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Chair

Mr. James Rajotte

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• (0930)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):
Good morning, everyone.

I call this meeting to order. This is the 29th meeting of the Standing Committee on Finance in this session.

This is the first meeting dealing with the pre-budget of 2010. Thanks to all of you for coming in this morning. This session will operate as we typically do in Ottawa.

We have a large number of witnesses here this morning. I apologize for that, but we've had over 400 pre-budget submissions, so we try to hear from as many people as possible in a very short period of time. I'll list the organizations and we'll have the organizations present in that order.

You'll have five minutes for an opening statement. After that, we'll go to questions from members.

With us here this morning, we have the Federation of Canadian Municipalities; the Mining Association of British Columbia; the Prospectors and Developers Association of Canada; the British Columbia Cattlemen's Association; the National Association of Computer Consulting Businesses Canada; the Vancouver Rape Relief and Women's Shelter; and the Surrey Board of Trade.

We can start with the FCM. We look forward to your five-minute presentation. Then we'll just go down the line.

Mr. Hans Cunningham (Director for the Regional District Central Kootenay, British Columbia; President, Federation of Canadian Municipalities): Thank you, Mr. Chair and members of the committee.

I am very pleased to be with you today on behalf of the Federation of Canadian Municipalities. As you know, we represent over 90% of the Canadian population in more than 1,900 municipalities across the country.

I would like to begin by thanking all parties in the House of Commons for your support of the cities and communities across the country.

Before I start, you are probably aware that the stimulus update was released today. There are about 23,000 projects. About half of them are municipal. I'm sure you are all well aware that the stimulus program is a matter of some debate in Ottawa, but for our members, it is first and foremost a huge practical challenge. We're on the

ground here. We're focused on finishing up these projects in order to fight the recession and make life better for our communities.

What I am here to talk about today is what happens after stimulus.

From the gas tax fund to the Building Canada plan, Ottawa has started helping municipalities fix their aging infrastructure. I hope you will help us protect the gains we have made together.

Honourable members, if you leave here today with only one message, I hope it will be this one: the Government of Canada must balance its books without downloading its deficit onto the municipalities. Nothing has done more damage to our communities and to our infrastructure than downloading. Downloading might make federal and provincial balance sheets look better, but only by pushing those deficits into our local streets. That's what happened in the 1990s, and Canadians don't want that to happen again.

For decades the federal, provincial, and territorial governments downloaded costly responsibilities onto municipalities—responsibilities for policing, affordable housing, and immigrant settlement, among others. Local governments lacked the financial tools to meet these new responsibilities. They were forced to raise property taxes and delay badly needed infrastructure investment. The result is where we are today, with \$123 billion in municipal infrastructure deficits.

Recent investments have helped to slow that decline in our infrastructure. Together, governments have started rebuilding our roads, our water systems, and our public transit. We must protect those gains and prepare to build on them in the future. We must protect them or new and growing challenges will overwhelm us.

One such challenge is the traffic gridlock that is bringing our largest cities to a standstill. In our two biggest cities, metro Montreal and the greater Toronto area, the average commuter is now spending 80 minutes a day on the road. That's longer than is spent in New York, London, or even Los Angeles.

Rural and remote communities are facing their own challenges. They are struggling to build the roads, bridges, and community centres they need to sustain their populations. Of course, the challenge is especially urgent in the north, where climate change is melting the permafrost below practically every street. In the Northwest Territories alone, protecting buildings will cost \$230 million, which is about \$5,000 for every man, woman, and child in the territory.

Downloading even more onto municipalities would take away any chance we have of meeting these growing challenges. It would undo the recent progress we have made, and it would leave us in a bigger hole than before. Downloading would create dangerous new cracks in our economic foundations, and it would hurt us all.

Our small businesses need quality roads and bridges to deliver goods and services. Our workers need fast, efficient public transit to connect them to new jobs.

Our growing companies count on high-quality community services, from libraries to hockey rinks, to attract skilled workers. For Canada to compete globally, we need modern infrastructure and transportation networks. We need cities and communities that are among the world's very best.

Therefore, as governments get their books in order, they must work together to protect what they have achieved in recent years. They must show they are ready to meet growing challenges without just shifting the bill to municipalities.

One test of that commitment is already before us. Earlier this year, Environment Canada proposed new federal waste water regulations. The regulations require communities to rebuild one out of every four sewage treatment plants across the country.

• (0935)

At this time, the estimated cost is \$13 billion. Downloading the full cost of these regulations would push many municipal budgets to the breaking point, force municipalities to raise taxes, and delay other important investments. But there is hope.

Recently Environment Minister Jim Prentice began talks with FCM on the waste water regulations. The goal is to find a fair and affordable plan for the future. We need to make sure those talks proceed.

Of course our crumbling water systems are just one reason why we won't solve the infrastructure deficit in the next few years. But we can do our best to keep it from getting worse. We must start now or else three or four years of deficit arguing will lead to another lost decade in our communities.

In closing, I want to leave you with three simple recommendations.

The Chair: We are about a minute over time, and we have seven witnesses. So be very brief.

Mr. Hans Cunningham: I'll be quick.

First, we need to continue to protect core infrastructure investments.

Second, we need to deal with the budget deficit without downloading more costs.

Third, we need to sit down and develop a long-term plan to build on recent investments as the budget outlook improves.

So let's use these lean years to plan for the future. Let's protect what we've achieved today and be ready to build on it tomorrow.

The Chair: Thank you.

We will now go to the Prospectors and Developers Association of Canada.

Ms. Eira Thomas (Member, Board of Directors, Prospectors and Developers Association of Canada): Good afternoon, Mr. Chair.

I serve on the board of directors of the PDAC and I am executive chairman and director of Stornoway Diamond Corporation, which is a Canadian diamond exploration company working all across the country, with an advanced project in Quebec that we hope will become Quebec's first diamond mine in a couple of years.

With me is Laureen Whyte, vice-president of sustainability and operations with the Association for Mineral Exploration, British Columbia. She is also a member of the PDAC aboriginal affairs committee and the CSR committee.

Thank you for providing us with an opportunity to meet with you today. The PDAC is a national organization with 7,000 members representing the range of companies and individuals in mineral exploration and development. Our individual members include prospectors, geoscientists, environmental consultants, mining executives, students and people working in the drilling, financial, legal and other supporting fields. The association's corporate members include exploration and junior mining companies, major producing companies, and organizations providing services to the industry.

The PDAC works closely with national, provincial, and territorial organizations, such as AME BC, through the Canadian Mineral Industry Federation, which submitted policy recommendations to Canada's energy and mines ministers in advance of their annual conference two weeks ago in Montreal.

Mineral exploration and mining is one of Canada's truly global industries, investing in 10,000 projects in over 100 countries, with 81% of worldwide mining equity transactions over the past five years being handled by the TSX and its venture exchange.

Exploration and mining are central to Canada's economic brand. The industry employed over 351,000 Canadians in extraction, processing, and manufacturing, and contributed \$40 billion to Canada's GDP in 2008. Mining accounts for \$95 billion or 19% of Canada's annual goods export.

Our submission to the committee briefly describes exploration financing and the current economic situation.

Mineral exploration companies do not have production revenue and therefore must rely on investors who are prepared to support higher-risk activities.

Market instability is having a negative effect on mineral exploration companies' share prices and on their ability to raise money for grassroots exploration programs.

While Canada remains a leading destination for exploration investment, exploration expenditures in Canada declined by 44%, from \$3.3 billion in 2008 to \$1.8 billion in 2009. Canada's share of global exploration investment dropped from 19% in 2008 to 16% in 2009.

In addition to volatile market conditions, this decline can be attributed to other factors, including the reality that much of Canada's favourable under-explored geology is located in remote areas that lack infrastructure and are only accessible seasonally. Industry is also facing mounting land access concerns and ongoing regulatory inefficiencies, which taken altogether have had a negative impact on the overall investment climate for mineral exploration in Canada.

Without sufficient investor support, exploration companies face a significant reduction or cancellation of a number of field programs, with the resulting impact on service companies and other businesses and individuals, particularly those in rural, northern, and aboriginal communities.

The situation is urgent, as the loss of these companies and qualified workers will severely limit Canada's long-term ability to retain its leadership position in the global exploration and mining industry. Working with our members, the PDAC has developed several proposals and solutions to reduce the impact of the current financial situation on the mineral industry, and to ensure that the mineral sector is a major contributor to Canada's economic recovery and continued growth.

We have three main recommendations

Our first recommendation concerns tax incentives. We recommend that the current 15% mineral exploration tax credit, METC, be made a permanent feature of the federal income tax system. To encourage investment in Canadian projects, we recommend temporarily increasing the METC for exploration finance using flow-through shares from the current 15% rate to 30% for a two-year period. This committee's 2009 report made reference to the mineral exploration tax credit. We appreciated your recommendation that the credit be extended. As a result of the 2010 federal budget, the METC is in effect for an additional year and is due to expire on March 31, 2011.

Our second recommendation concerns infrastructure. We recommend continued investment in the geomapping for energy and minerals, or GEM, infrastructure program, as it increases the knowledge of our natural resources and helps to retain expertise in Canada's mineral exploration sector. We also recommend investment in transportation infrastructure—for example, all-weather roads, bridges, road upgrades, as well as improvements to seaports and airports in Canada's north and remote regions of the provinces.

● (0940)

Our third main recommendation is around issuance and compliance costs and the duty to consult. Canadian mineral exploration companies face increased operating costs. These include issuance and compliance costs and costs related to the crown's duty to consult with aboriginal communities.

Some costs qualify for renunciation as Canadian exploration expense, CEE, under flow-through share arrangements. The PDAC

is recommending a review of the current CEE guidelines and an expanded scope in order to allow companies to manage new costs associated with government requirements.

Thank you again for the opportunity to appear before the committee. We would be pleased to answer any questions at the appropriate time.

The Chair: Thank you very much, Ms. Thomas.

We'll now go to the British Columbia Cattlemen's Association.

Ms. Judith Guichon (President, British Columbia Cattlemen's Association): Thank you.

My name is Judith Guichon and I'm the president of the B.C. Cattlemen's Association. I brought our manager, Kevin Boon, along with me today. If my voice gives out, I'm sorry; he may have to take over.

The British Columbia Cattlemen's Association would like to thank the Standing Committee on Finance for this opportunity to present the needs of the British Columbia cattle industry.

The cattlemen's association has been the official voice of cattle ranchers throughout British Columbia since 1929. For over 80 years, the association, with about 1,200 members now, has represented the interests of beef cattle producers in British Columbia. We represent the people who feed you.

The purpose of the B.C. Cattlemen's Association is to promote, encourage, protect, and develop the cattle industry in British Columbia in an environmentally responsible manner. Although times have changed since 1929, the BCCA's direction remains the same: to maintain and strengthen the sustainability of the B.C. beef industry.

The past decade has been extremely challenging for the cattle industry in all of Canada. Through its support programs, this government has been very engaged in working with our industry as it is trying to regain its viability, and the input has been key to our survival. The support has come in ways other than financial, but without sound financial help, cattle producers will continue to exit the business, and our industry will continue to flounder.

Success will not come with money alone. Putting the money to work in the right places at the right time will allow us to be competitive in the global market, thereby ensuring that the primary, processing, and value-added industries remain in Canada and provide economic stability. We believe the structure is in place to put our industry back on track, but we need the help of the federal and provincial governments and the support of this committee to achieve stability.

There are four key areas that the B.C. Cattlemen's Association feels are imperative to create the groundwork for our industry to be self-sufficient. These are the areas that we would like the federal government to consider creating and continuing to support.

Our number one area is the specified risk material offset program. The program implemented this past year to support the Canadian packing industry in the cost of disposing of specified risk material is imperative to the survival of small and large processing facilities alike.

The program evens the playing field. Without it, we aren't competitive with the U.S., and it allows more of our livestock to remain in Canada to be processed, thereby keeping jobs in Canada. The more we process here, the more jobs we create and sustain, the more value we create for our product, and the more confidence we can ensure for our consumers by ensuring that they get the best and safest product in the world. The decision on whether our livestock remains in the country for processing is made on pennies per head, not dollars, and if we can keep the values equal, we can gain huge returns for our economy.

Our recommendation: the B.C. Cattlemen's Association kindly requests that the specified risk material offset program be continued until Canada's regulations for animal waste removal are harmonized with our competitors'.

Number two is traceability. Both government and industry realize that being able to track our product is crucial. However, the challenges of getting the process in place are huge. Over the past decade, the Canadian cattle industry has had this vision, and we've been working hard to utilize and develop the technology and the processes required to make this happen. The government has now decided that this needs to be a mandated process and has set a timeframe for mandatory traceability by 2011.

Cattle producers cannot be expected to bear the financial burden of this decision alone. There have been many hurdles to implementing full traceability. First and foremost, improvements in the available technology are very necessary, but the funds are not available for the research and development. Primary cattle producers have found it very challenging to contribute the dollars that are required to develop and implement the first stages of traceability—the animal identification and tracking.

Our recommendation: the B.C. Cattlemen's Association kindly requests that the federal government provide financial assistance to the industry to meet the federal, provincial, and territorial ministers' stated goal of full, mandatory traceability by 2011.

Under the Growing Forward program, we note that the creation of the Growing Forward program could be very beneficial. We've been told—and we agree—that ad hoc programs won't work and are not sustainable. Having funds go towards developing programs that will become long-term benefits and will increase the profitability of the agriculture industry is what is needed.

The current process for accessing the Growing Forward funds is onerous. The decision process is flawed by a lack of familiarity with the agriculture industries. There needs to be flexibility in the process to allow for the uniqueness of certain industries. Timelines for payments need to be improved. Whether it's a disaster or a program to help improve our profitability, the ability to access the funds when they are needed is imperative.

● (0945)

We would kindly recommend that the federal government analyze the criteria and processes in place for dispensing Growing Forward funds.

We also would like to see some improvements to the Canadian Food Inspection Agency.

The Chair: Thank you.

Ms. Judith Guichon: I'll have to learn to talk faster.

The Chair: Thank you very much.

We'll now go to the National Association of Computer Consulting Businesses Canada.

Mrs. Loretta Wallace (Vice-President, Procom Group, National Association of Computer Consulting Businesses Canada): Thanks, Mr. Chair and members of the committee.

My name is Loretta Wallace. I'm representing the NACCB, the national association of computer consultants of Canada. The association was formed in 1999 to work with legislators to ensure they understand how the IT professional service industry works and operates. Today it comprises 75 companies representing over \$2.5 billion in annual revenues, 22,000 contractors, and 2,000 employees.

The NACCB wishes to intervene in the present review of the legislation on policy governing personal service corporations, as we believe this body of regulation has a powerfully negative impact on the Canadian labour market and, if expanded, would be incredibly destructive to the market for high-value contract services.

As you know, Canada is known for its resources; however, one of the most important resources is the knowledge and talents of its people. Within the Canadian labour market, the staffing and contracting sector is a critical function that enables market optimization and allocation of scarce resources.

Over the past 40 years, the Canadian market has evolved. As a result, we agree with the report of the standing committee that the review needs to take place and an upgrading of the Canadian tax legislation needs to happen to reflect the realities of that market and the model that is currently functioning, and functioning well, to the benefit of the government, Canadian corporations, and professionals who provide those services.

