get us to where we need to go. However, they do provide a launching pad, and we believe they act as key enablers.

The first of these is to design and adequately invest in a federal poverty reduction strategy, such as the one outlined currently in Bill C-233, An Act to eliminate poverty in Canada. This plan must complement provincial and territorial initiatives.

Second is to adopt and implement Bill C-400, An Act to ensure secure, adequate, accessible and affordable housing for Canadians, thereby establishing a desperately needed federal housing strategy.

Third is to negotiate with the provinces and territories a new 10-year health accord, with stable and adequate funding at a minimum 6% escalator over the coming years, and to protect the Canada Health Act within it.

Fourth is to establish a federal pharmacare program and further protect the health and well-being of Canadians by exempting health care—including this new federal pharmacare program—from CETA and other trade agreements.

Fifth is to expand and invest in access for Canadians to high-quality, team-based, primary health care by establishing a federal strategy and funding for a pan-Canadian network of community health centres.

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

We'll now hear from Financial Executives International Canada, please.

**Mr. Michael Conway (Chief Executive and National President, Financial Executives International Canada):** Thank you, Mr. Chair, and good afternoon, committee members.

We are honoured to be here today. FEI Canada is a voluntary membership association comprised of 1,800 of Canada's chief financial officers and senior financial executives across the country. The recommendations we present to you are prepared by FEI Canada's tax committee, whose chair—Peter Effer, vice-president of taxation of Shoppers Drug Mart—is with me here today.

Considering the continuing uncertainty in the world economy, fiscal restraint should remain a top priority. FEI Canada recommends that the federal government retain its objective for balancing the

budget in the near term, as this is necessary to be able to maintain Canada's social programs at their current level.

FEI Canada encourages the government to continue its project review to improve efficiency and deliver cost-effective programs and policy development.

If it is determined that additional revenues are required, an increase in the GST rate should be considered, as commodity taxes are viewed by economists as the most efficient and progressive form of taxation.

A few years ago, FEI Canada was one of the first organizations to highlight the need for tax simplification. In fact, I had a bit of fun with it, comparing the little 1917 act that started it all to finance the Great War with today's massive Income Tax Act. Well, unfortunately, I must report that in the last two years, the tax act, like me, has not lost very much weight.

We again recommend that the Minister of Finance establish a task force to undertake a comprehensive review of the federal Income Tax Act, with the objective of reducing complexities, because—to be clear—compliance has become unmanageable, and the costs are killing everyone. The act takes the government too much effort to administer, and it is an excessive burden on corporations—particularly small businesses, which are one of the key drivers of the economy. FEI Canada continues to be prepared to participate in this expert panel or assist the government in any manner to achieve this worthwhile endeavour.

So how can we simplify the tax act?

We and other groups have previously encouraged the government to permit consolidated tax reporting for both corporate income tax and GST/HST. In the interests of time, I will simply refer you to our submission for further details on this.

One big step that we could undertake immediately to simplify the tax system would be to introduce legislation to allow and require a process to settle disputes with the CRA as part of the field audit process. Encouraging settlement of issues at the audit level will save resources for both government and taxpayers, especially for smaller entities whose financial resources are scarce.

We should also adjust the CRA's auditor incentive system, as it currently rewards audit issues put forward, not those ultimately proved to be justified. Right now, their system is like rewarding a hockey player for the number of shots taken rather than the number of goals scored.

FEI Canada believes that to achieve a strong and sustainable economy, Canada needs to facilitate the commercialization of innovation. We suggest that in conjunction with the SR and ED program, the government should allow companies engaged in innovation to issue flow-through shares similar to those in the oil and gas and mining industries. As this concept has successfully encouraged exploration and development in Canada's natural resources, it should be applied to support innovation across all industries, especially manufacturing.

Innovation flow-through shares would encourage private investment in Canadian innovation and would not be an incremental cost to the government, since this program only represents transferring deductions and credits from one taxpayer to another.

The demographic structure of our country is changing. We need to ensure that a healthy and vibrant aging population can continue to add to Canadian productivity in various ways, including by remaining in the workforce longer. However, challenges facing our seniors are considerable. They include ensuring that their retirement income is properly planned and is adequate for both known and unknown expenses, and that health care and supportive living costs are provided for. FEI Canada encourages the government to conduct a study and develop a national framework on this issue.

In conclusion, we believe our recommendations will streamline government, reduce time spent on compliance, foster innovation, and ensure that our aging population continues to contribute positively to the economy.

• (1550)

Thank you.

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

Mr. Dolan, we'll now go to you for your five-minute opening statement, please, sir.

**Mr. Tony Dolan (National Chairperson, Council of Canadians with Disabilities):** Thank you, Mr. Chairman.

I'm representing the Council of Canadians with Disabilities, a national organization that represents Canadians with disabilities across this country. The goal of the Council of Canadians with Disabilities is to build a more inclusive and accessible Canada and to ensure that Canadians with disabilities have the same access to goods and services of our great country as do non-disabled persons.

Over the years much progress has been made. Together we have removed barriers to transportation systems, created more accessible elections, developed inclusive education programs, and removed some barriers to employment of persons with disabilities. We have created new service delivery models to empower people with disabilities, and we have continually sought incremental ways to improve the lives of Canadians with disabilities.

To be blunt, these improvements came about because people with disabilities, their families, and their organizations spoke out about the barriers. We spoke out about our rights and our responsibilities as citizens of Canada. The catalyst for change has been and will remain the voice of persons with disabilities speaking for ourselves. This voice must continue to be supported, for it has been and is the catalyst for making our communities more accessible and inclusive.

Sadly, 18 national disability organizations have recently been informed by Minister Finley that the grants provided to them through the social development partnership program, as a disability component, will be reduced by 35% in 2013-14 and by 65% in 2014-15.

In April of 2015, these organizations, including our organization, will no longer receive grant funding.

The Learning Disabilities Association of Canada has already announced that they will close their doors at the end of March 2013. More will follow.

The program will remain open, with \$11 million for project funding. However, the project application process will be an open, competitive process. Any non-profit charitable organization, local, provincial, or national, or any university, can apply for this funding. We believe this approach will significantly undermine the capacity of national organizations and silence the voice of people with disabilities.

We have asked Minister Finley to reconsider her decision and protect some funds for national organizations in an open, competitive process. We believe the voice of people with disabilities must be supported. It makes good business sense to engage with people with disabilities, their families, and their organizations in public policy dialogue. CCD will be meeting with Minister Finley in the near future to discuss our concern.

The Government of Canada has a substantial role in supporting Canadians with disabilities to identify barriers and to assist in identifying ways of removing these barriers. That has happened many times in the past few years. Much has been done, but much remains to be done. Canadians with disabilities for the most part are poor, excluded from the labour force, and face new barriers every day. It is highly likely that if you are poor in this country, you have a factor of a disability as well.

What is needed are new initiatives to address poverty, including improving the registered disability savings plan and the Canada Pension Plan disability benefit. Issues to be addressed in this area include removing barriers for those with intellectual disabilities wishing to open a registered disability savings plan, expanding the disability tax credit definition, and making the Canada Pension Plan disability benefit non-taxable.

We need new initiatives to improve employment access, including specific targets for the employment of persons with disabilities in the labour market agreements with the provinces, and expanding EI sick benefits—

• (1555)

**The Chair:** Mr. Dolan, you have one minute left.

**Mr. Tony Dolan:** Thank you.

We need new initiatives to improve access, including the regulation of new information technologies to ensure access, and the creation of a centre of excellence that would provide best practices information to employers, businesses, etc., on universal design options.

Our council had hoped that the Government of Canada's ratification of the United Nations Convention on the Rights of Persons with Disabilities in March 2010 would trigger creation of a new national strategy to improve the lives of Canadians with disabilities. Sadly, that has not been the case. While new initiatives have come about, such as the registered disability savings plan and the expansion of the opportunities fund, these on their own are not sufficient to ensure a full participation of Canadians with disabilities in Canadian society.

Thank you for your interest in this matter.

• (1600)

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

We'll begin members' questions with Ms. Nash, please, for five minutes.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Thank you, Mr. Chair.

Welcome to all the witnesses.

I have questions for all of you, but I only have five minutes, so although, Mr. Conway, I don't have time to ask you a question, I agree with you in terms of the complexity of the tax system and the need for simplification. I think that's something the government should look at. We have too many boutique tax credits, and we really need to look at a strategic overhaul of how we approach taxation.

To Mr. Knight, I have a question about the whole issue of community colleges and the skills gap. In fact I raised a question in the House today and talked about youth unemployment. There are many very good-paying jobs that require more skill and expertise, and far too many people of all ages, but especially young people, who today don't qualify for them. I've met with businesses who are very frustrated by the mismatch of skills. Yes, it's university degrees, but it's also trades, as you quite rightly mentioned.

What would be your recommendation, in terms of better marshalling our resources through the community college system, to help meet that gap? I hear employers lamenting it, but how do we make that mismatch disappear?

**Mr. James Knight:** There is not a mismatch in the college sector. Our graduates are highly successful at gaining employment. In your area, I think George Brown reports in excess of an 85% placement rate.

**Ms. Peggy Nash:** But businesses say to me, and I heard more businesses say this morning, that they're—

**Mr. James Knight:** The problem is that we don't have the capacity to deal with all young people. If only we did.

**Ms. Peggy Nash:** So it's a capacity issue.

**Mr. James Knight:** It's a huge capacity issue. There are long waiting lists for those programs for which there is a high

employment opportunity. We just don't have the resources to educate all the young people we would like to.

Remarkably, at this time, when employers are extremely unhappy and find it difficult to find the people they need, we are actually reducing investment in college-style education across the province. Every province has served notice that colleges should expect less, precisely at a time when we should be investing more.

My question is this: who will pay for health care if we don't have the educated Canadians who can produce that income?

**Ms. Peggy Nash:** So if provinces are cutting back, is that a factor of the federal government? Is that money that's transferred to the provinces and that then doesn't flow through to the colleges? Is that the issue?

**Mr. James Knight:** There is federal money. Through the Canada social transfer, there is a post-secondary component, which is at \$3.8 billion. We think that increasing that component and expecting some sort of outcome—as in the health sector now, where there's been increased federal investment with the expectation that the provinces will report improved outcomes—would be a reasonable direction for the federal government in post-secondary education.

**Ms. Peggy Nash:** Okay. Thank you.

Turning to the health care sector, you mentioned Parkdale Community Health, which of course is in my riding. Thank you for mentioning that. It's a huge, valuable resource that promotes wellness and helps so many of our community members, especially the most vulnerable members. It prevents very expensive emergency room treatment when what people really need is better access to food and shelter and some prevention.

We're facing a lot of challenges because of the cut to refugee claimants' health care benefits. Many in my community are seeking those benefits. I know that the community health centres are stretched to the limit.

What do you need the federal government to do besides improved funding? You talked about expanding the community health care system. Is that what we need right across this country? Perhaps you can talk about that.

**Ms. Simone Thibault:** I think for sure we need to be investing in community primary health care if we really want to make a difference. I mean, even the hospitals are telling us to start investing at the front end, making sure that there are interprofessional teams, and paying attention to those who we sometimes call "hotspotters".

If you know the amount of ambulances, police, paramedics, and hospital ERs taking care of a minority of people who have mental health and addiction issues or other chronic conditions, if they're well served by a community health centre that can respond with an interprofessional team, you'll save money—lots of it.

• (1605)

**Ms. Peggy Nash:** Thank you. And thank you for the work.

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

We'll go to Ms. McLeod, please.

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Thank you, Mr. Chair.

I do have to start off with a quick comment. I absolutely love the community health centre model. I actually was responsible for a number of the centres in British Columbia.

I know that within Quebec they have a very large, successful number. But as you were speaking, I kept hearing the Bloc say, still in my memory—I was on health care with them—to “Stay out of our business, stay out of our business, stay out of our business”.

Given the fact that you have so many representatives within your group from Quebec, and the fact that they now have a new government, do you actually have a mandate from all your partners in terms of your position?

**Mr. Scott Wolfe:** What I'd say is that, unfortunately, some of the reforms that were introduced in 2004-05 have posed some complications to that—

**Mrs. Cathy McLeod:** Okay. Perhaps you could make it quick, because I did want to move on to someone else.

**Mr. Scott Wolfe:** Absolutely.

At one point in time, the CLSCs in Quebec had community autonomy, which meant that they were led by, directed by, the governments. That's changed since 2004-05. There are new intermediary bodies that work with CLSCs that we're in conversation with.

So the direct relationship is not where it needs to be and where we intend it to be.

**Mrs. Cathy McLeod:** Thank you.

I have to go now to you, Mr. Conway. Perhaps it was the way you expressed it, but I think it was a little confusing when....

I've heard this rumour many times—in my role as parliamentary secretary for the Revenue Agency, I had to go out and check it—that the auditors get paid by the successful audits. You didn't mean that.

**Mr. Michael Conway:** I'm going to ask my colleague to provide you the details of the metric that is used.

**Mrs. Cathy McLeod:** Oh, it's the metric; I just wanted that point of clarification.

**Mr. Michael Conway:** There's a metric based on—

**Mrs. Cathy McLeod:** Auditors don't get extra money for numbers of audits.

**Mr. Peter Effer (Vice-President, Taxation, Shoppers Drug Mart, Financial Executives International Canada):** No, they don't. It's just simply a metric.

**Mrs. Cathy McLeod:** Perfect. I appreciate that clarification, that it's really a metric that looks at where the time is expended and what the outcome is for that time.

Let's say you're looking at something that has medical expenses, and you find you're consuming a whole lot of resources pursuing medical expenses. This is a metric that sort of helps Canada Revenue Agency perhaps focus their resources sometimes in terms of high-risk areas, so I don't know that I'd want to get rid of that altogether.

I appreciate your comments that...you know, perhaps there's another metric that could be added.

**Mr. Michael Conway:** Just to explain the point, currently the metric is pointed at how many items they bring forward. The problem behind that metric is that if, let's say, they bring forward 100 issues and only 40 get actually assessed, and the government and the taxpayers spend a lot of time discussing the 60 that were without foundation, the 40 are the important things: those are the goals that the hockey players shot. And by rewarding the 60 that are just brought up.... I guess that's the point.

**Mrs. Cathy McLeod:** In my relationship with the agency, I haven't found that metric to have consumed any time other than metrics that look at how we focus our resources.

