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## Standing Committee on Finance

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**Chair**

**Mr. Brian Pallister**

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Monday, October 2, 2006

• (0930)

[English]

**The Chair (Mr. Brian Pallister (Portage—Lisgar, CPC)):**  
Good morning, ladies and gentlemen.

The committee welcomes our witnesses and guests.

We are really pleased to be here as part of the pre-budget consultative process. We're the members of the House of Commons Standing Committee on Finance.

We are pleased to be here in this beautiful and special part of the country. I must say it's my first time in the Yukon. I've really enjoyed the last few hours I've been here and I look forward to coming back again.

We all look forward to hearing your presentations today. Thank you for the time you've taken to be with us, to prepare your briefs, and to answer any questions we may have.

You've all been notified you have five minutes to cover a massive undertaking, and in the interest of time, we will keep you to five. While you're giving your presentation, I will give you an indication that you have a minute or less remaining, if you care to make visual contact. We'll cut you off at five minutes to allow time for an exchange and for questions and so on.

Welcome. Thank you for being here.

We will begin with the representative from the city of Fort St. John, Jim Eglinski. Welcome, Mayor.

Please proceed. Five minutes is yours.

**Mr. Jim Eglinski (Mayor, City of Fort St. John):** Thank you.

Ladies and gentlemen, my name is Jim Eglinski, and I am the mayor of the city of Fort St. John. I have with me Mr. John Locher, my city manager. Thank you for inviting us to speak here today.

We agree with the premise of your consultation initiative that if Canada is to have a meaningful place in the world, our citizens and our businesses must prosper. We also agree that for citizens and businesses to prosper in this increasingly competitive world, Canada must have the infrastructure required to ensure a high quality of life and efficient local, regional, and national economies.

But people and businesses don't just live and work in Canada or even in a province or territory. They live and work in communities, large and small, like Fort St. John or Whitehorse. If you want individuals and firms to be happy, healthy, and prosperous, you must

support not only federal and provincial infrastructure but the infrastructure of each of these communities, large and small.

While previous federal governments have attempted to support a narrow range of municipal infrastructure, like roads, water, and sewer, and the current government is supporting roads, bridges, and border crossings, it is my humble submission that these programs are short-term and costly to administer and suffer from a lack of accountability and transparency. We believe you can do better.

You have asked what specific federal tax or program spending measures should be implemented to ensure our nation has the infrastructure required by citizens and businesses. Our answer: you must change the way it is funded. Communities like Fort St. John need this to be done as soon as possible.

You may find it hard to believe that a city like Fort St. John needs your help with infrastructure. After all, the city is in the midst of rapid growth and transformation.

We are the oil and gas capital of British Columbia and the primary service centre for the province's northeast. Fort St. John has a major softwood forest industry, including a world-class oriented strand board plant. We are at the centre of the largest agricultural region in the province. Our city boasts the second youngest population in Canada, and its residents have the highest net incomes in the province. The BMO Financial Group recently ranked the city third on its list of small business—it's a hotbed among 111 communities across Canada—second for small business growth in the next five years, and first in the number of businesses per thousand people.

So why do we need your help? A booming economy is a double-edged sword for small municipalities like Fort St. John. We are challenged to attract sufficient employees to the community to support the resource industries and the growth in the community. Our revenues don't go up as much as those of the private sector, individuals, or the two senior levels of government when the economy booms. Our only significant revenue source is property tax, and we are constrained by both the property values and the political costs of increasing the already high tax burden of our citizens.

However, the demands on our municipal infrastructure—roads, sewers, parks, cultural amenities, sports facilities, and other programs—are skyrocketing. More goods are moving on our roads, and companies expect us to provide cultural and arts facilities to attract and keep their employees in the area. The list goes on to include expanding libraries to meet growth, working with our senior levels of government to renew health facilities, and establishing additional post-secondary training facilities in these communities.

But while these demands increase, our revenues do not. And Fort St. John is among the luckier small communities; our economy is strong. I can only imagine how difficult it is for communities that don't have a strong economic base.

What do we recommend for all our small communities, those trying to keep up with a booming economy and those that don't have one?

One, eliminate the short-term, one-off federal infrastructure initiatives, whereby programs take longer to design, negotiate, and implement.

Two, adopt the principle of subsidiary by which key decisions affecting local communities, like infrastructure spending, are made locally. This will not only speed things up, but it will clear things up.

Three, expand the definition of infrastructure to include not only roads, bridges, and sewers, which may not be a priority for every community.... Each community has a different set of priorities and should be able to set them.

How can you do this when your own budgeting process is an annual one, usually no more than four years? It has to become local, simple. This is my message to you today. Work with the provinces and territories to give municipalities, both large and small, an appropriate share of the wide array of income, sales, and other taxes collected by senior levels of government; reduce our dependency on property tax; and give back a portion of what is generated locally in sales, income, and other taxes.

We already have a precedent that's been set, whereby municipalities can secure a share of the gas tax. We believe this should be expanded to include goods and services, income, corporate, and other taxes you collect.

• (0935)

Thank you.

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

We'll move now to the Council of Yukon First Nations.

We're pleased to have you here, Grand Chief Andy Carvill. I will give you an indication when you have a minute remaining in your presentation, but you have five minutes to make your presentation this morning. Then we'll have time for questions thereafter.

Welcome. Please proceed.

**Grand Chief Andy Carvill (Council of Yukon First Nations):** Thank you.

I want to begin by just saying good morning and welcome to the traditional territory of the Kwanlin Dun and Ta'an Kwach'an First

Nations. On behalf of all CYFN first nations, I want to thank you for the opportunity to speak with you today.

Within the context of the objective for Canada to remain vibrant, be progressive, and prosper within a competitive world, we must begin closer to home with a focus on our resources, key relationships, and processes. It is recognized that within Yukon there are many natural resources yet to be developed and tourism opportunities yet to be realized. First nations are willing to share many aspects of their culture with others and provide access to wilderness sites and experiences where no adverse cultural or environmental impacts can be assured.

A valued resource is our people. We must continually work together on ways to increase education levels, provide job experiences, and offer appropriate compensation and stability within the work environment. We need to ensure that sustainable capacity is developed and our full potential is realized. Yukon first nations are anxious to work with others to achieve these and other goals in a constructive and meaningful way.

The success of both Canada and first nations governments in the global economy is influenced by the perceptions of other nations. It is essential that they view the relationships between all governments—federal, provincial, territorial, and first nations—as both constructive and stable in our work toward common goals. The importance of commitment, integrity, and cooperation amongst all cannot be over-emphasized. Yukon first nations support these ideals.

We view the opportunity to work constructively with those arms of Canada's government that serve the collective interests of many of their departments, rather than continually deal with individual departments with their own complexities and mandates. As self-governing first nations, we strive to establish and maintain an effective government-to-government relationship, and we appreciate that active participation in forums like this one today is a step toward that end. We believe that working in such a manner will permit us to obtain better value from our very limited resources.

In significant part, we see this view of our relationship as a foundation of our self-government agreements with Canada. This implies that funds should flow directly from Canada to Yukon self-governing first nations, not through the Yukon territorial government. When Yukon first nations issues and interests are being discussed within intergovernmental forums, we need to be at the table. Increased effectiveness of available financial resources can be achieved by flowing them directly to those who can best respond to the widely varying needs of their citizens.

Under the land claim agreements, Yukon first nations have responsibilities for their beneficiaries and citizens that go beyond those with status. Further, since most Yukon first nations lands are not reserves, there are a number of federal government funding and service issues and entitlements that arise between Yukon first nations and those south of sixty.

We currently require your valued support to help us fully achieve the collective benefits of our self-government agreements and to resolve any outstanding issues arising from our land claims agreements. Our support for a major pipeline to provide essential fuel to domestic and international markets alike and our involvement in the construction of a transnational rail line to effectively move natural resources, commodities, and people are premised on land claims settlement and active Yukon first nations involvement.

We are anxious to become key participants in becoming increasingly competitive within the global economy. In the immediate future, however, we must concentrate our efforts and resources to get it right the first time. In our move toward true self-government, we ask the Government of Canada, through their upcoming budget, to increase our financial support for self-government and land claim implementation, to help accelerate this progress. Clearly, such an increase in budgeted expenditure should be viewed as a further investment in developing capacity for both first nations and Canada. Only then can we focus our efforts and expertise on the international scene and become active partners under this and other equally important themes.

Notably, this would not preclude the need for Canada, through its honour of the Crown, to continue to address many issues surrounding health, justice, human resource development, housing, community infrastructure, economic development, and other requirements on an ongoing basis, rather than intermittently or periodically in some instances. Further advances in all these areas would benefit all Yukoners and Canadians alike.

• (0940)

I hope we'll be able to offer a greater focus on the more technical aspects of this issue through a written submission.

In the meantime, I thank you for your indulgence and the opportunity to address this important topic, albeit while identifying its significant relationship with—if not dependence upon—many others.

Thank you.

**The Chair:** Thank you very much, Mr. Carvill.

We will continue with Karen Baltgailis, who is representing the Yukon Conservation Society.

Five minutes is yours.

**Ms. Karen Baltgailis (Executive Director, Yukon Conservation Society):** Good morning.

Thank you for the opportunity to talk with you this morning.

Ensuring that Canadian citizens can prosper in the future requires much more than an active economy. Canadians' social and physical health depends on the natural environment. No amount of economic activity can compensate if human social and physical health and the

natural environment they depend on is impacted. For this reason, the Yukon Conservation Society is focusing on climate change and mining in these recommendations this morning.

As you know, climate change is impacting the north—first and worst. This is an ecological disaster, where polar bears are unable to hunt due to melting sea ice and massive insect infestations or fires are completely changing forest habitat. We read in *The Globe and Mail* this morning that evidently the pine beetle is moving north now, in addition to the spruce bark beetle. It's also an economic disaster, as infrastructure like roads, pipelines, and buildings are impacted by melting permafrost and communities that are dependent on the forest industry are left high and dry.

Mining has serious economic impacts as well as economic benefits, for example, on traditional livelihoods such as trapping and nature tourism. It also creates boom and bust economies, with the concomitant social and health issues.

There is a long history of mines that have left environmental disasters in their wake, such as the Faro Mine in northern Yukon, which is likely to cost the federal budget \$500 million to clean up and will leave a permanent legacy that needs to be monitored and maintained.

We are therefore recommending that the federal budget end subsidies, such as the super flow-through share program for mining and exploration and to instead create tax incentives and subsidies for mineral recycling and economic initiatives based on a healthy environment, such as developing national parks and supporting community stewardship initiatives.

Enhanced funding is essential for the cleanup of abandoned mines and for monitoring and regulatory oversight of mining and exploration. For example, here in the Yukon, the Department of Fisheries and Oceans is creating a new regime to manage placer mining. Without adequate resources to monitor water quality and fish health, the new regime will not be effective.

A Canadian climate change strategy must immediately begin freezing carbon dioxide emissions and then begin sharp reductions. Tax incentives for renewable energy are needed, combined with an end to subsidies for oil and gas. There should be carbon taxes on oil and gas production and consumption. Public transit within and between northern communities also needs federal support. Energy conservation through energy efficient buildings and renewable energy sources must also be encouraged through education and financial incentives.

It's essential that Canada's climate change plan develop a strong focus on the north, because as we said earlier, it's here that the impacts of climate change first appear.

In summary, we're recommending a freeze on carbon dioxide and related greenhouse gas emissions; long-term funding for EnerGuide-style programs and low-income energy efficient housing; tax and other incentives for renewable energy; ending subsidies for oil and gas; tax incentives for energy efficient vehicles; taxes on vehicles that are inefficient; funding for initiatives in education that help Canadians to reduce greenhouse gases on an individual level; funding for mitigation and adaptation as well as modelling; continued federal involvement with programs like the United Nations' Intergovernmental Panel on Climate Change and the Arctic Council's "Arctic Climate Impact Assessment"; and a focus on the north for climate change initiatives.

Under mining, we're asking for enhanced funding for the cleanup of orphaned and abandoned mine sites; funding for enhanced regulatory oversight, particularly by the Department of Fisheries and Oceans with regard to the Yukon's new placer regime; tax and other incentives for mineral recycling; economic initiatives based on a healthy environment, such as developing new national parks; and supporting community stewardship initiatives rather than mining exploration.

Finally, cancel the super flow-through share program for mining exploration. That's a federal tax incentive for exploration. Instead, concentrate on mineral and metal recycling. Simply cancelling the super flow-through share program and the investment tax credit for exploration could bring in \$105 million per year, which is currently lost by the federal government.

• (0945)

If you are still interested in making yet more cuts and saving more money for Canadians, this would be a good way to do it and switch over to funding metals recycling instead.

Thank you very much.

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

Because of the lateness in coordinating some of the presentations today, do I have consent of the committee that they are available only in English at this point? I am told they will be translated and available later this week.

Do I have the consent of the committee to distribute these, so that everyone has them?

**Some hon. members:** Yes.

**The Chair:** I thank you for that, and it's only for today *Aujourd'hui seulement. Merci, monsieur.*

We will continue with Rod Taylor, the president of the Tourism Industry Association of the Yukon.

Mr. Taylor, the floor is yours.

**Mr. Rod Taylor (President, Tourism Industry Association of the Yukon):** Good morning. Thanks for having us.

I will be brief.

Adventure travel and ecotourism are emerging as two of the fastest-growing markets for tourism worldwide. The Yukon, like Canada, is uniquely positioned to capitalize on this current global travel trend. That said, our global competitors are continually increasing their marketing budgets to compete in an increasingly competitive workplace.

In order for Canada and the Yukon to achieve our potential as world-class travel destinations, we must also continually increase our marketing efforts to the world. Unfortunately, as the Canadian government's support of the Canadian Tourism Commission has weakened, so has Canada's market share in tourism around the globe. The CTC makes money for Canadians; it is not simply an expense-side entity. The return on Canada's investment in tourism in 2005 was a total of \$15.3 billion in taxes for all levels of government, with \$7.7 billion going specifically to the federal tax base.

In simple terms, investing in Canada's tourism industry makes sound economic sense. As such, TIAY is calling on the federal government to significantly increase its funding of the Canadian Tourism Commission, so that Canadian tourism businesses will be able to compete effectively and continue to provide significantly to Canada's tax base.

Secondly, we're asking the government specifically to reverse its decision to take back the \$5.6 million that was saved during the recent relocation of the commission to Vancouver—funds that earlier had been determined to be made available for marketing purposes.

In the Yukon, tourism is the largest private sector employer and annually adds approximately \$165 million to the Yukon's GDP. In fact for every dollar spent by the tourism department on marketing, over \$37 is realized in visitor spending. Unfortunately, the combination of the strong Canadian dollar, high gas prices, and the western hemisphere travel initiative are all threatening this tremendous return on investment. Every advantage the Canadian travel industry has is desperately needed to ensure our competitiveness in the marketplace.

It is with this fact in mind that TIAY is asking the federal government to reverse the elimination of the GST visitor rebate program. The additional costs to our consumers, which this initiative will create, will once again ensure loss of market share, and of the corresponding federal and provincial taxes for all Canadians.

I want to thank you for the committee's time today. Yukon tourism operators appreciate the opportunity to express these concerns.

● (0950)

**The Chair:** Thank you very much, Mr. Taylor.

We now continue with Stanley James of the Northern Native Broadcasting organization.

Mr. James, welcome. You have five minutes, sir.

**Mr. Stanley James (Chairman, Board of Directors, Northern Native Broadcasting Yukon):** Good morning, Chairman Pallister, vice-chairperson, and members of the standing committee.

I'm Stanley James, chairman of the board of directors of Northern Native Broadcasting Yukon.

Thank you for the invitation to make a presentation to the Standing Committee on Finance regarding Canada's place in a competitive world. The standing committee wishes to hear how citizens and business can prosper in the future, can be healthy, can have proper skills, and can be given the incentive to work and to save. The committee also wishes to hear how program spending measures can be implemented to meet those aspirations.

In 1979, recognizing that aboriginal northerners had serious concerns about the lack of representation of indigenous languages, customs, and culture, the CRTC established a committee on the extension of services to northern and remote communities. The committee recommended that federal funding be provided to develop aboriginal broadcasting networks in order to meet Canada's obligation to provide indigenous people with opportunities to preserve our languages and culture.

