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Chair

Mr. James Rajotte

Standing Committee on Finance

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• (1530)

[*English*]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call to order the 36th meeting of the Standing Committee on Finance. We are continuing our discussions with regard to the pre-budget consultations for the 2011 budget. We have for the first hour this afternoon six organizations. I want to thank you all for coming here to present to us today.

First of all, we have Genome Prairie. Then we have the Cement Association of Canada, Campus Stores Canada, the Association of International Automobile Manufacturers of Canada, the Assembly of First Nations, and the Canadian Federation of Students. You will each have five minutes maximum for an opening statement, and then we'll proceed to questions from members.

We'll start with Genome Prairie.

Dr. Wilfred Keller (President and Chief Executive Officer, Genome Prairie): Thank you very much, and thank you for giving us the opportunity to present.

My name is Wilf Keller. I serve as president and CEO of Genome Prairie. I'm accompanied by Patrick Pitka, our chief financial officer. I'd also like to point out that Dale Patterson, the vice-president for government and external relations at Genome Canada, is here in the audience today. I'll make a few opening remarks, and then Pat will cover off the recommendations.

Genome Prairie is one of six independent incorporated centres of work under the agreement with Genome Canada, our federal parental entity. I would point out at this point that this is about biosciences and the strategic position of biosciences and the outcome of bioscience research, particularly genomics research, a critical driver in the biosciences that's going to have a highly significant impact going into the future in the case of health, agrifood, forestry, fisheries, environment, and so forth. We see this as a strategic area.

Genome Prairie covers the provinces of Manitoba and Saskatchewan, as far as our regional activities are concerned. We have three major roles.

Firstly, we organize and manage genomics projects funded by Genome Canada, and we try to build the best case for doing this research in Manitoba and Saskatchewan, the prairie region. To date, we have managed over the last decade more than $180 million of these large-scale projects, covering crops—for example, canola, a $14 billion industry primarily driven through genetic research, and we intend to build on that—human health, animal health, and the environment.

Secondly, we want to build a strong regional base by working with the provinces and the regional centres, Western Economic Diversification, and regional producers, groups, and industries, and we want to be sure that regional priorities are met through the work that we promote.

Thirdly, we're very interested in outreach, through mentoring students to be top candidates, for example, in the Sanofi-Aventis BioTalent Challenge. One of our regional students was a national winner last year.

I specifically want to address the whole issue of innovation. There's a lot of discussion about this. There's a major R and D review that's been commissioned recently. The national coalition for innovation has put out a report. We think it's critical that the work that we do and the knowledge that we generate becomes translated into real results, into commercial activity. We have formulated our recommendations around the whole issue of helping the industries, the entrepreneurs, and the companies in our area to be competitive, to take advantage of the new ideas that are out there, and to in fact be innovative.

I'm going to pass this over to Mr. Pitka to provide those recommendations that we see as critical for our organization.

The Chair: You have two minutes.

Mr. Patrick Pitka (Chief Financial Officer, Genome Prairie): Over the past 10 years, Canada has become a recognized player in genomics research, thanks to the support of the federal government, Genome Canada, and the regions.

We must continue to encourage funding of research at a national level and work harder to commercialize our research innovation to provide products and services of social and economic value.

To assist with this, it is recommended that additional funding be allocated to Western Economic Diversification to fund and co-fund large research projects, commercialization of projects, and to encourage product development and leveraging with industry partners.

It is recognized that encouraging research organizations to work with industry at an early stage is key to leveraging funds and expediting product development. It is also important to encourage not-for-profit organizations to work more closely with industry partners nearer to the commercialization stage. Therefore, we recommend that the scientific research and experimental development or SR and ED credits be extended to not-for-profit research organizations, and that the credits be refundable. If refundable SR and ED credits were made available to not-for-profit research organizations, the bench-to-shelf phase of industrial innovation would be significantly strengthened. In addition, we also recommend increased funding for the industrial research assistance program, IRAP, to support innovative Canadian start-up companies.

Bioscience and genomics research can offer solutions by helping the global food shortage. By developing new crops and seed varieties, we can work toward more productive and nutritious crops to feed the world more effectively in climate conditions that are changing. From developing canola with higher oil content, to researching ways to make flax a more effective vehicle for omega delivery, genomics has a huge role to play.

Is that it?

● (1535)

The Chair: hank you very much for your opening statement.

We'll now go to the Cement Association of Canada.