Taking that to the next step, how would you see solving things at the audit level? Tell me how that might work, because I thought that was an intriguing thought.

**The Chair:** You have about 45 seconds for a brief response.

**Mr. Peter Effer:** What we're talking about is focusing on settling items rather than just reassessing them. Under the legislation and supported by the tax courts, the auditors don't have the authority to actually settle items with taxpayers based on a range of potential outcomes. It has to be a principle-based system. What we want is a situation where an auditor and a taxpayer could agree on a certain settlement that would prevent a non-significant issue from going to appeals, to the tax courts, using both government and taxpayer resources.

• (1610)

**Mrs. Cathy McLeod:** You're saying within some parameters, obviously.

**Mr. Peter Effer:** Yes, absolutely. The CRA would establish, in consultation with industry, some parameters to determine what a settlement process would be.

**The Chair:** Thank you.

We'll go to Mr. Brison, please.

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



In terms of community health centres' importance in rural ridings—for instance, the Hants Shore health clinic in my community—and their impact, particularly with an aging population in rural communities, in terms of the difficulty in maintaining and retaining doctors and nurses, these health clinics are critically important.

I'd like to start on the whole issue of training and learning, Mr. Knight, and this emergence of jobs without people and people without jobs, and that skills gap in Canada. It's not unique to Canada. I was at a Latin American conference last spring in Mexico. One of the ministers from Brazil was talking about the need to restore the honour of skilled trades. I thought to myself, well, that's something that really applies in Canada too. Somehow over the 20 or 30 years there seems to have been a diminution in the respect paid to skilled trades. Everyone is put on this track to universities, and in some cases community colleges, and there's been a trend away from the skills that we really need today.

If you look at what Germany has done, at the success of Germany, not only in terms of productivity but also in terms of such things as income inequality—there is less income inequality in Germany, and they have a productive and robust economy. Do we need a national learning strategy working with the provinces, not imposing on the provinces, but working with the provinces, to develop approaches?

You mentioned the interjurisdictional barriers. Is there a need for a national strategy, with a goal, among other things, of restoring the honour of skilled trades and building a national lifelong learning strategy?

**Mr. James Knight:** We believe there's a good opportunity here for the Government of Canada to show leadership. Provinces have jurisdiction, but there are many interjurisdictional barriers, as we mentioned.

We need a national vision. The national vision is to equip every Canadian with the skills they need to participate in the economy. There are a thousand ways we can approach this. There are a thousand opportunities. But we need a national vision, specifically to trades professions.

We use second-class language to describe the individuals who enter these professions. I do not use the words “skilled trades”. I talk about “trades professions”. I say that a plumber who makes \$200,000 a year is as much a professional as an unemployed lawyer.

**Voices:** Oh, oh!

**Mr. James Knight:** We do not use the word “vocational” either. It's education. It's trades professions.

If we can upgrade our language from British class language—this is British class-based language, “Trades entrance at the rear”—I think we'll do a lot to improve the perception of these occupations.

**Hon. Scott Brison:** Yes, and one of the things the federal government could do is actually launch a national campaign to change people's perceptions and thinking on this.

**Mr. James Knight:** Absolutely.

**Hon. Scott Brison:** I was at a conference just a few weeks ago. The Canadian Council of Chief Executives had a conference. There was a Calgary oil person—or oilman, I guess, or whatever you want to call this CEO—who was saying that he had as much interest in the

quality of the education system in Nova Scotia as he did in that of Alberta, because a lot of their employees in the future were going to come from places like Nova Scotia.

The quality of the education system in Newfoundland or Nova Scotia is important in places like Calgary. I appreciate that and the need for a national strategy.

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

**Hon. Scott Brison:** Mr. Dolan, in terms of the disability tax credit that is currently provided, should we be making it fully refundable? Currently it's non-refundable, which means that low-income Canadians, people who are making too little money to actually pay taxes, the people who need it the most, don't actually get any benefit from it. Would it be equitable to make it fully refundable?

**Mr. Tony Dolan:** Yes. I totally agree with you, Mr. Brison. That is something we have discussed with Mr. Flaherty on a few occasions.

It is fine for the 40% of employed persons with disabilities who have a taxable income, but the unemployment rate among persons with disabilities is upwards of 60%, 61%, 62%. These people don't benefit from that tax credit. The tax credit is there, but having it fully refundable would be of great benefit to a lot of persons with disabilities. It would pull them out of poverty, in some cases.

• (1615)

**The Chair:** Thank you.

Thank you, Mr. Brison.

We'll go to Mr. Adler, please.

**Mr. Mark Adler (York Centre, CPC):** Thank you, Chair.

Thank you to all the witnesses for being here today.

To Mr. Knight, there was mention of a national learning strategy. In terms of having such a strategy, I would anticipate a number of problems, a number of challenges, with that. Heck, we can't even get a national securities regulator in this country, let alone having a national learning strategy.

I think what we need is more of a belief that education is a lifelong process and not something that ends when you're finished at 22, when you finish college or when you finish university and have your B.A. or master's or Ph.D.; that education continues throughout life. This is the sort of cultural attitude that we need to instill in people as we move forward.

I was very intrigued with a lot of the things you were saying. The access to skilled labour is a monumental problem for our country and it's just going to get worse. You're so right that we cannot depend entirely on immigration to solve that problem for us.

Now, we are making revisions to the immigration process. It's going to be more labour demand-oriented. Nevertheless, it's still not going to solve our problem.

You talked about over 900,000 people between the ages of 15 and 29. Again, it's a huge problem. If you could solve that problem today, what plan would you have for those 15- to 29-year-olds that would address that problem?

**Mr. James Knight:** Well, solving the problem today would be a big job. Many strategies would be required.

I fear that these people are being overlooked. I fear that we're not giving them options, opportunities. We're not identifying them. We're not giving them the hand they need. They need to be brought into education. Lifelong learning is what they need; I agree totally. In fact, we educate as many adults as we do young people. Some colleges have an average age in the thirties.

It seems to me that your concept of lifelong learning is very much an element of a national vision or a national strategy. There could be a multitude of national strategies, and different ones would apply in different jurisdictions. But this vision of a more highly educated country is really essential if we're going to solve these problems, with many, many strategies.

The prospect for Canadian business is quite bleak. Immigration is just a little bit of help. We need hundreds of thousands of people in different sectors where people are retiring and there's no one bringing up the rear. This is a national problem, and it needs a national vision and a national enterprise to fix it. It needs everybody, all the partners—the provinces, municipalities, educational institutions, and civil society organizations. We have to identify this as the principal economic constraint facing our country and find a way of collaborating toward a solution.

We've fixed many social issues. We've fixed drinking and driving. We've fixed smoking. We can fix education through a national strategy and vision.

**Mr. Mark Adler:** How much time do I have, Chair?

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

**Mr. Mark Adler:** Thank you.

I have a couple of questions for the Canadian Association of Community Health Centres.

You talked about a poverty reduction strategy. Have you costed out what it would cost to implement such a policy?

**Mr. Scott Wolfe:** Of course that's the million-dollar question, isn't it?

What we do know are the costs of poverty—

• (1620)

**Mr. Mark Adler:** No, I'm asking you what it would cost to implement this policy.

**Mr. Scott Wolfe:** Specifically? No.

**Mr. Mark Adler:** Okay.

You also talked about how there has been a reduction in the delivery of social programs because of insufficient funding. You are aware that our government has increased the social transfer to the

provinces by 6%. The provinces, however, have not delivered on that 6%. They've delivered, in Ontario, for example, 2.3%, and they use the difference, the variance, for something else. The average has been 2.5% across the country. I think only one province delivered the full 6%.

So I think when pointing fingers particularly at governments, our government has delivered. It's the provinces that have been insufficient in delivering the social programs.

Is that something that—

**The Chair:** A brief comment, please.

**Mr. Scott Wolfe:** A brief comment is that we believe fundamentally that the biggest issue at stake is one of coordination: coordinating these services and providing a federal vision to integrate services across the country.

**Mr. Mark Adler:** [*Inaudible—Editor*]...in terms of federal vision; it's the provinces—

**The Chair:** Thank you, Mr. Adler. We'll have to leave that for an additional round.

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Thank you very much.

I'd first like to thank the witnesses.

I noted that Ms. Thibault took care to mention something related to each of our ridings, including the Rimouski CLSC. That was very well thought out.

However, my first few questions will be for Mr. Conway because I really liked his comments on tax simplification, among others. In that respect, I would like to repeat what my colleague, Ms. Nash, said and that I also pointed out in the speech I gave in my riding, which is that, in 1917, the Income Tax Act was 10 pages long, whereas today, it has 3,300 pages. This is a very important topic, and I will come back to it later.

Something caught my attention. You said that you might be open to a GST increase, meaning it should not be out of the debate. Beginning in 2006, the government reduced the GST by two percent. A number of economists—and I, too, share this opinion—said that, if the government wanted to reduce the tax to stimulate economic growth, reducing sales tax like the GST was not the best way. Instead, they advocated an income tax reduction.

Do you share that opinion?

[*English*]

**Mr. Michael Conway:** FEI Canada didn't say that we wanted to promote raising any taxes.

**Mr. Guy Caron:** I agree.

**Mr. Michael Conway:** We said the government needs to balance the budget because Canadians need to be able to afford to maintain Canada's social programs at their current level. There are what I would call demographically driven increases inherent in the current expenditures. As our society ages, the government is spending a lot more money on old age security, transfers for health, etc. Just to stand still, there will have to be either a decrease in other program costs or an increase in tax revenues. That's just a fact, because those demographically driven expenses are going up. We said we'd have to look at it one way or the other.

Which way would we prefer? We came forth with expenditure reductions through program reviews, doing things more efficiently, and tax simplification so that both sides of the table, CRA and the government, can save lots of money by skinning down that big fat tax act to something smaller.

[Translation]

**Mr. Guy Caron:** Mr. Conway, I only have five minutes.

[English]

**Mr. Michael Conway:** If at the end of the day there needs to be a revenue increase, we have said that economists agree that commodity tax increases are the best form of taxation.

[Translation]

**Mr. Guy Caron:** Thank you very much.

Since we are talking about tax simplification, I would like to know if you agree that tax expenditures are currently one factor that is complicating the tax system and that represent a large part of the act's 3,300 pages. We are talking here about tax credits of all kinds, things that add a lot of lines to the income tax return that citizens and companies have to file.

[English]

**Mr. Michael Conway:** It's been a very long time since the tax act has been reviewed. It comes down to the need to eliminate, consolidate, and streamline.

• (1625)

**Mr. Guy Caron:** My question was, in your view, what is making the tax code right now so complicated? What is the cause of it?

**Mr. Michael Conway:** The biggest cause is it hasn't been reviewed for a very long time. There are sections that need to eliminate measures that no longer achieve desired policy objectives. You need to consolidate measures that have grown so many arms they can be scaled back, for example, the number of capital cost allowance, CCA, classes. You need to streamline the Income Tax Act and reorganize sections all over the place.

**Mr. Guy Caron:** I understand what you're saying. What I'm saying is, over time, what is making it so complicated? We're talking about the lack of review, but the lack of review is not adding things to the tax code.

**Mr. Michael Conway:** Actually, each subsequent budget makes it fatter and fatter and fatter, and nobody goes back and trims out the tree.

[Translation]

**Mr. Guy Caron:** You say that we should consider increasing taxes on tobacco and alcohol. I understand why, but aren't you

concerned that this will lead to contraband? Indeed, it has been shown that there is a relationship between taxes, on tobacco in particular, and the amount of contraband.

[English]

**The Chair:** Very briefly.

**Mr. Michael Conway:** We just said it would be appropriate to fund incremental improvements to health care through increases in taxes. As for the impact on other ways, I'm sure the government has ways to police those appropriately.

**The Chair:** Okay, thank you.

Mr. Van Kesteren, please.

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Chair.

Thank you all for coming here this afternoon.

Mr. Knight, I had an interesting conversation with the association of manufacturers. They came into my office today and we discussed the very thing you're talking about. I can tell you, one of the problems with the school system is that when I was a kid, when I went to high school, there was no encouragement to go into the crafts or the trades. It was all geared towards—and if you weren't going to university, well, there was something wrong with you. There was a real problem when we were growing up. I don't know if we've corrected that yet.

One of the things that we talked about was the fact that we need to get together. We need to stop trying to exist in this country as this group and that group. We need to understand, and I think we all agree with that; we're all part of this together.

Would you endorse streamlining kids?

**Mr. James Knight:** Streaming or streamlining?

**Mr. Dave Van Kesteren:** Streaming.

**Mr. James Knight:** In my own experience, that is dysfunctional. We do not know what capacities individuals have. I have a good friend who was told he should not expect to go to university, and he's a very successful lawyer. They tried to stream him, but his parents wouldn't allow it. I think we don't know the potential of people when they're young. They grow and mature and become learners where they weren't before.

Streaming at a young age concerns me greatly. Obviously, post-high school, that's a different metric. I think there are more opportunities, and to some extent people self-stream.

**Mr. Dave Van Kesteren:** You look at countries that are successful, and I'm thinking of Germany in particular. They have a system in place where they look at the aptitudes of children and they can see that this person has great ability in this area and that area. You don't think that's an area we should at least talk about?

**Mr. James Knight:** Well, in fact, in Germany they have a good laddering program. You can move between a more academic program and a more applied program. You can go back and forth. I think that's one of the brilliant features of the German system. We're not so good at that. Once you're in a stream, it's hard to get out of it.

We need to provide those laddering opportunities. We're working at it, but there's some distance to go.

**Mr. Dave Van Kesteren:** I appreciate you coming and making suggestions, and that's what we've asked you to do. I would suggest what we need to do, what I'm doing, is to engage organizations like the manufacturers and the extraction industry, whatever the organization is, to start to work together. I think we need to really do that, to talk to the provinces. As Mr. Adler says, it's so difficult to make a suggestion that's uniform across the country, but we've got to start figuring out a way to do that.

• (1630)

**Mr. James Knight:** In Germany, if you're very skilled at what you do on the trade side, you are a master craftsman. In Canada you are a journeyman. We have a real problem with British class language that we have to change.