In March 1983 the northern native broadcasting program was created to support the production and distribution of relevant aboriginal programming to the northern indigenous population. The access program funds 13 non-profit communications societies, one of which is Northern Native Broadcasting Yukon. In 1984 Northern Native Broadcasting Yukon was incorporated as a non-profit society, governed by the 14 first nations of the Yukon.

Following a two-year training program, Northern Native Broadcasting Yukon staff, consisting of five aboriginal individuals, began broadcasting radio programming on CHON-FM on February 1, 1985, to six Yukon communities seven hours a day, five days a week.

In 1986 Northern Native Broadcasting Yukon carried out a one-year television training program. The following year it produced its first season of four television programs, broadcast across the Yukon and Northwest Territories on CBC North.

Shortly after that, on February 1, 1991, Television Northern Canada went on the air. Television Northern Canada was created as members of northern aboriginal communications societies, including

us, took on the challenge of providing television services to the north.

In 1999 Television Northern Canada underwent a change. It became the Aboriginal Peoples Television Network, Canada's national aboriginal broadcaster. Northern Native Broadcasting Yukon currently provides 26 hours of original programming on that network in a variety of languages, including English. We also broadcast aboriginal radio programming 24 hours a day, seven days a week. Our radio signal streams over the World Wide Web.

The majority of key Northern Native Broadcasting Yukon staff and support staff are members of first nations and are intimately familiar with the languages, culture, and communities of the Yukon, British Columbia, Northwest Territories, and Alaska.

From the beginning, over 150 individuals have been involved in the organization in some way or other. Employees, directors, the board of directors, consultants, and independent producers have all had a significant role to play in the growth of Northern Native Broadcasting Yukon and its contribution to the social, cultural, and economic fabric of northern society.

Northern Native Broadcasting Yukon has played, and continues to play, a role as an economic generator. Since its launch, Northern Native Broadcasting Yukon has injected approximately \$21 million into the economy. It has been the main trainer and employee of aboriginal people wishing to enter into a career in electronic broadcasting in the Yukon.

The northern native broadcast access program is administered by the aboriginal programs directorate of the Department of Canadian Heritage. Northern Native Broadcasting Yukon submits an application annually to the department for core funding. A contribution agreement provides just over \$1 million to the organization per fiscal year. The organization in turn must provide the department with quarterly activity and financial statements to trigger payments. Each year the department has been late in advising recipients of the status of their applications.

● (0955)

**The Chair:** Mr. James, I'll ask you to wind up your presentation in the next ten seconds.

**Mr. Stanley James:** The program has not kept pace with the needs of the societies it helped establish. It has not been increased to match the cost of living, which means our paycheques are less each year.

In an era of rapid technological change, funding to replace and upgrade aging and obsolete equipment is not factored into the program. In spite of these challenges, Northern Native Broadcasting Yukon is a first nations success story. We've established ourselves as a credible communications operation for the production and distribution of radio and television programming from a first nations perspective.

**The Chair:** Mr. James, we'll have to conclude on that note and leave time for questions after.

We'll continue now with a representative from Yukon College, the dean, Stu Mackay.

Welcome. You have five minutes, please.

**Mr. Stu Mackay (Dean, Professional Studies, Yukon College):** Good morning, everyone.

I'm pleased to be able to speak with you on the topic of Canada's place in a competitive world. Yukon College firmly believes that training and skills development are critical for an economy that is knowledge-based, and that the quality of Canada's workforce will be the primary competitive advantage in the future.

Canada must ensure it has a highly skilled, adaptable labour force that can respond to and drive the economy of tomorrow, and it must be able to make the best use of the skills of those already in the marketplace.

Canadians require post-secondary education systems that are among the best in the world to translate into a competitive advantage, economic prosperity, and a higher standard of living. However, as was stated by the premiers at the Competing for Tomorrow conference in Ottawa in February, Canada is falling behind in productivity, innovation, and education attainment rates. Therefore, investment in human capital must be a critical priority of the government's social and economic planning and work.

Yukon College recommends that the 2006 budget incorporate a comprehensive agenda that would include major national policies and initiatives to ensure that Canada has the resources in place to build a highly skilled and adaptable workforce. This agenda may be based on a number of principles.

First is inclusivity, providing access to learning opportunities for all Canadians. All Canadians will need to participate in the new economy. Although the federal government can provide leadership, it must be a concerted effort with provinces, territories, and communities.

Second is a strategy to promote a commitment to lifelong learning.

Lastly, as a principle, it should capitalize on the significant contribution that first nations peoples and immigrants make to society and our economy.

We would also recommend the following key components be included.

Number one, the federal government must act now to reinvest in the quality, capacity, and access to Canada's post-secondary and skill systems. The most important role for the Government of Canada to play is to restore the Canada social transfer funding to the 1993-94 level, adjusting for inflation and demographic growth, with an emphasis on public post-secondary education and training.

Number two, a new learner support system is required. The confusion and prevalence of many different types of financial assistance mechanisms for post-secondary learning add access barriers for many current and potential learners.

Number three, investments in infrastructure, including funds for modernization and equipment acquisition, are critical. This must also include increasing our broadband connectivity to rural remote communities through such programs as CANARIE.

Number four, increased research and development and commercialization funding designed, funded, and administered exclusively

for colleges and institutes would strengthen the innovative capacity of communities and their small and medium enterprises. This would bring new services and products to market and develop highly skilled expertise to enhance economic development.

I hope you have an opportunity later to look at our submissions in more depth, but I really thank you for your consideration today.

**The Chair:** Thank you for your presentation, Mr. Mackay.

We continue with the Yukon Child Care Association, Debbie Throssell.

Welcome. Five minutes are yours.

**Ms. Debbie Throssell (Conference Coordinator, Yukon Child Care Association):** I would like to take this opportunity to thank you for wanting to hear what the Yukon Child Care Association has to say on these important subjects.

With the socio-economics of our country changing, many of our young people are starting families early rather than getting an education. This place has a great need for available child care spaces for these children, while their parents go to work to support them.

We would suggest tax breaks. Parents need more of a tax break on income tax. With the costs of day care rising, this cost is becoming unaffordable for many.

Education needs to be more accessible for people wanting to access post-secondary education. Raising the education deduction would provide an added benefit to this. We need access to ongoing funding for further training and education and sustainability for testing programs to further education. Infrastructure needs to be in place for stakeholders.

When asked to be on committees, there are lost wages and time is unaccounted for.

Day care needs to be affordable to families who are working. At this time, the accessibility of day care is available to the rich, who can afford to pay for it, and to the poor, who are eligible for subsidies. Many middle-income families are unable to afford day care, leaving children at home who become latch-key children. Implementing a program of affordability would help to alleviate this problem.

Day care is in a crisis right now. They are unable to compete with wages and benefits for their workers. There's also a need to be able to pay proper wages in this industry.

The new child tax benefit that was implemented in July of 2006 is insufficient for families. The \$100 does not pay for one child care space or spot per week, leaving many unable to access day care.

Accessibility and sustainability are key to our economic future. Our teens of today are our next generation of the economic workforce. Post-secondary education costs are rising, making it inaccessible to many. Families cannot afford to send all of their children to further education.

Middle-income families cannot obtain child care or higher education, with the rising costs of supporting their families. Day care is in a crisis. We need help from the federal government.

Thank you.

•(1000)

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

Thank you all for your presentations this morning.

We'll move now to questions from committee members. We'll begin with Mr. Bagnell.

Welcome, sir. You have six minutes.

**Hon. Larry Bagnell (Yukon, Lib.):** Thank you.

I'd like to start by thanking the committee for choosing to come. It's been a number of years, since I can't remember when. It's great that you've come to hear firsthand from Yukoners. As you can see, they have lots of input.

**The Chair:** It's the first time.

**Hon. Larry Bagnell:** Yes, the first time.

Thank you very much, committee members, for making that choice.

I'd love to ask questions of everyone, but I don't have time. A number of my questions will be on the theme of the dramatic cuts that were made last week.

A number of Yukoners have approached me, asking for reinstatement of some of those. Some of my questions will be asking if there are certain things you would like reinstated that you would like us to recommend, as the finance committee.

Grand Chief, I'm glad you touched on land claim implementation, which is very important for funds. I would like you to touch on a couple of other things. One is the core funding for your organization and whether you need more.

The other one is this. We talked last week about cuts to the aboriginal tobacco strategy and women's programs. Are there any comments you want to make on those areas?

**Grand Chief Andy Carvill:** Thank you, Mr. Bagnell.

Yes. With respect to your first question or comment about our core funding for the Council of Yukon First Nations, our core funding is at a very nominal level. It's hard for us to do anything effective. We represent eleven of fourteen first nations governments in the Yukon—through our land claims agreements they are governments. In order for us to effectively carry out the mandate we receive from the chiefs in each one of these communities across the Yukon, our funding has to be brought up to a level where we can effectively meet the needs of the people in the communities.

For a number of years now, there have been promises made at PTOs and tribal councils and whatnot that there would be an increase in funding. We're still waiting. This promise was made three or four years ago, I believe, by the federal government, and we still receive nothing. We have to go hat in hand to the Yukon regional office of INAC every year to ask for a top-up to the funds we currently receive in order to help us carry out our business. It's not only for

first nations people; when I sit in that office it's to represent the interests of all Yukoners.

With respect to the cuts in Inuit and first nations health and tobacco strategies, I believe they're very detrimental to a lot of people. When we look at the impact on people, the smoking strategy and the money that was there before helped to educate people about the problems with smoking and whatnot. If we take that away, there'll be more of a burden on the health system: costs will increase, more people will become more sickly. I believe the money shouldn't be cut. If anything, we want to become less and less of a burden on society—if I can use that term—and help our people become healthy. When we continue getting cuts, as first nations organizations and as people across the country, then it goes against some of the very commitments that were made to us.

The cuts to the society of women are also something that of course aren't supported by the Council of Yukon First Nations. When we look at the aboriginal people, the women, they need more funding to help them achieve some of the goals and objectives that have been set out. I've sat in a couple of different meetings with women's societies across the country, and they're struggling to get to their rightful places. If we start to cut back their funds, it's going to make it a lot harder for them to participate and to effectively meet and address their needs.

•(1005)

**Hon. Larry Bagnell:** Thank you.

Debbie, in August there was a huge protest rally on day care that one of the Yukon press characterized as the biggest protest in Yukon history. When we were the government, we had originally planned to put \$5 million into day care through the Yukon government, and then they could give it to day cares for staff or whatever. Do you think a cash contribution such as that by the federal government would be helpful in your request?

**Ms. Debbie Throssell:** I believe that would be helpful. Part of the problem is that when day cares hire staff, they start at \$9 an hour. You can go to Wal-Mart and start at \$10.35 an hour. So where would you work?

Day cares have not had a raise in wages since, I believe, 1992. So yes, that would definitely be a big help.

**Hon. Larry Bagnell:** I have 30 seconds? Oh, gee.

Stanley, we fought a big fight in August to try to get this year's funding decisions. Can you tell me, is this a perennial problem that native broadcasters across the country are having, this trouble of getting their decisions late in the year when they have to start paying bills on April 1?

**The Chair:** Sorry, Mr. James, you've used up the time.

Our next questioner will be Mr. St-Cyr. Mr. St-Cyr, you have six minutes.

**Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ):** I will be talking in French, so I encourage you to use the translation if you don't understand French.

[Translation]

First of all, thank you for taking the time to meet with our committee. I can appreciate how very frustrating it must be for you to have only five minutes to make your point, but you have to understand that it is equally frustrating for committee members to have so little time to put questions to witnesses.

I'd like to discuss the subject of climate change with you. More than likely, there are two or three organizations here who could speak to this topic. When discussion arose in the House about meeting Kyoto targets, the Minister of the Environment stated that meeting our commitments would be far too costly, that Canada did not have the means to meet its targets, that it would lead to economic disaster, that it would spell the demise of the transportation industry, and so on and so forth. I found it all rather amusing, this coming from the Conservatives who are a sympathetic lot and always manage to make MPs smile a little.

What's not funny, however, is thinking about the rather devastating impact of climate change in the North, where the initial effects are now being felt. My question is for Ms. Baltgailis from the Yukon Conservation Society. However, it is also directed to the representatives of the Yukon Tourism Industry Association and the Yukon Council of First Nations.

Does global warming have some concrete repercussions for northern communities, from both a social and an economic standpoint, and if so, will the impact be so significant to warrant action?

•(1010)

[English]

**Ms. Karen Baltgailis:** Thank you very much for that question.

Yes, absolutely, there's a huge economic impact from climate change, as well as a social and an environmental impact. The forest industry is a perfect example. In the southwest Yukon we have an enormous spruce bark beetle infestation, which has certainly changed what the forest is like. And that's not only in terms of financial benefits from the logging industry or that kind of thing, but also in terms of traditional lifestyles. If the whole forest ecosystem is changing, that can really affect traditional lifestyles. Then you get things like melting permafrost and what that does to highway infrastructure, buildings, and those kinds of things.

So there's no question that investing the money into Kyoto, or Kyoto or better kinds of initiatives, has economic benefits as well as environmental benefits.

**Mr. Rod Taylor:** I can give you an example of the economic costs of this that really hit home for me. I have an adventure travel company and for the first time in 2005 we were unable to do winter trips in the Whitehorse area. There just wasn't enough snow. It was the first time.

On average, for the sixteen or seventeen major winter tourism operators in this area, the increased costs to find snow and keep going north were in the neighbourhood of about a 20% increase to their bottom line expenses. It was absolutely enormous. In fact the truth is, for the majority of these businesses, that's the margin; that's

what we're talking about. We lost the margin because of that, and it's only getting worse.

[Translation]

**Mr. Thierry St-Cyr:** Mr. Carvill?

[English]

**Grand Chief Andy Carvill:** Thank you for your question and concerns.

I think for the Council of Yukon First Nations, it's had a very heavy impact upon our people. We have trappers who have trapped for generations and their livelihood is slowly being taken away from them, if it's not already been taken away from a lot of them. Because of the warmth and global warming, the quality of fur isn't the same, so it drives the prices down. People are starting to get out of the industry.

When it comes to the health of our people, our people utilize many medicines off the lands, and those medicines and whatnot are starting to be depleted. You've heard mentioned earlier the spruce bark beetle, the pine beetle, and all of that, and it's having a very negative impact. We've got to look at ways to start to increase funding in that area instead of decreasing it.

Thank you.

[Translation]

**Mr. Thierry St-Cyr:** I can imagine how frustrating this must be for you. It would appear people who live in the south are responsible for most of the greenhouse gas emissions, given their lifestyle. However, your communities are the ones most affected and you're the ones paying the price.

Regarding the Kyoto Protocol, in your opinion, are the targets Canada has set as part of its international commitment absolute minimum targets, or do you believe they are far too unrealistic?

[English]

**Ms. Karen Baltgailis:** As I mentioned in my presentation, we're spending a lot of money subsidizing, say, the oil and gas industry, or the mining industry, and these industries really contribute to climate change a lot. So I think you could actually make improving our climate change initiatives a lot less expensive if we were to cut down on the subsidies to these sorts of things, and, for example, get into renewable energy or recycling metals. This takes a lot less energy and also has much fewer environmental impacts.

**The Chair:** We will continue with Madam Ablonczy. You have six minutes.

•(1015)

**Ms. Diane Ablonczy (Calgary—Nose Hill, CPC):** Thank you very much. We really appreciate all of you being here. We know you have some unique situations. That's one of the reasons we wanted to come and hear directly from you, and you've been very helpful. We appreciate it.

I want to first of all turn to Northern Native Broadcasting. This is a very exciting success story. You must be very proud of yourselves and the progress your organization has made. I note that you particularly want to entrench aboriginal broadcasters in the Broadcasting Act and to provide for adequate funding that you can count on and multi-year agreements.

I was very interested in this initiative. Do you have any studies on how many Canadians access your broadcasts? Are you able to tell how wide your listenership is?

**Mr. Stanley James:** We haven't done that yet because we don't have the funds to do it.

What I'd like to request is that the full presentation of my report be incorporated into this whole discussion.