[*Translation*]

Mr. Michael McSweeney (President and Chief Executive Officer, Cement Association of Canada): Good afternoon, Mr. Chair and members of the committee.

My name is Michael McSweeney and I am the president of the Cement Association of Canada.

[*English*]

You'll know most of the names of the cement companies around Canada. They're Cal Portland, Ciment Quebec, Essroc Italcementi, Federal White, Holcim Canada, Lafarge , Lehigh Hanson, and St. Marys Cement. As most of you will know, cement is the fine grey powder that, when mixed with crushed stone, sand, and water, makes concrete. Cement is the glue that holds that concrete together.

We want cement in Canada to be seen as a strategic commodity and a critical component to our nation's infrastructure. Cement really does underpin the construction industry across Canada as it is the key ingredient in concrete. Even though the economy has been slowly recovering, like most others, our industry has been significantly impacted by the global economic recession, with reduced demand for cement and concrete across Canada and the United States, which is our primary export market. For the first time in decades our industry has experienced layoffs, prolonged shutdowns, both of which affect all Canadians and the ability to complete infrastructure projects.

Our time is short here today, so without a doubt the two issues I want to talk about are the economy and the environment. With respect to measures to support the recovering economy, we do applaud the government and all members of Parliament for introducing stimulus measures that are renewing Canadian infrastructure. We recognize the challenges created in implementing the stimulus package and accelerating investments and we believe there is a need to encourage government at all levels to maintain the pace of infrastructure investment and help ease the infrastructure deficit, which we all know is huge across this country.

When it comes to the issue of infrastructure spending in Canada, we feel that the debate has largely been focused on how fast the money gets spent or the deadline for the money being spent, but we urge parliamentarians to play more of a role in how well taxpayer dollars are spent.

Our primary message is this. Whether using federal government money or partnering with provinces and municipalities, we're asking you to focus on the concept of total cost of ownership. The motto should never be, “The lowest cost wins”; the motto should be, “Build it once, build it right, build it to last”. In this way, we will be ensuring that new projects contribute to achieving Canada's sustainable development objectives.

In order to be doing this, the government needs to be promoting issues like enhanced energy efficiency, project life-cycle costing, and reducing GHGs. And if I might, I will make a plug for one of our industry solutions, Portland limestone cement, which has been approved by the CSA and is about to be referenced in the National Building Code. We believe the federal government should mandate the use of this new and equivalent cement as a substitute for general use cement. In so doing, the federal government can reduce its carbon footprint by up to 10%.

On top of this economic crisis, our country and indeed the cement manufacturing sector are facing a patchwork of environmental regimes, ranging from carbon taxes in two provinces to potential cap-and-trade programs that are under development in three other provinces across Canada, and hopefully a federal regime on the horizon soon.

I focus a great deal of my emphasis today on the environment and the economy because they are inextricably linked and have a major impact on the cement industry's competitiveness. This is something this committee should be concerned with. As an industry that's energy intensive and trade exposed, it's important that governments design policies that help manufacturers like the cement industry maintain and advance our competitive strategy while at the same time enabling us to reduce greenhouse gas emissions.

In designing regulations, the government should align Canada's climate change efforts with those of the United States on such issues as price signals, alignment, mid- and long-term climate objectives, and avoiding disruption of cross-border trade and border adjustments.

Finally, as you know, tomorrow there is a private member's bill, Bill C-429, that is seeking to require the Department of Public Works and Government Services to favour one construction material over others in the construction, maintenance, or repair of public works. We believe it's neither good nor acceptable public policy for Canadian governments to promote one building material over another building material by excluding alternative, viable, and competing Canadian materials from Canadian construction markets. We strongly believe that all construction materials should operate on a level playing field and in a fair, competitive, and open economic environment.

Thank you very much, Mr. Chairman. I look forward to any questions you might have.

● (1540)

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

We'll now go to Campus Stores Canada.

Mr. Chris Tabor (Manager, Queen's University Bookstore, Campus Stores Canada): Thank you.

My name is Chris Tabor and I'm the director of the bookstore at Queen's University at Kingston. I'm here today on behalf of Campus Stores Canada, the national trade association of institutionally owned and operated campus stores.

We have almost 100 member stores nationwide and more than 80 vendors and supplier associates. In short, if you know one, or more than one, of the million university or college students in Canada, there's a very good chance you know someone served by Campus Stores Canada.