**Mr. Dave Van Kesteren:** It's time to have that dialogue.

I want to shift over to the organization for—let me get my glasses on, and I shouldn't be having to do this because this is obviously somewhat to my embarrassment—the Canadian Association of Community Health Centres. That is in Chatham—Kent. That's my riding. I've been there for six years and never heard of them.

**Mr. Scott Wolfe:** Out of nowhere.

**Mr. Dave Van Kesteren:** The first thing I said was, “My goodness, I'd better find out about these guys”, so I went to the web page. You have to do something with that web page. It's bizarre. It doesn't tell us anything; it doesn't let us know where it is. So number one, you have to address that.

Obviously it's a federal program—

**The Chair:** One minute.

**Mr. Dave Van Kesteren:** When did you first start getting financing? When were you first funded?

**Ms. Simone Thibault:** Are you talking about community health centres themselves?

Our centre is one of the first ones in Canada. Centretown Community Health Centre was born in 1969, in a broom closet, for youth. We were addressing the needs of youth in the urban Ottawa core, and we were created over 40 years ago. It was slow in coming and then there was a big impetus, in Ontario particularly, to expand in the 1990s. Then in Ontario other primary care models came in. We've been around for a long time, but we're like the best-kept secret. Now there has been a flurry of activity in understanding what we do. More attention is being paid by governments to say this is working, especially because of our interprofessional model.

**Mr. Dave Van Kesteren:** They're not getting it from the web page and they're not getting it from their MPs, so I'd just like to make a suggestion to look at that, and whoever is working in my area, please contact me and let me know what you're doing.

**Mr. Scott Wolfe:** I'm speaking at their AGM in just a couple of weeks, so I'll have them contact you.

**Ms. Simone Thibault:** I'm seeing my colleagues at CHCs in Ontario next week, so I'll make sure to pass on the message.

**The Chair:** Thank you, Mr. Van Kesteren.

[*Translation*]

Mr. Mai, you have the floor.

[*English*]

**Mr. Hoang Mai (Brossard—La Prairie, NDP):** Thank you, Mr. Chair.

Mr. Dolan, last week I was in my riding. We organized an information session regarding the disability tax credit, and we were lucky to have the CRA come to explain the advantages. We had close to 150 people show up. Unfortunately, CRA, with the budget cuts, will not be providing those services any more.

We understand that the tax credit is really important for people with disabilities. You say it is not sufficient or there are some issues with it, or that even though there are some tax credits that are not refundable, people with disabilities are still living in poverty. I read in your brief there is almost twice as much risk for them to live in poverty, and it gets worse when you're from the first nations community. Can you tell us a bit more?

**Mr. Tony Dolan:** One of the issues around the disability tax credit is, as I said, having it fully refundable for people who are not employed or who can't find employment. But the issue around that as well is that we don't want provinces grabbing back from people who are on social assistance. We did that with the child tax credit, and I believe the provinces can no longer grasp at persons who are on social assistance to take the child tax credit away. We would like to see the disability tax credit refundable, but again, not have it included as part of an income under social assistance in the provinces.

Another issue around the disability tax credit is persons who are eligible for the Canada Pension Plan disability benefit. Once one is eligible for the Canada Pension Plan disability benefit, he or she should be automatically eligible for the disability tax credit. The two are not always tied together. There are two separate systems for making people eligible for the Canada Pension Plan disability benefit and for the disability tax credit; they are similar systems. They create additional paperwork for persons with a disability, who have to go back to their medical professionals and sometimes have to pay for the additional paperwork that's required. The two of them should be tied together.

**Mr. Hoang Mai:** I don't have much time, but I just want to point out that in your brief you say that raising the age of eligibility for GIS may make people with disabilities live in poverty longer. Can you just very briefly comment on that?

• (1635)

**Mr. Tony Dolan:** Some persons on provincial social assistance programs are looking forward to reaching 65 so they can be eligible for the Canada pension and the supplementary benefit. It is unfortunate that persons are wishing themselves to be older. With the possibility of the eligibility age of the Canada Pension Plan being extended, it could mean that people will have to wait longer to get out of poverty.

**Mr. Hoang Mai:** Thank you very much.

[Translation]

My next question is for the representative of the Canadian Association of Community Health Centres.

You spoke about Bill C-400, which was introduced by my colleague and has to do with a national housing plan. Mr. Wolfe, the purpose of my question is in part to provide an answer to Mr. Adler's question.

Two days ago, Canada Without Poverty appeared before the committee. According to their representatives, the cost to get Canadians out of poverty is about \$12.6 billion, but for Canada, the real cost of poverty is about \$24 billion.

Would you agree that it is more expensive not to take on poverty?

**Ms. Simone Thibault:** That's right, especially if income inequality continues to increase. It's terrible in Canada. It is continuing, it creates other problems, and it costs a lot more than taking on the problem.

**Mr. Hoang Mai:** In the past few years, has the situation improved or worsened under this government? It had started even under the Liberals, and the gap between rich and poor has increased.

**Ms. Simone Thibault:** The gap is widening. Sometimes there is an improvement, but it is a motley assortment of measures. Sometimes a municipality decides to make certain investments in affordable housing. Sometimes a province decides to tackle the issue of welfare recipients, or the federal government has some kind of initiative, but no one is working together. There is no national strategy. There is no provincial strategy that sticks to the national strategy and that the municipalities follow. I think that is the problem. Everyone acknowledges that there is a problem, but no one wants to share it and find solutions. Obviously, we need a national strategy.

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

[English]

We'll go to Mr. Jean, please.

**Mr. Brian Jean (Fort McMurray—Athabasca, CPC):** Thank you, Mr. Chair.

Thank you very much, witnesses, for coming. I apologize for my tardiness, but I had another committee that I had to attend.

I'm interested in productivity, mobility of workforce, the small and medium enterprises that comprise 60% of our workforce, and

possible tax credits, either for training, for travel, or for housing, because of the nature of our economy.

I would especially like to hear from Financial Executives International Canada. I read the answers you provided to the questions, and I have to say that I was impressed with many of them.

It seems that, first of all, you represent a very influential group of individuals, some of the top financial minds in Canada. I would say that most of them would be in your group, as members. Is that fair to say?

**Mr. Michael Conway:** We would like to think so, yes.

**Voices:** Oh, oh!

**Mr. Brian Jean:** I'm not sure if the chair is a member, but he should be, most certainly, if that's your position.

I did notice that in your answer to question one, you suggest balancing the budget, but qualified it by saying that it should not allow the country to "slip into a prolonged recession". That's pretty much exactly what this government has done so far. Is that fair to say?

**Mr. Michael Conway:** I should mention that actually Minister Flaherty is an honorary member of our organization.

**Mr. Brian Jean:** That would make total sense.

But it just appears that most of your... Are you pleased with the government's progress so far in relation to combatting this global economic turnaround?

**Mr. Michael Conway:** Certainly Canada has fared far better than many of the other G-7s.

**Mr. Brian Jean:** So on a report card, that would be an "A".

**Mr. Michael Conway:** That would be...

I don't know how Mr. Knight would grade you—

**A voice:** You're leading the witness.

**Mr. Brian Jean:** Of course I'm going to lead the witness.

**Voices:** Oh, oh!

**Mr. Michael Conway:** —but we are concerned that there are still brackets. We are concerned that the recent forecast showed a bit of a slip from what the plan was going to be.

**Mr. Brian Jean:** Nothing's perfect, but you would agree that we're doing the best as far as the G-7s—

**Mr. Michael Conway:** We're certainly moving in the right direction, and we'd encourage...to continue to do so, because the next recession will happen sooner or later. It's better to get the books in order to be well prepared again.

• (1640)

**Mr. Brian Jean:** Of course, our competition is the rest of the world, so if we're doing better relative to anybody in the world, then we are doing better in fulfilling that mandate.

Now, I know there are some economies that some people question —

**Mr. Michael Conway:** Yes, but we also can't be complacent.

**Mr. Brian Jean:** Of course not.

**Mr. Michael Conway:** We were quite pleased with ourselves coming into the last recession, but you know, when our neighbour to the south sneezes, we catch cold. When European economies are weak, it impacts us. So we have to be prepared.

**Mr. Brian Jean:** Of course, they caught a case of the measles, and we're still doing very well, so I would suggest we're doing well.

I want to talk to you about suggestions relating to tax credits and mobility of workforce. You talked about productivity in your answers, and I'd like you to explain some of those ideas.

Are you familiar with your answers in relation to this?

**Mr. Michael Conway:** Definitely.

In our discussions concerning productivity, one of the first things we talked about was a review of the tax act and the tax simplification issues, which we've already talked about.

**Mr. Brian Jean:** And we understand that.

**Mr. Michael Conway:** That would include consolidated tax reporting, etc.

**Mr. Brian Jean:** I don't want to talk about that, if you don't mind. I understand, and I agree with you, but I want to talk about the question I have relating to mobility of workforce.

You know that most of your executives run companies from one part of the country to another. Do you have any suggestions regarding mobility of workforce and getting people from one part of the country to another to fill all the jobs that we need to fill? A huge portion of the population is retiring.

Mr. Knight, could you make some suggestions in relation to that?

**Mr. James Knight:** Well, in our brief we did reference some opportunities to improve apprenticeship outcomes, with tax measures specifically described in our brief, that would be quite helpful.

**Mr. Brian Jean:** One suggestion I received from a community college in my riding was that the community colleges should actually participate in the mobility factor from right across the country. Community colleges should work together, from Newfoundland to Cape Breton, with Alberta colleges, for instance, or other places where there is either high employment or high unemployment to facilitate the move of these students to get jobs.

**Mr. James Knight:** Absolutely. And I would say we do that.

We referenced earlier the reality that many eastern Canadians fly to your part of the world: 30,000 every two weeks commute. If we can train up in Nova Scotia and other eastern provinces the skills that you need in Alberta for the oil patch, that's a great thing. And we are doing that. That's one of the reasons why we send 30,000 people from eastern Canada to western Canada.

**Mr. Brian Jean:** Do you have any other suggestion for how the colleges could work together in a formal atmosphere to do so?

**The Chair:** You'll have to make just a brief response, please.

**Mr. James Knight:** I think we do this very well. We get together all the time. We talk about these things.

An important need is to improve pathways for students, not just between or among colleges but between universities and colleges.

That's a big need in Canada. We have all sorts of blockages for learners.

Germany has a laddering system where you can always move ahead. In Canada we have issues that make that difficult, especially with the universities. We're working at that. But among colleges, I think we're quite good at integrating.

Of course, the Red Seal program is a tremendous federal contribution to this. It would be good to grow that. We have a certain number of apprenticeships in that area, but we could have more.

**The Chair:** Thank you.

Thank you, Mr. Jean.

Mr. Marston, please.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Thank you, Mr. Chair.

Mr. Knight, it's good to see you again.

Welcome to everyone.

You'll probably know a bit of this, because we've chatted about it before.

My own experience is coming out of the Hamilton labour movement. Of course, we've seen a great deal of devastation to our manufacturing over the last 20 years. Amazingly, I'm not going to blame anybody. It's one of those things that's happened. It's history. We have to figure out what to do about it.

I've said here that the expectation of Canadians is for government intervention in a variety of areas. Sometimes that's not about giving dollars. Sometimes it's a facilitating role.

Coming out of labour, I'm a great believer in trades apprenticeship. You've spoken to that to some degree. I took from your comments that you feel today we're lacking that national vision, that strategy or plan, that prepares the workers for these job increases.

Mr. Van Kesteren raised in his remarks about Germany, and I would agree with him, that Germany is one of the best models we can have. They learned a long time ago to work hand in hand with their unions and the educational system. That's why they have been successful at keeping the highly skilled workers in that country and developing them.

But I want to take Mr. Brison's point a little further. In Ontario in the 1990s...and I expect you will recall when the NDP government of the day started the Ontario Training and Adjustment Board. Part of that plan was to put into the local communities an LTAB, which would allow them to spend the provincial dollars and some federal dollars in retraining and that. We had a Conservative government of the day, of course, that cancelled the top end of that and left it in place.

Do you think the government today should reconsider that, and consider reviving the OTAB as maybe a way of coming together with the various groups? That had a labour, business, and educational component.

• (1645)

**Mr. James Knight:** I absolutely support the notion that we must collaborate, as Mr. Van Kesteren suggested. If this modality or this format—I'm not intimately familiar with it—is a way of engaging labour, educational institutions, employers, and related interests, I think we need to do that.

We have a big problem. If we can find ways to work together, that could be an inducement.

**Mr. Wayne Marston:** We have a problem, too, of moving workers across the country. We have the Red Seal for the trades to make sure they're trained to the various levels to meet the needs across the country. Again, that's a place for education, government, and the unions to work together.

Mr. Conway, in your presentation—I'm sure you're probably just waiting for this one—I heard the little tinkle that the GST was a progressive tax. I have a little bit of a problem with that, because a consumption tax, in my view...

I should tell the tale that when Sheila Copps resigned over the GST, I was the guy who came second to her in the race. So you know my opinion on the GST from that.

From our view, a consumption tax affects the middle class and lower class disproportionately from the people who are well off. To my mind, income tax is the fairest way to address the needs of government, the needs of our society, to deliver.

We can debate the fairness of where you place that taxation, but over the last two years in this place, on this committee in pre-budget hearings, we've heard a lot of talk about the need for the government to take a lead on infrastructure. With your CEOs, you're going to be dealing very much with the municipalities, the federation of municipalities and that, with the \$124 billion deficit they have.

I'm wondering what you think about at a macro level the federal government directly investing to lever some of the business dollars into infrastructure.

**Mr. Michael Conway:** Sorry, for clarification, is the question about commodity taxes or about infrastructure?

**Mr. Wayne Marston:** No. Today, with interest rates so low, the government can take out 10-year bonds and use that money to lever...well, we're told there's \$500 billion of capital sitting in the business community that's inactive right now. That would be a method of leveraging some of that into action, allow people from the group you represent to work with the government and to deliver some of the needs that have been identified by the Federation of Municipalities.

**Mr. Michael Conway:** A lot of things can be done. In terms of using cash, normally businesses will spend money when they feel the business environment is safe and they tend to delay investment decisions in times of uncertainty.

**Mr. Wayne Marston:** I agree, and that was my point. The money's sitting there. There's a certain reservation today after what happened in 2009. That's understandable.

**The Chair:** Thank you.

Please respond briefly, Mr. Conway.