**The Chair:** That will be done, Mr. James.

**Statement by Mr. Stanley James:** Good morning, Mr. Pallister, vice-chairs, and members of the standing committee.

I'm Stanley James, chair of the board of directors of Northern Native Broadcasting Yukon.

Thank you for the invitation to make a presentation to the Standing Committee on Finance regarding Canada's place in a competitive world.

The standing committee wishes to hear how citizens and business can prosper in the future, can be healthy, have proper skills, and be given incentives to work and to save. The committee also wishes to hear how program spending measures should be implemented to meet those aspirations.

In 1979, recognizing that aboriginal northerners had serious concerns about the lack of representation of indigenous languages, customs, and cultures, the CRTC established the extension of service to northern and remote communities committee. The committee recommended that federal funding be provided to develop aboriginal broadcasting networks in order to meet Canada's obligation to provide indigenous people opportunities to preserve our languages and culture.

In March of 1983, the northern native broadcast access program was created to support the production and distribution of relevant aboriginal programming to the northern indigenous population. The access program funds thirteen non-profit communications societies, one of which is Northern Native Broadcasting Yukon.

In 1984, Northern Native Broadcasting Yukon was incorporated as a non-profit society governed by the fourteen first nations of the Yukon.

Following a two-year training program, Northern Native Broadcasting Yukon staff, consisting of five aboriginal individuals, began broadcasting radio programming on CHON-FM on February 1, 1985, to six Yukon communities, seven hours a day, five days a week.

In 1986, Northern Native Broadcasting Yukon carried out a one-year television training program. The following year it produced its first season of half-hour programs broadcast across the Yukon and Northwest Territories on the CBC North television system.

Shortly after that, on February 1, 1991, Television Northern Canada went on the air. Television Northern Canada was created as members of northern aboriginal communications societies, including ourselves, took on the challenge of providing television services from the north to the north.

In 1999, Television Northern Canada underwent a change. It became the Aboriginal Peoples Television Network, Canada's national aboriginal broadcaster.

Northern Native Broadcasting Yukon currently provides 26 hours of original programming to that network in a variety of languages, including English. We also broadcast original radio programming 24 hours a day, 7 days a week. Our radio signal streams over the World Wide Web.

The majority of Northern Native Broadcasting Yukon key and support staff are members of first nations and are intimately familiar with the languages, cultures, and communities of Yukon, British Columbia, Northwest Territories, and Alaska.

From the beginning, over 150 individuals have been involved in the organization in some way or other. Employees, directors of the board, contractors, consultants, and independent producers all have had a significant role to play in the growth of Northern Native Broadcasting Yukon and its contribution to the social, cultural, and economic fabric of northern society.

Northern Native Broadcasting Yukon has played, and continues to play, a role as an economic generator. Since its launch, Northern Native Broadcasting Yukon has injected approximately \$21 million into the Yukon economy. It has been the main trainer and employer of aboriginal people wishing to enter into a career in electronic broadcasting in the Yukon.

The northern native broadcast access program is administered by the aboriginal programs directorate of Canadian Heritage.

Northern Native Broadcasting Yukon submits an application annually to the department for core funding. A contribution agreement provides just over \$1 million to the organization per fiscal year. The organization in turn must provide the department with quarterly activity and financial statements to trigger payments. Each year the department has been late in advising recipients of the status of their applications.

This year Northern Native Broadcasting Yukon did not receive written notice from the department until September 18 that our application was approved and a cheque for the first quarter only was appended. That's six months into a 12-month fiscal year.

This arrangement creates and maintains a false sense of economy and is designed to ensure that non-profit societies are always only a step away from failure.

The program has not kept pace with the needs of the societies it helped establish. Core funding has not increased to match the cost of living, which means our paycheques are worth less each year.

In an era of rapid technological change, funding to replace and upgrade aging and obsolete equipment is not factored into the program.

In spite of these challenges, Northern Native Broadcasting Yukon is a first nation success story. We've established ourselves as a credible communications operation from the production and distribution of radio and television programming from a first nations perspective.

We train and employ first nations people in all aspects of the industry. We play a key role in protecting, encouraging, enhancing, and perpetuating the language and culture of Yukon first nations people on the local, national, and international level.

Against that backdrop, we see ourselves as being a player in Canada's pursuit of a place in a competitive world.

To that end, to help us achieve that goal, we have recommendations for your consideration. These are not new. We've made these recommendations to other standing committees, and to federal government policy researchers, and we'll repeat them here for you.

We recommend that the federal government recognize that aboriginal broadcasting is an integral part of Canadian public broadcasting; that it strengthen and entrench the position of aboriginal broadcasters in the Broadcast Act, federal policies, and regulations.

We recommend continuing to invest in the societies and provide adequate funding for (i) operations and productions, (ii) the upgrade of transmitting and production equipment, and (iii) training and capacity development.

And we recommend modifying the funding process to enable multi-year agreements.

Mr. Pallister and members of the House of Commons Standing Committee on Finance, this concludes our presentation to you.

The CEO of Northern Native Broadcasting Yukon, Ms. Shirley Adamson, is here with me today. Together we'll be happy to address any questions you have of us.

Thank you.

**The Chair:** Now to Ms. Ablonczy's questions.

**Mr. Stanley James:** I'd like to leave it up to the chief executive officer, Shirley Adamson, to respond to most of these questions.

**The Chair:** That would be quite permissible.

Welcome, Ms. Adamson.

**Ms. Shirley Adamson (Chief Executive Officer, Northern Native Broadcasting Yukon):** Thank you very much, and we appreciate your indulgence. With regard to that question, we have never been funded to do the necessary surveys required to support our program. However, informal surveys show that our listenership is very wide. We get requests for information and music content from as far away as Germany and as close as North Dakota, and of course from all of the areas within Canada's north.

Because we are a founding member of Aboriginal Peoples Television Network, we have, through that organization, just concluded a survey that is now being analysed, and we intend as well to do a survey north of sixty, so it would give us a much better appreciation of what our listenership is at the moment.

**Ms. Diane Ablonczy:** How many different aboriginal languages do you broadcast in?

**Ms. Shirley Adamson:** We broadcast in as many aboriginal languages as are available to us. However, in the Yukon there are eight aboriginal dialects, with two aboriginal languages overall, and we use as many of those languages as possible. But there are a couple of languages that don't get as widespread a broadcast because the speakers are few. One of those languages is Tagish and the other is Han.

**Ms. Diane Ablonczy:** It's very interesting. And congratulations. I really appreciate your brief.

**Ms. Shirley Adamson:** Thank you so much.

**Ms. Diane Ablonczy:** I had a quick question for Chief Carvill.

I am really very interested in your emphasis on increasing education, Chief Carvill, and also on building good working relationships with all levels of governments, and I agree with you that's very important.

I noticed your concern about cuts to the program to discourage smoking among aboriginals. On the basis of your experience—since we have an expert witness here—I wonder if you could tell us what measures you have found to be most effective in reducing dependence on tobacco in the communities that you're aware of.

**Grand Chief Andy Carvill:** The only measures that I am aware of are the educational tools. They're for educating the people, educating the youth about the harms of smoking. There are many measures out there. We can get the message across to students.

**Ms. Diane Ablonczy:** Does this work better in the schools or through community leaders? How have you found the message getting out best?

**Grand Chief Andy Carvill:** It works well in schools. As you know, we have a lot of youth—and I have seen them personally as I was growing up—who smoke on school grounds. Certain schools have smoking pits and whatnot. So it's important to reach them, and not only in school. The health departments in the communities are also very helpful with respect to getting the message out to the people.

● (1020)

**Ms. Diane Ablonczy:** You mentioned a couple of times the need for increased support for self-government strategies and measures. I wonder if you could just help us to understand exactly the areas where you would feel the federal government could be most helpful, because self-government is kind of a wide-ranging area. Is it in the area of health or education? Or is it all of them?

**The Chair:** Grand Chief, you have about 20 seconds remaining in this section for that enormous question.

**Grand Chief Andy Carvill:** Thank you. I think it's all of them. But to really help us with respect to self-governance we need to implement our agreements with Ottawa. By that, I mean being recognized as a government and being equipped with the tools that will help us to implement these agreements.

**Ms. Diane Ablonczy:** Thank you.

**The Chair:** Thank you very much, Madam Ablonczy.

I would like to make a quick point. Mark me down as one who enjoys very much the programming on APTN. Congratulations to you and your associates on your production work.

Secondly, eight provinces currently have passed non-smoking legislation. I'm just curious as to what your organization's position would be in regard to that proposal if it were brought forward in the Yukon.

**Grand Chief Andy Carvill:** My position on behalf of the Council of Yukon First Nations is that it would be supported. But we would do it in conjunction, I believe, with the Yukon territorial government. We have a close working relationship with the government, and I believe it would definitely be supported.

**The Chair:** Thank you, Grand Chief.

We move now to my Manitoba colleague, Madam Judy Wasylycia-Leis. You have six minutes.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Thank you very much.

Thank you all for your great presentations. As you know, we're all very glad to be here, and we appreciate your massive input into these hearings.

Let me just pick up first on Diane Ablonczy's question and comment about smoking among aboriginal youth.

To Chief Carvill, are we dealing with the problem at all by eliminating all the funding for first nations and Inuit tobacco control strategies?

**Grand Chief Andy Carvill:** Yes. As I said in my response to Mr. Bagnell's question earlier, eliminating the funding will make it more of a burden, not only on my people, but I believe on the government. As we look at the health system, it's going to be more costly, with people coming in and out of the hospitals and health centres and whatnot, due to smoking-related illnesses. I know it's not a very good move to eliminate that. If we can't educate the people about the harm that smoking is doing to their bodies, and it's taking away the funding and we can't get the message out to them anymore, it may seem to these young people that we don't care anymore. And it will continue to be a burden on us.

**Ms. Judy Wasylycia-Leis:** So if we recommend anything, we should recommend the restoration of the funding for this program, as a small piece of one solution to a big problem.

I wanted to stay on the theme of cutbacks just for now. This has dominated all of our thoughts. I think it was best said by Karen Baltgailis, who commented on the wisdom of these kinds of cuts. She said they are really nickels and dimes to our community groups, but that's all they have to put on things like literacy programs and skills training. And yet there are billions of dollars for profit to oil and gas companies that are rolling in profit. They're seeing the best years they've ever had. So it's hard for us to grasp the priorities of this government.

One of the big cuts, of course, is the GST rebates for visitors, which I know—you've said, Mr. Taylor, as have others—is a huge loss for a very necessary and vibrant industry in Canada. I wonder if you realize that for the government just to bring forward the legislation to eliminate the GST rebate program, unlike the case of

many of the other cuts, which we're going to have to fight through public pressure, it will require a ways and means motion in Parliament. The ways and means motion has been introduced in Parliament. It's number seven on the order paper. We don't know when the government will bring it forward. They have to give us 24 hours' notice. And they haven't said it's a non-confidence motion. So I have a feeling, given what I've heard from the Bloc and the Liberals, and of course the NDP, that we could have the votes to defeat this motion. I'm wondering if you have any kind of plan or strategy to make sure that every MP is aware of the serious impact of this cut, in short order, so we can be ready to defeat this motion as soon as possible.

• (1025)

**Mr. Rod Taylor:** Sure. I don't want to jump into the place of our national advocacy organization—that's TIAC, the Tourism Industry Association of Canada—but I can tell you that they are hard at that very program. There's no question that we recognize that this potentially could be a government-ending initiative.

The question to us really is, do people recognize it for what it is? It's not tourism operators like me asking for more money. This isn't going to our bottom line. What we're talking about is trying to increase market share for tourism in Canada in general. It's simply a business issue. That's what it is. The cumulative business acumen, with all your colleagues in the House of Commons, is enormous. People surely have to be able to understand that if you pay a dollar and get \$37 back, in the long run that's better for all Canadians. That's what we're trying to say.

Our problem, I think, is that too often the public sees us as just operators wanting to somehow make more money, and that's not what this is about. The issue is big enough that it goes to the heart of the industry itself. If the industry falters, the reality is that in the long run we lose taxes for all Canadians—to implement literacy programs, non-smoking programs, etc.

We think it's a huge issue. We hope all of the three parties in opposition are going to support us on this. I can only tell you that within the next week all of you will be getting briefs sent to you by TIAC that will press this point. It's incredibly important to us.

**Ms. Judy Wasylycia-Leis:** Thanks for that, although so far we haven't heard that the government has made this a non-confidence motion. It may not be a government-ending initiative.

**Mr. Rod Taylor:** We hope.

Just kidding.

**Ms. Judy Wasylycia-Leis:** They may see the wisdom, in fact, of allowing Parliament to express its views and accept defeat on this issue.

The other cuts are a little harder to deal with because they don't necessarily require a motion before Parliament.

I want to thank Debbie for putting before us the crisis in child care in such clear, unequivocal terms. If you could say one thing to the Conservatives, who believe they're providing a child care program through this supposed \$1,200 grant per child under the age of six, what would it be? How could that money better be spent to deal with the crisis you have articulated?

**The Chair:** Debbie, unfortunately, Madam Wasylycia-Leis has used up her time in preamble to her question. If you want to say that one thing, just take a couple of seconds to say it; otherwise, we'll have to wait for another question.

**Ms. Debbie Throssell:** Okay, I'll wait.

**The Chair:** Thank you.

I think most of us hope we'll wait for the next election, until after you finish yours here. There are enough signs up, I'm sure. Most of us agree on that.

We continue now with the second round of questioning.

Mr. Pacetti, you have five minutes, sir.

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

Now that Judy or the NDP has spoken for the rest of us and stated what our positions are, I'd like to put on record that we haven't taken a position on whether we're going to defeat the government or not. We usually consult our caucus members. Judy would like to speak for us. I'm not so sure; I'm too paranoid.

**Ms. Judy Wasylycia-Leis:** On a point of order, Mr. Chairperson, please.

**The Chair:** On a point of order, Madam Wasylycia-Leis.

**Ms. Judy Wasylycia-Leis:** I just want it to be clear. I didn't talk about defeating the government, I talked about defeating—

**The Chair:** I'm sorry, that's not a point of order, and we'll proceed with Mr.—

**Ms. Judy Wasylycia-Leis:** —the ways and means motion on the GST rebate.

**The Chair:** That's not a point of order, ma'am.

We'll proceed with Mr. Pacetti's round. Continue, sir.

**Mr. Massimo Pacetti:** I don't see how the Liberal Party would not be in favour of those programs that we in fact...

Let me just get to the point. I want to thank the groups for coming here today, because it was important for us. Ms. Ablonczy stated that we decided to come out here on purpose because we wanted to hear from you guys. But there seems to be a theme in common, from the first presenter to the last one: lack of funding. Even if we recommend certain programs be implemented, I think there's still going to be a lack of funding.

From the few people we spoke to yesterday, apparently your economy's booming. There are jobs—some people are holding two or three jobs—and there are people making money out here, but I think there's still a common theme, that there's a lack of funding.

We're limited in our time, so I'd like to go around the table again. I don't want to play partisan politics, but two of the biggest programs

we had were the transfer tax on the excise tax. Is that making your situation easier, Mr. Eglinski?

If I can keep the answers limited, then I can go around the table a little bit quicker.

• (1030)

**Mr. Jim Eglinski:** It doesn't really make it any easier. Infrastructure is a big demand, and—I'm just going to refer to it as "industry"—industry has a hard time enticing people to come and work north. People who come to work north want to have the luxuries they have in Calgary or Toronto. They want to have the arts, the culture. That's the infrastructure that's really being demanded in communities such as ours. We need to see more funding coming that way, that would support our recreation.

**Mr. Massimo Pacetti:** But how do we transfer? Even if we increase infrastructure money and recommend that increased moneys be transferred to infrastructure, this will not help your city in particular, because the money will be allocated on a per capita basis.

Will that help you?

**Mr. Jim Eglinski:** It may help another city. It may help another area, another community. It may not help us directly.

**Mr. Massimo Pacetti:** The same thing, Ms. Throssell, with the child care.... We did have an agreement with the Yukon territory. Would the money have been transferred? I'm not sure how much money.

Larry, you stated there was a couple million dollars promised to the Yukon. It was \$5 million.