However, with the renewed focus on the issue of personal services to businesses and the emerging CRA strategy, which is aggressively targeting the information technology sector with audits and reassessments, the need to make changes to the legislation has become an issue which, we submit, requires attention and change. If the PSC audit and assessment exercise results in increased costs as agencies and clients alike make provision for the additional burden of employee benefits, and if individuals leave the contract sector, thereby reducing the labour and supply of these scarce resources, then the combined impact of reduced availability and increased costs may induce corporations to consider sending some jobs offshore.

This would have a significant and detrimental impact on the Canadian economy, especially in light of the fact that Canada has a talent crisis happening. As you know, our population is aging and, as with most other western countries, this creates a number of challenges for our continued prosperity.

Among the challenges is the future of highly skilled talent. Both the government and the corporate sector are dealing with this. Over the next 10 to 15 years, we will have fewer people entering the market than retiring. In fact, a recent survey of the ICTC, the IT sector council, projects that upwards of 170,000 job openings in the IT sector will emerge in the next five years, so we believe that we simply cannot afford to have any one element of the supply chain fall off. It is therefore vital that the CRA ensure tax fairness to this group so as to ensure that they continue to be available to help ensure both corporate and government competitiveness in the future.

We would agree with the conclusion of the committee report that the federal government examine the Income Tax Act with a view to proposing legislative amendments in such a manner that reflects the reality of the modern labour market. Specifically, we would recommend that no consideration be given to similarities of the engagement in employee-like relationships and the financial reporting programs similar yet apart from corporate and personal income reporting slips.

The committee also reiterates the fundamental belief that all Canadians have the right to arrange their affairs within the constraints of the law and that there be a recognition that every Canadian has the right to participate in the benefits made available to small businesses, without regard to the number of employees, the success or the length of their engagement, and the nature of the product or service being offered through the small business corporation.

My time is up.

• (0950)

The Chair: You have ten seconds.

Mrs. Loretta Wallace: I'm good.

The Chair: Thank you very much for your presentation.

We'll now go to the Vancouver Rape Relief and Women's Shelter.

Ms. Hilla Kerner (Vancouver Rape Relief and Women's Shelter): Good morning. I have quite a heavy accent, which means you will have to pay extra attention to what I'm saying. I think it will be worth it.

You have a longer version of what I'm going to say, and it has who we are and what we do and some references to Canada's commitment to women's equality.

Formally, women in Canada have equal rights. In reality the journey towards equality for women in the political, economic, and domestic life is still very far from its end result: equality and liberty for women. Some of the things I'm going to refer to might at first impression be considered provincial issues, but I want to argue that since equality and equality for women are part of a national state agenda, they should be within the interests and obligations of the federal government.

According to Canadian victimization data, in 2004 approximately 653,000 women had been physically or sexually assaulted by spousal partners at least once during the previous five years. In 2009 there were 23,551 cases of sexual assault reported to police in Canada. This number represents only 8% of the actual incidents of rape and sexual assault.

Every year my organization, Vancouver Rape Relief, alone provides aid to 1,400 women victims of rape and other forms of male violence and shelters more than 100 women and their children in our transition house. Since the 1970s, transition houses and rape crisis centres have been saving the lives of women and their children, providing public education, and advocating diligently and effectively for systematic changes in the state's response to violence against women.

Violence against women is one of the most devastating expressions of women's inequality, a harsh effective instrument in holding women back, preventing them from living a safe and free life and from exercising their full humanity, our full humanity.

The understanding that violence against women is fundamental to women's inequality highlights the importance of transition houses and rape crisis centres as necessary tools for the advancement of women's status in Canada. Therefore it is within the interest and obligation of the federal government to support the work of women's equality-seeking organizations by funding women's centres, transition houses, and rape crisis centres.

The Canadian Association of Sexual Assault Centres, CASAC, is a pan-Canadian association of rape crisis centres that have come together to implement the legal and social changes necessary to prevent and ultimately eradicate rape and sexual assault. CASAC is the only national organization of sexual assault centres in Canada.

In his statement for national victims of crime awareness week, regarding sexual crimes, Prime Minister Harper declared that every victim matters. We agree. We also believe that every victim does matter, and therefore we argue that the work of CASAC matters. Sharing knowledge and expertise, coordinating research, and developing local and national strategies are crucial in our response to rape victims and to our fight to end sexual assault and rape.

Given that sexual violence against women is the context of women's equality and given the declared commitment of this government to victims of sexual crime, there should be funding for the national body of Canadian rape crisis centres.

Many women in Canada are living in poverty. Poverty of women and violence against women are two powerful oppressive forces that feed off each other. The Public Health Agency of Canada states that poverty limits choices and access to the means to protect and free oneself from violence. Simultaneously, the threat of poverty forces women to tolerate male violence. Women return to or cannot leave abusive relationships because they are unable to adequately provide for themselves and their children while on welfare.

Women are holding on to jobs in which they experience sexual harassment because they cannot afford to be unemployed. Women resort to prostitution as a means to support themselves and their children. Securing economic independence for women is one major step towards women's equality.

Recently there has been a growing understanding of the concept of guaranteed livable income, GLI, as a viable instrument to eliminate poverty. One form of GLI is a negative income tax, as proposed by Senator Hugh Segal. When an individual files a tax return showing an income that falls below what is needed for adequate survival, the state will provide the tax benefit to that individual. This mechanism will eliminate the inadequate income assistance program.

• (0955)

The negative income tax is intended to create a single system that would not only pay for government but would also fulfill the social goal of making sure that there is a minimum level of income for all.

Understanding that the poverty of women is an equality issue obligates the federal government to secure and ensure economic independence for the women in Canada.

Thank you.

• (1000)

The Chair: Thank you very much for your presentation.

We will now go to the Surrey Board of Trade, please.

Mr. Jeff Richards (Treasurer, Surrey Board of Trade): Good morning.

My name is Jeff Richards. I'm a chartered accountant, and I'm a director and the treasurer of the Surrey Board of Trade.

The Surrey Board of Trade is the voice of Surrey businesses. Currently comprising 3,600 business contacts, it is one of the three largest boards of trade in British Columbia.

The board has a variety of advocacy committees, projects, and collaborations reflecting and representing the business community of this vibrant centre. The Surrey Board of Trade and Simon Fraser University Surrey are working together with the City of Surrey and other businesses and education providers to support the needed education, research, and economic development infrastructure for B.C.'s second-largest city.

Several strategic initiatives have been selected to highlight to the finance committee. These initiatives show the range of our collaborative activities, and also are areas where further investment is required by all levels of government and the private sector.

Joanne Curry, a board of trade member and the executive director of Simon Fraser University Surrey, will now outline progress and potential in Surrey's city centre.

Ms. Joanne Curry (Executive Director, Simon Fraser University, Surrey Board of Trade): Good morning. Thank you.

The City of Surrey and SFU, along with the provincial and federal governments, are key partners in what I think is one of the most exciting and innovative urban development projects in Canada. The creation of a new downtown core for the city of Surrey—as just mentioned, B.C.'s second-largest city—in the corridor of three SkyTrain stations has already resulted in hundreds of millions of dollars of development.

Our university, SFU, has expansion plans to double enrolment, which is currently at 6,000 students, creating the need for another 350,000 square feet of new space. SFU and the Province of B.C. have worked with the Government of Canada through the knowledge infrastructure fund, and are expanding the footprint of our university—by 50,000 square feet—with science labs that will open next spring. We're also working with the City of Surrey's development corporation to build student housing, a 200-unit student housing project.

The City of Surrey has dramatic plans for this corridor. Their project includes the movement of city hall from the south of Surrey, a new library that will be opening next year, and a \$120-million performing arts centre.

All of this public sector development is anchored by major investments by the private sector in residential and commercial development, as well as the creation of related research buildings attached to the university. This is all creating jobs for those living in British Columbia, and particularly those living in the fast-growing regions south of the Fraser River.

We believe that in the years ahead there will be many opportunities for further investment by the Government of Canada in supporting research, regional transportation initiatives, and municipal infrastructure. Potential investment through infrastructure spending includes the City of Surrey's proposal to build a \$120-million performing arts centre. We have had a joint proposal with the City of Surrey to develop a \$60-million science, technology, and health centre as a centrepiece of campus expansion. This would be supported by the Province of B.C.'s expansion of student spaces in a region where one out of every three B.C. high school graduates will be from the south Fraser in a few short years.

We also have cooperative adventures—or “ventures”, although I'd say “adventures” too—with SFU and the Fraser Health Authority, which is one of Canada's largest health authorities. There also are opportunities for expansion of rapid transit, light rail, and major transportation improvements to make access to the university and the amenities of the central city more effective and cost-effective.

Let me stress in conclusion that the Government of Canada is playing a critical role in regional economic development, and can expand opportunities for students as well as research in the south Fraser's only research university in supporting regional transit options and valuable municipal infrastructure projects. At central city, this direct federal investment is leveraged many times over by the province, the City of Surrey, the university, and the private sector.

As it finalizes its report to the House of Commons and to the Department of Finance, we urge the finance committee to make a strong case for continuing the programs that support these important investments in any future budgets, including targeting unspent infrastructure stimulus funding to support bold new economic development initiatives in Canada.

Thank you.

• (1005)

The Chair: Thank you very much for your presentation.

The final organization will be the Mining Association of British Columbia.

Mr. Pierre Gratton (President and Chief Executive Officer, Mining Association of British Columbia): Thank you.

Just for the record, we weren't late. We were just outside waiting to be called in, and I guess we missed the call.

Thank you very much for the opportunity to speak to you. I wanted to begin by acknowledging—because we don't always get the opportunity to do this—that many of the recommendations we brought last year were implemented by the government. Notably, and most importantly, I suppose, is the federal funding for Highway 37 infrastructure, which is a hugely significant infrastructure program for British Columbia.

Also, recent amendments to the Canadian Environmental Assessment Act and the renewal of the super flow-through program last year were other recommendations we brought forward, and they were acted upon. So thank you for that.

I'll give you just a quick outline of the mining industry in B.C. and of who MABC is. We represent the mining producers in this province. We are a \$7 billion industry in the province, employing almost 8,000 people and paying the highest average industrial salaries in the province. We are the largest producer of steel-making coal. I think people often associate coal with thermal power, but 90% of our production is used to make steel. Just by way of reference, there are 140 tonnes of steel-making coal in each modern windmill. So it's important to recognize that you need coal to produce windmills that produce green power. We are also a major and growing employer of first nations in British Columbia.

We are on the cusp of a major renaissance. After years of relative stagnation, we are seeing a number of new mines come into production. There is new excitement here in British Columbia. There are two major mines in construction now, with several other projects nearing completion and representing some \$3 billion to \$4 billion in new private sector investment and thousands of new jobs. Most importantly, a lot of these jobs and projects are in regions of the province that have been hard hit by the downturn in forestry. So we

are in many ways the solution to the hardship you're seeing in certain regions of the province.

I turn now to recommendations. First, to echo what the PDAC has already recommended, we'd like to see the renewal of the super flow-through mineral exploration tax credit. I would point out that this has been renewed every year going back to the 1990s, and I think that's only good for the lobbying business in the province. You might as well maintain this on a longer term and either make it permanent or do what the B.C. government has done and provide industry with a three-year horizon so that we can make plans appropriately and continue to allow exploration to rebound after the economic crisis that hit us a couple years ago.

Second, we recommend a deep-drilling tax credit. Here in B.C. there are a few examples one could point to. Two of the new major mines in construction now, Copper Mountain and New Afton, are redevelopments on old mine sites. Arguably, if the deep-drilling tax credits had been around, those two areas might never have closed. They might have continued to operate. New exploration has led to their redevelopment.

Also, perhaps even more significantly, one of the most exciting new exploration finds has been at the Red Chris Mine in northwestern B.C. There have been some major copper and gold discoveries. Each drill hole costs \$750,000. That's a major investment. That discovery is leading a lot of other sites along the same geological belt to wonder if there might be some similar results deeper, well below their open pits. That's a major investment, so a tax credit in that area would, I think, potentially allow a number of our existing projects to go much longer with those kinds of discoveries.

We also recommend that you stay the course with your planned corporate tax rate reductions. Canada is becoming one of the most competitive tax jurisdictions in the world. We welcome that. B.C. in particular is one of the most tax-friendly jurisdictions in Canada.

Lastly, we'd like to urge the government to support the Canada Mining Innovation Council, an important research initiative that involves the partnership of the industry, including financial contributions from the industry through the Mining Association of Canada. This is research to make us more competitive, more responsible and we'd like to see it move forward as a true partnership.

• (1010)

Thank you for the opportunity to present.

The Chair: Thank you very much for your presentation.

I'll just remind witnesses that we do have a number of witnesses here. Members do have limited time, so I encourage you all to be brief in your responses.

We'll start with Mr. Pacetti, for seven minutes.

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

Thank you to the witnesses for appearing. You have the honour to be the first panel, so we're going to forget about all that you say, because after six weeks of all this we're going to have a difficult task trying to see what we can actually put in the report.

I have a couple of questions, and I have a lot of time, so I'm going to start first with the Federation of Canadian Municipalities.

We talked a lot about the stimulus money last year. There were a lot of problems getting the stimulus money out, and now you're telling me that we have to continue. We've had a lot of opinions on whether it should be extended or increased. Again, you didn't go into specifics, but can you just elaborate on whether all your projects have started, in fact, and whether there are some that still have to begin, and whether any of your projects will end on time as per the expiration date?

Mr. Hans Cunningham: Thank you for the question.

I don't have, of course, statistics on that, because they are kept by the federal government as to whether all the money has gone, but I understand by this morning's release that in fact all the stimulus moneys have been allocated, as I mentioned.

Mr. Massimo Pacetti: If I had wanted to read a press release from the government, I would have read it. That's why I want your opinion. I want you to tell me what's actually happening on the ground, because last year, when we had the pre-budget consultations from coast to coast, we had different provinces saying different things. I'd like to hear it from your point of view, because you guys are the deliverers of these projects.

Mr. Hans Cunningham: Okay, and you've asked me for my opinion. My opinion is that the communities are working flat out to get these things done by the stimulus date. The program generally has been a success, in our view, because it has provided employment and it has provided needed work on infrastructure, and so far, so good.

With regard to the date you referred to, communities across the country are trying their best, but there are some things beyond their control—the recent hurricane in Newfoundland, for example, or the flooding in the prairies. I think words with regard to reasonableness of the final date would certainly go a long way in assuring the communities.

Mr. Massimo Pacetti: What would be your solution to try to have that date extended?

Mr. Hans Cunningham: I'm afraid you're beyond my level of expertise with regard to solutions on that. We have been speaking with the federal government and have said that where necessary we would like some type of reasonableness with regard to that date. Again, I imagine those discussions would have to continue.

Gabe, could you perhaps answer?

Mr. Gabe Miller (Director, Federation of Canadian Municipalities): Sure.

My name is Gabriel Miller. I work with President Cunningham.

Our position with the government has been very clear. Where projects require flexibility due to factors that are beyond local control, federal and provincial governments have the responsibility to work with that community, take stock of exactly where the project is at, and, if necessary, provide flexibility on the deadline. That assurance is needed here today.

Mr. Massimo Pacetti: What criteria would we be able to put into our recommendations to ensure that some projects could be extended?

Mr. Gabe Miller: For instance, if a project has been delayed by extreme weather, if undue approvals by other orders of government have made it impossible for projects to proceed in a timely manner, if—

Mr. Massimo Pacetti: I don't expect you to give me an answer off the top of your head, but if you could provide us with something by speaking with your members, that would be very useful.