**Mr. Michael Conway:** There are various things that could be done. The government could encourage corporations to spend cash by offering incentives to investing in infrastructure that includes Canadian productivity; encouraging manufacturers to upgrade more efficient and environmentally sound equipment, for example; pursuing PPPs, private partnerships, with the government, because involving the business community has proven to be a good thing; and, as part of that review of the tax act, looking at the CCA classes. Perhaps some of them can provide accelerated CCA in order to target the investment, as is most appropriate.

**The Chair:** Thank you.

**Mr. Brian Jean:** Just one clarification. I heard directly that Mr. Marston was actually asking the government—

**The Chair:** There are no points of clarification, as you know, Mr. Jean.

**Mr. Brian Jean:** —or thanking the government for lowering the GST. I thought that's what he was saying.

**Mr. Wayne Marston:** No, that's not what I'm saying.

**Voices:** Oh, oh!

**The Chair:** I will take the next round, as the chair.

Mr. Dolan, I want to start with you. I have read through your brief. Your responses to the questions were very detailed. You did answer some of my questions about the registered disability savings plan, RDSP. I've had families approach me in my constituency who talked about some of the changes. Actually, in the budget implementation acts we address some of these measures. So I appreciate some of your clarification on that.

I did want you to talk about the tax credit definition, if you could just expand on that. I didn't see it in your responses to your questions, but you did raise it in your opening statement.

• (1650)

**Mr. Tony Dolan:** Are you talking about the eligibility for the tax credit or—

**The Chair:** Yes.

**Mr. Tony Dolan:** The point I was making is it's important for us—and it's in the discussions we had with Mr. Flaherty—to make the disability tax credit fully refundable for persons who are not employed. It works for persons who are employed because they get the benefit of the tax credit. But to have the disability tax credit as a refundable tax credit for persons who are not employed, like the—

**The Chair:** Sorry, I thought that was your third point. I thought there was a point you made before that with respect to the definition of the tax credit. Did I mishear you on that?

**Mr. Tony Dolan:** I'm not sure.

The point I was making is to tie the eligibility for the disability tax credit to the Canada Pension Plan disability benefit. There are two separate systems right now in place for making persons eligible. If one is disabled, if one is, as I am, in a wheelchair, and permanently disabled, the chances of me being eligible for the disability tax credit...well, I am, but then I have to apply separately for the Canada Pension Plan disability tax credit. I must go through another medical assessment to show that I am eligible.

**The Chair:** Okay, I appreciate that.

I want to follow up with Mr. Conway.

As you know, I'm very supportive of the recommendation you made with respect to a review of the tax system, and in fact it was a recommendation of the committee last year. I think we do need to perhaps get some detail of what this review should look like, what kind of review it should be.

I think you used the phrase "tax force". Do you want something similar to, say, a Red Wilson panel, in terms of the review that was done there? We've had a number of reviews, as governments. There are things like royal commissions. Some people are saying it should be similar to the Carter commission many years ago.

Can you put some meat on the bones of your recommendation, in terms of what you see the review doing?

**Mr. Michael Conway:** I'll ask my colleague to respond.

**Mr. Peter Effer:** There are a lot of great minds in Canada. What we see is getting some of those great minds around the table and providing a mandate to eliminate, consolidate, and streamline the tax system in such a way that we can reduce administration costs around the country. That's really the framework.

**The Chair:** Do you want a longer, larger review like a royal commission, or do you want something smaller and perhaps shorter in terms of timeline, like a task force or a competition policy review panel? Feel free to be specific because we want to know exactly what you are proposing here. Or is it up to us?

**Mr. Michael Conway:** Frankly, we will take anything because nothing much has been done for a while. A royal commission would do a more comprehensive job, but there is some urgency to it. There are basically trade-offs. Either one would be better than nothing. We're certainly willing to actively participate in either one as the government sees fit.

**The Chair:** I want to follow up on your suggestion with respect to the auditor incentive system. Can you clarify how it is a type of incentive? I have heard this from constituents, but, as Ms. McLeod says, my understanding is they don't vary the salaries according to how many audits they do. I'm sympathetic to what you say, that we shouldn't have a system to encourage just numbers; we should have a system that encourages results or goals, as you said, Mr. Conway. Could you explain what that incentive system is?

**Mr. Michael Conway:** Trevor Effer deals with it every day.

**Mr. Peter Effer:** It's metrics. The metrics is TEBA, tax earned by audit. It's a statistic that is tracked by the CRA of respective reassessments. We are suggesting that the appropriate statistic would be, as Mr. Conway indicated, the goals. Let's talk about dollars settled as part of audits.

I'll take an example. I was in a CRA day with an organization. Someone from the CRA stood up in front and indicated they had reassessed \$1 billion. My first question to myself was, how much did you keep? If you kept \$1 billion, we really need to listen. If you kept nothing, then we really need to change the system. Our point is we don't really know what that number was, whether or not the system was working well. It's strictly more of a—

• (1655)

**The Chair:** Because you don't know how much they did keep, not because you didn't know how much they should have kept.

**Mr. Michael Conway:** Another way to look at it is the amount of time between the assessment, the discussions, and how long it takes those disputes to be resolved, whether they escalate to Tax Court and then get dismissed, and all the time and money wasted by both sides of the house if it goes all the way to Tax Court and ultimately it's dismissed. That's a lot of wasted time for the government and taxpayers. What we do know—there are statistics out there—is that the number of notices of objection has noticeably increased over the years without necessarily a commensurate increase in cash in the government's pocket. The key is they should be measuring the ultimate. They shouldn't be incenting the CRA just to bring anything up.

**The Chair:** I agree with you in principle. I will have to follow up with you. My time is off and I cut everybody else off.

**Mr. Michael Conway:** You have to cut yourself off, too.

**The Chair:** That's right.

We will go to Ms. McLeod for the final round, please.

**Mrs. Cathy McLeod:** Thank you, Chair.

I would like to start with Mr. Dolan. Just for my information, is there anyone who qualifies for Canada Pension Plan disability and doesn't qualify for RDSP, or vice versa? I can certainly appreciate having two separate application processes, the doctor time, I can imagine the processing time.... That makes imminent sense. Are there different qualification criteria?



**Mr. Tony Dolan:** There aren't. The criteria are somewhat similar, but it's the process of having to go through two processes. Some doctors do charge for the additional paperwork. You are talking about people who probably do not have a strong income at the time, having to apply for and pay for two separate systems. The way I look at it is if one has some type of permanent disability, chances are it doesn't usually change. Having to go through both processes is sometimes burdensome and expensive.

**Mrs. Cathy McLeod:** So does it matter if it's...?

If you apply for CPPD, you're saying automatically register for RDSP. Is that...?

**Mr. Tony Dolan:** No, the disability tax credit is the one I was talking about in terms of registering under both.

**Mrs. Cathy McLeod:** Oh, sorry. Yes.

Today, of course, we introduced the budget implementation act, which is making some very important changes. Those are changes that you're all very supportive of in terms of the disability savings programs that were introduced in the budget. Of course, today they were introduced to actually turn them into law in the House today. These are changes in terms of the flexibility. That's for the RDSP.

**Mr. Tony Dolan:** Yes. I was really happy to hear Mr. Flaherty this morning speaking about that. For persons with disabilities, whether they are employed or not employed, that program has been excellent.

There need to be some changes in regard to persons with intellectual disabilities, and I'm hoping in today's budget that will be included as well. But I haven't seen Mr. Flaherty's full statement.

**Mrs. Cathy McLeod:** Those changes, though, that are part of the budget implementation act—you were aware of them back in March, and you're pleased to see that they will turn into law today, or as we go through the process.

**Mr. Tony Dolan:** Yes, we are, actually. I would doubt that any persons with disabilities or their families would see anything wrong with the program. The program has been a good program.

**Mrs. Cathy McLeod:** Great.

**Mr. Tony Dolan:** We as an organization are sometimes inclined to complain about government, and we're inclined to kick government at all times, but this is a good program. We have told Mr. Flaherty that on several occasions.

**Mrs. Cathy McLeod:** So I hope we have great support when we go to support the budget implementation act.

**A voice:** Especially from the opposition.

**Mr. Wayne Marston:** Just split the bill and...*[Inaudible—Editor]*

• (1700)

**Mr. Tony Dolan:** Oh, we'll have other things to say.

**Voices:** Oh, oh!

**Mrs. Cathy McLeod:** Actually, one thing I did note from your brief, and thought was an interesting point, was that you said some provinces claw back the RDSP and some don't.

How many claw it back? What's happening there? Because that is a bit of an issue.

**Mr. Tony Dolan:** Ms. McLeod, no, it was....

When we had talked to Mr. Flaherty, we had spoken about making the disability tax credit refundable. He said, you know, I'll think about it, but I don't want the provinces grabbing back at it, because it would have been of no benefit to someone very poor who was getting the disability tax credit and then the province, because the person was on a social assistance program and eligible for provincial social services, just grabbing it back as part of their income.

That is the point that was made.

**Mrs. Cathy McLeod:** So if a family diligently saves through the RDSP, I think the three different lingoes are that the provinces...or some provinces, when a child, or parent, or whoever it might be is accessing those funds from the RDSP, will claw that back and some will not.

Is that what...or am I inaccurate there?

**Mr. Tony Dolan:** No, I'm unaware of that. I was mostly speaking to the disability tax credit, making that refundable and having the provinces not take it back. That's the point I was making on that one.

**Mrs. Cathy McLeod:** Okay.

Do I have more time?

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

**Mrs. Cathy McLeod:** Just quickly, Mr. Knight, you said that we have enough people, but we don't have the skill set. With the baby boomers going...does it really match, if we train properly? A quick yes or no, I guess, if—

**Mr. James Knight:** My point is that we have large numbers of people who don't have the skills that are suited to employment. I mentioned different categories. If we were able to bring a large percentage of those groups into the skills they needed for employment, our problem would go away.

**Mrs. Cathy McLeod:** Okay.

Thank you.

**The Chair:** Thank you.

I want to thank all of our witnesses for being with us today, here in Ottawa and in Moncton. We very much appreciate your joining us, and your recommendations to the committee.

Colleagues, we will suspend briefly and then bring the next panel forward.

Thank you.

• (1700)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1705)

**The Chair:** I call this meeting back to order. I would ask witnesses and colleagues to take their seats please.

This is the second panel we have this afternoon, this evening, to continue our discussions with respect to pre-budget consultations for 2012. We have with us here in this panel the Canadian Federation for the Humanities and Social Sciences, the Canadian Gas Association, Credit Union Central of Canada, the Edmonton Chamber of Commerce, and Sport Manitoba Incorporated.

I want to welcome all of you here today. You each have five minutes for your opening statement.

We will start with Mr. Carr, please, and work our way down.

**Dr. Graham Carr (President, Canadian Federation for the Humanities and Social Sciences):** Mr. Chair and members of the committee, economic growth is often framed as a series of options: resource sector or manufacturing, college or university, basic or applied research. These are false choices. There is no single formula for prosperity. Society is too complex, the components of our success are too interlinked.

[*Translation*]

An economy prospers when the citizens can imagine and seize opportunities to create a better world. As president of the Canadian Federation for the Humanities and Social Sciences, I represent over 85,000 students and researchers. Their work helps us to understand issues that concern us all, including harassment, safety and immigration.

[*English*]

Their research nurtures companies, leads the digital revolution, and fosters innovation in all sectors.

Despite what you've heard, employment for social sciences and humanities graduates does not remain low. Yes, they take slightly longer to settle into a career than engineers or nursing students, but their income trajectories remain very healthy. Indeed, eight of the eleven fastest growing occupations in Canada overwhelmingly employ graduates with social science and humanities degrees.

This is why Chinese universities recently visited Canada for advice on liberal education. They want their graduates to succeed in the knowledge economy and to be more versatile and capable of moving among different careers.

[*Translation*]

This adaptability requires analytical and communication skills paired with a international awareness stemming from a broad education enriched by research.

[*English*]

Significantly, the "State of Science and Technology in Canada, 2012" report confirmed that we are a powerful force in the global research community and not just in medicine. Canada is in the top four for historical studies, psychology, and visual and performing arts, and an emerging leader in digital media. This success wouldn't be possible without continued direct federal investment in research.

•(1710)

[*Translation*]

We also need institutions like Statistics Canada and Library and Archives Canada to collect evidence to inform policies, answer questions and form a basis for future discoveries.

[*English*]

A strong research infrastructure is not just nice to have in a digital and globalized world, it is essential. We know that if we stand still, we will rapidly fall behind.

Let me turn to three specific measures that will strengthen Canada's advantage in a globally connected knowledge ecosystem.

First, increase funding for the three granting agencies and CFI. We encourage the government to achieve a more balanced tri-council portfolio by allocating a future share of greater increases to SSHRC, as this government did in Budget 2011.

Because innovation is at its core a complex human process, social sciences and humanities research is essential to improving our national performance.

[*Translation*]

Second, invest in the next generation of Canadian professionals and leaders through a subprogram of scholarships as well as training.

[*English*]

This includes opportunities abroad, as recommended by the recent panel on Canada's international education strategy. We must build on the good work going on at home that's leading to job creation. Programs like Mitacs and Connect Canada, traditionally industrial research internships, now want to engage students in the humanities and social sciences.

Finally, building on Budget 2012 investments and Jenkins' recommendations, invest in cross-sector collaborations between academic institutions, governments, communities, and not for profits.

We're delivering on previous commitments in this area and reducing barriers to collaboration.

[*Translation*]

For example, IMMERS<sub>e</sub>, a program funded by SSHRC, which Minister Goodyear announced at our annual congress, supports collaboration between the universities and industry partners to better understand the social and economic realities of digital gaming and entertainment.

[English]

As the Governor General has said, connections between communities and campuses will help us “ensure that social innovation is a key component of Canada’s innovation landscape”.

Mr. Chair, you asked five important questions on a range of issues. Our three specific measures will deliver on all of these for the benefit of Canada and Canadians.

[Translation]

Thank you.

[English]

**The Chair:** *Merci, Monsieur Carr.*

We'll now go to Mr. Egan, please, for an opening statement.