Would that have done the trick? You stated that child care is in a crisis. Would that have helped? Is that going to help? I think the \$5 million was committed, but I think it's going to end this year.

**Ms. Debbie Throssell:** That would be very helpful, but my concern is if that \$5 million is distributed through all of the north, including Nunavut and the NWT, which would make less come to Yukon day care.

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

Mr. Taylor, how is your funding? How is Yukon tourism funded?

**Mr. Rod Taylor:** The truth of the matter is that compared to all the other industries represented here, it isn't funded federally per se, other than the CTC. That's obviously the key that we get. In order for us to be able to compete in a global market, the CTC needs to have its funding increased.

I'll give you one example. The 3% GST rebate is projected to bring in about \$78 million in savings. That's \$3 million more than the CTC is funded in total. So compared to Australia or Germany—

**Mr. Massimo Pacetti:** So you're funded through CTC?

**Mr. Rod Taylor:** We're not. The Yukon government funds the Yukon territorial marketing division of our tourism stuff. But having said that, the CTC's general marketing programs—marketing Canada in general and the north in particular—have a huge effect on my ability as an operator to bring people here. End of story.

So every time they get cut, it does hurt me. From a federal perspective, it's the CTC that has an impact on my business and businesses in the Yukon.

Territorially speaking, we actually do okay. We could always use more, but the fact is we've done all right.

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

Mr. Mackay, how would it affect the colleges in the Yukon if transfers were made on a per capita basis?

**The Chair:** You have fifteen seconds, sir.

**Mr. Stu Mackay:** Obviously if it's per capita, we would not support it. We would look for different models. I would suggest we look to the models on the health side. In fact, we may even want to look at post-secondary education forming its own transfer payments, as health did. We would look for agreements such as the premiers offered last time on the health issue.

[*Translation*]

**The Chair:** Thank you, sir.

Mr. St-Cyr.

**Mr. Thierry St-Cyr:** Thank you, Mr. Chairman.

I have a fairly general question about a unique feature of the Yukon territory.

Yesterday, I met with some very delightful people who informed me that the Government of the Yukon was not in a position to levy taxes or to impose many of the restrictions that were being put in place by the provinces. I wondered about this and about the impact this may have on your communities.

As a Bloc Québécois member, I'm somewhat concerned that communities should have the right to levy their own taxes and make their own choices. I realize that this isn't necessarily one of the demands you're making as a group, but as Yukon residents, are you concerned at all about this matter?

Do you feel that a territory like the Yukon should have the right, like any province, to levy its own taxes and make its own decisions?

We can go around the table and hear from anyone who might wish to speak to this fairly general question.

• (1035)

[*English*]

**The Chair:** Mr. Eglinski, would you like to begin?

**Mr. Jim Eglinski:** It wouldn't be fair because I'm not in the Yukon. It would not really affect us at the present time, so I'll turn it over.

[*Translation*]

**Mr. Thierry St-Cyr:** Have you every given this any thought, Ms. Baltgailis?

[*English*]

**Ms. Karen Baltgailis:** All I know is that every time I do my income tax I have a Yukon section to fill out, so I'm not quite sure how it all works. So I'm probably not the person to answer this question.

[*Translation*]

**Mr. Thierry St-Cyr:** As far as jurisdiction goes, what's the difference between a territory and a province?

Ms. Adamson?

[*English*]

**Ms. Shirley Adamson:** I would like to address the question, obviously not from the perspective of the Government of the Yukon or as an elected official, but as a taxpayer and as a member of a self-governing first nation. At the end of the year when we pay our taxes, we pay our taxes in a formula, a portion of which goes to the federal government and a portion of which goes to the Government of the Yukon.

Because I'm a member of a self-governing first nation, the first nation to which I belong also occupies tax room. So a formula between the federal and first nations governments ensures that the taxes I pay at the end of the year transfer back to the first nation.

That said, I guess the opinion I share as a taxpayer, as a first nation individual, is that it's not likely that the Government of Yukon ought to move quickly towards that sort of status, because there are a number of first nations yet without a land claim agreement. So the kind of certainty that the government takes to the table is not necessarily there yet. I offer that, but I think the grand chief may want to expand a bit on it.

**Grand Chief Andy Carvill:** I concur with those comments. I think there are a number of first nations that have yet to finalize their agreements in the Yukon. I know there has been some discussion in the past around the Yukon having a province-like status. At this point in time it's not something that's supported by the Council of Yukon First Nations until we get the other first nations to the table and look at agreements, and then we can look at it as a collective.

[*Translation*]

**Mr. Thierry St-Cyr:** I have a brief question for Ms. Throssel.

**The Chair:** A very brief question, sir. You have ten seconds remaining.

**Mr. Thierry St-Cyr:** In your opinion, if we were to make a recommendation, should we be asking for more funding for daycares, or for more money to be paid directly to parents?

[*English*]

**Ms. Debbie Throssell:** Child care probably needs all of that, but the main point is that we want to make day care accessible for everybody. At the moment it's not.

[*Translation*]

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

Next up is Mr. Dykstra.

You have five minutes, sir.

[*English*]

**Mr. Rick Dykstra (St. Catharines, CPC):** Thank you, Mr. Chair. There were a couple of points made that piqued my interest.

Ms. Adamson, in terms of understanding the direction in which broadcasting will go and the fact that you were looking for some funding to be able to do an assessment of who is listening and what the demographics may look like, in terms of advertising and sponsorship of the programs, how does that work and what success have you achieved in that area?

**Ms. Shirley Adamson:** I think what you have to understand is the background from which aboriginal broadcasting has grown. It's a creation of the Government of Canada, in recognizing its shortfall with the public broadcaster. The public broadcaster has a mandate to reflect the society around it. Clearly, the aboriginal and northern population was successful in convincing Canada that this wasn't happening. So the background goes back a couple of decades. You know that.

In order to maintain this relationship of core funding from Canadian Heritage, the societies have to operate as non-profit societies, so they're severely restricted in how they can augment their funding. Unfortunately, for a number of organizations that are created from this type of arrangement, there's a false sense of economy that prevails, and the relationship of having to apply for funding and receiving funding only when triggered by submission of quarterly financial and activity reports, to show that there's no augmenting—

•(1040)

**Mr. Rick Dykstra:** Ms. Adamson, I appreciate that. I'm sorry, but I only have five minutes and I'm just trying to determine whether you actually sell advertising or whether you don't.

**Ms. Shirley Adamson:** Northern Native Broadcasting, the non-profit society, does not.

**Mr. Rick Dykstra:** It does not. Okay. Thank you. That's obviously something to consider.

Mr. Carvill, I appreciated your comments with respect to the smoking in schools and your thoughts that the success of the program would be more from an educational perspective.

There was an additional \$450 million put into this year's budget to deal with improving the water supply, housing on reserve, and educational outcomes. Given that the tobacco control strategy was cancelled because it basically wasn't effective in terms of achieving its goal of lowering the numbers of those smoking and getting them not to smoke, I wondered if you're right in the sense that if it is in the education area, and the government is investing an additional \$450

million, with part of that going to education, we should in fact use that funding to be able to drive the types of programs you think will be successful.

**Grand Chief Andy Carvill:** I believe it would help, definitely.

And as far as the \$450 million to address housing and water safety and other issues is concerned, we don't see a lot of that in the north because we still have to abide by, and are stuck with, the on-reserve/off-reserve policy. So the first nations south of sixty degrees are the ones who see the majority of the funding. Up here in the north we have a very difficult time accessing anything to help us with respect to the health of our people, with respect to water and the education of our people. So we have to look at some of those types of changes.

**Mr. Rick Dykstra:** I don't know how much time I have left, Mr. Chair.

Mr. Taylor, one of the reasons for cancellation of the rebate with respect to GST for out-of-country visitors was that there was only a 3% uptake by those involved in it.

I understand your position, which you stated very clearly, as to how you feel about it, but would it not be prudent at the same time, or something to look at, to use some of those funds to market to our out-of-country visitors and potential visitors, and therefore get a better bang for our dollar from a direct perspective, so that companies can actually see some benefits from our getting engaged in a marketing strategy?

**Mr. Rod Taylor:** Yes. There are two issues.

One thing is that if we honestly thought the money would end up going to marketing, it would be something we would definitely entertain. Our fear is that it's not.

The second thing—and this is a different—

**Mr. Rick Dykstra:** Your fear is justified.

**Mr. Rod Taylor:** Yes.

The difference in the north is this: the majority of the tourism product here is high-end. It's low-volume, high-margin.

Just so you know, every single client I've had in the last ten years has availed themselves of the rebate program, so it's different here.

**Mr. Rick Dykstra:** But as you understand, across the country—

**The Chair:** I'm sorry, Mr. Dykstra, but your time is up.

We continue with Mr. Bagnell, for five minutes, sir.

**Hon. Larry Bagnell:** Thank you.

Mr. Chair, you graciously said we wouldn't have a federal election before the Yukon election is over, but your party has a bill before Parliament that would have a federal election in 2009, three days from a Yukon election, so I hope you'll support my amendments to fix that.

**The Chair:** Well, there is time for the Yukon to adjust, I suppose, Mr. Bagnell.

**Hon. Larry Bagnell:** Oh, for the Yukon to adjust?

**Some hon. members:** Oh, oh!

**Hon. Larry Bagnell:** That's an Ottawa approach!

I'm glad Karen brought up the climate change impacts and adaptation program, in case I don't get to her. That is very important.

But, Shirley, can you answer on behalf of all native broadcasters across the country the question that Stanley didn't have time to answer? The problem is the ridiculous one of your starting to pay bills on April 1 but not getting your funding or notice until later in the year.

• (1045)

**Ms. Shirley Adamson:** Thank you.

Let me just say that even though there are 13 non-profit societies created by this access program, not all get the same amount of money; some in fact operate on as little as \$300,000 per annum.

If there are no arrangements to ensure continuity of funding in a timely manner, then we end up paying the extra interest on loans, if we were able to secure loans without a signed contribution agreement, and/or heavy penalties on payments that are not made.

The program is designed in a manner that we're not able to retain or maintain any reserves, which creates again that false sense of economy and also the overriding fear that you're only ever one step away from failure.

Having said that, we've been able to turn ourselves into a success story, but because the funding has not been increasing, each year... In fact each year our paycheque is worth less.

**Hon. Larry Bagnell:** Thank you.

Mr. Taylor, your excellent executive director, Patti Balsillie, made a great case in Ottawa that the Yukon is perhaps the only jurisdiction in Canada where tourism is the biggest private sector employer.

I'm delighted you mentioned the effect of cuts to the GST on foreigners and the Canadian Tourism Commission, but is it also bad that there were cuts to summer student programs and museums? Are those important to tourism in the Yukon?

**Mr. Rod Taylor:** They are, particularly in the Yukon, because they are a big part of why people come here. The historical aspect of tourism in the Yukon is huge. Whether a person comes to paddle a canoe, go hunting, or whatever, inevitably they avail themselves of the fantastic museums we have here. So that's important.

The student issue is big, only because of the crunch we have here for HR. As you know, it's incredibly difficult to find employees right now, particularly in the service industry.

The other thing I want to add is that here in the Yukon, the thing about the tourism industry is that it's consistent. It doesn't rely on the volatility of those commodity prices like everything else. So when we're going through the crests and troughs of our resource industry, traditionally we're absolutely consistent. That's why little things like that 3% make a huge difference to tourism here. We need it. It's our lifeblood.

**Hon. Larry Bagnell:** Mr. Mackay, we were proposing \$3,000 for the first and last years for students in post-secondary education—in fact, for all years for low-income students. Would that be useful?

**Mr. Stu Mackay:** It would definitely be useful. If we decide on the principle that post-secondary education should be accessible to all, we have to look at all the issues we have in terms of people who are underrepresented in post-secondary education. That envelopes how we re-engage seniors and deal with literacy issues and the serious issue of how to engage first nations youth in education, and so on.

If we agree on the principle that post-secondary education is a tool for managing the economy, we also have to agree on what strategies we need in place in order to make that accessibility successful.

I would again allow the grand chief to speak to the educational needs of first nations, which are excellent right now because they're implementing their land claims agreements.

**The Chair:** I'll continue with Mr. Wallace as our final questioner. You have about five minutes.

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

I appreciate everyone coming this morning. I'm volunteering to take a spot on this committee, so I haven't heard some of the delegation.

I have four really quick questions so that I can get them all into five minutes.

Mr. Mayor, I also come from the municipal sector in Ontario. I've read your presentation. What is your definition of "long term"? I couldn't figure that out from your presentation. You don't like the four- or five-year approach to the gas tax. What's your long-term view of infrastructure, and do you not think there are enough infrastructure projects to soak up that money?

**Mr. Jim Eglinski:** When I look at long term, I look at a community being planned for ten, fifteen, or even twenty years down the road. It makes it very difficult if we can't look at that funding with an idea of getting it. I'll give you an example.

We applied for an infrastructure grant to improve our city hall. It took eight years before they finally came back and said no. It would have been much nicer if they had said no right at the beginning. Then we could have probably looked at—

• (1050)

**Mr. Mike Wallace:** So from a process point of view, getting the answer quicker, either yes or no, would be more efficient.

**Mr. Jim Eglinski:** That's correct.

**Mr. Mike Wallace:** It's not necessarily that the project is going to take eight years to build; it's just that you need an answer more quickly. Is that correct?

**Mr. Jim Eglinski:** We need an answer quicker because with the demands on industry, the costs go up almost a quarter each year if it's a major project. It really affects our communities.

**Mr. Mike Wallace:** Okay. Thank you.

Mr. Mackay, I read your submission on the college and it was very interesting. You left us with four priorities on page 6—you called them key components. Which one is the top priority?

**Mr. Stu Mackay:** I would go with number one. We need to look at a serious strategy for funding post-secondary education that allows for its renewal.

**Mr. Mike Wallace:** Do you have the dollar figure difference between the 1993-94 level and what it is today, including inflation?

**Mr. Stu Mackay:** I think it's around \$40 billion.

**Mr. Mike Wallace:** Is that the difference across the country?

**Mr. Stu Mackay:** Yes.

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

Ms. Throssell, as you know, the Conservative government has committed not only money going directly to parents but also 125,000 new spaces over five years. Has your organization sent a submission to the minister on what you would like to see the ministry doing to help create those 125,000 spaces?

**Ms. Debbie Throssell:** I don't believe so.

**Mr. Mike Wallace:** Is there any intent to do so?

**Ms. Debbie Throssell:** We only got this a little over a week ago, so we're a little bit behind. But I'm sure—

**Mr. Mike Wallace:** You got the notice for this actual session.

**Ms. Debbie Throssell:** Yes.

**Mr. Mike Wallace:** But you are aware that we are working on a program to create 125,000 spaces, to make that happen. Is your organization aware of that?

**Ms. Debbie Throssell:** We are aware of it. Our only concern is that all these spaces are going to be provided, but who is going to be there to work?

**Mr. Mike Wallace:** So your issue, then, if I'm reading through the lines correctly, is partly about spaces being created, but you also want people to be paid more to actually work there, and that's how you're going to attract employees. Is that correct?

**Ms. Debbie Throssell:** The biggest problem in day care is that you're not able to retain your workers. Day care has the most turnover of workers than I think any other sector. So we need to encourage people to stay in that field.

**Mr. Mike Wallace:** I'm going to ask Karen a question, if I may. Is that all right?

You actually were the only one, I thought, who brought an idea about tax cutting out of the group. Not necessarily that I agree with it, but at least you brought an idea, which I thought was great. I enjoyed your presentation, and I'd like a copy of it, if I could get it. I'm sure we all get copies of it, right?

**Ms. Karen Baltgailis:** I think they've made copies of it.

**Mr. Mike Wallace:** My question is this. You talked about Kyoto and global warming, and I want to make sure you're aware that the

Liberal plan for Kyoto was to buy credits—carbon credits—in countries and not in Canada. They weren't subsidizing companies in Canada; they were sending it to developing countries around the world. I want to know what your organization feels about that approach to making our Kyoto commitment as a country.

**Ms. Karen Baltgailis:** I'm going to have our climate change expert fill in for me on this one.

**The Chair:** What would your name be, sir?

**Mr. Lewis Rifkind (Energy Coordinator, Yukon Conservation Society):** My name is Lewis Rifkind.

**The Chair:** Welcome.

You have a very brief time for that answer.