Mr. Gabe Miller: Absolutely.

Mr. Massimo Pacetti: Is there any region of the country where it has been more difficult, exclusive of weather conditions, of course, but because of the bureaucracy or trying to get the money out?

Mr. Gabe Miller: As you said, there are weather conditions in certain parts of the country that make things challenging. It is clear that there are some special challenges in Quebec. The reasons aren't entirely clear to municipalities. We know that the approval of the stimulus program in Quebec didn't occur at the same time it did in certain other parts of the country. Some of that is unavoidable.

When the federal government goes across the country and reaches agreements with the provinces and territories individually, some agreements are going to get approved sooner than others, but we certainly understand, from our members in Quebec, that the timing of approvals there has created some special challenges. We expect that any policy on the deadline will address those challenges.

• (1015)

Mr. Massimo Pacetti: Thank you.

Ms. Kerner, you make a very compelling argument that there needs to be more money for women and women's groups in terms of equality. One of the issues you talked about and put a special emphasis on was the poverty issue. Does your organization benefit from any federal programs right now? You said most of the issues you were going to speak about dealt with provincial jurisdiction.

Ms. Hilla Kerner: No. We operate a rape crisis centre. There are two rape crisis centres in Vancouver. Neither of them receive federal money or provincial money. We don't receive money from Status of Women Canada or the federal budget. There was no access in the last year for women's groups wishing to advocate and to change the status of women. There is only particular money to particular services, so there is no access to federal money, let alone no money for the....

I'm so sorry. There is a minor accident.

Mr. Massimo Pacetti: It's only water.

Ms. Hilla Kerner: There is no money for the Canadian Association of Sexual Assault Centres, which is a national body. It has a lot of importance in terms of sharing and building expertise in a nationwide manner. There is no funding for that at all, not even to gather front-line workers from all over the country to brainstorm, to improve what we know, and to improve our strategies. So the answer is basically no, we have no access to money.

Mr. Massimo Pacetti: Why would there be no money from Status of Women Canada?

Ms. Hilla Kerner: The guidelines are not enabling women's groups like ours that are striving for social change or just individual services to have access to money.

Mr. Massimo Pacetti: We don't seem to have a presentation from your group.

Ms. Hilla Kerner: I'm so sorry. I gave it to the woman. I'll make sure you receive a copy.

Mr. Massimo Pacetti: Is that recommendation in the brief?

Ms. Hilla Kerner: To change the guidelines in Status of Women Canada, no. With your permission, I will send clearer information on that to the committee tomorrow.

Mr. Massimo Pacetti: Send it to the clerk's office.

Thank you. I'll have the second round later.

Thank you, Mr. Chair.

[*Translation*]

The Chair: Thank you, Mr. Pacetti.

Mr. Paillé, you have seven minutes.

Mr. Daniel Paillé (Hochelaga, BQ): Thank you for being with us.

I was also impressed by Ms. Kerner's presentation. As a member of Parliament representing a highly urban riding in the south of Montreal, I have to cope with very similar situations.

However I would like to continue the discussion with Mr. Cunningham about practical challenges arising from budget implementation.

I detected some caution in your answers to Mr. Pacetti. Clearly, no one wants to offend someone who will have billions of dollars within six months. However, we saw today that Mr. Flaherty probably took advantage of the fact that all the opposition members are in the west of the country to make his statement in the east. However, he did not announce that the March 31 deadline will be extended, and we are six months away from the date on which the work is supposed to be completed.

Could you tell me whether workers are having to put in double or triple the hours elsewhere in the country, making the salary costs much higher than expected.

Also, do you have any examples of situations, here in Canada, where some of the supplies needed to complete the work being done were not available in sufficient quantities? If there is a shortage of certain supplies—and we could be talking about something as basic as pipes—the prices will obviously rise.

If the deadline is March 31, do you think that the increase in the cost of supplies and human resources, regardless of whether it is snowing or if temperatures are below freezing—and we seem to forget that we are talking about Canada—will prevent you from completing the work?

• (1020)

[*English*]

Mr. Hans Cunningham: Thank you for the question.

With regard to the technical question, I will defer to Gabe because I'm sure he's better versed with regard to the exact answers than I am.

[*Translation*]

Mr. Gabe Miller: I will try to answer in French, but please forgive any mistakes.

Very tight deadlines carry risks. They create pressure as far as the costs and the actual work go. Of course, when we have to buy supplies, and the window is narrow or there is a shortage of necessary qualified workers, the price is affected. In principle, that is a challenge stemming from the economic recovery plan, which is by definition time-limited. On the one hand, there are cost pressures, but on the other hand, most prices are lower because of the recession. Pressure will make prices rise, but it will still be possible to get lower prices.

As for the future, we feel that projects must be looked into, especially in Quebec. If a project truly carries a risk, and there are unreasonable cost pressures involved, we must do what our partners do and set a new deadline for that project. It is all about acquiring the flexibility that is necessary for creating jobs as quickly as possible, but it is also about providing Canadians with the highest possible value.

Mr. Daniel Paillé: Do you not feel that it would still be preferable to extend the deadlines in order to be able to meet the targeted costs? We get the impression that the intention here is to meet the costs as well as the deadlines, but obviously, you can't do the impossible. If the deadlines were extended, the costs would at least become reasonable.

Mr. Gabe Miller: Your point of view is valid enough, but we feel it is important to maintain a target of completing projects by their deadlines, when possible, while at the same time allowing for flexibility in cases that require it.

Mr. Daniel Paillé: I want to get back to March 31, since it appears to be a very important date. Perhaps we will have a new government by then; you never know. People here have mentioned that in the field of R & D, a certain number of mineral exploration tax credits provisions will end on March 31, 2011.

Doesn't not knowing whether the tax credits will be extended beyond March 31 have an impact on new exploration expenditures or new uses of the mineral exploration tax credit? Would it not be good management to announce, well in advance, that the mineral exploration tax credit will be extended beyond March 31, 2011?

[English]

Ms. Eira Thomas: Yes, absolutely. That does create uncertainty. Exploration requires a commitment on planning as well as execution. It takes a long time to explore for deposits. So having certainty around that tax credit would be very helpful. We'd certainly like to see it extended, but as Pierre indicated, we'd like to see it made permanent. We think that would be a great benefit.

• (1025)

[Translation]

The Chair: Thank you.

Thank you, Mr. Paillé.

[English]

Mr. Hiebert, seven minutes.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you.

Continuing along that line of questioning with respect to the mineral exploration tax credit, is there any downside to making it permanent? One of you mentioned that it has been extended on an annual basis since the mid-1990s. Is there any reason why the federal government would not want to communicate or suggest that it's an ongoing tax credit?

Mr. Pierre Gratton: Not that I can think of. The original rationale for this in the 1990s was there had been a pretty steady decline in Canadian exploration, particularly for base metals, and it was seen as an important way of stimulating that kind of grassroots exploration. It has been tremendously successful. Since then it has also been really important for diamond exploration.

Coming out of the recession, where exploration took a beating once again, providing a sort of longer-term continuity for this provides industry with the ability to plan long term and not just sort of go year by year, wondering if you are going to have sufficient budgets to carry out your exploration. It allows for longer-term planning.

There is, I believe, a sort of cost to the fisc through this program. The finance department has estimated it as \$65 million in lost potential revenue. We would certainly argue that this is more than outweighed by the kind of private sector investment it generates.

Mr. Russ Hiebert: Right. I'm sure you wouldn't be disappointed if it were not made permanent if it were given a longer-term horizon, maybe being renewed for two years or three years as opposed to annually.

Mr. Pierre Gratton: The B.C. government has done that, and it was very welcome. In their last budget they did provide a three-year window.

Mr. Russ Hiebert: I have an additional question for Ms. Thomas. You mentioned in your third point the allowance for flow-through shares. I think you said it would include costs such as issuance compliance, duty to consult. Did I get that right? You are basically saying that currently flow-through shares do not allow the costs for those things to be offset, and you would like that to happen?

Ms. Eira Thomas: That's correct. What happens is junior companies can go out and raise flow-through money but they can't

actually get access to the land because they don't have the capital to go and actually do their consultations with aboriginal communities and pay legal and other compliance costs. So that burden has increased in recent years, and we feel that it would be very justified to have some of those costs as eligible under renunciation under CEE. That would make the system far more efficient.

Mr. Russ Hiebert: Do you have any idea what that would cost the treasury?

Ms. Eira Thomas: It would all be included under the.... Do you mean additional costs? We don't have specific statistics on that, but I would argue that it wouldn't be a cost at all, because it would result in increased fundraising and actual investment and exploration on the ground. As I said, a lot of companies actually will not raise flow-through because they can't raise the hard dollars that are necessary to implement their exploration programs. I think we'd see a lot more exploration activity as a result of that additional renunciation.

Mr. Russ Hiebert: All right.

Ms. Wallace, I find your presentation quite interesting, and I was hoping you could elaborate. At the end you talked about the need to examine the Income Tax Act for amendments that would reflect the realities of the modern working world. You referenced things like employee relationships, reporting slips. I was wondering if you could just elaborate in more detail on the request you are proposing here.

Mrs. Loretta Wallace: Sure. The CRA's testimony referred to or considered that some personal services corporations were taking advantage of tax loopholes and that the federal small business tax rate was actually using the 11% versus what a normal tax rate would be, namely 19%. So there were also discussions of individuals realizing some unfair tax advantages. Basically, we believe that it was a little bit misleading.

An independent consultant can take money out of a corporation in two ways. One is obviously as a salaried person and the tax rate would be exactly as it would be for full-time individuals. The second way is through retained earnings and paid in dividends. In this case, dividends are taxed at a provincial rate—and I only have Ontario's at 31.5%. So we believe that any changes in the ability for an independent consultant to utilize the retained earnings and dividend option would be detrimental for the long term.

This has arisen out of the fact that in the greater Toronto area there have been about 12 longstanding independent consultants being recently audited. It's sending a ripple through the community. It is our hope now that moving forward the government will actually realize this type of employee engagement rather than always having to wonder whether the CRA is going to go back and actually deem them actually as an employee versus an independent consultant and a small business corporation. We really just want that whole avenue legitimized and moving forward.

I'm not the person to solve that and what that should look like, but I think the whole risk and uncertainty is what is sending ripples through the community.

To give you an example of why this is becoming a bit of an unsure thing, legislation in the U.S. created a shift in the U.S. from contracted services to employee-like arrangements, largely driven by large companies. There was a fundamental shift in contracting. Basically, services to corporations went up, and cost of services went up to corporations and government. As a result, there was more burden in administrative costs and the actual salaries to contractors declined. I think that's created some fear north of the border that something similar might be in the works and is being discussed based on the audit.

• (1030)

The Chair: Thank you.

Thank you, Mr. Hiebert.

We now go to Mr. Davies, for a seven-minute round.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you.

Thank you all for coming and giving us your views.

I'd like to address some questions first to Ms. Kerner.

You pointed out—if I have this correct—that only 8% of spousal assaults or sexual assaults or rapes are reported to police, leaving many victims out there. I'm just wondering if you could tell us why you think those women are not reporting those acts to police. Would you have any suggestions about what we can do to address that situation?

Ms. Hilla Kerner: From our experience, most women would not go forward, for two reasons. One is that the criminal justice system is constantly failing women, especially on the issue of rape and sexual assault when there is no collaborating evidence and it is word against word. There is a lot of bias against the victim. Very few cases are being thoroughly investigated by the police and fewer are actually being pursued by the crown.

Especially in B.C., the crown will not submit the charges forward if there is not a high likelihood of conviction. This is a problem with the criminal justice system. It's not flat.... In some provinces, there will be a reasonable likelihood, but in B.C. the burden is on the crown to decide whether or not he can take the charges forward or higher. So it is likely the crown will take only cases where there is a certainty of conviction. Women know that. On the one hand, that's why they choose not to use the criminal justice system.

On the other hand, it's the issue of poverty. All over Canada, the welfare rates are completely embarrassing. Canada has been scolded by the United Nations in connection with CEDAW for its shameful welfare rate. When a woman leaves her abusive partner, she is doomed to poverty. That's the second reason why women will not dare to break the status quo and hold the men accountable through using the criminal justice system: because it means separation and it means impoverishment for them and their children.

So for sure, one important way to empower women, to enable them to leave and therefore come forward and ask the state to hold men accountable, is through any form of guaranteed livable income:

higher welfare rates, first and foremost, and other forms that enable women to actually provide shelter, food, clothing, health, and education to their children.

I do believe that the road to ending the male violence against women is in breaking this economic vulnerability and the economic dependency that women have on men.

• (1035)

Mr. Don Davies: Thank you.

You mentioned transition houses. Can you give us a general idea of the general adequacy—or not—of transition house space in British Columbia?

Ms. Hilla Kerner: For women who are fleeing abusive relationships, there are enough “beds”, in the jargon of the services, for the first month. There are different agreements, but we will never turn a woman away and we will never tell her that her month is up and she needs to go out. We will make sure that she has adequate housing afterward.

But the issue of this after the immediate crisis is very, very complicated: women do not have housing. The B.C. Housing priority list—or at least the short list—is huge. Women have to wait months and sometimes years until they get subsidized housing.

So again, it's the issue of poverty undermining women in regard to leaving. The immediate crisis support is there. The transition houses are there and are offering very useful services to women: immediate life-saving services and immediate support and resources. But when the woman leaves the transition house, she has very little to go on.

Mr. Don Davies: I'd like to address a question to the Prospectors and Developers Association and the Mining Association of B.C.

We're in British Columbia and we have the HST here, which has been a raging issue. I think it's fair to say that life got 7% more expensive for consumers and average people on hundreds of everyday items. As well, EI premiums are going up for workers across this province. Those people are seeing the taxes going up, yet the corporate sector is getting a general corporate tax cut.

Each of you proposes a further tax cut. In the case of the prospectors, you want a doubling of your tax credit and to have it made permanent. In the mining association, you would like a deep-drilling tax credit. I think you also argue, or the business community does, that the HST gives a form of relief from taxes—at least, that's how I understand the argument from the corporate sector.

So there are three major tax cuts coming, and I'd just like you to address that in the context of the \$55-billion deficit, and whether you think it is the time now to be giving corporate tax cuts when consumers' taxes are going up and we have a massive federal deficit. I would also like you to put that in the context of the fact that I think Canada already has the lowest corporate tax rate among all the G-8 countries. If I'm wrong on that, I wouldn't mind being corrected.

Mr. Pierre Gratton: Well, I don't know if this committee wants to weigh into the B.C. HST political debacle, but our industry is supportive of the HST. I have a few points that are certainly worth noting in response to your comments.

The HST was brought in, but the PST was removed, so it's not on all consumer products that consumers are facing an increase. Secondly, when this was brought in, the provincial government also brought in a number of other measures to ensure that low- and medium-income families are net better off with the HST, because there are HST tax credits to go with that. So really, the ones who will be feeling the impact of higher consumer prices are those who are middle-income and higher. Lastly, this is an economic tax policy that we are seeing implemented around the world. In countries like Germany, it's at 25%. We're looking at 12% here.

Over the long term, studies have shown—like in Atlantic Canada—that the impacts on consumer prices are negligible, because removing the inputs into the tax system that curb productivity and prevent industry from actually making the capital investments necessary to expand their businesses has a long-term positive effect on prices. So the full impact on the consumer turns out to be negative.