**Mr. Timothy Egan (President and Chief Executive Officer, Canadian Gas Association):** Thank you, Mr. Chairman.

Natural gas is central to Canada's energy mix, meeting approximately 30% of the country's energy needs, more than electricity. Well over half of the Canadian population relies on natural gas for heat and power in over six million homes, apartments, businesses, hospitals, schools, and other facilities across the country.

Today an average natural gas bill accounts for approximately 0.6%, or six-tenths of 1%, of household spending. That's one-third the money spent on electricity and one-seventh the amount spent on transportation.

This is a significant value in difficult economic times. Add to this the versatility, reliability, safety, and environmental performance of natural gas and you get a significant competitive advantage for Canada in our resource and the infrastructure delivering it.

These key facts provide some context for our responses to the five questions the committee is asking witnesses to address.

When you ask about our thoughts on the challenges of economic recovery and growth, or about the productivity challenge, we believe our product is key to our response. Natural gas, because of its abundance, affordability, versatility, and reliability, is enabling recovery and growth, and delivering on productivity. Backed by a remarkably robust transmission and distribution system of hundreds of thousands of kilometres of pipe in the ground, we're a key part of the economic recovery and growth and productivity solution.

When you ask us about job creation, we have two points to make. First, natural gas resource development is a significant job creator across the country, and a growing one as the abundance of the resource becomes more evident. But there's another job creation benefit that's arguably much greater still. Investors look for the best return on their dollar. Affordable energy helps create that return, so investment often goes where there's affordable energy. With that comes the employment that investment creates as businesses and industry locate to affordable energy markets. Canada, because of its natural gas resource and its safe and reliable infrastructure, is one such market.

When you ask about the demographic challenge, I've little to say here beyond a reiteration of what I know you are hearing from many: the workforce is aging and we need to attract skilled talent. The case

is the same in the natural gas industry, and the concern a serious one. Our industry, like most, is prepared to work with government in addressing it.

But on your final question, about other challenges, I wanted to speak in slightly more detail about three we face as a country and about the opportunity we believe the gas industry, working in partnership with the government, has to address them.

The first is with respect to the development of remote and northern communities. This development is increasingly important for realizing the promise of our natural resources, for sovereignty, and for the social and economic well-being of aboriginal and non-aboriginal Canadians in the communities.

CGA would like to work with the federal government to assess how natural gas can reduce the energy costs and improve the environmental performance in such communities for the heating and power generation needs. Together we can leverage investment by Canadian utilities and others to fund infrastructure. We can bring high-efficiency and natural gas technologies, such as combined heat and power and biogas energy systems, to reduce energy costs and the environmental footprint. We can support an information-sharing program that facilitates the development and implementation of community energy systems.

The second is with respect to the broader societal need to drive innovation and efficiency. This government has highlighted these as priorities and is seeking ways to trigger more activity to keep Canada's economy as innovative and efficient as possible.

As global leading energy producers and consumers, we've often been at the forefront of energy, innovation, and efficiency. CGA wants this trend to continue for the gas industry. In this regard, we're extending an open hand to government to cooperate with us on our energy, technology, and innovation Canada initiative to mobilize strategic investment in the demonstration and commercialization of natural gas technologies.

Second, CGA member companies have a long history as leaders in driving energy efficiency. We continue to do this, but now also work with new ventures like QUEST to deepen the understanding of efficiency in order to ensure better delivery of infrastructure. We believe there's a role for government to ensure its efficiency programs are working as closely as possible with utilities and ventures like QUEST.

Third, with respect to transportation, I know you heard yesterday from my colleague Alicia Milner of the CNGVA. As she will have noted, Canadians are significant travellers. Geography, a thinly spread population, and the nature of our economy all help to account for that. Effective transportation is dependent on energy, and natural gas has historically played a very small role in transportation in Canada. The opportunity exists for that to change.

Natural Resources Canada worked with a number of private sector stakeholders to complete the *Natural Gas Use in the Canadian Transportation Sector Deployment Roadmap* document, which shows that the medium and heavy-duty vehicle subsector is a good starting point in terms of where natural gas can offer significantly lower fuel costs, operating costs, and emissions.

CGA supports the concerns expressed by the CNGVA. We believe the Government of Canada should act on the full set of recommendations in its road map, and partner with industry to determine how to ensure that Canada retains a competitive position in the North American marketplace.

• (1715)

Mr. Chair, we believe that natural gas is smart energy and it is growing in popularity because of its versatility, reliability, affordability, safety, and cleanliness. We believe that CGA's natural gas distribution utilities and natural gas, the commodity, can support the government's economic, energy, and environmental objectives going forward.

Thank you for the opportunity to present to the committee.

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

We'll now hear from Mr. Rogers, please.

**Mr. Gary Rogers (Vice-President, Financial Policy, Credit Union Central of Canada):** Thank you, Mr. Chairman, for inviting Canada's credit unions to be part of the annual pre-budget consultations. We've appeared before this committee in the past and appreciate the continuing excellent relationship we have with committee members and indeed with all parliamentarians.

We are especially pleased that your invitation was scheduled on an auspicious day on our calendars, because today, the third Thursday of October, happens to be International Credit Union Day, a day when we celebrate the continuing achievements of credit unions across Canada. Indeed, this week, the third week of October, is Co-op Week across Canada. As a result, the Prime Minister released a statement that co-ops are a model of excellence. He said:

Canada's credit unions play an important role in our nation's economic prosperity... The health of our financial institutions, including our credit unions, has been a critical factor in helping Canada weather the global economic crisis and emerge relatively unscathed... I commend the Canadian credit union movement for its commitment to advancing the financial well-being of its members while giving back to the community.

Last week, in Quebec City, I attended the International Summit of Cooperatives, which was attended by 2,800 people from 91 countries around the world. It was a once-in-a-lifetime experience. It was a rather inspirational gathering that illustrated the size and the enormous economic importance of co-op enterprise in the world economy. For example, we learned that co-ops employ 100 million people around the world. If you aggregate the revenues of the top 300 co-ops in the world, the result is \$1.6 trillion, and that figure is equivalent to the ninth largest economy in the world.

The Quebec City summit arose from the United Nations designation of 2012 as International Year of Cooperatives. Enough of the commercial.

Today, I will be speaking from the perspectives of Canada's credit unions, full-service financial institutions that are cooperatively owned and democratically controlled by their individual and business members.

Canada's credit union system continues to be a keen competitor in the financial services industry. I work for Credit Union Central of Canada, or Canadian Central as it's known, and we are the national trade association for our member organizations and, through them, 359 credit unions.

Canada's credit unions operate a branch network with more than 1,700 locations, and these branches serve more than five million members and employ almost 26,000 people. Almost one-quarter of credit union branches serve small communities where they are the only financial institution in town.

I just want to pause there and emphasize those last two numbers: they employ 26,000 people, and in fully 400 communities they are the only financial institution.

As member-owned financial cooperatives, our focus is unlike the profit motivation of the banks. Maximization of net income or share price is not the driving motivation, rather service and sustainability continue to be our motivations. It is not surprising that, for the seventh consecutive year, Canadians ranked credit unions first in overall customer service excellence among all financial institutions. We're very proud of that recognition.

Financial performance continued to be strong even during the recent economic crisis. Canada's credit unions ended 2011 having increased their assets by 10% while generating record profitability. Our asset size then would be roughly comparable to that of the National Bank of Canada. Our co-op model is a key reason for our solid financial performance: direct accountability to our members, each of whom has an equal say in our operations. With 5.2 million Canadians belonging to a credit union, our growth has been roughly comparable to the population growth in the country.

The focus of my remarks today is the regulatory burden on small financial institutions and the connection it has with the government's red tape reduction action plan. Despite our growth and successes, credit unions remain small businesses in the financial services industry. The median asset size of our 359 credit unions is \$79 million. That means that half of our credit unions, or 182, operate as very small financial institutions with less than \$75 million of assets. Indeed, 337 of the 359 credit unions have assets less than \$1 billion.

• (1720)

A strong regulatory framework, of course, protects the savings and the security of Canadians. We recognize and support that. We really rely on that. However, we share the concerns of members of Parliament that regulations are being applied in the same manner to businesses with 2,000 employees as they are to those with a dozen or fewer employees, resulting in high relative compliance costs.

In the final report, the government's red tape reduction commission emphasized that a one-size-fits-all approach to regulation tends to disproportionately burden small organizations like credit unions. We—

**The Chair:** Mr. Rogers, we are well over time. I want to be fair to all the witnesses. Can I ask you to just wrap up, and then we'll address it during questions?

**Mr. Gary Rogers:** Absolutely.

We're quite supportive of the direction of the action plan. We really want the government to walk the talk and really make sure that those very firm principles result in some action that would recognize small business, small financial institutions, and the regulatory burden.

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

Mr. Bobocel, please.

**Mr. Robin Bobocel (Vice-President, Public Affairs, Edmonton Chamber of Commerce):** Good afternoon, Mr. Chairman and members of the House of Commons committee on finance. As noted, my name is Robin Bobocel. I'm the vice-president of public affairs for the Edmonton Chamber of Commerce, the largest municipal chamber of commerce in Canada. On behalf of our nearly 3,000 business members, the Edmonton Chamber of Commerce is once again pleased to have the opportunity to provide you with our members' most important federal tax and program spending priorities related to the upcoming federal budget.

In our submission to the Standing Committee on Finance last year, we presented three tax initiatives that were essentially cost-neutral priorities that will improve business efficiency, profitability, and ensure the continuation and growth of small business, small and family owned businesses in particular. Because of this, I'm

extraordinarily pleased to present these recommendations to you today as we are in the midst of celebrating Small Business Week across the country.

We were pleased that at least two of our recommendations were included in last year's finance committee report to the House of Commons, but disappointed that the government has not yet acted on those recommendations. As a result, my goal today is to provide further clarification on our positions and reinforce the urgency of moving forward with the recommended changes, which we believe will help stimulate economic growth and job creation, contribute to improved competitiveness and productivity in Canada, and deal with some of the challenges associated with the aging Canadian population.

With the first of the baby boomer business owners having turned 65 last year, the most urgently needed tax changes are those related to the tax implications of business succession. In a recent survey of Edmonton Chamber of Commerce members, 15% of businesses indicated that their most likely succession scenario over the next five years would be to have the business change hands. Assuming chamber members are a true representation of the local business population, as many as 6,600 businesses in Edmonton alone could be changing hands very soon.

The survey also revealed that just 6% of all businesses intend to transfer ownership to a family member, and because under current tax laws that family member is then faced with having to pay capital gains taxes on the assets of that business, there's a real concern that the tax burden will be so high that it will seriously jeopardize the continuation of those businesses.

Our first recommendation today is that the federal government undertake a comprehensive review of the tax provisions affecting estate and succession planning in the next 24 months to determine whether the existing tax regime appropriately considers transfer of family owned businesses.

Reducing the tax administration, compliance burden, and assessment timelines for business is another area that can result in significant cost savings that will benefit everyone and is urgently needed. Ultimately, the myriad of current tax preferences enormously complicate the tax structure, increase compliance costs, and open up avenues for evasion and avoidance of tax. Additionally, broadening the tax base would facilitate lower taxes so that everyone benefits.

We have two recommendations today that we feel will address those concerns. The first is that the federal government immediately establish a royal commission to undertake a comprehensive review of taxing statutes with the objective of identifying, recommending, and ensuring the implementation of ways and means to simplify tax legislation, reduce compliance costs, and ensure Canada's tax system is as neutral, simple, efficient, and fair as possible.

The second of these recommendations is related to a comprehensive review of taxation. It calls for a more fair, transparent, and timely assessment process to provide business with more certainty. With that, we recommend that the federal government introduce legislation requiring the timely assessment of income tax returns wherein taxpayers' returns are automatically deemed to be assessed as filed after 120 days of filing, thereby initiating the statute barred period after which reassessment could be issued.

I won't at this time go into more details concerning these recommendations. However, copies of these Edmonton Chamber policies, including background justification for our recommendations, were delivered to the clerk of the committee for circulation to you prior to today's session.

In closing, I'd like to thank you, Mr. Chairman, for inviting the Edmonton Chamber of Commerce to come and speak today. Our business community is appreciative of this opportunity to have its voice heard by this committee.

I'm eager to respond to any questions the members may have.

Thank you.

• (1725)

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

We'll now hear from Mr. Hnatiuk.

**Mr. Jeff Hnatiuk (President and Chief Executive Officer, Sport Manitoba Inc.):** Thank you very much, Mr. Chair.

My name is Jeff Hnatiuk. I'm the president and CEO of Sport Manitoba. Ours is a provincial-based organization, but we believe very strongly that some unique models that we have in Manitoba can have implications on sport delivery and programming across the country.

Sport Manitoba is creating innovative partnerships and developing new models of sport delivery so that all Manitobans, no matter what age or skill level, can benefit from their involvement in sport.

We appreciate and applaud the federal government's commitment to sport, and ask that in addition to maintaining its current sport funding levels, it will fund unique opportunities and partnerships that may fall outside of current sport funding models.

I'd like to start by addressing how sport delivery touches on various areas of the federal budget, including productivity, job creation, justice, healthy living, and health care.

According to a Conference Board of Canada report in 2005, health care spending due to physical inactivity ranges from \$2.1 billion to \$5.3 billion annually in Canada.

A World Health Organization report in 2005 indicates that over 80% of coronary heart disease, and 90% of type 2 diabetes, could be

avoided or postponed by a combination of healthy living practices, such as and including regular physical activity.

There was an article in the *Globe and Mail* just two days ago indicating that a recent study in Britain suggested inactivity is quickly becoming public enemy number one in health care.

Investment in prevention and healthy living models could substantially decrease health care costs.

Sport tourism is an important economic engine in small and large centres across Canada. The sport industry has tremendous potential for growth, resulting in ancillary economic activity.

Sport engages thousands of volunteers. Volunteerism is a critical component in keeping Canada's aging population engaged and active.

Sport-based initiatives can prevent criminal activity among youth at risk, particularly with respect to gangs. However, studies have shown that programming must be very specifically designed and implemented to affect those youth. This is why many drop-in sport programs and centres oftentimes aren't as effective as they could be. Investment in innovative delivery models is very important.

Sport involvement can develop capacity and wellness opportunities and partnerships within the aboriginal community. Sport programming for immigrants assists greatly in integration into our communities.

Investment in infrastructure creates short-term injection into the economy, but the results and effects are long term with legacy projects that increase accessibility.