**Mr. Lewis Rifkind:** Thank you. Thanks for the question.

We have to get greenhouse gas emissions down. However the government in power chooses to do it, good for them, as long as greenhouse gases are reduced.

**The Chair:** Thank you, sir, for that concise response. I appreciate that.

Thank you to our panel members today, very much, sincerely. We appreciate your participation. The time you've taken to prepare your briefs, the time you've taken to be here today, is very important. And on behalf of this committee and your fellow Canadians, we very much appreciate your involvement today.

We will briefly suspend as we allow the second panel to take their places at the table, and we will reconvene in less than five minutes.

•(1055)

(Pause)

•(1100)

**The Chair:** I welcome our guests, who are here on time, on behalf of the committee. I appreciate your being here.

The House of Commons Standing Committee on Finance is mandated by the House of Commons on an annual basis to consider and make reports upon proposals regarding the budgetary policies of the government. This year the theme of our pre-budget consultation is Canada's place in a competitive world.

We appreciate the time you've taken to be with us today. We appreciate the work you've put into your briefs, and we look forward to hearing from you now.

You've been asked to keep your comments to five minutes, and if you were here during the last session you know I will cut you off at five minutes. I will, however, give you a visual indication of the time remaining, if you wish to make eye contact, to show that you have a minute remaining or less—just to give you a chance to wind up your presentation.

We will begin with the representative from the Association of Yukon Communities, Doug Graham, president.

Welcome, Mr. Graham. Five minutes are yours, sir.

**Mr. Doug Graham (President, Association of Yukon Communities):** Thank you very much.

Good morning, ladies and gentlemen. Thank you very much for the opportunity to address your committee.

The Association of Yukon Communities represents all incorporated municipalities and elected local advisory councils in Yukon. Over 80% of the population of Yukon reside in member communities of the association.

When we met with this committee in November 2004 we asked that existing levels of federal transfer payments to Yukon grow to meet the increasing population. We also asked that the current level of infrastructure funding be increased to support municipal infrastructure, railroads, and highways. Finally, we also asked that the distribution formula, such as the 1% baseline funding amount used for the municipal rural infrastructure fund, which mitigates the inequities of simple per capita funding for northern programs, be considered for inclusion.

I am pleased to report that our requests were heard and are reflected in federal funding programs such as the municipal rural infrastructure fund, the green municipal fund, the Canadian strategic infrastructure fund, the strategic investment northern economic development fund, and the Canada-Yukon gas tax sharing agreement.

The sustainability of Yukon communities is important to Canada. Yukon's mineral resources, its boreal forests, and pristine rivers are of significant Canadian economic value. Yukon communities are the protectors of the sovereignty of those resources and the gateways to them.

In the next couple of minutes I want to tell you about a very important need of Yukon municipalities. Healthy and sustainable communities cannot exist on user fees and property taxes in the territory alone. There is an infrastructure deficit in Yukon communities. This deficit has been reduced through federal programs such as the municipal rural infrastructure fund, the Canadian strategic infrastructure fund, and the Canada-Yukon gas tax sharing agreement, but the deficit still exists and is growing.

At the same time, older infrastructure is deteriorating and being added to the list for replacement. It would appear, for instance, that global warming might increase the permafrost melt in Dawson City, rapidly increasing the maintenance and replacement costs of sewer and water infrastructure in that town. Eliminating the infrastructure deficit will require long-term planning and sustained federal contributions.

The federal gas tax sharing model for infrastructure funding shows great promise for Yukon communities. In that model, funds are allocated directly to Yukon municipalities and first nations for the period of the agreement. Matching funds are not required. Long-term planning through the development of integrated community sustainability plans is required for all recipients under the gas tax agreement.

The gas tax sharing model has the following significant advantages: the process of developing long-term sustainability plans

has brought communities together; first nations are working with municipal governments to share ideas and facilities; very small municipalities, with very small property tax bases and limited borrowing capacity, are freed from the requirement of producing matching funds and can fund their priorities, rather than being levered into sharing the burden of territorial priorities.

Our recommendations to the committee are that the federal gas tax sharing program be continued, with expanded project eligibility to include economic development, parks, recreation, culture, and other social infrastructure. Other programs applicable to Yukon communities should be designed, taking into consideration the unique needs and limited capacities of small rural and remote communities. Early collaboration with the territorial government and the association of communities should be required and is in fact essential if the long-term needs of Yukon communities are to be met.

Thank you very much for your interest in coming to the territory and hearing from all of us. We really do appreciate it.

• (1105)

**The Chair:** Thank you very much, Mr. Graham.

We'll continue now with the representative from the Yukon Council on Aging, Roberta Morgan.

Welcome. Five minutes are yours.

**Ms. Roberta Morgan (President, Yukon Council on Aging):** Thank you for inviting the Yukon Council on Aging to participate in your pre-budget consultation.

I'd like to address your first theme, that is, that our citizens are healthy, have proper skills, and are presented with appropriate incentives to work and save.

When we speak of citizens, we must include all citizens of Canada, including the growing senior and elder population. In order to keep the older population healthy, we must invest in their needs—physical, emotional, and mental. When money is designated for programs, some must be designated for that purpose, instead of territorial and provincial governments putting it into general coffers and overlooking the needs of this minority of the population. Good examples of this are affordable housing for seniors, preventive health care for seniors, and programs specifically for seniors in poverty.

There has long been a myth that all seniors are rich. From the top of the bureaucracy, this may appear to be true, but it is not. There are hundreds of thousands of seniors and elders across our country existing on meagre pensions through no fault of their own. This will continue to be the case because there will always be workers in the service industries, families that could not save for their retirement or that do not work for companies offering pensions. We need people in appropriate government departments who can look beyond what they will have when they retire and see the reality. We need to review the pension system in Canada so it will help those most in need instead of punishing them.

More skilled workers are needed in Canada. We have a generation of skilled workers who were forced to retire because they became “that age”. While we are training new workers, we need to encourage those skilled workers to come back, if only on a part-time basis, and help us. To do this we need to offer incentives. Tax incentives would help those in the middle- or high-income bracket. It would not help the lower-income-bracket seniors who most need the income because their income is so low they do not pay taxes.

Seniors who are making \$13,000 a year cannot afford to go out and help themselves because they are penalized if they do. If they are receiving the guaranteed income supplement, it will be taken away from them, and they may even have to pay some of it back. If they live in government-subsidized housing, they must give their territorial or provincial government 25% of everything they earn. The same is true of young people living in subsidized housing. Where is the incentive to do better? There must be a ceiling on these rental costs. Seniors on GIS must be allowed to make a set amount that will take them up or just above the poverty level before they are penalized and it is clawed back.

We have seniors and elders who are skilled workers who can fill the breach until more are trained, but we penalize them rather than encouraging them. We need programs to address the specific needs of senior health care and health care prevention programs for seniors. Seniors are willing to help themselves if they are given the guidance to do so. There has been a great deal of work done in the field of aging research, but no follow-up to put the research into good use. We cannot have healthy people if they do not have affordable and adequate housing. We need CMHC to be more than a mortgage corporation. We need them back for affordable housing support. As a country, we should be ashamed of the housing that many of our seniors and elders live in.

How does all this fit into your theme as a meaningful place in the world of the future and maximize our potential as a nation? The skilled workers of yesterday are those who can help fill the gap until new skilled workers are trained. It gives a purpose to the lives of many seniors and elders and gives them respect and dignity. It makes for a healthier country. How can you ignore the needs of the people who brought Canada to the great country it is today and expect to continue to portray ourselves as a great investment? It would be a hypocrisy.

Thank you for your time today.

• (1110)

**The Chair:** Thank you very much, Madam Morgan. We appreciate your presentation.

We continue now with Patricia Cunning.

On behalf of the committee, welcome. I will give you an indication that you have a minute remaining on your five-minute presentation. We appreciate your being here, and please proceed.

**Ms. Patricia Cunning (Executive Director, MacBride Museum):** Thank you very much.

Thank you to the committee. We appreciate the timeliness of your being here, since we're here to talk about museum issues.

I'm the executive director of a local museum. We are the territory's first and largest museum. We have the largest collection in the territory. I have outlined in my briefing some of the history of the institution, which I'm not going to address.

What I am going to say is that we were federally funded in 2003 to do an audience evaluation of Yukoners and Whitehorse citizens. In that audience evaluation we heard that museums have a strong role in our community to protect and promote our heritage and that they have a role in delivering education on Canadian heritage.

What we heard specifically about MacBride Museum from people in Whitehorse was that they want more local programs, lectures, and history about us, about the city of Whitehorse and about the Yukon, and not just a tourism attraction, which is in part what we are for our community. We also heard that they expect to see that the artifacts they donate to the institution make it into our exhibits.

Since that time we have developed nine curriculum-linked programs for education. We deliver approximately 200 programs each year into the local audience. In 2005, in Whitehorse, there were 4,500 local citizens—from a population of approximately 24,000—who attended events at MacBride Museum. Our attendance is up 20% since 2003.

I am here in part to say that we are very disappointed to hear our national government say that the funding for the programs that support us is both wasteful and not a priority for Canadians. Overall we are seeing increased attendance at museums across Canada. There are 2,000 small community or regional museums like the one I run, and the only way we are able to put funding together is like a jigsaw puzzle of funding from our municipalities, from the federal government program, and from our earned revenue. At MacBride Museum our revenue is 35% earned, 35% funded by the territorial government, approximately 10% to 15% municipal, and then depending upon whether or not we've been successful in applying for federal programs, we've received between 9% and 20% of our funding from the federal government over the last four years. We appreciate that funding, and we are extremely concerned to see a national cut to MAP. MAP does not fund museums in Ottawa; it funds regional, community museums. If you're going to cut that program by 25%, I would like you to tell me where I am going to get the \$70,000 that I got from the federal government in the last two years to deliver our online content for rural schools in the Yukon and do back-of-house work on our collections.

Governments love to fund exhibits and they love to fund presentations. Without the funding for the back-of-house, we are unable to do that work. The MAP program is the only program in the federal government that is dedicated exclusively to museums, and it allows us to do back-of-house work.

I would encourage you not only to continue to fund MAP, but also to increase the funding for MAP to expand the criteria under which MAP travelling exhibits are funded. Right now travelling exhibits are funded only if I want to do an exhibit and send it to Ontario. The Yukon has a huge geography. I would like to do an exhibit and send it to the rest of the territory so we can share in our own history and culture. That does not qualify for funding at any level of government.

We would also like you to give consideration to summer student funding. In the past three years at the museum I operate, our funding for summer students has been halved, and that is typical of what's happened across the territory. We're in a competitive environment. We are trying to introduce kids to careers and culture, and we can't get funding for their positions.

In addition to that, we would also like you to look at continuing funding for the Canadian Council of Archives. It is the only place where I, as a museum director, have any ability to access direct funding for our archives....

I've been given the hook and I've no idea where I was.

**Voices:** Oh, oh!

**The Chair:** Patricia, I want to make it absolutely clear that this finger...[Inaudible—Editor].

We'll add to your time. Please continue.

• (1115)

**Ms. Patricia Cunning:** I appreciate that all of you have made the effort to come here and I know you're hearing from a whole bunch of sectors.

The heritage sector is part of how we define ourselves as a country; it's who we are in terms of our identity as Canadians. I'm very disappointed to see a government that is cutting funding to the institutions that deliver that on a local basis.

I encourage you to look again, not just at the programs funded by Canadian Heritage but also at the employment funding for students.

Thank you very much for your time.

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

We continue with Ian Church, who is here on behalf of the Canadian IPY National Committee.

Welcome. You have five minutes, sir.

**Mr. Ian Church (Chair, Canadian IPY National Committee):** Thank you, and welcome to the north.

I think we all know that research in technology, or technological innovation and development, are major drivers of any nation and any regional competitiveness. In fact, it's a driver of human history. It has assisted people in developing marketable and competitive products, which is often the way people look at it, but it also helps us provide better services, it helps us protect our environment, and it also helps us better understand ourselves, our past, the landscape we live on, and where our future may lie.

Historically in Canada research and development investment has been increasing over the years. The latest figures I've seen are about \$24.5 billion invested in 2004-05. Yet the north represents a good half of the Canadian landscape the way we define it. It also represents about half of the diversity in terms of Canada's landscape, and the federal investment in northern science and technology, according to the last figures that were available, which are about three years old now, was about \$133 million.

The international polar year is the longest established program of coordinated international research. It goes back 125 years. It was the

first year of anything. It was a recognition that the north was a hard place to get to, it was a hard place to do research in. And you could stand there in your little ship, if it didn't sink, and hope that, by gosh, you could see what was happening here, but you didn't understand what was going on and what was driving it over the horizon. That was the birthplace of the international polar year. There have been three of them since.

To give you an example of how that has helped Canada, in 1932, in the middle of the Depression, the University of Saskatchewan sent four expeditions north to look at the aurora. Why the aurora? People were starting to realize the aurora was interfering with Canadian radio. They didn't know why. They didn't know how. But these four expeditions went north. That levered into the next polar year in 1957-58, the international geophysical year, a major push by a large number of countries. Churchill became a major rocket base to study the upper atmospheric phenomena. In reality there were over 2,000 rockets blasted by both Canada and the United States. Those same people became the leaders, those four graduate students of the University of Saskatchewan.

The University of Saskatchewan and Saskatoon are now a hub of space-related research because of that. They're very proud of it. There's an estimated billion dollars worth of activity that goes on annually around space, space monitoring, and earth observation out of that area.

In 2007-08 it's actually a two-year international polar year, and some of us know it's already ongoing. It involves over 60 countries, over 60,000 scientists. It involves youth, it involves aboriginal organizations, it involves non-government organizations, academics, and what have you. Canada is the largest northern polar nation in terms of land in the polar region. It's a major player.

I passed around a chart, and I didn't have enough of the pretty coloured ones for you, but the green on this chart represents Canadian involvement in this polar year. Each one of those grids is a major program, maybe 100 studies. I think it gives an indication of just how involved we are. What we need for the future is to build on the legacy, the momentum, of this polar year. We need to look at academic institutions in the north. We're the only northern country without a northern university. We need to look at research stations and platforms. They've deteriorated over the last fifty years, for the most part. There are some good examples of progress made in Quebec, for instance, but elsewhere they're in bad shape. We need to look at technical innovation. We can market that technical innovation. There's a program that you've had a little handout on, something that's going on in the Yukon in terms of a centre to test technological innovation and make those moves forward in the Yukon, but there are other initiatives going on elsewhere across the north. We also have to build on Antarctica.

Thank you very much.

• (1120)

**The Chair:** Thank you very much, Mr. Church.

There will be time for questions, of course, after.

Rebecca Jansen is here on behalf of the Yukon Historical and Museums Association.

Welcome, Rebecca. You have five minutes.

**Ms. Rebecca Jansen (Executive Director, Yukon Historical and Museums Association):** Thank you for inviting us to be here today.

I'm going to talk to you about some of the same points that Patricia already made but in more general terms.

The Yukon Historical and Museums Association is the umbrella organization for Yukon museums and heritage societies. There are currently about eighteen museums, art galleries, and first nations cultural centres in the Yukon, which represent very diverse cultures and histories that really portray who we are as Yukoners.

In the Yukon, they're not only important culturally but also economically. A recent study showed that heritage attractions contributed about \$3.3 million towards the Yukon's GDP and provided up to 10.4% of employment in communities outside Whitehorse.

For visitors coming to the Yukon, it's the third largest attraction and it's what people do when they come here. It's proven that it helps to encourage tourists to spend an extra day in the communities, which thereby boosts local spending in some of the communities that rely heavily on tourism as the main economic generator.

Having said that, museums are non-profit organizations, and we're faced with difficulties in securing funding. In the Yukon especially, we don't have a lot of large private companies to go to for funding support and that kind of thing. We rely heavily on the Yukon government and through federal government programs for funding to meet the needs of museums, whether it's student funding, project costs, or that kind of thing.