The Chair: Okay—

Mr. Pierre Gratton: Do you want to interrupt me?

•(1040)

The Chair: Well, we are running over time here. We might have to come back to that, because it's a very big question.

Mr. Pierre Gratton: Okay.

The Chair: We'll go to Mr. Pacetti.

You have a five-minute round, please.

Mr. Massimo Pacetti: Thank you, Mr. Chair.

From the cattlemen's association, Judith, in your brief, you're saying in the first recommendation that the SRM offset program should be continued until Canada's regulations about animal waste removal are harmonized with our competitors'. What are our competitors doing that is different from what Canada is doing?

Mrs. Judith Guichon: It was the Americans we were referring to specifically. Their cost per animal is....

Kevin, can you respond?

Mr. Kevin Boon (General Manager, British Columbia Cattlemen's Association): Yes, I can handle this a little bit better for you.

We're basically at about a \$37 difference between Canada and the U.S. in SRM removal. That is specifically because the U.S. has a different list of what they have to remove. The CFIA and Canadian

regulations have implemented a list of things that have to be removed that is far exceeding what the OIE, which is the World Organization for Animal Health, has stipulated.

We've taken these measures to ensure that we make sure everything is out, but in the same aspect, it does put us at that \$37 difference in regard to the U.S. Therefore, a lot more of our cattle are moving south of the border to be processed. So it's taking out of our economy in the way of workers as well as the fact that small businesses—

Mr. Massimo Pacetti: So it costs \$37 Canadian more per...?

Mr. Kevin Boon: Per animal—about \$37 per head more for the extra we take out and remove.

Mr. Massimo Pacetti: That's huge.

Mr. Kevin Boon: Yes, very huge. To put it into context in pounds, the U.S. removes about 1.5 kilograms of specified risk material to our 50 kilograms.

Mr. Massimo Pacetti: What is being done to rectify that?

Mr. Kevin Boon: We're working diligently with the CFIA to see if we can shorten that list, number one, so that we're harmonized with the U.S. on the regulations and the short and long lists are the same.

As well, one of the big problems here is where to get rid of it. In British Columbia, for example, we have to haul all of our specified risk material into Alberta to have it disposed of in the proper manner, so we're looking at different ways of waste disposal as well.

Mr. Massimo Pacetti: I would imagine that in some other countries the cost discrepancy would be even larger.

Mr. Kevin Boon: It definitely is. One of the big things is that Canada has admitted to the fact that we've had BSE, whereas other countries have not necessarily and—

Mr. Massimo Pacetti: So on the world markets we have a hard time competing.

Mr. Kevin Boon: Definitely, and we have a harder time getting those markets open as well.

Mr. Massimo Pacetti: But because we are removing more of the SRM, are we not able to have a niche or specialized market that we can go and get?

Mr. Kevin Boon: Not necessarily: standards are put there that we have to follow and we've just gone above and beyond.

Mr. Massimo Pacetti: I want to ask another question quickly. On the traceability, are you not already receiving money for traceability?

Mr. Kevin Boon: We've had some programs that are in there to do it. The big problem is that in the Canadian Cattle Identification Agency, which is charged to implement it, the technology isn't there yet to do it. Most of the money has gone to trying to improve that technology and get it in place. With the flow of cattle through a lot of the businesses, one of the things with the traceability is that it can't impede business, and with the technology in place right now that doesn't happen. So we need first of all to get technology in place; that costs money, and we just haven't got enough to do it.

Mr. Massimo Pacetti: Whose responsibility is that? Is that Agriculture Canada?

Mr. Kevin Boon: Agriculture Canada has been working on it. We've been working on it for about ten years trying to get that technology as it builds forward. The problem is that it has been mandated by 2011 and it is just impossible to get there by that point. Other countries around the world have tried to do it as well. While they sound like they are ahead of us, they're actually behind us. We actually have probably one of the best traceability systems in the world, but we need the technology to keep up.

Mr. Massimo Pacetti: Just quickly, for the Surrey Board of Trade, I'm trying to reconcile the last point you made, Joanne, concerning wanting to continue the stimulus money. We are hearing from certain chambers that they would like us to stop the stimulus and reduce the debt, reduce the deficit. There's a little bit of difference in your line of thinking. Can you reconcile them both?

• (1045)

Mrs. Joanne Curry: I should have been more specific. It was really around the knowledge infrastructure program, which was one of the overall stimulus packages. It is positive use. It's not that universities and colleges aren't necessarily going to be able to spend the money by March 31, but the competitive bidding process has been very favourable, so the sense is that there may be some unspent money there and that could be targeted. The point we're trying to make in our case is that there are underserved or historically underserved regions that are just building their infrastructure, which are kind of part of a second wave.

Mr. Massimo Pacetti: Are you advocating an increase in stimulus spending?

Mrs. Joanne Curry: We're advocating an extension of stimulus funding for a period of time for priority project areas, so it's not just a carte blanche continuance of the stimulus package.

Mr. Massimo Pacetti: That's a good answer. Thank you.

The Chair: Thank you.

[Translation]

Mr. Paillé, you have five minutes.

Mr. Daniel Paillé: We will not start a debate on harmonization, even though we might enjoy that. I just wanted to mention to my colleague Pacetti the case of the Levinoff-Colbex slaughterhouse. There was much talk about that case in a document submitted last year by the Bloc Québécois. It would be my pleasure to provide you with a copy.

Ms. Kerner, once again, what you said made a strong impression on me, especially because when I arrived in British Columbia last night, I went to see the people from Insite. They are doing some pretty impressive things.

Ms. Thomas, regarding exploration expenses, you seem to be saying that—and I would like you to confirm or correct my interpretation—because of administrative and legal fees, and probably also carrying charges, you would not be able to issue flow-through shares.

What portion of the shares or of the revenues, if eligible, from the issuing of flow-through shares would not be used for exploration? If you say that it is preventing you from issuing flow-through shares, it must be rather substantial.

[English]

Ms. Eira Thomas: To be clear, what we're speaking about here is the smaller, junior to medium-sized companies. We're not talking about 50% of the total revenue that would be generated from flow-through shares. We're talking about making 10% to 15% allowable for other expenses. Specifically, while I did talk about legal and administrative, the one area we're really focusing on here is consultation. The duty of the crown is to consult with aboriginal communities prior to initiating exploration programs. That has been passed on to the explorers. Particularly for a prospector or an individual travelling to communities and conducting exploration and consultation programs, that is expensive. So what we would really like to see is that some of those costs would be eligible and renounced under the flow-through regime.

Laureen, would you have anything to add to that?

Ms. Laureen Whyte (Vice-President, Prospectors and Developers Association of Canada): Through the Canadian Mineral Industry Federation we've actually undertaken to try to do a bit of an analysis across the country to clarify what, as a matter of crown policy, is delegated in fact to prospectors and developers as they are doing their work on the ground. It varies from jurisdiction to jurisdiction, but the part right now that we cannot renounce is the part that's done through the head office. Typically that's where you engage consultants and get the expertise that you need, which can actually be huge if you take into account the capacity issues you are dealing with on the ground. In other words, if a first nation does not have a staff that's capable of taking on some of the work that needs to be done, you have to fund it. You have to acquire the resources for them to engage with you.

[Translation]

Mr. Daniel Paillé: My last question is for Ms. Wallace.

You seem to focus a lot on information technology, but the number of external consultants in communications and in finance, for instance, is growing. I don't know if you're trying to emphasize that. At first, you focused on information technologies, but don't you think you should be looking at other aspects as well?

• (1050)

[English]

Mrs. Loretta Wallace: Yes, you're absolutely correct. In fact, while I'm here representing the computer consultants association, there are many people in this same situation in engineering, accounting, finance. It's consultants across all industries and all sectors. That's why we believe this is such an important topic.

Also, I didn't fully answer Mr. Hiebert's question, and I also wanted to address that it isn't just the reporting of income. It's the whole business expenses that are being somewhat questioned for these consultants in their situations as well. It's an overall view that we would propose to be revisited.

[Translation]

Mr. Daniel Paillé: In closing, I would just like to say, to contradict Mr. Pacetti's comment, that since you are our first witnesses, we will not forget about you. However, he is not here to hear this.

The Chair: Thank you, Mr. Paillé.

[English]

Ms. McLeod, for five minutes.

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

Certainly as a representative of Kamloops—Thompson—Cariboo, where the cattle industry is absolutely critical and where for a number of years what they are recouping in terms of their cattle is less than their actual cost, as I look at your recommendations, I wonder if you could quickly go through them one by one. It sounds like you're just asking to maintain the support where you're at, not asking for additional support. Could you just quickly clarify each one with regard to the federal government, the budget and the support?

Ms. Judith Guichon: I think that's a pretty fair comment, Cathy. Thank you.

I'd like to direct you to the Growing Forward program particularly. The present Growing Forward recommendation between the federal and provincial governments will expire in 2013, so right now what we're talking about is thinking about maintaining the present and thinking a lot about how the future program will be implemented. But our problem here in B.C. under the present program is we've had difficulty accessing any of the federal funds for our province. Alberta and Saskatchewan last year accessed funds under the program for drought. Unfortunately, in B.C., because agriculture is not as high a priority as mining and forestry and the beetles, we have to match the funds if we're going to access. We have a hard time getting access because we can't convince our province that we desperately need these federal funds.

Kevin, would you like to build on that a little?

Mr. Kevin Boon: That would be the main thing: accessibility and some of the guidelines put around that for us.

The AgriFlexibility that we did manage to get is greatly appreciated. The part we appreciate most about the Growing Forward program is the ability to fix what is there and put the money on the ground in a way that will create our sustainability in the future. I think that's part of the really good part.

One of the things that needs to be addressed by 2013, though, is the business risk management programs. Built the way they are, what happens as we go forward in multiple years of downturn is that the margins that are created make it so that they don't function well either. They don't give the money at a period of time when that rancher's or farmer's agriculture is down and out, because the margins decrease, making it less available, so they are basically working on poverty to build on poverty.

One of the other recommendations that Judy ran out of time a little bit on, too, is very important. It's CFIA. The CFIA is our Canadian Food Inspection Agency and it's a huge part of producing cattle and food in British Columbia and Canada. One of the problems we foresee with it is that basically there are three agencies in one. You have health inspection on your cattle, you have food inspection after it's processed, and then CFIA is also very involved in trade. So what happens is that their cup runneth over with extra work to do.

● (1055)

Mrs. Cathy McLeod: So perhaps to summarize, then, it's some rejigging but also making sure that support continues. That seems to be the bottom line.

Mr. Kevin Boon: Exactly, and with CFIA, we'd say a major revamp of the organization fundamentally.

Mrs. Cathy McLeod: Because I have the opportunity to be vice-chair of the committee for status of women, I actually wanted to pick up on some of the comments that were made earlier.

The Chair: You have one minute.

Mrs. Cathy McLeod: Certainly I'm very proud of the work we're doing, and I'm very proud that we've increased funding to that particular organization to the highest level it's ever been at and have really.... I appreciate that advocacy has a role, but also to really have on-the-ground programs that are supporting women in these communities.... So again, I've been very proud of a lot of the work we've done.

I guess where I want to focus in here—and I certainly appreciate your comments—is that certainly over the last year in my riding and ridings throughout the country, it's not just Status of Women Canada providing programs, but through HRSDC we have partnered in so many different areas. So when I hear the words “national strategy”, what I know is that I see that the communities have answers. So when we're providing to the homeless partnering strategy just the support for those groups in our communities to—

The Chair: Ms. McLeod, we're over time, so just put the question and we'll—

Mrs. Cathy McLeod: Anyway, I just want you to briefly talk about the community base and the government really just providing a hand up for groups that are really doing the important work, because I think that's probably the best use of dollars we have.

Ms. Hilla Kerner: I'm proud to say that our rape crisis centre has no government money, provincial or municipal, in what we offer to women, because the community is willing to support us in a variety of ways. Also, my specific collective has been fortunate to rely a lot on volunteer commitments, both of some of our paid staff.... We all give way beyond the time that we are paid for and we have a major force of volunteers who sustain the work of the organization.

So it's true: the community has a big role. But there are some things that not only the government can pay for; I think there are some things that the government should pay for. The fact that there is no funding for national coordination of all the rape crisis centres in Canada is a problem. It undermines, segregates, and individualizes the work that each rape crisis centre does instead of having them build on and benefit from each other's work.

So I do think that it has been important and I have a lot of respect for the many services that Status of Women Canada rightfully funds. I think it has a huge importance, but it cannot come in and replace advocacy, which means changing the world and making it a better place for women.

The Chair: Thank you.

We have about five minutes left. The next round is a Liberal round. Mr. Pacetti doesn't have any further questions. The round after that is a Conservative round, but because I did cut off the answer to Mr. Davies' question and it was a very good question, Mr. Gratton, did you want to finish your answer to his question?

Mr. Pierre Gratton: Sure. I guess I took the bait and focused on HST.

To come back to what was buried in his question, there are a couple of key points worth mentioning. First of all, concerning the flow-through credit program, it's the small exploration companies that can take advantage of that, not big business. Those that don't have operating capital—so we're talking about companies with a handful of employees—can take advantage of that. That's one point worth mentioning.

As for deep drilling, it's a very high-risk and very expensive undertaking, and the tax credit would incent the kind of activity that companies might otherwise not both bother with because it's so expensive and so high-risk. Yet the return—having an existing mine site last another 25 years because of a new discovery—is not just to the company but to all Canadians. It means a lot more activity in the region. Jobs continue. Revenues to government continue. So that's the rationale for both of those.

• (1100)

The Chair: Do you want to address that?

Ms. Eira Thomas: I just wanted to make one additional comment that in general a tax credit is not a tax break. It's a tax incentive for investors. It's a tax credit for investors in the junior sector, and that is an important distinction, because these companies are undertaking a very high-risk activity in remote regions. It is very expensive and it has a long time horizon.

Interestingly, Canada's mineral reserves have been on a 25-year decline, so it is a really important way of addressing that and ensuring that we can continue to be dominant in the world in our mineral exploration and development.

Mr. Don Davies: Can I have a quick follow-up question to clarify?

The Chair: I'll ask for a quick follow-up and then two quick questions.

Mr. Don Davies: Do you mean this tax credit is solely for the junior sector?

Ms. Eira Thomas: It's all exploration that's happening on the ground in Canada, so large companies can take advantage of that as well, but it's specifically for grassroots, early-stage exploration activities.

The Chair: Thank you.

I have a quick two-minute round.

[*Translation*]

Mr. Gagné, go ahead.

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

My question is for Messrs. Cunningham and Gratton.

Mr. Paillé was saying earlier that project costs were rising owing to the March 31 deadline. When I was a mayor, I completed countless projects in four years in my municipality, and I never had any date-related constraints. It's not about the deadline. For some projects that I or the municipality completed, there were cost overruns for all kinds of reasons that had nothing to do with a deadline.

The Canadian government says that in terms of agreements with the provincial and municipal governments, integrity and mutual respect play a key role in the completion of those projects. I would like to hear your thoughts about that.

As municipally elected representatives, we sign an agreement, accept the well-defined terms, such as the program deadline, and decide to complete our projects. There are those who meet those objectives and those who cannot meet them for various reasons. How do you feel about that?

[*English*]

Mr. Hans Cunningham: Thank you for your question. I will defer to Gabe.

A voice: It's not an easy one, is it?

Mr. Gabe Miller: Thank you.