Critical to sports impact is the accessibility of sport, which means access to facilities, organized and professionally developed programs, and leadership development.

With regard to some innovative programs, work placement and on-the-job education, training, and apprenticeship opportunities result in permanent job placement.

With the adjustments to Canada's pension plan and the slow growth in capital markets and interest rates, it's imperative that we address the challenges of our aging population by ensuring that people are healthy, active, and able to work, as in many cases retirement ages have been increased. There is need to research best practices and motivators to keep Canada's aging population active and productive.

Aboriginal, immigrant, disabled, and low-income families face major challenges at this time. These communities need to be engaged, which can be achieved through sport and physical activity programming as well as leadership development for marginalized individuals and communities.

By creating unique programs and programming, new positions are created, keeping innovative and talented individuals here in this country.

In Manitoba we are creating a unique facility, the Sport for Life Centre, which will affect people across the province—as well as across the country, we believe. The centre incorporates sport research, sport medicine science, sport delivery, and expertise all in one particular location.

The combination of these aspects is unique in Canada. It will allow us to be innovative and flexible in addressing challenges and opportunities across the country. We are currently providing innovative programming opportunities for a broad spectrum of our community, from day cares to drug addiction and rehabilitation programs.

Involvement in our programs has kept our youth in schools, prevented suicides, developed sport opportunities available to urban and northern and remote communities, and developed leadership and program sustainability throughout coaching programs.

• (1730)

In closing, we'd like to recommend that there be committed funding for sport-based research and innovative programs and infrastructure. Currently, sport facilities are included in all other infrastructure programs within the Building Canada fund. This often makes it very difficult for new and innovative facilities to be seen as priorities when included with other pressures that are put on the infrastructure programs.

This investment would underscore our government's commitment to the Canadian sport policies vision to create dynamic and leading-edge environments that enable all Canadians to experience and enjoy involvement in sport to the extent of their abilities and interest.

Thank you very much for your time.

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

[Translation]

We are now moving on to questions from members.

Mr. Caron, you have five minutes.

[English]

**Mr. Guy Caron:** You haven't said my riding name, though.

[Translation]

I would like to thank the witnesses very much for being here today.

[English]

There's a bit of a silly game that's being played since we came back from summer.

I'll ask Mr. Egan my first question. There are three ways to address climate change: carbon tax, which is to tax production, consumption of anything that has carbon in it; cap and trade, which is basically selling rights to pollute or emit greenhouse gases and can be traded, allowing large incentives for companies to decrease their emission of greenhouse gases; and the regulatory approach, which brings significant costs to companies and industries that are more invisible and are passed on eventually to consumers.

I've done some research, and I've seen that your organization is on record to support carbon pricing to allow for more predictability for future changes, but you don't have a stand on either carbon tax or cap and trade. Is that right?

• (1735)

**Mr. Timothy Egan:** That's correct.

**Mr. Guy Caron:** Thank you very much. I just wanted to clear that up.

You mentioned the presentation made yesterday by Ms. Miller, which I found really interesting. What can the government do to significantly improve the internal distribution grid? She brought a graphic that was really telling about the way we have it in Canada, the way they are developing in the U.S. Right now, we are late in developing the ability to distribute Canada-wide.

In terms of this, what can government do to have a comprehensive Canadian grid distribution?

**Mr. Timothy Egan:** First of all, I would say that we actually do have a very robust distribution grid in place. The issue on transportation isn't about how effective the grid is; the issue is the cost of the vehicles and the cost of building the unique stations that are required for fuelling vehicles, particularly large vehicles, for LNG, liquid natural gas, or for CNG, compressed natural gas.

I think Ms. Miller put two slides in front of you, a very effective visual, as you noted. I'm not sure if she referenced this yesterday, but there was an announcement earlier this week that Irving Oil is building, of its own accord, a series of stations across New Brunswick for LNG. These kinds of things are happening on their own where the market conditions are such that it can actually be economical to do them, but if you're concerned about what more the federal government might do, there are a couple of things.

First of all, on the regulatory side, you don't have authority—these are provincial questions—but you do have a bully pulpit. You can make the point—and it is useful to make the point to regulators across the country—that there is a value proposition associated with natural gas. If regulated entities can be allowed to finance that value proposition on a rate base, then that's a very effective way to ensure that you get the right infrastructure in place.

The second thing you can do is look at other jurisdictions where there are mechanisms in place to lower the vehicle cost, be it accelerated depreciation of vehicles or whatever else, particularly in the U.S., because, as I believe Ms. Miller pointed out yesterday, we potentially face competitive disadvantage in our trucking industry. We need to make sure there is a level playing field in the trucking industry between the two countries.

**Mr. Guy Caron:** Thank you very much.

My next question is to Mr. Bobocel, simply because we have somebody before you who talked about the same issues, and I'm interested in the issue of tax identification.

[*Translation*]

I didn't get an answer that I was happy with, so I'm asking you the same question again.

In 1917, when the Income Tax Act was adopted, it had 10 pages.  
[*English*]

Now it's over 3,300 pages. What are the main reasons for the addition of those pages?

I'll tell you that one of my beliefs is that fiscal expenditures are actually playing a large role, but I want to have your take on it.

**Mr. Robin Bobocel:** One of the significant costs that business bears with such a complex tax code is compliance with it. There's a significant cost borne on simply filing tax returns and trying to ensure that you're taking full advantage of the tax code as it sits.

The last time there was a royal commission for the tax code it was 1972, the Carter commission. That was actually struck in 1962, before personal computers, before hand-held devices, and certainly before the new global accounting standard, IFRS.

It's simply time to do this. Quite frankly, the cost of not doing a full-scale review of the tax code affects Canada's competitiveness on a global scale.

• (1740)

**The Chair:** Thank you.

We'll go to Mr. Adler, please.

**Mr. Mark Adler:** Thank you, Chair.

I want to thank all of the witnesses for being here today. It's a very interesting discussion.

First, to Mr. Egan, in your presentation you talked about a skilled labour deficit. What, in your estimation, could we do as a government to help alleviate that deficit?

**Mr. Timothy Egan:** The deficit that we face on the skilled labour side is, as with many other sectors, due to an aging workforce. There's nothing you can do to reverse the aging trend, so that's a tough one to overcome.

Any effort aimed at recruiting young people into the technical workforce—anything that can trigger the attraction of coming into the technical side of the business—is beneficial.

**Mr. Mark Adler:** Do you have any suggestions on how?

**Mr. Timothy Egan:** To be honest with you, the pursuit of this has not been a priority of the association, because the upstream side has been particularly focused on this.

In terms of specific suggestions, what I'd suggest is that the federal government, again using something of a bully pulpit, can look at sitting down with the provinces and industry and ensuring that we have the right identification of where the particular need is.

In the downstream industry, most of our work is done in major urban centres. It's not as though we're looking to move people to remote regions. But we need to attract them into the industry and show the economic opportunity that being in the industry represents. Having the government speak to that opportunity is significant.

I can certainly get back to you on that. I can talk to my upstream colleagues about some of the more specific programs they've recommended in this regard.

**Mr. Mark Adler:** Yes, because we had this discussion with the previous panel about a skills deficit in this country.

Some of it is being addressed by changes to what we're doing in immigration, making it more labour-driven, but we have, between the ages of 15 to 29, roughly 900,000 young people who are just kind of bouncing around out there, who don't have a skill, who don't have a trade. We were talking about making education a lifelong learning process, and I just wanted to ask your opinion on that.

Mr. Bobocel, today the government, Mr. Flaherty, introduced the second budget implementation act. In it there is the small business hiring credit, which will help over half a million small businesses. As you know, we've lowered the small business tax rate to 11%, something the NDP voted against. They were also critical today of the extension of the hiring tax credit.

I just want to get your opinion on how that credit has benefited many of your members. The chamber represents a lot of small and medium-sized businesses. Could you speak about how that has been a benefit to many of your members?

**Mr. Robin Bobocel:** Certainly.

With our chamber in particular, its makeup is about 85% small business. That's very representative of the business community in Edmonton itself, and, I suspect, to a large degree across the country.

Small business is a significant economic driver in our country, and in many ways it's very fragile. It makes sense that tax policies be engineered to facilitate commerce, to ease compliance costs, and to ease the burden of government so that small businesses can go on with the daily activities that drive the economy forward.

**Mr. Mark Adler:** How many members do you have in the chamber?

**Mr. Robin Bobocel:** We have just shy of 3,000 members.

**Mr. Mark Adler:** You have 3,000.

**Mr. Robin Bobocel:** We're the largest municipal chamber in the country.

**Mr. Mark Adler:** Okay.

I'm going to ask you how many of those 3,000 members of the chamber—who are all business people, who all hire people, who all contribute to the economy, who all operate where the rubber hits the road. Did any one of them, with the knowledge of you coming here today, say to you, “Mr. Bobocel, please, please tell the finance committee that we favour a carbon tax”?

**Mr. Robin Bobocel:** No.

**Mr. Mark Adler:** No.



Mr. Egan, how many members do you have?

• (1745)

**The Chair:** You have seconds.

**Mr. Timothy Egan:** We have approximately a dozen distribution companies and 50 manufacturers and suppliers.

**Mr. Mark Adler:** Did any one of them say to you—

**Mr. Timothy Egan:** Interestingly enough, no.

**Mr. Mark Adler:** Thank you.

**The Chair:** Does anyone else want to answer that question?

Thank you, Mr. Adler.

We will go to Mr. Brison, please.

**Hon. Scott Brison:** I feel compelled to apologize to you for the last intervention.

In any case, I want to start off, Mr. Egan, on the whole issue of shale gas. One-third of America's gas supplies is now coming from shale gas. It's predicted that will be 50% by 2035, up probably. Projections are 820 billion cubic metres per year by that time. There are some projections of 600,000 American jobs by 2020 in this area.

Does Canada run the risk—in part because of the balkanization of our responsibility over natural resources on provincial boundaries—of missing out on a real boom that is transformative in the energy sector on the shale gas side in Canada?

**Mr. Timothy Egan:** It depends on where you're from in the country. In British Columbia, we're not missing out at all. A shale resource is being developed as we speak in northeastern British Columbia. Interestingly enough, it's supported by both sides of the provincial house, both the sitting government and the principal opposition party, the New Democrats. They are very supportive of developing that resource to the benefit of British Columbians.

The situation is not the same in some other jurisdictions. In the Maritimes, there are some real issues about the development of the shale resource.

We've just finished hosting a three-day International Gas Union conference at the Château Laurier, so it was a convenient move here from there. We had representatives from dozens of countries around the world; every continent was represented. The opportunity that shale gas development represents around the world is a truly extraordinary one. But what we find is that each jurisdiction takes a different approach, in part in response to whether it has developed such resources before. In eastern Canada, such resources have not been developed before and there's an understandable hesitancy and caution about it.

But we believe it can be developed safely and responsibly. Good regulatory frameworks are in place where it is being developed now and could be applied in these other jurisdictions. If it isn't, then there is an opportunity missed.

**Hon. Scott Brison:** The Premier of Alberta has recently called for—I believe she's using the term “national energy strategy”. Is this one of the areas where national leadership on energy would be helpful in terms of a pedagogical exercise, where you actually engage the public and help provide information? There's a lot of

misinformation out there now, and one could say even propaganda, about shale gas.

**Mr. Timothy Egan:** Yes. It's my understanding that Natural Resources Canada is actually in the process of collecting such information. It's commissioned some work in order to ensure that there is more of a national scientific perspective. I'm somewhat cautious about the idea of a national energy strategy to facilitate this because—

**Hon. Scott Brison:** Those aren't my words as a federal Liberal; they are from the provincial Progressive Conservative Premier of Alberta.

**Mr. Timothy Egan:** I appreciate that. My point is that I think the appropriate regulatory regimes can be developed in the provinces. The federal government's role can be to speak to the economic opportunity that's represented by developing the resource across the country.

**Hon. Scott Brison:** Sure.

Mr. Carr, earlier today we heard from the community colleges, and we talked about the skills gap that exists. Is there room for, and an opportunity for, greater cooperation between universities, community colleges, and trade schools in Canada, so that across the country we can see people not only attain the liberal arts educations that are so important to critical thinking, but also the trades that are so closely linked to the jobs of today and the jobs of tomorrow? Could we be doing a better job of working together and having institutions whereby you could graduate from a university with a B.A. in English and at the same time a horticulture degree or a welding diploma?

**The Chair:** A brief response, Mr. Carr.

**Hon. Scott Brison:** Could there be more work done in that regard, and are other countries doing a better job?

**Dr. Graham Carr:** Yes, there could be more work done in that regard. There already is work done in that regard. I think it would be a mistake to, again, make a choice between the kind of applied research that takes place at colleges and the kinds of research activities, which are both applied and fundamental, at universities. It's a tremendous opportunity for universities and colleges to collaborate to incubate programs and research activities in colleges that could then train students, and also prepare them for transitioning to the universities, not just to the workforce. I think we need to bear in mind that applied skills are very important for addressing current job issues, but some of the longer-term pipeline issues around research, and the kinds of training opportunities that are linked to research, need to be supported as well.

• (1750)

**The Chair:** Thank you.

Thank you, Mr. Brison.

Mr. Van Kesteren, please.

**Mr. Dave Van Kesteren:** Thank you, Mr. Chair, and thank you all for coming here. It's good to see some of you back again, and some new faces as well. I'm going to go to Mr. Egan.

It's amazing, Tim, since you first came, in the first years, how much the attention has shifted to natural gas, and how natural gas has gained such prominence. I remember when I was first elected we talked about peak oil, and we talked about the supply of natural gas as being from 20 to 40 years; today all the estimates are around 100. I think there are even some who suggest we may have up to 200 years of natural gas. I remember the price for a gigajoule of gas being well over \$10 when I was first elected, and today it's down to about \$3, which is extraordinary.

The biggest factor in energy for natural gas is delivery, if I'm correct. We have such great reserves in northeast B.C., and along that corridor the access to market is becoming so very important. I think I should mention that the proximity of a lot of shale gas reserves in the U.S are closer to the eastern part, especially to Ontario, and we need to find.... I wonder if you could tell us just how important it is for us to get that pipeline to the west coast, to be able to deliver natural gas to the far east, where in Japan, China, and countries like Korea there's such a demand for gas. Tell us where that window is, how closed that window is, and how much time we have.