We were encouraged to see that the Conservative government has pledged to review the development of a federal museums policy, as it's important. Many levels for federal funding to museums are the same as they were in 1972. As you can imagine, insurance and general costs of living have increased by quite a bit since that time. It's not enough for us to be able to continue operating in the way that we would like to.

As Patricia mentioned, the museums assistance program is very important to us. It's a longstanding program, and museums in the Yukon have been using the program since its early inception in the 1970s.

The fund helped to do planning studies for the MacBride Museum, the Dawson City Museum, and the Yukon Transportation Museum. These are the Yukon's largest and most important museums. They house collections of hundreds of thousands of artifacts. They have also helped with funding for oral history for first nations and have helped the YHMA itself by doing training studies and developing joint marketing initiatives for museums.

To assist the Yukon museums, MAP annually contributes at least \$150,000, if not more, to Yukon museums. You can see that it's a very important program for us and is used quite a bit.

Summer student funding is also a big issue. We have continued to advocate for increased funding to the summer career placement program and the Young Canada Works program. Students rely on

this funding to gain the skills they need to start in the heritage sector and to continue in that sector.

In 2005 there were applications for funding for summer career placement that were worth approximately \$500,000, but only \$200,000 was available. All of these jobs were worthwhile and could have used the funding. We would implore you to increase that funding.

I'll quickly wrap it up. I want to quickly touch on the commercial heritage properties incentive fund. The heritage properties incentive is very important for Canadian heritage and for preserving our heritage places. By cancelling this fund, there hasn't been a chance for it to develop and grow or to see that the programs are worthwhile.

On behalf of the Yukon Historical Museums Association and our members, thank you very much.

• (1125)

**The Chair:** Thank you very much, Ms. Jansen.

We'll now conclude our presentations with the Yukon Literacy Coalition and Sierra Van Der Meer.

Sierra, welcome. Five minutes is yours.

**Ms. Sierra van der Meer (Communication Coordinator, Yukon Literacy Coalition):** Hi. Thank you very much for having us here today.

This year Statistics Canada showed that 42% of Canadians have low literacy. The need for investment in literacy programs has never been higher. Despite this, on September 25 the federal government announced \$17.7 million in cuts to literacy through the adult learning, literacy, and essential skills program, known as ALLESP. These cuts will affect the Yukon by a monetary value of approximately \$300,000, the amount eliminated from the local, regional, and coalition funding streams.

Joe Clark, a former Conservative leader, once called Canada a "community of communities". We couldn't agree more. We believe we are a country connected by ideals and by beliefs, but unique in our needs. The literacy needs of a little fishing town in Newfoundland are not the same as the literacy needs of Old Crow or Burwash Landing. This is why local and regional literacy funding was so important. It had the ability to deliver services that met the unique cultural and regional needs of learners.

In addition to local and regional funding cuts, the federal budget included the elimination of literacy coalition funding. Literacy coalitions exist in every province and territory and are integral to literacy. They provide practitioner support and training, develop research materials, disseminate literacy information, promote the value of literacy skills, and conduct literacy research.

The federal government created provincial and territorial literacy coalitions sixteen years ago, and since then coalitions have spearheaded successful, innovative literacy programs and activities across the country. Without coalitions, across this country the practitioners and stakeholders, and most of all the learners, will suffer.

Literacy programming was cut because it was categorized as not having good value for money. We strongly disagree. We know that literacy impacts the economy in a multitude of ways. When the first international adult literacy survey, IALS, was released, Statistics Canada indicated that a 1% increase in literacy skills in this country would lead to a \$15 billion increase in the GDP. How can literacy skills not be considered of good value when such a small increase would make such an enormous financial impact?

While there is a value to high literacy skills, there is also a cost to low literacy. People with low literacy are more likely to become involved in the justice system, both as victims and offenders. They leave a bigger burden on the health care system, frequenting hospitals more often and having higher morbidity and mortality rates. They are more likely to require social assistance or live in low-income situations. The costs of illiteracy are widespread and significant.

But literacy is about more than a bottom line. Literacy allows Canadians to fully function in their society, to be active, strong citizens. It is a value that exceeds dollar signs and balance sheets.

I must admit that it seems kind of funny for us to present before the Standing Committee on Finance only one week after the funding was cut in such a drastic manner. I'm not sure if the standing committee is looking for requests or is looking for advice. I'm not sure what exactly is being asked of us.

If we did have some advice or requests to give, it would be that the federal government relook at these cuts in literacy and really consider what the long-term impact of these changes would be, what would happen without the regional and local funding for literacy, and how literacy across the country is to proceed in a unified way without the literacy coalitions that keep it moving.

Thank you very much for allowing us to present.

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

To all of you, thank you for your presentations; well done.

We'll go to questions now, commencing with Mr. Bagnell.

Six minutes, sir.

**Hon. Larry Bagnell:** Thank you, Mr. Chair.

First, to Patricia and Rebecca, I'm not going to ask you a question because you spoke so well, and also because in my speech last week in Parliament, I mentioned that Ed and Brent from the Yukon, and David from your national association, also decried the cuts to museums.

To Sierra, I gave a speech last Thursday in the House of Commons on just what you're talking about today. I was interrupted twice by points of order. The first time was to ask why I was talking about literacy cuts on a day when we were talking about women's issues cuts. Perhaps you could tell me if literacy affects women at all; I shouldn't have been interrupted.

The second time I was interrupted, I was asked why I was quoting people who couldn't be confirmed, and quoting Yukoners instead of debating. Of course, lots of Yukoners were upset with these cuts.

Could you confirm that you *are* a real person and that you *are* upset about the literacy cuts?

**Voices:** Oh, oh!

• (1130)

**Ms. Sierra van der Meer:** I can confirm I am a real person, and I am indeed upset about the literacy cuts.

In terms of the question about literacy cuts being debated during a time for women's issues, I think it's important to note that statistically women do have lower literacy than men. That was in the IALS survey released earlier this year. I think it brings up a very important point about literacy as an intergenerational problem. We talk about women, and specifically mothers and the importance of being able to pass on literacy skills from parent to child. One of the biggest problems in literacy is that it is intergenerational. So when we have an incident such as John Baird saying last week that there wasn't much point in fixing the problem, it was time to go from the ground up, that just doesn't work, because you have the parents in the home. They're the very first ones to be delivering literacy programs in even the most basic sense of rhyming and reading with young children. If those parents don't have the capacity to do that, then you look at a whole new generation that struggles with literacy and has challenges.

**Hon. Larry Bagnell:** Thank you.

I have two questions for Ian. The first question I would like a short answer to. It's just a simple question. Has IPY funding been approved by government and Treasury Board, and does it need to be approved?

My second question is this. It is my understanding that Kirk Cameron wanted to present before this committee. He was pushing this cold water technology centre, and I hope you get the brochure translated into French. Perhaps you would like to comment on whether you'd like this committee to recommend funding for this proposed cold weather technology centre for the north.

**Mr. Ian Church:** Peter MacKay again recommitted the previous government's commitment of an additional \$150 million from the federal government for two aspects of IPY. It's still going through Treasury Board, so as of yet it is not free money for us to actually begin to utilize.

In terms of the cold weather climate cluster, I think we would very much appreciate support. We're getting support from outside organizations, from academics on the outside who want to utilize it. We need help from the major funder in Canada for research, which is obviously the federal government, but this would build strength in the local economy, allow us not only to serve the traditional industrial base but also to develop new products that we could market globally.

**Hon. Larry Bagnell:** Thank you.

My next question is for Doug.

I'm delighted you mentioned the actual remarkable legacy of our government-related infrastructure programs: rural, municipal infrastructure agreements, both strategic infrastructure and the northern strategic fund, the gas tax refund, and the rebate of the GST.

We had committed in the last election to renewing a lot of those permanently, making them permanent, but there's no other commitment to do that. I am wondering if you're in favour of making these permanent so you'd have some certainty.

**Mr. Doug Graham:** There's no doubt in our mind whatsoever. We would love to see them made permanent, but I should say that one of the announcements that came from the current government that we really appreciated was the commitment to continue at least the first five years of the gas fund. So that was appreciated, but as you said, permanency would be a wonderful thing for us.

**Hon. Larry Bagnell:** Thank you.

I'd like to thank the chair, actually, for recognizing me when we had the Senior Games, and I went there, to your hometown, just this past summer. It was a great event and the Yukon seniors did a great job.

I have four questions for you, Roberta, and you can answer any of them or just talk about whatever you want, because seniors are so important. One is that we increased the income supplement for poor seniors and also...the new horizons program. I want to know if those were helpful at all in the Yukon and if they should be continued and...more increases. I'd also like to know whether the cuts that Canada Mortgage and Housing came with had any effect, if they helped the seniors, and if the increase of income taxes this year to 12.5% for all Canadians, which would include seniors who don't have much to spend, is bad and hurtful, and whether you would like us to change that.

So any of those topics or anything else that would help seniors....

• (1135)

**The Chair:** You have about thirty seconds, Roberta, to tackle Mr. Bagnell's questionnaire.

**Ms. Roberta Morgan:** The national program for seniors does help very much and has been very beneficial. As I said, any tax breaks are for middle- and higher-income seniors. They are not for the people whom we are most concerned about, the seniors with a lower income and in poverty, and I think the only thing that will help them is renewing the Old Age Security Act and bringing it up to the 21st century with the rest of us.

**The Chair:** Thank you, Mr. Bagnell and Ms. Morgan.

I should also congratulate the Yukon seniors who participated in the Canada Senior Games, which Mr. Bagnell referred to here today. They received the team award as excelling, and it was a most impressive participation. So I should mention that.

**Ms. Roberta Morgan:** We thoroughly enjoyed it, and the people of Manitoba were fantastic.

**The Chair:** Thank you. Madam Wasylycia-Leis will take that back to Manitoba with some pride, but in particular, for my community of Portage la Prairie, it was an honour to host the event. We were really pleased.

We will continue.

[*Translation*]

The second questioner will be Mr. St-Cyr.

You have six minutes.

[*English*]

You have headsets. What's the French word for that again?

[*Translation*]

They're called "des écouteurs".

**Mr. Thierry St-Cyr:** First of all, welcome and thank you for your presentation to the committee.

I was particularly interested in Mr. Graham's presentation. He talked about the permafrost that was melting in a number of locations. As far as Kyoto is concerned, the Canadian North is one region in particular where the devastating effects of climate change are being observed.

I'd like to focus on comments made earlier by Mr. Wallace. For the sake of clarity, the Kyoto Protocol is, first and foremost, a series of international targets that countries have set for themselves. There is nothing in the Protocol that says we have to buy emission credits from Russia to reach our targets. Absolutely nothing at all.

Admittedly, the Protocol does set out emission credit principles. Global warming is a widespread phenomenon and it's less expensive to reduce greenhouse gases in some places than in others. Therefore, countries in which this process is too costly can buy credits, and in so doing, they help out countries where reducing greenhouse gases is a less costly undertaking.

That being said, I don't think this is the best solution. The Bloc Québécois has always maintained that the best approach is first and foremost to invest in reducing greenhouse gas emission levels here in Canada. Buying emission credits and paying other countries to lower their emission levels is an interim solution. That's more or less what the Liberals were proposing.

The third option put forward by the Conservatives consisted of paying oil and other companies to pollute. In my view, that's the worst possible option. Therefore, I don't subscribe to the Conservative's argument which goes like this: The Liberals were bad, so let's be worse. I don't think we should be embarking on that course of action.

Are bearded environmentalists alone in viewing Kyoto as a major concern? If global warming continues at the present rate, what significant economic impact will this have on your communities?

No doubt Mr. Graham and Mr. Church can elaborate on this subject.

[*English*]

**Mr. Doug Graham:** There's no doubt about it. Especially in our northern communities, climate change is having a huge impact. We support the reduction of greenhouse gases, no matter how it's done. You only have to take a look at a place like Dawson City, where one end of their recreation complex sank into the ground and there was a four-inch bulge in the middle of an arena floor, to realize that climate change is very real. And it's having a dramatic impact on all of our communities.

We now have to pump heated water through many of our water systems because of the difficulties we're experiencing in infrastructure in the territories. So it's a real problem, and anything that can be done to alleviate those difficulties is, to our minds, very appropriate.

• (1140)

**Mr. Ian Church:** Thanks.

I think there are two or three things I'd like to say on this. I spend a lot of time on the climate change issue

First, technical adaptation and also social adaptation—how we adjust to the climate change that's going to happen no matter what we do—are key problems. Then obviously there is how we lessen the change.

With respect to Kyoto, you're absolutely right that it doesn't require you to do one approach or the other. But those approaches are available to you. You're right that just buying credits doesn't necessarily solve the problem over the long term. We're talking probably 60% to 80% reductions over the next 50 or 100 years.

In the north, we have major infrastructure problems. We need investment in technology and new technologies, because as people said, the ground is actually changing underneath us. Our foundation is changing. We have to understand the processes that are going on, and we need science to understand it.

I don't think people understood a hundred years ago that the polar regions were huge drivers of the climate systems on the globe. It's not just that the north is changing, but that the north can actually accelerate the system on a global basis. Methane release and all these kinds of concepts could make all our other efforts useless if we don't understand what's going on in the north.

We also have to understand that as part of adaptation there are issues of self-sufficiency, issues about how people in the north sustain themselves—sustainable communities—because in reality the technologies and the things we count on now may not be the most climate change friendly approaches to doing things. You know, with regard to bringing in orange juice from wherever we bring in orange juice, or even worse, bringing in fresh oranges, maybe there are ways of taking advantage of a change in climate to make northerners more self-sufficient and less dependent on pursuing climate unfriendly approaches.

Thanks.

[*Translation*]

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

You're time is up, Mr. St-Cyr.

[*English*]

We'll continue with Mr. Del Mastro now.

You have six minutes, sir.

**Mr. Dean Del Mastro (Peterborough, CPC):** Thank you, Mr. Chair.

Good morning, everyone. I appreciated listening to your presentations.

I want to start first with Ms. Cunning.

You indicated that over the last two years you've received about \$70,000 in museum assistance program funding. I want to ask you just quickly, are you aware of what the MAP funding was for 2004-05 in total?

**Ms. Patricia Cunning:** No.

**Mr. Dean Del Mastro:** That's okay. I just wanted to use it for illustration. I imagine most of my colleagues aren't aware of it either.

**Ms. Patricia Cunning:** I don't know the amount for the Yukon. The amount for Canada was \$9 million.

**Mr. Dean Del Mastro:** Right. It was \$9.4 million for 2004-05.

This year it was slated for \$11.8 million—as it was last year. The problem with the program last year is that it only distributed about \$7.5 million of the \$11.8 million. It had an efficiency gap of about \$4.3 million in administrative costs, and it was labelled because it was running at about a 40% cost factor. We'd like to see the program operate at about a 20% administrative cost.

In fact, the \$9.5 million budget that it's going to receive over the next two years is actually an increase over the 2004-05 budget. Were you aware of that?

**Ms. Patricia Cunning:** No.

**Mr. Dean Del Mastro:** Okay.

We've indicated that these would be administrative-type cuts. There is certainly nothing that we're expecting to see at the museum level. Were you aware of that?

**Ms. Patricia Cunning:** I heard that.

**Mr. Dean Del Mastro:** Good.

Ms. Jansen, perhaps you could—

**Ms. Patricia Cunning:** Sorry. I'd like to address that, if I may.

I think there are two issues—

**The Chair:** I'm sorry, the time is Mr. Del Mastro's. He actually chairs his piece, unless he causes decorum to falter.

Proceed as you wish.

**Mr. Dean Del Mastro:** I'll give you a chance in just a second, because there was something else I wanted to establish.

We're going to spend about a quarter of a billion dollars in this year's budget on museums in Canada. We're working towards the establishment of a long-term museum program.

One thing I got from both presentations was an understanding that your federal funding is constantly fluctuating. Under this long-term program, would it be more beneficial if you could count on a more straight-line funding so you would have some idea as to what the federal government's portion of your costs would be?

•(1145)

**Ms. Rebecca Jansen:** That's something we've been advocating for, beginning as long-term stable funding. We need to know—it can't be year to year—whether or not we're going to have something.

We need something that meets today's needs. We don't want to be at 1972 levels; we need to be at 2006-07 levels that can actually meet the needs of museums across Canada—and not just supporting the large national museums: we need to have something that's going to benefit the small and medium-sized rural museums, where we really need that money.