It's not an easy one, but it is important to remember that it hasn't been an easy situation. These have not been normal times. As the members of the committee know well, two years ago Canada and the rest of the world entered into the worst economic crisis in 50 years. I'd say that the success the federal government has had with its stimulus plan has been because it has had clear objectives and it has been structured, but it has also been flexible enough to reflect the differences in the different parts of the country and to appreciate that challenges will come up along the way.

You're quite right—municipalities have worked extremely hard to put forward projects that could be finished on time and to keep them on time. But I think there is also a basic sense of fairness so that if a community has done its best to play by the rules but life has presented a circumstance due to which it cannot meet what was always a very aggressive and ambitious timeline, then the question is how we can serve Canadians best. Leaving projects unfinished in those circumstances or handing the bill to the local government wouldn't seem to most people to be the best solution.

Certainly there is a strong desire to meet the objectives and to make the program reach its target, but in a difficult situation I think—and our members think—there has to be an ability to respond to new situations.

The Chair: Thank you very much.

Merci. Thanks to all of you for being with us here this morning and for your presentations and responses to our questions. We appreciate it very much.

We will suspend for about two minutes and then have the next group of witnesses come forward.

•(1100)

(Pause)

•(1110)

The Chair: Order. We will continue our discussion this morning on pre-budget consultations leading to the next budget.

We have six organizations on this panel. I want to welcome the Southern Interior Beetle Action Coalition, the Canadian Association of Gift Planners, Sport B.C., Canadian Energy Pipeline Association, Justice for Girls, and B.C. CEDAW Group.

Thank you to all for being with us this morning. You have up to five minutes maximum for opening presentations. Then we'll have questions from all members of the committee.

We'll start with the Southern Interior Beetle Action Coalition.

Mr. Donald Bassermann (Chair, Omineca Beetle Action Coalition; Southern Interior Beetle Action Coalition): *Merci*, Mr. Chairman, and *bonjour* to members of the committee.

My name is Don Bassermann, and I am chair of the Omineca Beetle Action Coalition. We're here as a joint group today. With me is Rhona Martin, chair of the Southern Interior Beetle Action Coalition. We are speaking as well on behalf of the Cariboo-Chilcotin Beetle Action Coalition.

In three years, the cumulative area of B.C. affected by the beetle is estimated to be 16.3 million hectares. That is almost 23 times the size of metro Toronto. We are in crisis.

In the materials we've made available, there is a photo that demonstrates the example of a landscape that can be seen across the interior of the province of British Columbia. In short, British Columbia is experiencing the most severe and widespread mountain pine beetle epidemic in recorded history. There are maps in the materials we have provided you that indicate the collective percentage of pine beetle kill.

The B.C. Ministry of Forests and Range estimates that the mountain pine beetle has now killed a total of 675 million cubic metres of timber—630 million cubic metres of red- and grey-attack damage, plus 45-million cubic metres of green-attack—since the current infestation began.

On a provincial level, the infestation peaked in 2005 in terms of volume killed annually, and has slowed considerably since then. However, the impacts will last for many years to come.

We have provided maps at the back of the handout. We have also displayed in the room a number of maps that will provide a more visual impact.

As mills close and communities lose their industrial tax base, it becomes increasingly difficult for local governments to provide and maintain core infrastructure and services. This has severe impacts at the community level. It can affect the amenities available—local culture and related activities, businesses, schools, and health services—with the changes around them due to the mountain pine beetle epidemic and the changing fabric of the landscape and the commerce that it supports.

•(1115)

Ms. Rhona Martin (Chair, Southern Interior Beetle Action Coalition): In response to the mountain pine beetle epidemic, three beetle action coalitions have been formed: Cariboo-Chilcotin, Omineca, and Southern Interior. The beetle action coalitions are made up of local government regional district representatives—typically mayors from the municipalities within the beetle-impacted zone, or elected area directors—and first nations leaders from tribal councils or aboriginal language groups.

The partnerships the beetle action coalitions represent are truly unique in that they represent large regions of the province and provide a forum for dialogue on sustainability issues that affect first nations and non-first nations alike. This is the only forum of this nature in B.C. where our neighbouring governments are working side by side to develop solutions and on-the-ground actions to address the challenges we face.

Pages 12 and 13 provide examples of projects that we would be delighted to answer questions on.

Over the past several years, each of the three beetle action coalitions has developed an in-depth understanding of the mountain pine beetle epidemic and the unique impact it has in their respective regions. We, the BACs, are best positioned to continue to implement on-the-ground projects and solutions to bring our communities through this transition period. As well, the BACs have wide regional representation of local government and first nations communities that can advocate for implementation, develop and implement actions and projects, and monitor the impacts of the mountain pine beetle epidemic. The BACs need to ensure that the right information and actions are developed and the right issues are on the table.

The Government of Canada committed to provided funding of \$1 billion, and to date has provided \$200 million, in 2006. We understand that the remainder of the commitment had to be put on hold when the economic crisis hit.

Our request is that the Government of Canada provide B.C. with \$100 million in pine beetle funding in 2011-12, and annually for the following seven budget years, for a total of \$800 million.

We'd like to thank you very much for your time. We have included our website for each of the three beetle action coalitions, where you can find more detail on the mountain pine beetle epidemic and our respective mitigation plans and sector strategies.

We would be happy to answer your questions. Thank you.

The Chair: Thank you for your presentations.

We will now hear from the Canadian Association of Gift Planners.

Ms. Margaret Mason (Canadian Association of Gift Planners): *Merci*.

My name is Margaret Mason. I am a lawyer in Vancouver but I'm here representing the Canadian Association of Gift Planners, an organization that supports philanthropy by assisting donors with structured gifts. There are about 1,300 members from across Canada, the majority of whom work in charities themselves, and the balance of whom are related professionals, lawyers, accountants, and that sort of thing.

You have a presentation in front of you. There are three recommendations that we are making to you today. The first relates to the charitable remainder trust. This has been an ongoing initiative. In 2003 the CAGP-ACPDP met with Ministry of Finance and the Canada Revenue Agency. The ministry and the agency were both supportive of the proposal regarding charitable remainder trusts and are of the view that it's a valid type of giving and would enhance charitable giving in Canada.

In 2003 the association was asked to develop a proposal, which we did, and further, we've provided some updated material to the Ministry of Finance regarding the required changes to the Income Tax Act. This would require very minimal changes to the act and, we believe, would enhance giving. We can do it, but we are shoehorning it into the current provisions of the act, and I do know that it is supported by the ministry.

This would allow a donor who is 65 years or older now to make a gift and receive a charitable receipt now for the capital that will eventually end up with a charity, but to retain a life income during their lifetime. It's a way for an older person not to have to look after their investment, to protect it from the vagaries of, in British Columbia, the Wills Variation Act and those types of challenges to wills, and to enhance giving.

We would strongly recommend that changes be made to the act. It would simply be to provide a definition of the term that beneficiaries be "qualified donees", a term under the act, which in essence is other registered charities and levels of government and certain other organizations, so it's very little in terms of changes to the act.

The second proposal is the third one on our submission, but I would like to address it before the other, and it is for an additional provision to the Income Tax Act that would enhance gifts of real estate, of real property. In 2006 changes were made to the act to permit donations of publicly traded securities and to allow such gifts to be made without, in essence, paying tax on the capital gain, so that the capital gain was exempted from taxation.

In essence, we're asking for the same type of treatment to be given to gifts of real property, so that for a gift of real property given to a charity for its charitable activities, the gain on the property would be exempt. The normal rules would apply to recapture and that sort of thing with respect to the building. We are also asking that changes be made to include gifts where the property is sold by the donor but the proceeds are donated to the charity within 30 days of the original sale of the property.

That's the second proposal. As you may have noted or heard, the changes to the act for gifts of publicly donated securities dramatically increased giving. We think this proposal will also continue to dramatically increase giving. Now we currently have to structure and it's very complex to do gifts of real property.

The last item is to provide the association's support to a proposal put forward primarily by Imagine Canada, which is for the "stretch" credit. Of course, Imagine Canada's proposal has much more detail, but in essence it's hoping to provide an incentive to donors to increase their year-over-year giving, such that there will be a threshold set in 2009, and if they increase their charitable giving they will receive an enhanced credit.

Those are my remarks. Thank you.

• (1120)

The Chair: Thank you very much for your presentation.

We'll now hear from Sport B.C..

Mr. Bart Given (Director, Marketing and Communications, Sport B.C.): Good morning. My name is Bart Given. On behalf of Sport B.C., thank you for the opportunity to submit our comments as part of the federal pre-budget consultation.

Sport B.C. represents the 67 provincial sport organizations that make organized sport a reality on the fields and rinks and in the gyms around B.C. every day, and the approximately 700,000 citizens enrolled in their clubs.

The year 2010 was a cornerstone year for sport in Canada and in British Columbia. The Olympic and Paralympic Winter Games, with their inspirational performances and record-breaking Canadian medal haul, demonstrated to everyone the powerful impact of sport. Communities across our nation banded together in ways we have never seen to support these athletes. The successes of these games stand as a testament to what can be accomplished through the collaborative efforts of not only dedicated community and corporate teams but also all levels of government.

Earlier this spring the federal government committed to sport with further investment in the Own the Podium program to build on this success. Because of the raised profile of sport, we anticipate an unprecedented interest in sport participation over the next few years. With the Own the Podium program providing athletes the opportunity to hone their skills at the elite level, what can be done to help our athletes get there? How can we develop the amateur sport sector to ensure that physical, emotional, and social benefits of sport are enjoyed by all?

All athletes, coaches, and officials have to begin their journey somewhere. In Canada, provincial sport organizations are the backbone of amateur sport and, together with their clubs and associations, bring sport to life across the country. Continued investment in this strong infrastructure of organizations, volunteers, and the 700,000 participants will have a multi-faceted impact on the lives of British Columbians, and not just in building future champions. It's an investment in our health, physical literacy, and early childhood education. It is a key driver of social inclusion and community building.

That there is value in sport is not merely subjective opinion but proven fact. Continued collaboration with government will ensure that these long-term benefits are felt by all.

Three-time Olympic alpine skier Emily Brydon knows first-hand how important support is for children looking to participate in sport at a local level. Brydon, who grew up in the Kootenay region of B. C., received a KidSport grant as a young athlete to cover her registration fees before becoming a ten-time Canadian champion and nine-time world cup medallist. Now retired, she is lending support to the program to ensure the next generation of athletes have the same opportunities. In her words,

KidSport gave me the opportunity to continue striving for success in the ski world.... It allowed me to help my parents pay for the cost of sport and playing, and in turn is an important factor for being where I am today.... Not only is the funding crucial to help offset the costs of sports but also it inspires kids to do and be more. When you are rewarded for your success it solidifies your own belief in your dreams and goals.

Brydon is one of over 250,000 athletes KidSport has supported across Canada since it was established by Sport B.C. in 1993. Sport B.C. also works closely with our provincial sport organizations to deliver sport development programs in first nations communities every year. According to Aboriginal Sport Circle, aboriginal barriers to sport participation include access to facilities and programs as well as the cost of participation. Through coaching clinics and skills camps, we work with communities to develop the infrastructure to create a lasting legacy of sport for children who otherwise would not have the opportunity to learn.

With both programs, regardless of whether the children we support turn into top-tier athletes like Emily or doctors, firefighters, or politicians, we aim to open the door to these opportunities for children across the province. This idea encompasses Sport B.C.'s core belief that everyone is an athlete. Everyone, from the child lacing up skates for the first time to the 90-year-old setting world records on the track, deserves the opportunity to participate.

In the years leading up to the games, Sport B.C. worked collaboratively with other B.C. sport organizations through the B.C. Sport Alliance to detail this very vision: an amateur sports system for British Columbia that can be accessed by everyone, is inherently sustainable, and can be a central instrument to better the lives of British Columbians in an accountable, measurable way.

This vision has been worked on in close consultation with B.C.'s Ministry of Healthy Living and Sport, and we urge you to capture the opportunity Vancouver 2010 presented to us by providing the necessary funding capacity to allow the vision to be executed in the years to come. We have led the world in demonstrating how to prepare to host the Olympic Games. Help us now lead the world in showing how to leverage the benefits of the games long after the Olympic flame has gone out.

Thank you.

• (1125)

The Chair: Thank you very much, Mr. Given.

We'll go to the Canadian Energy Pipeline Association.

Ms. Brenda Kenny (President and Chief Executive Officer, Canadian Energy Pipeline Association): Thank you. I appreciate the opportunity to present to the committee this morning. It's a pleasure to appear before you and provide some of the views of the Canadian Energy Pipeline Association.

My name is Brenda Kenny. I am president and CEO of that organization.

I'll begin with some context. CEPA represents companies that transport over 97% of all the oil and natural gas that we use in Canada and export. Our membership currently operates over 100,000 kilometres of pipelines in North America.

Pipelines are the only feasible and by far the safest and most environmentally sound way of transporting large volumes of natural

gas over land. I'm here today to speak with you with regard to the 2011 budget.

This is a sector that has long recognized the need for eventual retirement of these major Canadian systems. For more than a decade CEPA has actively advanced technical work to support planning for environmentally responsible retirement. In addition, we have identified appropriate funding mechanisms to ensure sufficient funds are available in the long-term many, many decades out while also ensuring the costs are well managed and fairly distributed between current and future energy shippers and consumers.

In May 2009 the National Energy Board passed down a decision that will require all pipeline companies to begin to estimate and set aside funds that will eventually be required to retire their infrastructure in an environmentally sound way. It is to satisfy this regulatory imperative that operators must submit their estimates in May of this coming year, 2011, and then begin setting aside funds in May 2014.

So the NEB requirement necessitates a decision now to allow our members certainty in estimating costs associated with the collection of those funds. We are seeking in the budget of 2011 a resolution associated with the mechanism through which the management of these funds would occur.

Our proposal is one that respects the environment, land owners, our customers, and ultimately energy consumers that rely on Canadian energy pipelines every day.

The National Energy Board, in its decision, found that the pipeline operators should approach the Department of Finance to ensure that a mechanism for setting aside funds is in place. It is following this direction that I am here before you today.

Our proposal is as follows, and is outlined in our previous submission to you.

Currently, the Income Tax Act provides a mechanism for the retirement of mining assets in the form of something called qualified environmental trusts, QET. We recommend modifications to the existing structure in two ways. First, that the word "pipelines" be included so that QETs could be used for pipeline assets. Second, we're asking the federal government to modify the investment restrictions on those trusts. I'll explain why.

I must emphasize that pipeline operators do not intend to invest in funds that are susceptible to unnecessary risk. These are long-term undertakings, and the investment objectives, in order of priority, are actually quite similar to pension funds: first, security of principal; second, liquidity; and finally, return.

All investments will be of an investment grade counterparty in liquid securities that have open markets and numerous participants. Acceptable investments would include government securities, bankers' acceptances, deposit notes, and the like.

The NEB decision indicates that there will be regulatory oversight of these funds, including regular audits. This is all with an eye to ensuring that there are sufficient funds to enable responsible retirement at the end of the pipeline's useful life. This further regulatory oversight, which does not currently exist on mining, would provide further safeguards on these investments over time and reinforce the value to Canadians in modifying those investment restrictions on these trusts.

By accepting CEPA's recommendations, the Government of Canada would not only be facilitating the National Energy Board but would also ensure that the funds are available in the future so that corporations and not governments will solely be responsible for the financial burden associated with reclamation.