**Mr. Timothy Egan:** As I mentioned, we just came off a three-day conference with the International Gas Union, and we had a series of discussions about this. When people talk about 100 years of gas, the estimate is based on approximately 700 TCF, trillion cubic feet, and we produce about six a year in Canada. We consume about three and we export about three, and the export is to the United States.

On a go forward basis, given how shale development has advanced so quickly in the United States, the opportunity of that export market is drying up. There is an enormous alternative opportunity, which is the Asian market, which you've highlighted.

Yesterday I asked some industry colleagues what they thought the window of opportunity was to get to that market, and the rough estimate is five to ten years, because there's natural gas all over the world. It is extraordinary the quantities of it. North America is ahead on the shale gas development track, but that resource exists around the world. Other countries are moving quickly to try to develop it and try to lock down markets, so the sooner we do so, the better the opportunity for us.

Moreover, within the North American context—you highlighted the trade flows—the reality that's emerging is that it's an integrated gas market, and has been for over 20 years. The opportunity is there for eastern markets to more profitably, more affordably, get gas from eastern U.S. supply and for western markets to more sensibly move their product to offshore markets like Asia.

**Mr. Dave Van Kesteren:** Again, too, there's the advantage we have in the industry over Europe, where I think they're paying \$6 a gigajoule or something. They pay about twice as much.

I'm wondering about the opportunity.... I know I spoke to some people in the gas industry about this. We have some remote communities, especially in northern Ontario, northern B.C., and Alberta. What are the chances that maybe we'll see the day where there could be a combined effort by the gas pipelines, the gas companies, and the federal government to get some energy, some of that gas, up there rather than trying to truck all this diesel, which is a huge expense? Has that ever been discussed? Has that ever been talked about?

• (1755)

**The Chair:** A brief response, Mr. Egan.

**Mr. Timothy Egan:** The short answer is, yes, it has, and utilities would be happy to work with the federal government on a project-by-project basis. They're limited in what they can do on their own because there's a formula with each regulator that authorizes what they can and can't spend. But they can always be partnering with third parties in the interest of advancing broader objectives.

With regard to remote communities, I think there's a real opportunity, perhaps through pipelines, or in the alternative, by trucking either LNG or CNG, which is much more affordable than diesel and burns cleaner. I would note that the federal government pays a significant bill to underwrite the energy costs of many northern communities now. This is not necessarily a new expenditure, but potentially a savings that delivers an environmental and economic benefit. I think it's a broad win.

**The Chair:** Thank you.

Thank you, Mr. Van Kesteren.

Ms. Nash, please.

**Ms. Peggy Nash:** Thank you.

Hello to all the witnesses. Thank you for being here.

I want to first correct the record. I think my colleague misspoke. It's never been part of our platform to advocate for a carbon tax. But I do have a number of people in my riding who come to me to say they want the government to take action on the issue of climate change. That is a pressing need that, sadly, is being ignored by the government.

I also want to raise the issue of the tax credit. Mr. Bobocel, just for your interest, the NDP has advocated for a tax credit for small and medium businesses. My riding is home to many, many small businesses, and we certainly have long advocated for a tax cut and also a tax credit for hiring new employees. It's something we've long advocated.

One of the dangers with an omnibus budget bill such as the government has introduced is that many things get bound together, and if you don't support some things, you end up having to vote against some things that you do support. I wanted to clarify that so you're clear. We do support small business, and this is a measure we've been advocating.

I want to ask a question to Mr. Carr. One of the areas where Canada is doing very badly is in the area of innovation. We're down near the bottom of the OECD in terms of innovation. It affects our productivity and competitiveness. In your response to our questions about the pre-budget process, you talked about innovation and the role of the humanities and social sciences in fostering innovation by taking a collaborative approach with other disciplines.

I'd like to ask you to elaborate on this a bit, because I think we're all searching for ideas to help make our economy more productive and more innovative.

**Dr. Graham Carr:** Thank you for the question.

I think what we're fundamentally talking about is a view of innovation that sees innovation as a component of many different activities coming together at once. While we may frequently think of the outcome of innovation as a technology change, in fact, for a technology change to be successful, there needs to be analyses about how workers develop that technology and how technology will be used effectively. Therefore, for technology changes or innovation changes to be significant, you need that broad-based multidisciplinary and intersectoral approach to understanding change.

I could give one example, which might hearken back the question that Mr. Brison asked. At my university—Concordia University, in Montreal—we recently partnered with Dawson College, a community college, a CEGEP, in Quebec, in a provincially funded program, to create an incubator for games research. This provides junior college students with an opportunity to get some familiarity with the complexity of games research, whether that's engineering and technical research into games, research into the kinds of social narratives that are important to use in games, or research into how users use games.

The beauty of that incubation program is that some of those students will go directly into industry—industries like Ubisoft, in Montreal, for example. Others will transition into undergraduate programs, hopefully at our university, where they'll have a further opportunity to study games that are funded, in part, by a research group that received Social Science and Humanities Research Council funding—the IMMERSe grant that I mentioned. That is an industry partnership grant out of the University of Waterloo, involving organizations like Inovatech, in the Kitchener-Waterloo area, and multiple researchers across the spectrum of disciplines in Canada. That, it seems to me, is a real gateway to true innovation.

• (1800)

**Ms. Peggy Nash:** Thank you.

We need to help people in their thinking process. I think that's what the humanities and social sciences do.

I just have time for a very quick question to Mr. Rogers. Do we provide enough support for the not-for-profit and co-op sectors in Canada and for our credit unions?

**Mr. Gary Rogers:** That's a pretty broad question. Of course, I am representing credit unions and not necessarily the broader co-op sector. We can always do with more. We appreciate that there are supports in place. There are sympathetic government officials who assist us all the time when we have issues. There is always room for more support. We are an alternative way of carrying on business that sometimes doesn't get the recognition it otherwise, we think, deserves. That was part of the reason I emphasized the size and the extent of what we do today.

**The Chair:** Thank you.

We will go to Mr. Jean, please.

**Mr. Brian Jean:** Thank you, Mr. Chair. Thank you, witnesses, for joining us today.

Mr. Hnatiuk, I was asked by Shelly Glover, who, of course, is from your area, to ask you a question. She is familiar with what you are doing with low-income individuals, vulnerable youth, and aboriginal youth in Winnipeg. In particular, she asked how you use this model in other areas to facilitate the use of underutilized assets or new assets, from a federal government perspective, to encourage more people from those groups to participate.

Mr. Hnatiuk, I am going to move on to somebody else, but if you could think about that, I'm going to give you the last minute of time. Do you mind if I do that?

**Mr. Jeff Hnatiuk:** I can do that.

**Mr. Brian Jean:** Great.

Mr. Bobocel, I read your brief. I have to say, I have seen you testify before, and I have always enjoyed your testimony.

I was kind of surprised to see that there was no mention of workforce mobility as one of the major challenges for small businesses. Of course, you represent just about all of them in Edmonton. Was that left out as a matter of course, or do you think it was just better to focus on these things that are obviously very important?

**Mr. Robin Bobocel:** Certainly, workforce is probably the most driving issue in Alberta. At the Edmonton Chamber of Commerce, we are guided by five strategic priorities. Developing our workforce is one of those five. We don't rank them, but that's one of the five. We are certainly active on the file in our effort to advocate to all levels of government the urgency of finding solutions to the workforce challenges we face in Edmonton, Alberta, and indeed across the country. However, for our purposes at this pre-budget consultation, we felt that these three recommendations were perhaps broadest, and arguably more effective, for small businesses across the country. That's why we attacked them.

**Mr. Brian Jean:** I thought that was why.

Just briefly, are you familiar with the mobility file, in general terms?

**Mr. Robin Bobocel:** I can speak to it in general terms.

**Mr. Brian Jean:** Is there a belief that to tie it to the EI file would be the most effective means of encouraging mobility, by way of either tax breaks or incentives to move, temporarily or full-time?

You know that I am from Fort McMurray.

**Mr. Robin Bobocel:** Sure.

**Mr. Brian Jean:** We have 30,000 people from Newfoundland alone who go there every two weeks, for instance. Would you suggest that this is one of those methodologies by which to encourage people to move?

**Mr. Robin Bobocel:** We don't have a specific policy on that issue. However, we have supported the government's efforts in the past to do that, yes.

**Mr. Brian Jean:** I notice that on the second question you say, “It appears there was general agreement that taxes are a cost to business which is passed on to individual consumers and thus everyone benefits when there are less costs to pass on.” Do you agree with that statement?

**Mr. Robin Bobocel:** Yes.

**Mr. Brian Jean:** Okay. The NDP, on page 4 of their platform, had a carbon tax that was going to tax corporations or tax consumers somewhere around \$221 billion. Hypothetically, who would ultimately pay that?

**Mr. Robin Bobocel:** Generally it's passed on to the consumer.

**Mr. Brian Jean:** It generally is or always is.

**Mr. Robin Bobocel:** It's always passed on to the consumer.

**Mr. Brian Jean:** Great. Thank you.

Mr. Hnatiuk, could you answer the question I posed to you earlier in more specific terms than infrastructure money, if you don't mind?

**Mr. Jeff Hnatiuk:** What we find, and I'll use the aboriginal community as an example, is that to increase the level of activity and programming, especially in northern remote communities, it's very important for us to develop leaders within those communities. We have had programs for which we have parachuted in program leaders for short periods of time. We find that the sustainability aspect of those programs just isn't there. The leadership has to come from within those communities themselves. Targeting community leaders and developing those community leaders and having them stay within those communities we find to be a much more successful model.

• (1805)

**Mr. Brian Jean:** It would be something like getting the band involved directly and maybe having somebody on the band council specifically for that.

**Mr. Jeff Hnatiuk:** Definitely. It's partnerships within the community. We also find the RCMP being a critical partner in those communities.

**Mr. Brian Jean:** I have many families and many aboriginal communities and reserves up in my area, and I find that the RCMP get involved in sports, especially hockey teams. They always coached the teams I was involved with. It was very helpful.

Mr. Bobocel, do you have anything further that you would like to talk about in relation to your specific suggestions on job creation and some of the things we talked about already?

**Mr. Robin Bobocel:** Certainly.

It's a challenge that we face in Alberta, but it's something that the whole country can benefit from if it's addressed properly. If the social structure is there to facilitate transfer of labour, I think we all benefit from that.

**Mr. Brian Jean:** I know I only have five seconds, but I have to tell you that I hear very frequently that Fort McMurray exports more money to Cape Breton and Newfoundland than any other industry in the country or in those areas.

**Mr. Robin Bobocel:** It doesn't surprise me.

**Mr. Brian Jean:** It doesn't surprise me either. Thank you very much.

**The Chair:** I think all the real work there is done in Nisku, Mr. Jean, anyway.

**Mr. Brian Jean:** I've heard that as well.

**The Chair:** We will go now to Mr. Marston, please.

**Mr. Wayne Marston:** I think Mr. Jean should be in sales actually; he's doing a fine job for Newfoundland.

Mr. Egan, your industry has been proven I think to be fairly responsible when it comes to the extraction and delivery of gas. Our friends across the way keep bringing up the carbon tax and all of that, but if there's responsible industry, if we had a cap and trade system where we move forward with the concept of a polluter “pay as you go”.... If we don't take care of our environment as we go forward, we're leaving it for the next generations. Would you not say that it is reasonable to give consideration to such an idea?

**Mr. Timothy Egan:** I find that whenever there's a debate about carbon, people quickly move to a position where they think that because natural gas is a hydrocarbon—it's the simplest hydrocarbon, but it's a hydrocarbon—therefore we have to think about getting rid of it.

I find that the more we can talk about driving efficiency and innovation, the more we can achieve a variety of environmental benefits, including emission reductions—and emission reductions are one of many environmental benefits.

We have a real hurdle to jump within the gas industry because of that carbon debate, so very often we try to jump right over it and make the point that we can deliver on a better environment, if you start considering how this fuel can be used.

I will give you an example. In the city of Toronto—I actually live in Ms. Nash's riding, Parkdale—High Park—the discussion that emerges around hydrocarbons is one that often forecloses any debate about the use of natural gas.

Combined heat and power projects can be built in the city of Toronto using natural gas, which could deliver extraordinary benefits in terms of a reduction of energy costs, a reduction of a variety of impacts, but it is very hard to get to that discussion when the premise is always about carbon.

**Mr. Wayne Marston:** That's why I spoke to the responsibility of your industry and how you have been responsible. Some industries have been somewhat less so—they haven't moved forward as we believe they should—and one of the incentives to doing that would be a cap and trade system.

I don't want to belabour it, but I just want to make the point, because it keeps getting raised by our friends across the way. Last year in our pre-budget hearings we dropped by Whitehorse—and I'm glad to hear you talk about the north in your presentation because the infrastructure problems they face up there.... In fairness, the Canadian government puts a lot of money into those areas because of the almost impossible situation they're in, with their low population, in terms of being able to deal with it.

We've heard testimony, as you've alluded to, about the trucking industry and the transition to gas, and I think the map we saw yesterday was horrendous in terms of the imbalance between the United States and what they've already done with this. We've been pressing hard about a macro move on infrastructure in Canada. The \$124 billion deficit is well known. But in parallel with that, if we're out there working on bridges and highways, then that may well be a time to establish some of these stops for the trucks to put this in motion. Would you see that as a reasonable proposition?

• (1810)

**Mr. Timothy Egan:** Any opportunity to put more gas into the transportation sector is one that we're prepared to consider and discuss with federal officials.

With respect to the north in particular, there are obviously unique challenges. One of the challenges of showing a map of the United States and a map of Canada is that the distribution of the population is entirely different. The density is different, and there are a host of issues like that.

We look at northern communities like Whitehorse and there's an opportunity to definitely move gas into that community to meet a variety of needs.

Moreover, it's also an opportunity to think long term about developing a northern resource base that exists in terms of the incredible natural gas that exists in the far north.

**Mr. Wayne Marston:** I want to comment about sports. This is great what you've shown us, particularly what you're doing as an intervention on behalf of the communities that don't have anything and are facing a high crime rate.

How effective do you see that being when you do the comparison with the mandatory minimum sentences young people face when they get into trouble? You are giving them opportunity.