It's no secret that attending a post-secondary institution is an expensive proposition. Costs for tuition, room and board, and materials are ever increasing, while a student's opportunities to work are extremely limited. There are always new costs on the horizon, such as the prohibitively high proposed new access copyright fee, which will see students shell out millions more to pay for service they already get.

It is important, then, to examine policies and regulations that artificially increase the cost of education, with the aim to reduce fees wherever possible. One such economic impediment is the artificial inflation of book prices because of provisions found in the Copyright Act.

It may interest the committee to know that in the years 2008-09 the U.S. federal government and approximately 23 states considered legislation affecting access to and the affordability of course materials for U.S. students. I am very happy to be here to talk about how with the stroke of a pen a change in a regulation can save Canadian students tens of millions of dollars each year without any cost to the public purse.

The Copyright Act allows publishers to establish import monopolies on books from authors around the world, and in turn it outlines what these import monopolies may charge for the cost of books. Books imported by those other than these exclusive importers are referred to as parallel imports.

Subsection 27(1) of the Copyright Act makes parallel importation of new books an offence, provided that those exclusive distributors adhere to the regulations promulgated under the act. Specifically, book importation regulations stipulate that an importer can charge a bookseller the price of a book in the country of origin, plus the difference in the exchange rate between the two countries, plus an additional 10% or 15%, depending on the country of origin.

Campus Stores Canada considers this to be a private tariff established by public policy. It is a tax paid from the wallets of Canadian students and their families, and it is collected primarily by foreign private interests. It allows publishers/distributors to receive an additional 10% or 15% of pure profit from their products before risking losing a sale to parallel importers. Importantly, this returns no appreciable benefit to the artists or the authors who created the works in question.

These unnecessary costs are not insignificant. The trade in imported books by campus booksellers is worth $262 million annually, representing roughly half of the books sold at these stores. Removing this tariff would save students about $30 million annually, with savings beginning virtually overnight.

The tariff's design is an artifact of publishing, commercial distribution, and policy paradigms that have changed radically since these regulations were promulgated in 1999, most notably through the development of Internet-based commerce.

Unlike booksellers, individual consumers are not bound by these regulations, and they are able to freely and legally purchase books from the lowest-cost provider regardless of geography—and they do. Through Internet retailers, Canadian consumers are often able to buy books more cheaply than Canadian resellers can. It confounds market logic that a Canadian student is able to import individual books more economically than a multinational corporation importing commercial volumes of products. This is a direct result of the tariff's artificial inflation on domestic book prices.

To get the best value on learning materials, students are effectively forced by this tariff to turn to Internet retailers in other countries, an extra step that is as absurd as it is inconvenient.

In previous budgets, the government has introduced measures to reduce the cost of post-secondary learning materials, including a $500 tax credit for the purchase of textbooks. We applaud these efforts. However, moving forward, we believe that a substantially greater reduction in textbook prices can be achieved by amending the book importation regulations to remove the 10% and 15% tariffs. Doing so will see students spend millions of dollars less for textbooks each year, without the need for any expenditure on the part of the government.

While such changes are not included in the current copyright bill before the House of Commons, legislative changes are not needed to remove this tariff. Regulations, as you know, can be altered with the stroke of a pen. In an era where fiscal prudence is king, government must be sure to take advantage of opportunities to decrease cost to Canadians without increasing cost to government. This is one of those areas.

● (1545)

I'd like to thank you for your time, and of course I'm happy to answer any questions you may have.

The Chair: Thank you for your presentation.

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

Mr. David Adams (President, Association of International Automobile Manufacturers of Canada): Thank you, Mr. Chairman.

The Association of International Automobile Manufacturers of Canada is a national trade association that represents the Canadian interests of 14 international automobile manufacturers that manufacture, distribute, and market vehicles in Canada. Our members directly and indirectly employ some 77,000 Canadians, and through the third quarter of 2010, our members' share of the new light-duty vehicle market stands at 53.3%. Additionally, over 52% of the AIAMC's collective vehicle sales in 2009 were produced in the NAFTA region.

This year began with optimism that the Canadian economy had weathered the global financial crisis better than most nations and was poised for solid economic growth throughout 2010. However, economic optimism in Canada has waned amid ongoing global financial challenges, stubborn unemployment rates, and higher consumer debt levels. The current challenges are reflected in consumer confidence levels as well, which, according to the Conference Board of Canada's consumer confidence index, has dropped from 96.6 in January to 78.1 in September. There is essentially a direct correlation between consumer confidence levels and new vehicle sales.