Together we can ensure that the eventual abandonment of pipeline systems takes place in a way that respects the environment, landowners, and Canadian consumers. An inclusion of these two changes in the Income Tax Act in the budget of 2011 will provide certainty for all stakeholders.

We must begin submitting estimates for retirement to the NEB in May of this coming year, 2011. As such, this request is urgent.

● (1130)

One final point I'd like to make is about funding the federal government's commitment to regulatory efficiency and effectiveness. In the budget of 2007 the federal government committed \$150 million to these goals and it led to the creation of the major project management office. This funding is about to come to an end, but funding is still necessary to advancing a modern, effective, and efficient regulatory regime, especially for Canada's energy sector. I would urge the government to maintain this commitment to ensure that regulatory capacity and the appropriate resources are in place within government to continue the valuable work the MPMO and other agencies provide.

Thank you again for the opportunity to speak.

The Chair: Thank you for your presentation.

We'll now hear from Justice for Girls.

Ms. Asia Czapska (Co-ordinator, Justice for Girls): Thank you.

My name is Asia Czapska. I'm the housing coordinator at Justice for Girls.

Justice for Girls is a B.C.-based organization. We advocate for homeless and low-income girls and have done so for over eleven years now. We recently completed a federally funded housing strategy for the prevention of girl homelessness in Canada and have set out what kinds of housing and program options are needed for girls who are at risk of homelessness or who are already homeless.

One of the main findings of our housing strategy is that many coeducational so-called "youth homelessness" housing options, such as youth shelters and also other slightly longer-term youth coeducational programs, do not meet the needs of girls who are homeless and that girls require specific girl-only housing and support. Youth shelters across Canada and government programs for homeless youth do not respond to the specific needs of girls and the needs of aboriginal, racialized, and lesbian girls in particular.

Youth safe houses or shelters are coeducational, as I've said, can be unsafe for girls, and do not respond to their needs, especially as many homeless girls are actually escaping male violence. For example, a 2007 B.C. survey of 762 homeless youth aged 12 to 18 found that 57% of the girls had been sexually abused, so especially in these conditions it's really important that youth homelessness programs are not de-gendered but that programs are created specifically for girls.

Group homes, foster homes, and youth shelters, sometimes called safe homes in British Columbia, are coeducational, and mostly across the country young women are often supervised by adult male staff, including on overnight shifts, and forced to live with male peers. For homeless young women, the vast majority of whom have been subjected to extreme and repeated male violence, coed housing is not a safe option.

Furthermore, safe houses, group homes, and foster homes often impose unrealistic and insensitive rules, regimes, and short time limits that push girls out of shelters. Girls end up living in squats with older predatory men, on the streets and alleyways, or couch surfing, which means staying on friends' and people's couches, and sometimes it's with people they don't know. Girls also lived in cramped, unsafe, and unsanitary single-room occupancy hotels in the downtown east side, or crack houses, or move from hotel to hotel under the control of pimps.

Given these considerations, and in particular given the fact that so many homeless teen girls are escaping male violence, including experiencing sexual exploitation, transition houses specifically for homeless girls must become the emergency response to girl homelessness as opposed to blanket youth homelessness initiatives. In order for gendered support programs and girl-specific emergency and long-term housing to be created across Canada, the federal government must allocate specific funding within the federal anti-homelessness and other housing initiatives toward housing and programs for the prevention of girl homelessness.

In 2006, in its review of Canada's compliance with the International Covenant on Economic, Social and Cultural Rights, the United Nations committee responsible for that covenant recommended that Canada give "special attention to the difficulties faced by homeless girls who are more vulnerable to health risks and social and economic deprivation, and take all necessary measures to provide them with adequate housing and social and health services".

Given that a significant number of the homeless in Canada are teenaged girls, we approximate that between 6% and 12% of the homeless in large Canadian cities are teen girls. This is based on the number of youth homeless. It is estimated that somewhere between 10% and 30% of the homeless are youth. Half of those are girls.

A minimum of 6% of federal funding for anti-homelessness initiatives should be allocated specifically for programs tackling girl homelessness. Ultimately, any future federal funding designated for youth homelessness prevention must allocate 50% of funding towards housing and support programs that are for girls only, and that are specifically for homeless teenaged girls.

Finally, Justice for Girls of course looks forward to the creation of a national housing strategy, one that considers the needs of girls who are homeless.

Thank you.

• (1135)

The Chair: Thank you for your presentation.

Our final group is B.C. CEDAW.

Ms. Shelagh Day (Representative, B.C. CEDAW Group): Maybe I should explain that acronym. It stands for the Convention on the Elimination of Discrimination against Women, which Canada has been a signatory to since 1981. The B.C. CEDAW group is a coalition of women's and human rights organizations in British Columbia dedicated to ensuring that Canada and B.C. are living up to the commitments we made in that particular convention to women and girls.

I want to thank the members of the committee for agreeing to hear Vancouver Rape Relief and Justice for Girls and the B.C. CEDAW group this morning. We had some back-and-forth discussion about this. We were not on the list, and we were added at the last minute. We appreciate your doing that. We were consternated to find that on the list, as it was before we made some interventions, there were no women's groups at all. We are also very disturbed that as far as we could see, before we were added to it, the list for the whole country had one or perhaps two women's groups in total.

This is a big concern for us, because women have a lot to say about the budget and a lot of interest in it. Any budget greatly affects women, and we think we should have an equal say in how this budget gets constructed.

We're also very aware of the under-representation of women among the members of Parliament and the fact that there's only one woman on this committee. I'm very glad that Ms. Block is here and that Cathy McLeod and Dona Cadman are with her today. We take comfort from that. It's extremely important to us.

I would suggest, however, considering the general under-representation of women so far in this conversation, that the committee should consider having a special session of pre-budget consultations in Ottawa with women's organizations and women experts on economics and tax policy as part of the preparation of its report.

The first thing I want to say is that we are very concerned about whether deficit reduction strategies at this particular time will result in more downloading of social costs to women. That has certainly been the pattern we have seen since 1995. In the name of deficit reduction, there has been a great deal of cutting of social programs and cutting of transfers from the federal government to the provinces and territories for social programs. We are still suffering from the impact of the erosion of social programs and services under that

particular strategy in 1995. We urge you and plead with you not to make things worse through whatever deficit reduction strategies you now feel you're going to consider. It's extraordinarily important to understand the impact that the erosion of social programs has had on women and girls in this country and to not make things worse but of course, instead, to make things better.

I want to point out to you that the Organisation for Economic Co-operation and Development in its 2008 note on Canada says that we are distributing wealth upwards and that poverty rates have increased in Canada over the last decade. It says that inequality of household income increased significantly and that poverty increased for all age groups. The OECD also noted that taxes and transfers do not reduce inequality in Canada as much as in other OECD countries or as much as they previously did in this country.

So I would suggest to you there's a profound inequality at work in how we're dealing with the distribution of income in Canada right now. It has a very serious impact on the women and the children of this country. It has an impact on everyone, but it has an impact on women and children in a particular way because it's layered on top of inequality in employment, which is, I'm sorry to say, still the state of affairs for women.

I want to say just a word about two particular things in this province. One is social assistance. It has been mentioned by my colleagues, but social assistance rates here and across the country are so low that the people who are forced to live at those rates cannot feed and shelter themselves adequately. It has profound effects on the gender equality of women who, as has been said, can't remove themselves from often violent situations.

• (1140)

The second thing is civil legal aid; that is, legal aid especially for family law matters. In this province women have virtually no access to it. That means that in many situations where they are in difficult family disputes, they are ending up representing themselves.

These two things that I'm talking about are programs and services that are ostensibly covered under the Canada social transfer; that is, in that transfer from the federal government to the provinces they are supposed to be included in there. We are asking for adequate funds to ensure that these things are truly adequate and support women properly. We're asking for designations inside the funds for those particular things.

Thank you.

The Chair: Thank you for your presentation.

I'll just remind witnesses we have six organizations here today. Members do have limited time, so I encourage you to be very brief in your responses.

We'll start with Mr. Pacetti, for seven minutes.

Mr. Massimo Pacetti: Thank you, Mr. Chair.

Thank you to the witnesses for appearing. It has been a very interesting panel.

I'd like to apologize personally to Ms. Day. I was a little bit negligent in inviting women's groups. Anita Neville was the one who spoke on your behalf. From a caucus point of view, we do consider women's issues, and I neglected to look at it from an external point of view. We do have a percentage of women candidates that we want to present in the next election and things like that, but I took it for granted, assuming that everybody had the same views. I neglected that, so I apologize for the oversight.

Having said that, I have a question for Asia, from Justice for Girls. Your first half of the presentation was concerned with discussing challenges, and everybody who comes from a riding understands the challenges, especially when it comes to girls. With regard to delivery of the services that you want to deliver, it was a little more vague. I know you wanted to focus on housing, but even if there is more money devoted to housing, who is going to deliver those services? Who is going to staff the houses that you want to put together, and how are we going to ensure those services are going to be delivered in the same fashion, whether you are from the east or the west?

That would be my first question.

Ms. Asia Czapska: There are many women who work in adult women's transition houses who are excellent at that kind of work. I don't think there would be a problem finding women who would be able to staff houses like that. If the federal government actually—

Mr. Massimo Pacetti: If the organizations already exist, why do we need that?

I'm trying to get you to piece the puzzle together.

Ms. Asia Czapska: There are organizations that work with adult women that have adult transition houses, and then there are separate organizations that work with youth. There are separate pockets of money sometimes under youth homelessness so-called programs, but that money often goes to programs that are co-educational where there are young men and young women living in the same shelter or longer-term youth placement.

Instead of doing that and instead of just saying youth homelessness, there should be a pocket of that money, preferably half, that would actually go to programs that are specifically for homeless girls.

• (1145)

Mr. Massimo Pacetti: That is for youth homeless girls. You would not amalgamate them with the adult women.

Ms. Asia Czapska: No. We're saying that similar to the transition house that you see for violence against women, we need a similar response to violence against girls. We need to stop looking at youth homelessness as just somehow youth end up kicked out on the street; we need to look at the gender that's involved and how girls are ending up there.

Mr. Massimo Pacetti: The money for that purpose you would see coming from the housing—

Ms. Asia Czapska: It would be partly from federal housing. The homelessness partnering strategy is coming up. It's finishing in March. The federal government has said there will be continual funding for some housing and programs after that. However, after March we would like to see specific money within the federal anti-homelessness budget that is specifically for girls.

Mr. Massimo Pacetti: Okay. And then the housing money would go for an organization like yours, and you would be able to run the home?

Ms. Asia Czapska: Yes, possibly; it would be for organizations like ours that are, as you were saying, across the country.

Mr. Massimo Pacetti: I'm just trying to parallel it with an organization in my riding for teenaged mothers. It's not subsidized at all by the federal government. It's subsidized by the provincial government and the city. The little bit of money that does come from the federal government is for other purposes—as you said, for teenaged homes and things like that—and even that is very little.

The problem with that is that nobody wants them in their riding, or in their neighbourhood, or on their street. It becomes a challenge as to where to place them. Sometimes they end up in the same place where we have the problem. They're in the tough neighbourhoods, not necessarily in the neighbourhoods where you want them to be, and that becomes another problem.

Through the housing strategy, you would see that it would ameliorate the situation if we allocated money specifically for that purpose. You would have the organizations that would be able to apply for these moneys.

Ms. Asia Czapska: Yes. I believe the youth organizations that are working around youth homelessness would actually apply for money to make specific programs for homeless girls.

Mr. Massimo Pacetti: Okay. I just wanted to make that clear. Thank you.

To Mr. Given of Sport B.C., in your brief you don't have an amount of money that you're requesting.

Mr. Bart Given: Yes. I'm trying to sway the perception that amateur sport is always coming in and asking for a specific amount of money. Maybe that's....

Mr. Massimo Pacetti: Well, this is the finance committee, in case you didn't realize that.

Mr. Bart Given: I know. It's a really.... It's tough for me, as someone representing British Columbia, to ask for money from the federal government for amateur sport. I'm here representing Sport B.C.. There's obviously inherent value in investing in sport.

I guess I just urge you, as you sit around the table making budgetary decisions, to probably heed the lesson that Australia learned after the 2000 Sydney games. The idea was that the great performance that Australia had on the podium in 2000 would just lead to increased participation and great infrastructure in the amateur sport system. It did not happen. They've just completed a ten-year summary report, called the Crawford report, that really shows that the one area in which they lacked following the games was a focus on youth participation and participation among young adults. That's where they failed. They did a great job of getting to the podium, but after that the infrastructure wasn't in place.

The biggest fear we have in B.C. is that all these young snowboarders, hockey players, and downhill skiers who saw the great performances of Vancouver 2010 will go to their local clubs and not be able to participate for the lack of infrastructure, whether that be coaching, or facilities, or the fact that they can't afford it.

We're just looking to make sure that this is at the top of everyone's mind, looking forward.

Mr. Massimo Pacetti: We can talk about sports all day long. I guess my concern is the fact that even if we put money in sports, there are....

First of all, do we need to put money in sports? There is tons of money in sports, if we find a way. What we have to do is basically make it very clear that it has to be for amateur sport. And when I'm talking about amateur sport, I'm not talking about the Olympics. I'm talking about the kids who are looking to participate. I'm seeing it at the local level. For example, my daughter is playing elite soccer, and it costs money, more and more money. I talk to my friends who have their boys in elite hockey, and it's thousands of dollars. It's no longer hundreds of dollars.

The Chair: Do you have a question?

Mr. Massimo Pacetti: Yes.

If you're telling me it's easy to play sports at a lower level, it's not. So I'm just wondering, even if we do give money to some of the amateur sport organizations, how do we make sure that the local boys and local girls get access to that money and are able to participate?

• (1150)

The Chair: Just give a brief response, Mr. Given.

Mr. Bart Given: Certainly.

I think amateur sport leverages dollars quite well. When they receive funding from provincial or federal governments, they leverage it quite well. And an investment in sport is also an investment in social and health care, so I think it's dollars well spent.

There are several factors to consider. There are organizations like KidSport, which started here in B.C., that help fund the kids who aren't financially able to play sports. We provide grants for registration fees. So an investment in KidSport would be substantial, as it would in some other programs that provincial sport organizations run and some of the things we do in first nations communities. Regarding the Power of Sport Tour, we provide infrastructure.

The Chair: Thank you.

Monsieur Paillé.

[*Translation*]

Mr. Daniel Paillé: I wanted to start by discussing the Canadian Association of Gift Planners, but I think that the presentations made by the organizations Justice for Girls and BC CEDAW Group have prompted us to reconsider our priorities and to start with them. According to a number of urban legends, which are sometimes true and sometimes false, the federal budget is sometimes too much of an abstract notion for us to be cognizant of these concerns. It is also said that responsiveness to this kind of program is not gender-biased. The

fact that there are fewer women than men in the House of Commons does not mean that the House is not responsive to these issues. I would like to revisit certain elements.

Ms. Day, you said earlier—and I am using the translation that was provided for us—that it's a bad time to make things even worse. Last year in the budgetary context, I talked about an 18- to 24-month timeline. There is a time lag between the beginning of a recession and our recognition of an increase in homelessness, whether it is among young people, the elderly, men, women or children. I would like to know if you are also witnessing the same trend here. People may be under the impression that the recession is over, but if it began 18 or 24 months ago, you are just now starting to experience a very strong increase in clientele. People who have lost their overtime privileges or their job have applied for employment insurance or social assistance benefits. Next, they may end up on the street.