**Mr. Dean Del Mastro:** Okay, thank you.

Ms. Cunning, did you want to touch on that? Just with the long-term strategy, would it be more beneficial if you could count on more of a straight-line percentage of your costs?

**Ms. Patricia Cunning:** Absolutely, that would be helpful.

**Mr. Dean Del Mastro:** Okay, thank you. I'll definitely put that recommendation forward.

Ms. Morgan, first of all, I agree with you that the clawback on GIS should be definitely...if not virtually eliminated, the barrier should be increased substantially.

I pulled out a line from your presentation where I just don't quite understand what you're getting at. You said we need to review the pension system in Canada so it helps those most in need instead of punishing them. Do you think our pension system is punitive?

**Ms. Roberta Morgan:** Yes.

**Mr. Dean Del Mastro:** Really? Could you expand on that?

**Ms. Roberta Morgan:** Well, look at the OAS system. You can get full OAS until you reach \$60,000. So you are taking out of the taxpayer's pocket \$487—let's use \$500 as the general figure. You're giving every senior over the age of 65 in Canada, many of them living abroad, \$500 until they reach \$60,000. The clawback takes place at \$60,000, and they can still continue to get some taxpayers' money until they make \$100,000. Yet what about the GIS? At \$14,800 they start clawing those poor people back.

**Mr. Dean Del Mastro:** I don't disagree with the point you're making. In fact, one of the things—because we only came in a little while ago, we inherited the system—is that I'd really like to see reforms made in the pension program. I just wanted to understand a little more your point, and I've got it.

**Ms. Roberta Morgan:** When they go out and try to help themselves by getting a job, and their GIS is taken away from them because they're trying to be self-sufficient, and their housing is raised to an unreasonable amount because they have to pay 25% of gross income, I think that's punishment.

**Mr. Dean Del Mastro:** In my perfect world, Ms. Morgan, seniors would work if they chose to, but they would not be required to. I think they've made tremendous contributions to our communities, and I'd hate to think that—

**Ms. Roberta Morgan:** And they still have a lot.

**Mr. Dean Del Mastro:** —elderly people have to get a job so that they can afford to feed themselves.

Mr. Graham—

**The Chair:** Mr. Del Mastro, your time is over.

Madam Wasylycia-Leis, it's over to you for six minutes.

**Ms. Judy Wasylycia-Leis:** Well, let me just start by saying I don't know where Mr. Del Mastro has been. We've heard from seniors over the years how they must struggle to actually choose between paying for necessary medications or putting food on the table.

I'm sure you could give some testimony to the struggle seniors face on a day-to-day basis.

**Ms. Roberta Morgan:** Unfortunately, when I go out to seniors' organizations and meetings in the south I'm shocked at how poorly seniors in other parts of Canada are treated compared with those in the Yukon territory. We do not pay for our medication in the Yukon; we have a marvellous pharmacare program that looks after us healthwise.

But it's true. If you're making \$1,300 a month or less and are living in subsidized housing and are told 25% of that goes to housing, what do you have left to feed yourself, clothe yourself, look after yourself? It's very sad.

**Ms. Judy Wasylycia-Leis:** Thank you very much. So many questions....

Let me go next to Sierra. You notice that the Conservatives, when they talked about putting money back or ensuring that museum cuts don't affect the operations of those museums, didn't talk about literacy. In the media, you've actually mentioned this. Now I know you're a real person. On September 28 you said your group will lose \$315,000. That sounds like an awful lot of money for the Yukon Literacy Coalition.

Could you give some indication to this committee what that will do to your work, what the long-term effects are? And do you have any reason to believe that in fact the Conservatives may reconsider that direct hit to literacy coalitions?

•(1150)

**Ms. Sierra van der Meer:** It's interesting that you say long-term effects. As of now, with that kind of hit, there may not be a long term for coalitions such as the Yukon Literacy Coalition.

We've been in contact with coalitions across the country, and the cuts we face are similar to those in NWT, Nunavut, and the provinces. We believe the effects will mean the eventual closure of most of the literacy coalitions across the country, which will have a profound effect on the ability to offer services.

The effect of this funding cut on the Yukon Literacy Coalition means that we won't be able to deliver practitioner training. We won't be able to work with our families on family literacy initiatives. We were set to do community literacy initiatives with some of the smaller communities, focusing on first nations literacy, family literacy, and literacy for people with disabilities. Those programs won't be able to take place unless there is a reversal of the funding cuts or we are able to locate funding sources elsewhere.

**Ms. Judy Wasylycia-Leis:** It's rather ironic, isn't it, for a government that says it's committed to improving productivity and making our nation more competitive, to sort of cut the very heart and soul out of any kind of economic investment program?

**Ms. Sierra van der Meer:** This is the one thing that coalitions have been saying in light of the recent literacy cuts. We feel it's very unfortunate, given that one of the major limitations right now for the economy is labour shortage, especially here in the Yukon. We've often heard that we don't have the labour capacity to meet our economic needs.

We do know that improving people's literacy and their basic skills will allow them to be more productive in the labour force and contribute in a greater degree to the economy of Canada and the Yukon.

**Ms. Judy Wasylycia-Leis:** Thank you.

On museums, for both Patricia and Rebecca, you've just heard the Conservatives say they're going to cut \$4.6 million out of MAP, the museum assistance program, from a total budget of \$8.4 million, I think, and it's not going to affect you at all.

Do you feel comforted that you'll get your \$70,000 operating grant, or whatever you call it, from the government, despite this \$4.6 million cutback?

**Ms. Patricia Cunning:** This program is application driven. Mr. Del Mastro may be privy to the fact that there are lapses in the program; museums certainly are not.

In five minutes there are only so many points we can speak to. One of them is that I am a full-time museum director, and the things I talk about that we do, we do with three staff.

Many of the institutions in the territory—which is the reason Rebecca is here—are small, seasonal museums. They haven't got the capacity to even apply to MAP. The process for applying to MAP is quite stringent, which it ought to be. There is a requirement for transparency and accountability, but museums don't know that it's underfunded.

This year, in spite of Minister Oda's ongoing commitment when she was in opposition to the idea that there would be a new museum strategy and better programs, the response to applications was ten weeks later than in normal years. So after having applied to MAP the previous November, you find out in July that you get funding and have to spend it by March 31. I think there's lots of room for ongoing improvement and for funding in that program.

**Ms. Judy Wasylycia-Leis:** Could I ask Rebecca on the same point? I think you've identified the fact that through these cuts there might be a double and triple whammy effect—not only the \$4.6 million in MAP, but the \$55,000 in the student employment or the career placement program, and then of course there is the community

heritage property incentive pilot project. Can you give us a sense of what this is going to do to the quality of life in the Yukon, and the loss to our economy, the loss of jobs, and the whole economic vibrancy?

• (1155)

**The Chair:** Mr. Pacetti, for five minutes.

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

Thank you to the presenters. It's quite an experience to come out here, and I understand the challenges are different than when we travel to other urban centres.

Thank you again for your briefs.

I have a couple of quick questions. The first one is to Ms. Morgan from the Council on Aging.

You say that the seniors are discouraged from working. Do you mean that just from a financial point of view, because of the clawback of the GIS and the OAS?

**Ms. Roberta Morgan:** The lower-income seniors, yes.

**Mr. Massimo Pacetti:** Is there any other reason that seniors are discouraged? Is there an age factor as well?

**Ms. Roberta Morgan:** There is this thing called ageism. I think it has been going on for generations, where the older worker is looked down upon as, oh, that old fellow, or that old gal. I think we have ageism laws now. But I think those—

**Mr. Massimo Pacetti:** But in your brief, you were speaking mainly to the fact that there's a financial disincentive to go out and work. Is that it?

**Ms. Roberta Morgan:** Yes, it is, and I think it's a terrible shame that when we have all those skilled people out there, we're not using them. Our brains don't die.

**Mr. Massimo Pacetti:** So what would your solution be? There should be no clawback on the old age pension and the GIS should be just normal income?

**Ms. Roberta Morgan:** As I said, I think the GIS shouldn't be touched until that poor person comes up to the poverty level. But I understand there is no such thing. The government doesn't recognize a poverty level in Canada. Am I correct in that?

**Mr. Massimo Pacetti:** We can establish an amount. We don't have to say poverty level, but we can say over \$20,000. We can recommend that. That's why I'm asking you. That's what you're here for.

**Ms. Roberta Morgan:** Yes, I think we have to take a complete look at our whole pension system. For instance, I have neighbours who are very poor because they can't get enough GIS to keep them alive. And yet we can send OAS outside the country, and help people in other countries, through our income tax? I don't think so.

**Mr. Massimo Pacetti:** Okay. If we can get a bit better recommendation with some teeth in it, I'd appreciate that, and you can send it along to the clerk. I think that's what we're looking for.

**Ms. Roberta Morgan:** All right. I would recommend that there be a level, that they are allowed to make so much.

**Mr. Massimo Pacetti:** Our time is limited, so I'd rather you thought about it and you gave it to us in writing. You can send it to the clerk, and we'd appreciate it.

Sierra, in answer to your question, the reason you're here is to help us recommend to the finance minister what Canadians would like to see in the next budget. So we don't necessarily need to know whether you're a person or not, but we'd like to have your opinion anyway.

**Ms. Sierra van der Meer:** But it helps that I'm a person?

**Mr. Massimo Pacetti:** Yes.

In your brief, you state that literacy programming was cut because it was categorized as not having good value for money.

**Ms. Sierra van der Meer:** That's correct.

**Mr. Massimo Pacetti:** What kind of criteria would be put into a literacy program to convince government that they are getting value for money? That is I think the key in most programs the government has.

**Ms. Sierra van der Meer:** It's interesting because Statistics Canada came out with the statement that a 1% increase in literacy skills would lead to a \$15 billion increase in the GDP. So they already have gone into finding research to show that there's a link between literacy levels and the GDP and economy. As far as I can tell, using that statistic, the government has already researched and found that there is a link between the two. So how would they know that it's good value for money? They would go back and look at their existing research.

**Mr. Massimo Pacetti:** Was it just a fluke maybe?

**Ms. Sierra van der Meer:** Was it a fluke that they came up with that number?

**Mr. Massimo Pacetti:** Yes.

**Ms. Sierra van der Meer:** Well, that would be pretty sad if they spent all that research time and money to come up with a random number. I'm assuming that it's—

**Mr. Massimo Pacetti:** So you're comfortable with those statistics and those numbers?

**Ms. Sierra van der Meer:** That was in 1996, I believe, the first year that the international adult literacy and skills survey was released. So it was ten years ago last year.

**Mr. Massimo Pacetti:** If you want to join in and ask a couple of questions, you can go ahead.

Just quickly, Mr. Graham, I have a question about the infrastructure money.

One of the observations you made is that the infrastructure programs are not flexible enough for rural versus urban or small communities. Are the infrastructure programs that exist not flexible as they stand right now?

**Mr. Doug Graham:** They are not quite flexible enough. That's right. We would appreciate more flexibility, including being

associated with the territorial government to negotiate those agreements, because the end objectives of the territorial government and the municipalities are not necessarily always the same.

● (1200)

[*Translation*]

**The Chair:** Thank you.

You have five minutes, Mr. St-Cyr.

**Mr. Thierry St-Cyr:** Thank you.

I'll try and ask three easy questions. The first is directed to Ms. Sierra van der Meer.

I was fascinated by your presentation on the economic virtues of literacy and the inherent, intrinsic values of literacy in an evolved society. It's obvious that people must have the ability to communicate, read and write.

I find it somewhat disheartening that the last time I heard people speak of serious funding problems associated with literacy programs, I was in Haiti. To my way of thinking, Canada is a wealthy nation, wealthy enough to give tax rebates to oil companies and wealthy enough to amass annual budget surpluses of \$13 billion.

Fundamentally, it rather shameful that Canada is incapable of investing what really amounts to modest sums of money in terms of its overall budget to public literacy programs. Would you not agree?

**Ms. Sierra van der Meer:** May I answer that question in English?

**Mr. Thierry St-Cyr:** Certainly.

**Ms. Sierra van der Meer:** Thank you.

[*English*]

I agree with you. I think it's very unfortunate that there are cuts to something like literacy at a time when there is a \$13 billion surplus.

We recognize there is a financial benefit from literacy skills; there is an economic benefit from literacy skills. But there is certainly an intrinsic value to literacy skills. They help people communicate; they help people have a high quality of life; they help people read books to their children, to send emails to their friends, to read letters. That is of huge value.

To have that cut in a time when we can pay off \$13 billion and make investments in other areas is certainly very disappointing.

While I don't expect my opinion on the value of literacy should change an entire government's budget, I do think that as Canadians we really value our desire to help people who are in less fortunate situations, and we would certainly like to see that.

[*Translation*]

**Mr. Thierry St-Cyr:** Thank you.

I'll move right along, because I want to put this question to the representative of the Yukon Historical and Museums Association.

In my opinion, the timing of announcements is critically important. The Conservatives are promising something even better for museums. However, should they not have waited to announce a "better" program before abolishing the old one? Shouldn't they have held off announcing this cut on the very same day they reported a surplus of some \$13 billion? Isn't there something rather provocative about their timing?

[English]

**Ms. Rebecca Jansen:** The hurtful thing was their coming out and saying they were going to put forward this new museums policy and then the next day coming back and cutting \$4.6 million. That's saying that it's a wasteful or inefficient program. So definitely it doesn't show a very good sign of faith, I don't think, in supporting the museums.

[Translation]

**Mr. Thierry St-Cyr:** I have one last question for Ms. Morgan, still regarding the surplus.

In the past, the Bloc Québécois has called for an improved Guaranteed Income Supplement for seniors. Some seniors were entitled to the GIS and were not receiving it, wither because the forms were too complicated, there was too much bureaucracy or the rules were not clearly defined. Ultimately, because of the pressure brought to bear on the previous Liberal government to correct this situation, most seniors who were entitled to it now are receiving the GIS. Benefits covering 11 months were paid retroactively to them. Those who were not entitled to the GIS at the time have still not received their benefits.

On the day the surplus was announced, should the government not have taken some of these surplus funds and paid seniors who have yet to receive the GIS benefits to which they were entitled for many years, instead of allocating the surplus fully to debt reduction?

[English]

**Ms. Roberta Morgan:** Yes, I actually quite oppose the idea that they only get eleven months, or so many months, back payment. If they turn 65, they turn 65. What does it matter that they turned 65 eleven months ago or five years ago? They were still entitled to the money. They still have a right. It is not their fault if they did not know about the program.

The government is not promoting the program, or these people would have known about the program, regardless of what government is in power.

• (1205)

[Translation]

**The Chair:** Thank you, Mr. St-Cyr.

[English]

We continue with Madam Ablonczy, for five minutes.

**Ms. Diane Ablonczy:** Thank you, Mr. Chairman.

And thank you to all of you for being here and for your good presentations. As policy-makers, collectively, all of us really value the input and the insight you give us.

My first question is for Mr. Graham.

We heard similar issues from Fort St. John and other municipalities.

One of the difficulties I see is that in a democracy there are lines of accountability. Municipalities are creatures of the province; in fact their legislation is provincial legislation, which governs them. The federal government made an agreement with the provinces for gas money, but if the federal government starts leaping over the heads of the provinces, funding municipalities directly, then the lines of accountability become blurred, because then the municipality is not only accountable to their own taxpayers and to the province—their legislation—but now somehow, without legislation, is also responsible to the federal level of government. It seems to me that makes it extremely difficult for municipalities.

My question to you is, have you discussed this matter with the provinces? Is there a willingness in the province to have more flexible lines of communication, more flexibility in meeting your concerns through the legislation responsible for municipalities? Otherwise I think we're going to get into quite a mess, so to speak, as to who does what and who is accountable to whom, and all of those things.

**Mr. Doug Graham:** I don't disagree with you, and that's why I said programs similar to the gas tax agreement. We don't advocate direct conversations between the federal government and the Association of Yukon Communities. What we would like to see is us being involved with the federal government in any conversations that occur with the territory with respect to communities' needs and wishes. That way, we feel that our priorities are being addressed somewhat, and also the federal government's priorities.