Through the first quarter of this year, vehicle sales were up 15% on a year-to-date basis, but this growth over last year diminished to 9.1% through the second quarter and receded further to 7.2% through the third quarter. Total sales for 2010 are expected to rebound to somewhere between 1.55 and 1.58 million units.

With respect to the Canadian vehicle manufacturing component of the automotive industry in Canada and our economy in general, given our proximity to the United States and the integration of our economy, the uneven and tepid economic recovery in the U.S. continues to weigh down things here. While vehicle production at the beginning of the year had been anticipated to increase 30% for 2010, even if that is achieved it needs to be remembered that last year Canada produced just 1.5 million vehicles and has not produced fewer vehicles since 1975. Currently, through the third quarter, vehicle production is up 17% in Canada.

With a dollar that has hovered much closer to parity with the U.S. dollar this year than last, we have seen a predictable surge in vehicle importations from the United States. Through the end of the third quarter, figures from the registrar of imported vehicles reveal more vehicles have already been imported into Canada from the U.S. in 2010 than in the whole year of 2009. Against this backdrop, the AIAMC makes the following recommendations to the standing committee.

In the face of a record deficit and a myriad of other demands on public resources, we appreciate that our first recommendation may be better suited to be phased in over a two- to three-year period. The goal of all our recommendations is to address unintended competitive vagaries, to reduce unnecessary cost in the Canadian automotive market, and to encourage Canadians to continue to purchase vehicles from Canadian dealers to support the Canadian automotive industry.

Our first recommendation is to reduce finished vehicle tariffs on imported passenger vehicles from 6.1% to 2.5% on an applied basis, which is consistent with the tariff on imported passenger cars in the United States. This would provide the opportunity for manufacturers to pass on savings of approximately $900 to the consumer and will also assist manufacturers in meeting the pending GHG regulations as North American production facilities cannot be converted to the production of smaller, fuel-efficient vehicles in the short term. Tariff reduction to the level of the U.S. rate is consistent with other regulatory harmonization initiatives being undertaken within the industry on both safety standards and emission standards in recognition of the integrated nature of the industry. This initiative also supports the purchase of vehicles through Canadian dealers. A lower common tariff rate with the United States goes some way to mitigating competitive distortions in the marketplace that arise as a result of bilateral trade deals.

Our second recommendation would be to reallocate a portion of the existing $100 excise tax that has been placed on motor vehicle air conditioners since the 1970s. Currently 99% of cars and trucks sold in Canada are equipped with air conditioners. This was not the case when the tax was imposed in the seventies, and it was viewed as a luxury at that time. Right now air conditioning is essentially viewed as a necessity, and that tax represents a significant tax grab.

Moreover Environment Canada has initiated consultations on an extended producer responsibility regime for managing end-of-life ozone-depleting substances, which would duplicate the existence of provincial and territorial regulations to address this same issue. While proper quantification of mobile air conditioners' contribution to the problem and the appropriate cost-benefit analysis of additional regulation for the auto sector have yet to be undertaken, it's unreasonable for an additional levy to be placed on mobile air conditioners when the current excise tax generates approximately $150 million annually.

Should this initiative by Environment Canada to supplement provincial regulations for vehicle-related air conditioning systems move forward, we recommend that it be funded through the revenues currently collected and not by adding a costly new and duplicative regulatory regime.

● (1550)

Our third recommendation would be to eliminate the green levy excise tax that has been applied on vehicles that was introduced in the 2007 federal budget.

While the members of the AMC are strong proponents of fuel-efficient vehicles, on a matter of principle it's incongruent that the government would retain one component of the vehicle efficiency initiative while cancelling the incentive component of the initiative that encourages consumers to make more fuel-efficient vehicle choices.

Thank you very much.

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

Now we'll hear from the Assembly of First Nations.

Mr. Richard Jock (Chief Executive Officer, Assembly of First Nations): Thank you, Mr. Chair.

Our submission is called “Transforming the Relationship—Sustainable Fiscal Transfers for First Nations”.

First nations citizens have not enjoyed the same level of service as is provided to Canadians by municipal, provincial, and federal governments. The machinery of fiscal governance, therefore, needs to be transformed in order to be reflective of the core Canadian values of equity and opportunity.

Furthermore, a commitment to accountability requires stable, predictable, and fair funding practices between Canada and first nations. Current funding relationships disadvantage first nations and really undermine their ability to plan, predict, and effectively oversee critical service areas. First nations funding enjoys no statutory guarantee and is subject to policy change and annual reallocation.