Does this trend become increasingly prevalent a year and a half or two years into a recession, even as the government seems to have moved on to saying everything is going smoothly?

Ms. Czapska or Ms. Day, perhaps you could answer that.

[*English*]

Ms. Shelagh Day: The B.C. CEDAW Group doesn't have clients per se. What I would say in answer to your question, however, is that we're still seeing the results of what the federal government did in 1995 when it thought it was dealing with a deficit, right? The withdrawal of the federal government from social policy in Canada has been marked over these last 15 years and it has had a very serious impact on people all over the country.

We certainly feel it here. When the federal government withdraws from social policy and decides not to set standards for certain things, the fallout comes here, and of course it means that provincial and territorial governments have changed their policies. They've cut funds and they don't have the same obligations that they once did to put money into particular kinds of programs. That's the kind of fallout I'm talking about.

I think we're at a period now where we can see very clearly what impact it has had and where we need to turn it around. We need to think about whether we want to be a country that's distributing wealth upwards. Is that what we really stand for? I don't think so. We've seen something over the last 15 years that Canada has never seen before: homeless people, people who don't have enough food, and the terrible impact that has on women. I don't think we want to stay there.

I'm asking you to really think about how to reverse that pattern.

• (1155)

[*Translation*]

Mr. Daniel Paillé: Your brief mentions a 6% figure in relation to Justice for Girls. I would like to know how you came to that exact number.

We see that, in some multiple dwelling buildings, a percentage of the space is reserved for the elderly or for public housing, for instance. Would it be possible to reserve some space for your clients as well, or do you believe that they should live in specifically designated housing?

[English]

Ms. Asia Czapska: They are both very good questions. Maybe I'll begin with the second question because it's on my mind.

The idea is, in a way, both, because there is specific housing that is needed for girls only. That is especially when girls are first escaping, either escaping violence or when they are kicked out of their homes, or if they are leaving foster homes or things like that. So at that time they actually need something similar to a transition house response for women, so girls-only transition houses that are short-term.

If you're talking about long-term housing, then I would agree with you that we're looking at whether there can actually be suites in mixed-unit buildings designated for young women; that is, teenage girls 16 to 18, especially young mothers. That's one of the big issues.

[Translation]

Mr. Daniel Paillé: Would not creating specific housing result in ghettoization?

[English]

Ms. Asia Czapska: I'm not sure I understand.

[Translation]

Mr. Daniel Paillé: Do you not think that having specific housing would end up creating ghettos?

[English]

Ms. Asia Czapska: Well, I'm think of having units in social housing that already exist that would be designated for girls. As you've said, there are units that are designated for people with disabilities in certain buildings that have social housing. Similarly, we would like to have units that are designated toward girls instead of saying, just blanket, "youth homelessness".

And to your first question, the reason we say 6% is because the federal government previously said that about 10% to 30% of all of the homeless are youth, so we say 10% to 30%. And for us, it's clear that if you look at statistics, about 50% of homeless youth are girls. If you look at statistics of youth in youth shelters and how many are male and female, and the different studies on youth and youth homelessness, it's usually about 50%. We would say conservatively that 6% of the homeless are teenage girls.

[Translation]

The Chair: Thank you.

Mr. Daniel Paillé: We could talk about this all day, just like sports.

[English]

The Chair: Thank you.

We'll go to Mrs. McLeod, for a seven-minute round.

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

I am certainly going to start with the Southern Interior Beetle Action Coalition and focus on that area. For my colleagues from

British Columbia, there is an incredible devastation of the woods when you fly over. If it's light today we will see the red that's gone to black. There has been a significant impact, and it is destroying some of our rural communities.

I'll ask some of my questions and then open it up. You mentioned \$200 million. Could you first of all talk about the real successes, or what actually has made a difference, and how that \$200 million has created a future? We had the community adjustment fund, and certainly, I know within the riding I live in, the work that was planned by the Beetle Action Coalition continued under that program. So I think over the last couple of years there was significant continuance of some of the work.

Could you also talk about what you see in the future, and how it's really going to make a difference? I'll open that up now for some real solid meat behind the issue.

• (1200)

Mr. Donald Bassermann: Thank you very much for the question. We do appreciate it. In my earlier enthusiasm to stay within the time limits, I did neglect to share a couple parts of our presentation.

In terms of the real successes, each of the three coalitions has substantially presented a series of strategies that we believe reflect the thinking of the people in each of those regions and what they see as the opportunities to maintain some degree of resiliency economically and to create some diversification.

As an example in our particular area—I hope to leave some time for Rhona to add from her area as well—clearly the mountain pine beetle has lent itself to advancing considerations of bioenergy in terms of an energy source for a world that's looking for greater energy opportunity. We're just strapped in terms of our financial ability to stimulate and motivate activity down that line.

We need to better understand how we're going to do it in terms of the future. I'm trying to give Rhona a heads-up here in terms of successes in the future. We are challenged on the natural resource front. We're optimistic people, by and large, in rural and remote Canada, but risks for flooding during certain times of the year are considerable issues for us. Drought is also showing up as a considerable issue for us. As well, climate change, which is a part of where the beetle has played out from, is an issue.

One of the things of considerable concern to small communities across the country, and certainly in the pine beetle areas, is the negative effect on drinking water. Those forests hold the water. We're optimistic and we think we can do some work there, but we need some help. Wildlife habitat has been significantly challenged. We think we can make some changes with some help.

The impact on traditional aboriginal livelihoods has been significant. I can quote from a number of the first nations communities where this has really, really set them back.

But we've also experienced a significant increase in fire risk. We have a strategy to help manage some of that fire risk. We just don't have the resources to do it. If you had travelled through British Columbia this summer, or even through western Canada, you would have appreciated and shared some of the smoke we all breathed. It is a big issue for us.

Rhona, I will pass it on to you.

Ms. Rhona Martin: In our region, what we've tried to do is partner with as many organizations as we possibly can. For the projects that we have approved at the SIBAC board table, the information or plan garnered quite often can be picked up and taken to another community so that it can be shared throughout the region and the province.

As Don has said, we lack the funding to go forward. There are so many communities that are at risk. We are losing the most important infrastructure in our communities. We're losing our schools. In my community, we had a school close after 108 years of education, but we've lost so many workers and have so few children left, and that is the reason it's happening.

Our main focus has been to partner, to share as many plans as we can. The federal government has been part of that, as has the provincial government, and it's shared information. We want something that is generic so we can share it with all of our friends and neighbours who are in the same predicament we are in.

The Chair: You have two minutes, Ms. McLeod.

Mrs. Cathy McLeod: As a little bit of follow-up, here's what I'm really trying to understand. For example, in 100 Mile House they used some of the funding to create new industry. They are looking at the hemp industry; apparently, there are 3,000 potential uses for industrial hemp.

So I guess there's taking care of the hazard with the fires and those sorts of issues, but on the economic future—and I'm really interested in hearing from any of the beetle action coalitions—have you been able to do anything that's actually had glimmers of hope for a new economic future for some of these communities?

Mr. Donald Bassermann: I think I'd like to say the answer is "absolutely", but not with the vigour we had hoped for.

I have another particular example. Northern British Columbia is blessed with vast quantities of land at reasonable prices. With a variety of changes, we are encouraging and trying to develop, with a variety of partners, the growth of agriculture.

As an example, in working with the University of Northern British Columbia and their research capacity, we are looking to establish an institute with them as a partner to explore the particular advantages of our region and the opportunities to provide food not only for our region, but for British Columbians and Canadians in particular, and in part for the world. We're recognizing some changes, but agriculture and that institute is a specific example of very solid partnership with a research university and our coalition to work forward.

The Chair: Very briefly, Ms. Martin.

●(1205)

Ms. Rhona Martin: We have some successes. We have a pilot project in Princeton. It's a pellet plant project that has really increased the economic opportunity in that community, which was suffering greatly.

The Chair: Thank you.

We'll go to Mr. Davies for a seven-minute round.

Mr. Don Davies: Thank you.

I'd like to thank all of the presenters for their thoughtful presentations. I think all are merited and worthy of inclusion in this year's budget.

I want to particularly single out the pine beetle need. You have our party's full support for the federal government delivering on that promise. I will personally take this back to caucus and advocate for that money to be delivered.

But I also want to say that in looking over the witness list across this country, I've been very dismayed over the lack of women's input in this budget process. In fact, "dismayed" isn't a strong enough word; I was horrified. So what I'd like to do is actually turn over the rest of my time to Ms. Day, Ms. Holland, Ms. Czapka, and Ms. Duncan to make sure their voices are heard as much as possible.

Ms. Laura Holland (Spokesperson, B.C. CEDAW Group): Thank you.

My name is Laura Holland. I'm an organizer with the Aboriginal Women's Action Network and we're part of the B.C. CEDAW Group.

I want you to take a moment just to acknowledge that you are on native land. I know this is a really important time for aboriginal peoples in British Columbia and in Canada as well because there are many land claims that remain unsettled, and there are many aboriginal women and children who still remain without access to lands and resources. I think it's really important that we pay attention to that.

It's also a really important time for aboriginal women in B.C. because we are looking at an inquiry into the Pickton case. It's really important that we pay attention to that as well as the fact that aboriginal women and children are still being murdered, and aboriginal women are still disappearing.

Today I want you to pay special attention and I know it's difficult to pay attention at the end of a long morning, but I would like your attention. I'd like you to pay special attention to our brief concerning police and government failure to prevent or effectively investigate violence against aboriginal women and girls.

All the indicators of equality and well-being, educational attainment, health status, income level, housing adequacy, participation in paid work, and rates of child apprehension reveal an entrenched pattern of inequality and dismal conditions of life for aboriginal women and girls. These disadvantaged conditions are the result of both historical and ongoing colonialism, including systemic racism and sexism.

It's really hard for me to say what the consequences of 500 years of colonialism and racist violence against women are, but I will do my best. Aboriginal women in Canada report rates of violence, including domestic violence and sexual assault, 3.5 times higher than non-aboriginal women. They experience high levels of sexual abuse and violence in their own families and communities and high levels of stranger violence in the broader society. Also, young aboriginal women are five times more likely than Canadian women of the same age to die of violence.

I totally support the housing initiative that Justice for Girls was talking about because I quite often house these young women at my house.

In March 2009 the Native Women's Association of Canada issued the second report of the Sisters in Spirit project, documenting 520 cases at the time, which I believe is now 586 cases, of aboriginal women and girls who have gone missing or have been murdered across the country in the last 30 years.

We also know there is anecdotal evidence or information that these numbers are much higher. They could be in the thousands. Most aboriginal and human rights organizations agree that the count of missing and murdered women is much higher.

In B.C., since the 1990s, 69 women have been reported missing from the downtown east side in Vancouver, Canada's poorest neighbourhood. The majority of these women were aboriginal. Many of my friends and my friends' sisters are included in those 69.

Two facets of this problem have been identified by aboriginal women, families, and non-governmental organizations: first, the failure of police to protect aboriginal women and girls from violence and investigate promptly and thoroughly when they are missing or murdered; and second, the disadvantaged social and economic conditions in which aboriginal women and girls live, which make them vulnerable to violence and unable to escape from it.

In its 2008 concluding observations, the UN CEDAW Committee on the Elimination of Discrimination against Women wrote:

Although the Committee notes that a working group has been established to review the situation relating to missing and murdered women in the State party and those at risk in that context, it remains concerned that hundreds of cases involving aboriginal women who have gone missing or been murdered in the past two decades have neither been fully investigated nor attracted priority attention, with the perpetrators remaining unpunished.

The Committee urges the State party to examine the reasons for the failure to investigate the cases of missing or murdered aboriginal women and to take the necessary steps to remedy the deficiencies in the system. The Committee calls upon the State party to urgently carry out thorough investigations of the cases of aboriginal women who have gone missing or been murdered in recent decades. It also urges the State party to carry out an analysis of those cases in order to determine whether there is a racialized pattern to the disappearances and take measures to address the problem if that is the case.

• (1210)

Moving to our recommendation, the B.C. CEDAW Group is calling on the federal government to take responsibility for determining the reasons for the failure to investigate the cases of missing or murdered women—and design and implement steps to remedy the system—and for the failure in compliance with Canada's international human rights obligations; and to implement a national

strategic plan to address the disadvantaged social and economic conditions of aboriginal women and girls.

The Aboriginal Women's Action Network talks with women locally, provincially, nationally, and internationally. As aboriginal women, we are fighting for our lives, and we're asking for your help.

The Chair: You have about twenty seconds, Mr. Davies, if you want it.

Mr. Don Davies: Twenty seconds, then.

The Chair: Just a brief comment, Ms. Day.

Ms. Shelagh Day: I think what I'd like to say is that we believe Canada's human rights treaties put obligations on the federal government. We're asking for budgets to actually reflect the human rights commitments Canada has made so that we put budgets and human rights together and we really start thinking about how we allocate money to fulfill the human rights of Canadian people, including women and children.

Thank you.

The Chair: Thank you.

Before I go to Mr. Pacetti, there have been some questions raised about witness lists. I just want to clarify that the committee decided this as a whole, all four parties. I don't think there's been a suggestion by any member of the committee—not one suggestion by any opposition party—that's been denied.

If there are groups that do want to be heard, I suggest they contact committee members. I just want to be clear that nobody is out there denying people the opportunity to speak. I believe the groups that were added were suggested by Mr. Brison, if I'm correct. The clerk can correct me if I'm wrong.

So that's how we operate. All four parties agree on the witness list. I would just clarify that for members' information.

Mr. Pacetti, you have a five-minute round, please.

Mr. Massimo Pacetti: For the record, I agree with you, Mr. Chair: this has been non-partisan. I think we all agreed, when people submitted the witness list, on whatever name they submitted. There were no arguments. I think the challenge has been that we've had too much success. The problem is not that we've been excluding people, but having a difficult time including people.

We all have your briefs. I know that I speak to colleagues—I'm just speaking for the Liberal Party—who have better expertise than I do on different issues. So we've done this on a consultative basis. There's also been some change in our critics.

Again, on behalf of my party, I'd like to apologize, but I think it was Anita who spoke to me and to Scott's office.

We appreciate that at the last possible second, Ms. Day, your group was able to appear.

I'd like to change the tone a little bit and go to the Canadian Energy Pipeline Association. I don't think you've gotten a question yet.

Ms. Kenny, I guess I'll come out and say it: why should government, taxpayers, help with the cleanup or pay for the retirement, as you would say, of the pipeline assets when your members are the ones who have profited from the resource or from the ability to transport whatever resource you did transport?

• (1215)

Ms. Brenda Kenny: The main premise for the qualified environmental trust that currently exists just for mining is a look at long-term industries where you want to ensure that there's a stable funding mechanism in place and that there is encouragement—like the RRSP—to ensure that the savings accrued are handled in a tax-efficient manner.

We certainly take responsibility, as this industry, in terms of putting the money aside. What we're asking is that through the qualified environmental trusts and a modification to the Income Tax Act, as money grows in those funds they're tax-protected. The recipients of this, I would point out, are not actually the pipeline companies; they're the energy consumers. Our costs are fixed tolls that are regulated by the National Energy Board. It's a flow-through cost mechanism.

At this point in time, I think it's important to signal to Canadians that we're altogether serious about—

Mr. Massimo Pacetti: So a separate fund does exist. Who funds that fund?