I know that when the federal government decided water quality was an issue they had to address, they made money available to municipalities through the territories and provinces, but they made sure it was directed to that specific area. Therefore, their priorities were met, as well as some of the municipalities' priorities. And that's what we would advocate.

We realize the difficulty with the legislation, and the jealousy with which some provinces and territories guard their spheres of influence. We would just like to be included.

**Ms. Diane Ablonczy:** Ms. van der Meer, you've been a popular person today, because literacy is important. One of my favourite sayings is, "Readers are leaders", and it's certainly true. I was really struck by your statistic that 42% of Canadians have low literacy. That's a stunning indictment of our education system. By law, every child has to attend school up to the age of 16, yet nearly half of Canadians, you're saying, in spite of that, have low literacy. That just blows me away, as a former teacher, and I find that extremely disturbing.

My question for you is how you fix that. If after ten years of school, 40% of Canadians have low literacy, how can you possibly fix that?

**Ms. Sierra van der Meer:** First of all, there might be a misconception about literacy levels directly related to school, because one thing that the IALSS, the international adult literacy and skills survey, showed about Canadians is that the highest literacy levels were at the block closest to the end of school. So those between 19 and 25 years of age had the highest levels of literacy, and then the levels of literacy actually dropped as people got older.

So the fault does not lie alone with the school system. It's not that people come out of the school system and right away 42% of Canadians can't—

• (1210)

**Ms. Diane Ablonczy:** You can either read and write or you can't.

**Ms. Sierra van der Meer:** No, one of the big things they say about literacy is that you use it or you lose it. Literacy skills deteriorate when they're not being used. Literacy skills deteriorate over time. Literacy skills deteriorate when people are not applying themselves, or when people aren't in a position where they're reading often, or in a position where they're writing—

**Ms. Diane Ablonczy:** So your definition of literacy is a little different from what I think most Canadians would understand.

**Ms. Sierra van der Meer:** Our definition of literacy is the one that was being used by the National Literacy Secretariat and by the federal government, which I believe defines literacy as the ability to use and process basic information. So it's not a definition that I have made up or one that is being used in the literacy community.

**Ms. Diane Ablonczy:** No, no, I'm not saying that. I just want to understand.

**Ms. Sierra van der Meer:** Literacy now is identified as the different ways that people use information in their lives, in their homes, and in their schools.

In terms of what we can do about literacy skills, I think one of the big things is that it's a lifelong issue. It's not just something for kids. It's not that you learn literacy when you're six years old and you learn literacy until you graduate at seventeen or eighteen. Literacy is something that needs to be started in the home and needs to be encouraged through things like family literacy. It continues through the school system, and then it needs to be continued through things like workplace literacy and through literacy initiatives for adults.

**Ms. Diane Ablonczy:** Thank you. That's very helpful. I appreciate that.

**The Chair:** Just further to that, then, if literacy is defined as the ability to use technology, would the introduction of the BlackBerry reduce literacy rates among the general population?

**Voices:** Oh, oh!

**Ms. Sierra van der Meer:** I don't know. We don't get BlackBerry service up here, so I can't answer that.

**The Chair:** Yes, but you are a person and you can answer that question.

I'm asking quite seriously, because the ability to use technology, referenced in your answer, and the increased availability of new technology, poses interesting challenges, and not just for the aging—well, we're all an aging population, I suppose.

I am, of course, starkly reminded that I am a senior in this group, and quite seriously, if the definition of literacy is as you've described, then the increase in the availability of new technology in society would reduce literacy rates rather markedly, I would think.

**Ms. Sierra van der Meer:** I think it changes the literacy rates. I don't think it's as easy to say it reduces literacy rates, because we all know that a lot of 14-year-olds have an incredible grasp of technology, but it certainly changes the way we look at literacy.

One of the things the literacy community has recently done is really examine the place of basic technology in our definitions of literacy. As we are all well aware, computers, with the ability to send emails and the ability to access information electronically, are becoming things that are needed in order to fully participate in the workforce and, a lot of the time, to fully participate in society.

I don't think it's as easy as saying that BlackBerrys are reducing our literacy rates. I think that with evolving technology we have to develop the skills we need in order to succeed.

It's why literacy organizations are so important. They're able to use these new technologies and new information to try to help people learn in order to fully function in society.

**The Chair:** Fair enough. As we heard the various presentations—and we're into three figures when it comes to the presentations we've heard. We were impressed by the vast majority of them, and certainly by yours.

One of the things that certainly comes through loud and clear is the interrelationship among various aspects of what we're hearing. For example, you spoke about the need for technological communication skills to be developed among our youth, and yet we have also heard a number of presentations on childhood obesity. Things interface, don't they?

The increased ability to communicate with people around the world in the comfort of your own home is being used by our youth. The outcome in many cases is that growing sedentary lifestyles are being adopted by young people.

We're seeing an interrelationship in a number of the presentations. Would you like to comment on that?

**Ms. Sierra van der Meer:** Well, I think you're absolutely right. Some of those relationships may have negative consequences, in terms of the one you're talking about and childhood obesity.

I have worked with Bobbie Morgan in the past. I think she used a good example when she was talking about pensions, or it may have been Thierry who said that pensioned seniors may have difficulty when filling out difficult paperwork. We know that literacy skills deteriorate with age, and we know that seniors are having difficulty when filling out paperwork. It seems a very wonderful solution to that would be to encourage senior literacy programs so that they have a better ability to fill out paperwork and they're better able to access the funding that's available to them.

I think you're absolutely right. One thing that we know about literacy is there's an interdependence in justice, health, and the economy, and probably in some of the things you were talking about on childhood obesity.

**The Chair:** Ms. Morgan, perhaps your group would have mixed emotions about the increased ability that might occur with literacy programs for seniors.

For example, seniors need to be able to pay their taxes online. It seems to be a concern that Revenue Canada has, but it's a voluntary tax system in this country. You see how one program quite frequently butts up against another.

•(1215)

**Ms. Roberta Morgan:** Literacy is a problem, especially when we're trying to help seniors help themselves in regard to health programs. I know there's some wonderful information out there, but it's all in writing. We don't take literacy into consideration.

We also offer it in French and English. Are they the only two first languages in Canada?

Many of our older seniors don't have a very high literacy level. We use a grade 7 level when we're teaching our seniors. That may seem rude to you, but it's plain, it's simple, and it's understandable. Especially when you're dealing with immigrants and first nations people, yes, their levels of Canadian literacy are low.

**The Chair:** Thank you very much, Ms. Morgan.

We'll continue with Mr. Bagnell now. You have five minutes, sir.

**Hon. Larry Bagnell:** Thank you.

There was a debate earlier about whether there were cuts to the MAP program. Anyone who wants to know about all the cuts that we're talking about should go to the Government of Canada website or the Treasury Board website.

You'll see museums, and I think \$9 million a year is mentioned. It's a tiny amount for the thousands of museums in Canada, and it's one of the most underfunded areas. You'll see the two-year saving of \$4,630,000 right on the website.

If I get a chance later, I'll ask the museum people this. Did the cuts to the volunteer initiative and summer students also hurt you? Do you use volunteers? We all know the answer.

I'd also like to acknowledge Beth Mulloy, from the Yukon Literacy Coalition, who's over there getting coffee. Of all the input from Yukoners and Canadians, they seem to be most apoplectic and angry and find the cuts to literacy to be incomprehensible.

My question is to anyone who wants to answer, but it's particularly to museums and literacy and Sierra.

Over and above being angry about these cuts across Canada, for groups in the Yukon, the second biggest problem is that people have come to me and said there was no consultation. This came right out of the blue, and it's surprising that they're going to have to make these dramatic adjustments, lay off people, etc., not knowing when it's coming.

How much consultation, if any, was there with the museums and literacy in particular, and anyone else who was cut?

**Ms. Sierra van der Meer:** I think you're absolutely right, there was no consultation and we were shocked. I'm not sure what the communication protocol is between government officials, the ministers, and the politicians and the bureaucracy, but we were told that our funding was coming; we were told it was going to be delayed slightly.

In fact, the call for proposals was opened the last week of August and closed on September 15. For those of you who have written HRDSC proposals—I'm not sure if that's still the acronym, but I think we know what I'm talking about—you know they're extremely difficult, they're extremely long, and they are very detailed. So we went ahead and wrote the proposals as we were asked. We spent hundreds of hours preparing these, and eleven days after the close of the call for proposals, we were told there was no money—eleven days.

So not only were we unprepared, not only was it unexpected—basically, I think as any normal person would, we assumed the money would be available because they had opened up the call for proposals, because they said there was funding available. Then to have it just close down was shocking, especially because the funding was so late this year, because it kept being delayed, because we were told that the new minister just needed some more time to relook at it, that it was going to come, it was coming, it was coming. So we were already working on a delayed schedule. We had hoped to have our money four or five months earlier, so it was not a pleasant surprise.

**Ms. Rebecca Jansen:** I'll just add to that. Further to not being consulted...the territorial and provincial museums associations get together probably twice a year to discuss issues such as MAP funding and summer student funding, and we have sent letters to the Minister of Canadian Heritage on both issues. I don't believe we received a response from the minister on either of those issues.

With MAP this year, our main issue is that people who have put in funding applications for MAP in November still hadn't heard come February. To try to plan a museum and projects around that sort of timeline is just impossible.

Then with the consultations we did have in the previous museums policy, I think we made it very clear that we needed more funding, not less funding. So the announcement last week was a bit of a shock.

• (1220)

**Hon. Larry Bagnell:** And on volunteers and summer students, did those cuts hurt you too?

**Ms. Rebecca Jansen:** Volunteers are definitely a number one source for museums; I don't think museums could exist without volunteers. So to have those programs cut as well is very detrimental to our success. Summer student funding is...I can't stress the importance of that. Museums are often run by volunteers, so without summer student funding, who are we going to have to man the front doors, who are we going to have to interpret the tours, everything? It's essential.

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

We'll continue with Mr. Dykstra for five minutes.

**Mr. Rick Dykstra:** Thank you.

Mr. Graham, we had a pretty good discussion this morning in terms of the presentations about the impact of global warming and the focus and concern, and all of us, whichever province or territory we live in, understand it's an issue we need to deal with.

One of the interesting points you've made, or that's in the presentation in the introduction, is that the trend of global warming suggests that these resources may become more easily accessed in the future. I thought it would be interesting to see or to hear from you how global warming actually may have a positive effect, or work to your benefit from a Yukon perspective, in the results for natural resources.

**Mr. Doug Graham:** I guess it's the exploration for those resources that probably would benefit from global warming. I've lived here all my life. I can remember as a kid going to school. We used to have two or three weeks a year of minus 40° and maybe one of minus 50°. I don't think we've experienced minus 40° in the last couple of years even for an extended period of time. It is having an impact.

I think, though, the benefit to the exploration would be in inverse proportion to the deterioration in so many other things that are happening. So it's a small point that would benefit a small part of our industry, but overall the impact on so many other things, which would be detrimental, far overrides that.

**Mr. Rick Dykstra:** I appreciate it. You didn't necessarily have to rationalize it for me. I've read your briefing and heard it, but I just thought it was an interesting point within the context of your presentation.

Further to that, on page 3, you say:

The Yukon government has estimated that over \$300 million is required to meet the needs of infrastructure in communities while over \$1.3 billion is needed to link those communities and foster economic development.

I wonder if you could expand on that a little bit in terms of the linking and the aspects of economic development, and how that's a benefit to the Yukon.

**Mr. Doug Graham:** I think many of the Yukon government's numbers are based on improvements to the road system, definitely the rail system that has been proposed to be built through the Yukon to connect Alaska to the lower 48, and a number of other infrastructure needs for joining our communities. As you probably know, Old Crow is not joined by road, in any event, so it would also include things like airports in many of our communities that don't currently have them, whereas our community infrastructure is seen as a municipal responsibility. That would be the difference.

**Mr. Rick Dykstra:** Thanks.

I want to say to Mr. Bagnell that I appreciate the fact that we have enjoyed a very hospitable time here in your riding. The folks have been first class. But I did want to make sure that you didn't allow the facts to get in the way of a good story with respect to the comments you made about funding for museums. In fact, it's not \$9 million or \$10 million or \$11 million; it's actually \$245 million that the federal government invested in museums across the country. So it certainly pales in comparison to the amount you may have mentioned earlier on. I just wanted to make sure we clarified that.

To that point, I wanted to hear from both museum folks, and, if I could, from Ms. van der Meer. I appreciate the fact that everywhere I go in this country I continually get to run into Dutch folks, so that's a good thing to remember.

Have you already seen the impact it's going to have specifically on you? Have any of your programs been cut as of yet?

• (1225)

**The Chair:** There's about one minute remaining, so a brief answer from each of you, if possible.

**Ms. Sierra van der Meer:** We will close our doors by January 1 unless we have money, and that means no more information sharing, no more community work, no more family literacy initiatives, no more practitioner training.

**Mr. Rick Dykstra:** You've received notice that all of your funding is going to be cut?

**Ms. Sierra van der Meer:** Yes, we've received notice that we're not getting any funding.

**Mr. Rick Dykstra:** Okay.

**Ms. Patricia Cunning:** We have an existing program, which will end March 31.

**Mr. Rick Dykstra:** You've been told that it won't be renewed?

**Ms. Patricia Cunning:** We have no idea what will happen.

**Mr. Rick Dykstra:** Okay. You haven't actually been told yet.

**Ms. Patricia Cunning:** We have no game strategy yet.

**Ms. Rebecca Jansen:** MAP is project-based, so it's hard to say how it will affect us individually. Obviously, if the amount is cut, the number of projects that are going to be funded will reduce. Because we're a small territory, the amount of money we get already pales in comparison to a lot of the other provinces, which is understandable because of our size, but we'll feel it.

**The Chair:** There are a couple of minutes remaining.

Madam Wasylycia-Leis, I give you two minutes.

**Ms. Judy Wasylycia-Leis:** Thank you very much.

Rebecca, you've answered my question about the double and triple whammy through these cutbacks.

I have a question for anyone who wants to answer it. As I think Sierra pointed out, at the time of these \$1 billion cuts announcement, the government indicated it had just put \$13.2 billion against the debt. What I want to know from you is, if we could have saved a billion or two from all the money going against the debt, would we not have been better off? Or do you believe the Conservative argument that in fact you've got to pay down the debt in order for us to reap dividends down the road, regardless of what's left, because you've cut the heck out of everything? Would you have any comments and advice for us, generally, about how to handle surpluses, where it should go, and where the most impact would be for our economy?

Sierra, do you want to start? Then, Patricia, go ahead.

**Ms. Patricia Cunning:** I would just like to say that at the museum we're not able to access that \$245 million. And the broader thing, in terms of this consultation, is that there needs to be a consultation. I asked my member of Parliament if I could come here to speak today. Many museum directors would not know that they could have this opportunity. We would like you to talk to us directly before you make the cuts, and we'd like you to talk to us about the establishment of a museum policy so that you know what it is that we actually need and what it is that we actually do.

**Ms. Judy Wasylycia-Leis:** Roberta, do you want to...?

**Ms. Roberta Morgan:** When I read this whole thing that you're sending us to comment on, and it's all talking about jobs and skills and what we need to bring our country up in the world today, I just can't believe we're cutting literacy. How are we going to have new jobs, how are we going to have skilled workers, if we don't have literacy? I'm sorry, I just don't understand the politics of today—simply that. Why are we talking about this if we're going to cut the things that will give us skilled workers?

**The Chair:** Thank you very much, Madam Wasylycia-Leis.

I would also comment, folks, that we are responsible for making recommendations on this coming year's budget. We appreciate all of your comments and presentations today as they pertain not only to recent decisions but future decisions the government may make. We are one source of input to the finance minister on this issue.

I would also mention that last year's budget provided \$34 billion plus of taxpayers' money, of revenue, to pay interest on the debt. For that purpose, \$34 billion was made available. In that context, every one of us, I think regardless of our political bent, and certainly the policies of each of our political parties, do not support running deficits in the future. On that we agree. On many other issues we are not agreed, but on that we are agreed.

I thank you all for the time you've taken to be with us today, for your presentations, and for your frank responses.

The meeting is adjourned.

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