Therefore, a new funding framework for allocating resources needs to be adopted that will enable first nations to exercise full jurisdiction over priority areas—most notably, in our example, education. First nations systems—and I would emphasize the word “systems”—are needed to effectively deliver services and to fulfill responsibilities.

A key piece of any reforms will be to generate standards to which funding must be matched. A new funding relationship must also reflect the spirit and intent of treaties and must also be a mechanism to ensure parity with provincial funding rates, reflecting the real cost of delivering services. We would submit that the way to implement this is by providing incentives by which communities and systems would leverage additional resources against service standards.

These measures would constitute a reorientation to accountable and sustainable funding for first nations governments, who would then in turn have all the tools to deliver effective services and in turn would be fully accountable to their citizens.

In the example of education and in terms of dealing with the issue of equity in education funding, the federal government provides education funding for students at $2,000 less per student on average than for other Canadian students. Moreover, education for first nations is the only education funding in the country that is not statutorily based but again is subject to policy change and internal reallocations.

In the 2010 Speech from the Throne, the federal government committed to working hand in hand with first nations to reform and strengthen education and to support student success and provide greater hope and opportunity. This we certainly look forward to with a great deal of hope and anticipation. However, to strengthen first nations education, first nations education systems, including second- and third-level supports, are essential, and these could be at the sub-regional and regional levels or at the treaty level. These are essential characteristics of what would be a modern first nations education approach.

The development of new education systems must include a new funding relationship based on legislation that will enable greater planning and stability and will maximize performance and outcomes. It's important to note, though, that first nations education systems will require stable and adequately resourced infrastructures, which include things that we take for granted, such as libraries and gymnasiums, technology, special education programming, and access to high-quality staffing. We would say that first nations developed language instruction is a key part of this system.

In summary, AFN has made approximately ten years of pre-budget submissions. For this one, we would highlight the following priority areas.

The first is first nations education. For the development of a first nations education system in concert with the federal government to close the gap in funding, we estimate—although pending some joint work with Indian and Northern Affairs and with provincial jurisdictions—annual investments of $304 million for INAC's elementary and secondary education program and approximately $495 for post-secondary education.

● (1555)

Concerning first nations infrastructure, due to deferrals and based upon the 2% cap we feel, and information shows, that additional investments of about one billion dollars are required to address housing and water systems backlogs, including $200 million, which has been noted by the Parliamentary Budget Officer, for new schools and capital maintenance.

An additional $376 million is needed to address some of the shortfalls in the non-insured health benefits program, and an additional $125 million over three years is required to have the Aboriginal Healing Foundation continue until the end of the Truth and Reconciliation Commission.

Lastly, I would note the emerging need for emergency capacity for emergencies and natural disasters.

Thank you.

The Chair: Thank you very much.

We'll finish with the Canadian Federation of Students, please.

Mr. David Molenhuis (Chairperson, Canadian Federation of Students): I thank the committee for the opportunity to make the voice of students in Canada heard here today.

The Canadian Federation of Students represents more than half a million students from colleges and universities across Canada and is Canada's largest and oldest national students' union.

I come before this committee with a simple request: make post-secondary education a right in Canada. Everyone in Canada, regardless of socio-economic circumstances, should be able to access a college or university education. Our economy now demands that workers have a diploma or degree in hand in order to effectively compete in the labour market. The fact is that 70% of new jobs require some form of post-secondary education. However, sky-rocketing tuition fees, in addition to putting post-secondary education out of reach for many Canadians, have saddled those who have attended our institutions with collectively over $15 billion in federal student debt.

Inadequate post-secondary education funding has also resulted in tuition fee increases of over 230% since 1992. Those who receive government assistance or private bank loans face average debt loads of $28,000, with many debts over twice that figure. The result is an increasingly cost-prohibitive and elitist system, with a greater number of Canadians left behind each year.

A lack of federal leadership to address increasing tuition fees results in significant lost opportunity costs to our country. For every Canadian shut out of post-secondary education, the costs of health care, employment insurance, social assistance, and public safety increase, while the tax base is reduced at the same time. The OECD estimates that the economic return on investing in post-secondary education is $1.63 for every dollar the federal government spends. Simply put, our government cannot afford to continue to underfund our post-secondary education system.

The Canadian student movement has made four recommendations to move towards making a post-secondary education a right for everyone.