**Mr. Jeff Hnatiuk:** Well, we are. We're hopefully giving them opportunity. I think that's long range. We haven't had the opportunity to really delve into what impacts we're having over the long term, but anecdotally, I think we're finding that we're making some significant strides in a fairly short period of time in diverting some of the activity of those who have sort of a history of getting into criminal activity.

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

We'll go to Ms. McLeod, please.

**Mrs. Cathy McLeod:** Thank you, Mr. Chair.

Happy celebrations for the CFIB and the year of the co-op and the day of the co-op. It sounds like it's a banner week to be here.

I'm going to start with Mr. Rogers. We introduced some draft regulatory changes. Of course, when they're finalized, they're going to allow more pan-Canadian opportunities.

Can you tell me what you see for the future of credit unions with those changes, once they're enacted? Are a number chomping at the bit for these changes? Could you talk a little bit about that and the future?

**Mr. Gary Rogers:** Yes, I'd be happy to.

We look forward to the coming into force of the legislation. It's not in force yet, so that final step will need to happen before credit unions can step forward and express an interest or actually move ahead with that option.

It is one option. We do not foresee many credit unions taking advantage of it right away, but there are some that are looking at it very seriously.

What it does is free up a credit union to move beyond provincial boundaries. There are many reasons it may wish to do so, such as in the Atlantic provinces, where there are a number of small credit unions in close proximity but across provincial borders that may wish to work together. It may be a group of members with a common bond. A number of credit unions, in different provinces, that have a unique employee base or ethnic base may wish to work together more. As well, it allows some economies of scale to occur.

Over time we see some credit unions moving in that direction. We don't see a stampede at all, but we do appreciate the option. It puts one more business option on the table that can be part of a business decision. At the end of the day, it will be a business decision.

**Mrs. Cathy McLeod:** I also note, in your first response to the budget, that one of the pieces you picked out was the proposed first nations properties ownership act and what impact that might have in terms of your lending.

Can you clarify that in terms of your current relationship with aboriginal communities and what the potential relationships might be?

• (1815)

**Mr. Gary Rogers:** Certainly, as local financial institutions, there are a lot of relationships that are being established or that have been established with native communities. There is a keen interest among credit unions that operate geographically adjacent to native reserves to bring those into the membership and to ensure that the type of community-based service that can be provided is provided equally in those areas.

There have been some legislative issues around ownership of property, security, and so on that affect all financial institutions, but

**Mrs. Cathy McLeod:** Of course, they also have their own sort of financial lending structure, such as the First Nations Trust. Does it connect? Does it link?

**Mr. Gary Rogers:** There is no formal linkage, but we certainly have communication with those specialized financial institutions to see how we might partner.

**Mrs. Cathy McLeod:** Great.

I will move to Mr. Hnatiuk. In your brief, you talked about the opportunity for charitable donations. Specifically, you're looking at corporations and the opportunities there.

Can you talk a little bit about why you targeted corporations? What are the opportunities? Of course, right now, we are finishing a charitable study. Perhaps some of those recommendations might also fit into the budget process. Do you have any comments?

**Mr. Jeff Hnatiuk:** Traditionally, from the perspective of the sport delivery system in Canada, the provincial government has a fair amount of responsibility in providing resources. This is right across the country. In each jurisdiction, the provincial government has the responsibility. The federal government, from a program perspective, has some influence there.

What we're finding is that the corporate sector, the private sector, is becoming more and more important for us, especially community-based. It's beyond just infrastructure but actually getting into programming.

There's the incentive there, from a tax perspective, for corporations to get involved, whether it's a kids' sport charity that provides opportunities for kids who can't afford it to get involved in sport, to programming we're making available to inner city kids. If there is the incentive on the part of the private sector to get involved, then we're finding those charitable tax incentives much more beneficial to our programming. This includes the child tax credit, which we're finding also has an impact.

**Mrs. Cathy McLeod:** Do I have more time?

**The Chair:** Unfortunately, we are a little over.

We may have a minute at the end, if you want to come back.

**Mrs. Cathy McLeod:** Thank you.

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

*Monsieur Mai, s'il vous plaît.*

[Translation]

You have the floor.

**Mr. Hoang Mai:** Thank you, Mr. Chair.

My question is for Mr. Carr.

I think my colleague, Peggy Nash, raised this issue a little earlier. There is a problem with research and development. According to your brief, comparisons made by the OECD establish that Canada is lagging behind with respect to the number of students enrolled in master's and doctoral programs. This number is a significant indicator of a knowledge economy, of a creative economy.

Can you please tell us a bit about the consequences and future impact this may have on our economy? What consequences may this poor showing have in the long term?

**Dr. Graham Carr:** That is a very good question. When we talk about issues of economy and jobs, we need to focus not just on today, but also on the long term. We need only think about the jobs that existed 10 years ago to see how much the workplace has changed in the past 10 years. It will change even more in the future.

It is absolutely essential that we give our students training that will enable them to adapt to new changes.

Investing in social sciences and humanities is a model in that respect because the nature of social sciences and humanities training gives students tools to adapt to the future needs of the workplace.

• (1820)

**Mr. Hoang Mai:** Thank you very much.

[English]

I've got a lot of small businesses in my riding. I'm from Brossard—La Prairie.

We talked about our platform. In our platform we want to reduce the small business tax rate from 11% to 9%.

Do you think that's something that would get support from the small businesses and members from your chamber of commerce?

**Mr. Robin Bobocel:** We haven't had a look at the proposal that your platform puts forward, so I would hesitate to comment on how our membership would react to that.

**Mr. Hoang Mai:** I think we're all for reducing taxes, in this case saying that has a positive impact.

Do you agree with reducing tax rates for small business?

**Mr. Robin Bobocel:** Overall we feel there's a need for a reduction of the burden of tax. That could be defined in many ways, including compliance, simplification of the tax code and whatnot. We feel that could be addressed through all those matters.

**Mr. Hoang Mai:** The Governor of the Bank of Canada, and even the Minister of Finance, has said that corporations are sitting on \$500 billion in terms of dead money. Basically that's money that's not being reinvested. We understand why that is, as we look at the economy and what's happening in Europe and China.

If we took that money and instead of having a corporate tax cut reinvested it in infrastructure, let's say.... I'm thinking about what Mr. Hnatiuk said.

You would also appreciate investing in infrastructure. I used to be a soccer coach before I came to Parliament, so I understand the need for the things you have in your riding.

How much do you think that investing in infrastructure could help in terms of small businesses, or just employment.

**Mr. Jeff Hnatiuk:** Go ahead. I'll talk about small business.

**Mr. Robin Bobocel:** In the past, we have come to this committee in support of strategic investments in infrastructure, particularly in the north. We have a stake in it with respect to supplying the north with a lot of the supplies it needs from the Edmonton market. Where it's necessary, we have supported strategic infrastructure investments.

**The Chair:** You have about 20 seconds for a brief response.

**Mr. Jeff Hnatiuk:** Very quickly, obviously infrastructure is key to providing programming. We talk all the time about how safe accessible infrastructure is very, very important, from the smallest communities to our larger communities. It's critical to what we do in sport and physical activity development.

**The Chair:** Thank you.

I want to address a few of the issues, first of all to Mr. Carr, on innovation.

I was at the Manning Innovation Awards last night. To see the young people and the people who have accomplished so much was just inspiring. The statement at the end by the recipient from British Columbia was that we are an innovative nation and we should be very proud of it.

We should actually send that statement to the entire committee. It was absolutely inspiring.

**Dr. Graham Carr:** I was at that event. It was a wonderful event.

**The Chair:** It was fantastic.

I want to say that I appreciate your recommendations, in terms of funding for the three federal research granting agencies and the CFI. I want to let you know that I've consistently supported this.

**Dr. Graham Carr:** Yes, you have.

**The Chair:** In fact, I've met with the heads of the three granting councils today, and Gilles Patry as well, so I'll certainly take those recommendations forward.

**Dr. Graham Carr:** Thank you.

**The Chair:** Secondly, Mr. Hnatiuk—I have your brief here as well—I want to address the idea of using the Building Canada fund for sport facilities.

As you know, our government had the RInC program, which was fantastic in our region. Mr. Bobocel well knows about the GO Community Centre in Edmonton; the Dale Fisher Arena in Devon; and the Leduc Recreation Centre in the city of Leduc. They're outstanding facilities. It was a good program.

Do you have a preference? Would you rather it be within the Building Canada fund, or would you rather have a separate program, like the RInC program?

**Mr. Jeff Hnatiuk:** I think the RInC program is a good program. My understanding of it, though, is that it reacts more to facilities that are in need of repair, as opposed to when new facilities are needed. I think the last major infrastructure program right across this country, prior to the previous Building Canada fund, was in 1967. There's a significant need across the country.

What we find is that sport and recreation facilities, when lumped in with the Building Canada fund, get lost in a number of other priorities. It tends to be a pretty significant fund, obviously, that has to react to a lot of priorities.

Our preference would be for it to be outside of the Building Canada fund.

• (1825)

**The Chair:** To be separate, but be for new and existing....

**Mr. Jeff Hnatiuk:** Yes.

**The Chair:** Okay. You are correct. In fact, to correct myself, the GO Centre was funded out of the infrastructure stimulus fund, whereas the other facility was from the RInC program. I take your point on that.

I did want to turn to the Edmonton chamber. I appreciate very much the examples you provided. I think they do in fact answer some of the questions as to how the tax code became so complex. You provided examples of transactions that are very complex.

One of the things is that there's a lack of clarity around them. Hopefully this fall you may see some clarity around some of these issues.

Perhaps one of the reasons you've not seen the recommendation in the last report acted upon within the past year is that there have been

a lot of mixed messages—advice to us—in terms of how you should structure this. Some people are saying you should have an ongoing committee that reviews the tax code and makes changes as it goes along.

You're recommending a royal commission. As you mentioned before, I think the Carter commission took 10 years. You're recommending a longer, deeper look at the tax code.

Could you explain why you're recommending this course?

**Mr. Robin Bobocel:** Sure. The simple fact of the matter is that bigger in this case is not better with the tax code. It is burdensome, for small business in particular, to wade through the complexity that is the tax code. There is a matter of updating the way business is done, which the original tax code does not contemplate. It simply doesn't address the challenges that small businesses face.

Last year we came to this committee and we asked...I believe the wording we used was for an expert panel. The feedback we got from some of your colleagues, from businesses, from some of our members, was that it didn't go far enough.

We really need to take a deeper look, despite the fact that it's going to take some time and require some significant resources to accomplish. It's a matter of global competitiveness for the Canadian economy. It's a matter of ensuring that small business is able to flourish and not be dragged down by a complex tax code.

It's interesting to note that all three of these policies, which were developed by the Edmonton Chamber of Commerce, were adopted by the Canadian Chamber of Commerce at our annual general meeting in Hamilton a few weeks ago.

**The Chair:** All three of these recommendations?

**Mr. Robin Bobocel:** All three of these have been adopted by the Canadian Chamber of Commerce.

I hope you'll be hearing this message from other chambers of commerce in your ridings or perhaps at this committee.

**The Chair:** Thank you. My time is up.

I think I have one more question from Mrs. McLeod to finish it up.

**Mrs. Cathy McLeod:** Again, thank you. I don't need the whole five minutes.

I appreciate your comments, Mr. Bobocel, in terms of your recommendations. I think we've heard that message somewhat consistently. I want to focus in on that third one.

During the summer I was doing round tables with chambers across the country about "My Business Account". Most people said that things were working so much better for them.

I know that even when you file your own personal income taxes with the e-filing, the money seems to get automatically deposited much more quickly.

Are you talking about getting that response, but then sometimes six months down the road there is the opportunity to say you're doing checks and balances? Talk a little bit about whether your members are noticing some changes, whether there's enough education out there yet in terms of My Business Account and how people are using it, and whether they're seeing a much more fluid system.

**Mr. Robin Bobocel:** I think there is some movement. I think education certainly would help.

This recommendation basically strives to create an equal standard between the taxpayer and the CRA. This is about business certainty and it's about being able to manage cashflow. I'm sure you recognize that in small businesses cash is king, and if you lose track of your cashflow, for whatever reason, it could be catastrophic for your business. This creates some measure of responsibility for the CRA, as well as, obviously, for the taxpayer.

• (1830)

**Mrs. Cathy McLeod:** It's not precluding the opportunity to come back six months down the road to say you're going into an audit or whatever; you're just saying the assessment is deemed accepted.

**Mr. Robin Bobocel:** We're saying that there's a reasonable amount of time by which tax returns should be reviewed and some feedback provided to the taxpayers so that they can continue on with

their business in a proper manner. By no means do we exclude the opportunity for CRA to reassess, but there has to be, at some point, a reasonable point where the business can say they've identified how much tax they owe, set aside that amount of dollars, and move forward.

**Mrs. Cathy McLeod:** It would be interesting, and I might look at pursuing it, but with the new changes with My Business Account and the whole electronic system, I wonder how often we would actually be meeting that target as we speak. It would be very interesting to know.

**Mr. Robin Bobocel:** I definitely hope that we see some improvements.

**Mrs. Cathy McLeod:** Thank you.

**The Chair:** Thank you, Mrs. McLeod.

I want to thank all of our guests for being here today and presenting your recommendations to us and answering our questions. If there's anything further, please do submit it to the clerk and we will ensure all members get it.

Thank you so much.

The meeting is adjourned.

---









**MAIL  POSTE**

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

**Lettermail**

**Poste-lettre**

**1782711  
Ottawa**

*If undelivered, return COVER ONLY to:*  
Publishing and Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,  
retourner cette COUVERTURE SEULEMENT à :*  
Les Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of  
the House of Commons

### **SPEAKER'S PERMISSION**

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and  
Depository Services  
Public Works and Government Services Canada  
Ottawa, Ontario K1A 0S5  
Telephone: 613-941-5995 or 1-800-635-7943  
Fax: 613-954-5779 or 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the  
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

### **PERMISSION DU PRÉSIDENT**

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les  
Éditions et Services de dépôt  
Travaux publics et Services gouvernementaux Canada  
Ottawa (Ontario) K1A 0S5  
Téléphone : 613-941-5995 ou 1-800-635-7943  
Télécopieur : 613-954-5779 ou 1-800-565-7757  
publications@tpsgc-pwgsc.gc.ca  
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à  
l'adresse suivante : <http://www.parl.gc.ca>