Ms. Brenda Kenny: Currently no separate fund exists. It's about to be commenced.

Mr. Massimo Pacetti: Oh, okay.

Ms. Brenda Kenny: We'll certainly do our part in it. What we're asking for is that changes to the Income Tax Act be equivalent to the mining industry and simply say that the federal government supports a tax-efficient accrual of those funds, so that as you set them aside in those savings, they're treated the same way as other qualified environmental trusts.

Mr. Massimo Pacetti: You just said accrual, which doesn't necessarily mean payment, so you want to take a deduction for something that you will be paying.

Ms. Brenda Kenny: It's a payment in the future. You want to make sure you have.... This is how it would work, just as any other—

Mr. Massimo Pacetti: That's why you're here.

Ms. Brenda Kenny: Great. The retirement savings plans or pension plans are kind of similar entities for which you're saying you want to make sure that the right responsibility is fully covered at the time it is necessary. Realistically, in this industry we are talking about something that is five, six, seven, eight decades away, but it's important to load-level the costs across energy consumers for inter-generational equity, and we think this is a fair mechanism that is being used in other sectors currently.

As I said, the recipients are the energy consumers, not the—

Mr. Massimo Pacetti: I understand, but just to clear up what you're saying, if I make my contribution to my RRSP, I get a deduction. If I'm going to make it three years from now, I'm not going to get a deduction this year, even though, in all good faith, I

expect to make it in three years. I don't think I deserve the deduction today. Are you asking me for a deduction? That's what accrual accounting is all about.

Ms. Brenda Kenny: No, I'm sorry. I'm an engineer, so I probably misused that term. My apologies.

Mr. Massimo Pacetti: I'm sorry, I am an accountant, so this is my—

Ms. Brenda Kenny: All right, you can correct me on that. My apologies if I used the wrong term, but the QET function means that within the funds that are already set aside in savings, there is a tax advantage that rolls forward over many decades, so at the end of the reclamation period you have a fund that takes into account many decades of gathering of investment equity.

Mr. Massimo Pacetti: Thank you.

I have 30 seconds, so I am going to ask the Canadian Association of Gift Planners a quick question

Focusing on the transfer of real property, Ms. Mason, you suggested that we can do a transfer of real property and get the same deduction we would get if we were transferring a security. The problem has always been how to value that transfer of real property. Something you said was actually quite interesting. It's the first time I've heard it. Perhaps within 30 days of disposing of real property you can allow the individual to transfer to a charity. That might solve the problem.

Ms. Margaret Mason: There were two mechanisms. One was just a direct transfer, and, generally speaking, the charity has the obligation to determine what the fair market value is, so the charity would be using appraisal mechanisms and that sort of thing.

Mr. Massimo Pacetti: The onus is on the charity.

Ms. Margaret Mason: The onus is on the charity. Under the act the charity has to ascertain the value of the receipt they are issuing.

The other proposal we have is that if someone sells to any third-party purchaser and then donates the proceeds of the sale to charity, we're also saying they should have an exemption from the capital gains tax. But there the value is clearly set in the market, so they would have the sales proceeds in hand—

• (1220)

Mr. Massimo Pacetti: You're not asking that the real property be sold. These are two different ideas.

Ms. Margaret Mason: They're two different ideas, because in some cases the charity would be happy to receive the piece of property because they might use it for a school or for other activities, building a transition home for teenaged girls and that sort of thing. For others it might be more appropriate for them to have cash.

Mr. Massimo Pacetti: That's a good point. Thank you.

[Translation]

The Chair: Mr. Paillé.

Mr. Daniel Paillé: I will continue in the same vein as Mr. Pacetti. You have some interesting recommendations when it comes to planned gifts. If I understand correctly, you would have someone over 65 with an assessed income create a trust fund solely for managing the money contributed to that trust fund. In the end, whatever is left in the trust fund upon the donor's death would go to the charity. You say that amount is assessed at 70% of its future value.

In that case, who would conduct the assessment? Once we get into this subject, those familiar with it know that we could discuss the matter at considerable length.

[English]

Ms. Margaret Mason: Yes, we actually do charitable remainder trusts right now. There is actually a trust agreement, and in a trust you separate who's entitled to the income and who is entitled to the capital. The trust agreement provides that the only entity entitled to the capital is the charity or a number of charities. The income beneficiary could be the donor; it could be their child, or whoever. But when you calculate the value of the capital, because the donor is getting an immediate cash receipt—because they are divesting themselves of their capital—now we actually go and get an actuarial opinion to determine the present value, the value today of that gift in the future. That is what we do now. We piece it together. We're really looking for the mechanics in the act that say yes, this is a viable tool; this is how you do it. Right now we're kind of pushing it into the act. We think we can do it, and we know we can do it, but it would be best if there were more guidance, because then it would be a tool that more knew about.

[Translation]

Mr. Daniel Paillé: Intentions are always good, but the fact remains that someone aged 67 or 68 who has had tremendous capital gains over a year could create a trust fund and benefit from tax deductions on 70% of the total amount. The charitable organization could then grant, through the trust fund, new deductions to that person. Under those conditions, some annual contributions become subject to tax again. It's a technicality, but it could well become a tax loophole that would allow for major capital gains over time.

[English]

Ms. Margaret Mason: I understand, but I would dispute that characterization of it. The charity has to issue a donation tax receipt, so they're going to be very certain that they have full entitlement to the capital with no ability for that to be disbursed back. Under the act as it currently stands, charities are allowed to give funds only to qualified donees. So they could not, in any way, give back to the donor.

Mr. Daniel Paillé: Okay.

Ms. Margaret Mason: The other thing is that the way we're doing them right now, which is what would be, I imagine, the situation going forward, typically the trustee is a third party such as a trust corporation.

It would have to be a very sophisticated charity that was willing to take on the legal and fiduciary responsibility for being the trustee of the trust. It could happen, but that's certainly not what we're seeing now in terms of these structures.

[Translation]

Mr. Daniel Paillé: I hope that the Justice for Girls people have already set up a trust fund that accepts donations from local people. In fact, I am sure that after having heard your testimony... I represent an urban riding in the south of Montreal where poverty is visible. How do you get local people to get involved? A trend I see in my community, and that you see in yours, is that people are okay with projects like this as long as they're not in their community. They think these kinds of projects are good for the neighbour. What are you doing to get community residents involved in the kinds of projects you undertake?

Ms. Czapska?

• (1225)

[English]

Ms. Asia Czapska: As you've said, I think for a lot of people, when they actually hear about homelessness and youth homelessness, especially homelessness of girls, there maybe isn't as much of a resistance to housing like that, not as there would be for different kinds of housing. So it really depends.

Then, as to how you work with a community, you just do, right? You just try to explain why there is a need. You try to explain to the community that this will not have a negative impact on their community to have housing like that. Sometimes I think it depends on the kind of housing, because you also create mixed housing.

I mean, I agree with you about not creating ghettos and just talking more widely about social housing. It's important to not create ghettos and to actually have mixed neighbourhoods.

Mr. Daniel Paillé: Merci.

The Chair: We'll go to Ms. Cadman, please.

Ms. Dona Cadman (Surrey North, CPC): Thank you.

Ms. Martin and Mr. Bassermann, you said that the area that's covered by the pine beetle is 23 times that of metro Toronto. Can you give me how many acres that would be—a tangible?

A voice: In hectares.

Ms. Dona Cadman: Hectares would be good.

Mr. Donald Bassermann: I appreciate that it was asked in acres, though, because I'm still trying to make that age adjustment.

It's 16.3 million hectares.

Ms. Dona Cadman: That's incredible.

Mr. Donald Bassermann: It's a huge piece of real estate.

Ms. Dona Cadman: Yes.

Now, is this accessible to us, or is it way up in the mountains so that we can't get at it?

Ms. Rhona Martin: If you were to drive probably two and a half hours from here, heading up to Prince George, it would start there, around Merritt. You would see the devastation there.

There are miles and miles and miles of deforested land. It is absolutely heartbreaking.

Ms. Dona Cadman: With this wood, is there any way of using it? Can we use it for furniture, or...?

Ms. Rhona Martin: Many of the communities have value-added industries. For a while there was what was considered the blue-streaked pine and it was making furniture. It was kind of the fashion to have that. There are pellets being made for heat. They have tried to extract every ounce of valuable fibre out of it that they possibly can, and Mr. Bassermann can elaborate on that.

Mr. Donald Bassermann: Just to take a futuristic look to answer your question, it is one thing to deal with the wood as it's dying now, and throughout our entire region we are working as desperately as we can to do that. One of the significant things, when that wood is no longer available to us, is the future of this region. What will sustain the community? What will sustain the people there?

As we are transitioning from a significantly forest-based economy, we need the opportunity to move into other areas of opportunity: agriculture, tourism, mining, oil and gas, social services. We need to transition into those kinds of activities when that wood is no longer available to use. We anticipate a 40% drop in available wood province-wide, sooner than later.

Ms. Dona Cadman: Can we reforest?

Mr. Donald Bassermann: That is in fact a part of the mitigation strategy. The cost of doing that is significant. That 16 million-plus hectares is an awful lot of trees to replant, and the silviculture programs that we are encouraging, not only regionally and locally but provincially, are attempting to address that. We still have a significant way to go.

Ms. Dona Cadman: Thank you.

Justice for Girls, you've been around for eleven years. Have you made any progress?

Ms. Asia Czapska: We absolutely have, but I should explain that we do all kinds of work. We do a lot of work with young women, for example, in youth custody and in advocating for girls who are in youth prisons. Actually, the progress that we've made has been around the treatment of girls and the policies of youth prisons. For example, in British Columbia it used to be that we had young men and young women in the same living units, a huge risk for sexual violence. We had male guards supervising girls alone in living units, things like that. Because of our advocacy, some of those things have changed in B.C.

I would encourage you to actually look in your community at what's going on with youth prisons and see if you have mixed gender living units, if you have male staff supervising young teenaged girls. That's one of the things.

• (1230)

Ms. Dona Cadman: I've been involved with Covenant House for quite a while. Have you heard of it? Do you work with it at all?

Ms. Asia Czapska: Covenant House, absolutely. We've been at different meetings and different strategy meetings before, but we usually specifically work to advocate for girls only housing. They are one of many youth organizations.

We would like to see more organizations that work specifically with girls, obviously, and that do the same kind of work we do.

Ms. Dona Cadman: Thank you.

The Chair: Okay, Thank you, Ms. Cadman.

Mr. Pacetti, for a brief round.

Mr. Massimo Pacetti: Just briefly on the beetle action, as somebody from Montreal, Quebec, it's not something I really understand. Ms. McLeod asked you the question, Mr. Bassermann, but there was a lot of money put in, and if I look at your diagrams, the problem seems to be getting worse instead of better. What's going on?

Mr. Donald Bassermann: It's a huge area. There is a significant economic impact. Many small communities are involved. Many small communities cannot sustain their basic infrastructure, schools, health care, social services, let alone their culture and so on.

What we are trying to do, as three organizations speaking for the collection of local governments across this massive area, is to find ways of mitigating the long-term effect of all those dead trees. We are trying to find opportunities to create employment, though it will be different employment in all of those communities, so that people can continue to live, enjoy appropriate education, enjoy appropriate health care, and those kinds of things.

Mr. Massimo Pacetti: But isn't the idea to find a solution to stop the spread of disease?

Mr. Donald Bassermann: There are two things involved here. One of them is to try to slow the spread. In British Columbia, that proved impossible. It's migrated into Alberta, and I can't speak for the circumstances in Alberta. I'm not in a position to speak on that part.

Given that we were not successful in stopping the spread, we needed to try to mitigate the results of that spread.

Mr. Massimo Pacetti: Thank you.

The Chair: Thank you, Mr. Pacetti.

You have time for a very brief round, Ms. Block.

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

I'd like to thank all of you for coming today. It's been good to hear from such a diverse group of people.

I want to focus my questions on the ladies over in the corner. Asia, Justice for Girls reported that you recently completed a three-year Status of Women Canada-funded project. Could you just quickly tell me if there are any funds available through Status of Women for you going forward? And then I'll ask my next question.

Ms. Asia Czapska: Thank you. I'll make it short.

We did. We actually completed the housing strategy that resulted in these recommendations, and the money for that came from Status of Women Canada. Then we applied for funding for phase two of the project in order to advocate. As the representative from Vancouver Rape Relief was saying, there are now restrictions preventing groups from doing advocacy using that money. We applied for phase two of the project, which would be advocating for housing for girls, and we didn't receive that money. So we didn't receive money to continue with the housing strategy. We did receive some funds for an education project concerning human rights for girls.

Mrs. Kelly Block: Thank you.

Laura, I was confirming with my colleague the names of two pieces of legislation that I believe our Minister of Indian Affairs and Northern Development introduced in this last year. I just wonder if you could comment on the matrimonial property rights legislation and/or phase three, which is the treaty rights for women and children, and on the impact you believe they may have on some of the issues you raised.

• (1235)

Ms. Laura Holland: I'm going to ask Shelagh to talk about the law specifically, but what I can tell you is about the lived experience and the effects it has on aboriginal women. Real matrimonial property rights are something aboriginal women have been dealing with for decades, if not centuries. To put it realistically, the issue has always been a problem.

It's almost impossible for a woman to leave an abusive or violent relationship or to leave a man who is violent or sexually violent towards her children. When she does leave, she is leaving a reserve and going to another reserve or a town or a city to live in poverty, and then the whole cycle of women living in poverty starts all over again. We think this is something that needs to be remedied, and it needs to be taken care of right away.

Bill C-3 is Sharon McIvor's bill. I can tell you how it affects my life today. One of my grandparents was what we call disenfranchised in 1947 so he could actually go to work and have a paying job off reserve. He said he wasn't an animal and he didn't deserve to be penned up like one. He wanted to be able to travel and vote, so he was disenfranchised and he lost his Indian status.

I got mine back in 1986 under Bill C-31, as did my daughters. But my sons' father is white. My sons have the life experience of aboriginal men. They have the life experience of aboriginal men who have lived in poverty most of their lives, and they do not have status and have no chance of getting status the way it is right now, even with the way Bill C-3 stands today. It's still discriminatory against my children and me.

Mrs. Kelly Block: I have just one follow-up comment for Shelagh. I appreciate your observations and hope that we will take under consideration what you have recommended.

Ms. Shelagh Day: Thank you very much.

Maybe I could add just one very brief comment about Bill C-3. As it stands at the moment, Bill C-3 still leaves out many hundreds—and perhaps thousands—of aboriginal women and their descendants, purely because of the sex discrimination in the Indian Act that for decades has preferred the male line of descent over the matrilineal line of descent.

So it is a very strong appeal to you to fix this problem once and for all and actually include the Indian women and their descendants who have been discriminated against. I thank you for raising the question, because it's extraordinarily important, and Canada has the chance now to get this one right. It would be wonderful if Parliament would do that.

The Chair: Thank you.

I want to thank all of our witnesses for being here this morning and for your presentations and your responses to our questions. If there is anything further you wish the committee to see, please submit it to the clerk, and we will submit it to all the members.

Ms. Mason, you referenced two detailed proposals, I think, in your presentation. I don't know if those have been passed on to the committee, but I'm sure we would appreciate them.

Ms. Margaret Mason: They have.

The Chair: Okay.

Thanks to all of you for being here this morning.

The meeting is adjourned.

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