The first recommendation is to adequately fund the system and create a dedicated post-secondary education transfer to the provinces through a federal framework. We need to achieve greater collaboration and avoid the abuse of federal transfers such as was shown in the actions of the British Columbia government in 2008, when funding was increased by $110 million while at the same time $50 million was cut to the university sector.

The 2007 federal budget announced the largest increase to core transfer payments for post-secondary education in 15 years. But when accounting for inflation and population growth, we're still roughly one billion dollars behind where we were in 1992.

As well, the current government program of funding education-related tax credits is a poor instrument to improve access or reduce student debt. They are not available when students are required to pay tuition fees or living expenses; however, the federal government still spends over $1.4 billion on this program each year alone. When tax credits are combined with savings schemes, the amount spent on these untargeted programs comes out at over $2.5 billion.

A better use of this money would be to shift all funding from back-ended tax credits and savings schemes to the front end in the form of needs-based grants. Moving this to the front end in the form of grants would increase the value and number of Canada's student grants and would be a completely cost-neutral measure to the federal government. This would all but eliminate the need for students to borrow from the Canada student loans program until roughly 2025.

Although federal and provincial governments spend billions of dollars each year on universities and colleges, adequate information to fully analyze the impact of that spending is not collected. The education indicators report by the OECD this year again noted that Canada could not provide data for 57 of 96 indicators used to compare each country's post-secondary education systems. Further, the future of a vital post-secondary education data collection mechanism, the youth in transition survey, is uncertain. We're recommending that the federal government adequately fund Statistics Canada with an additional $10 million to collect data on post-secondary education's impact on the economy and save the youth in transition survey.

Lastly, in 1996 funding increases to the provinces for the post-secondary student support program for aboriginal students were capped at 2% per annum, regardless of the increased costs to post-secondary education and the demographic growth of the aboriginal population. The number of students funded by the PSSSP fell from 27,000 in 1995 to just about 22,000 in 2006, and it's estimated that over 19,000 students have been denied funding since the cap was introduced in 1996. By lifting the cap on the PSSSP and clearing the backlog of students previously denied funding, the federal government would move closer to fulfilling its treaty obligations to first nations and Inuit peoples.

● (1600)

Again, I thank you for the opportunity to make this presentation, and I look forward to any questions the committee members might have.

Thank you.

The Chair: Thank you for your presentation.

Colleagues, I'll just remind you the first round is seven minutes per party, so if you do wish to have two members of your party ask questions, I suggest you share your time.

We'll start with Mr. Szabo.

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

For Genome Prairie, I was very interested in recommendation 2, and I'd like you to elaborate just very briefly on the not-for-profit funding and how significant that change might be.

Mr. Patrick Pitka: The credit that currently is available is 35% and whatever is provided by the federal government. Most provinces also support this same concept. It's at a lower rate—about 15% to 20%—so it would be quite significant.

Mr. Paul Szabo: We're going to get some amplification of the value for the dollars available. There may not be many more dollars, but it's going to be able to engage research that presently does not have sufficient funding to do it. Is that the idea?

Mr. Patrick Pitka: That's the idea, yes, and work more closely with industry at the same time.

Mr. Paul Szabo: Fair enough.

Mr. McSweeney of the Cement Association, welcome, sir.

The association of professional consulting engineers told us last week that Canada had an infrastructure deficit of about $125 billion. I think there's a fair bit of cement that might be used in that.

I'm wondering whether or not you have seen the same kinds of studies, and whether or not the Cement Association has taken any initiatives to collaborate with how we address that, simply because the consequence of not dealing with that infrastructure deficit is going to translate into a reduction of real GDP of a significant magnitude, which is going to be totally contrary to everyone's interests. Have you done anything, as an association, to get engaged on the infrastructure deficit?

Mr. Michael McSweeney: Thank you very much, Mr. Szabo.

I certainly appreciate where you're coming from, since you have a cement plant in your—

● (1605)

Mr. Paul Szabo: St. Lawrence, yes.

Mr. Michael McSweeney: Yes, Holcim Canada is located in your constituency.

We're aware of those numbers. And we're also aware of the tremendous pressure on governments with deficits right now to spend more and more money on infrastructure. But we are aware, in the provinces of Quebec, Ontario, and British Columbia, that there is an unprecedented amount of spending on infrastructure and renewing infrastructure.

Of course we can always say more, more, more, but I think you have to ensure that the growth doesn't outpace that of the funds that are available. So we encourage governments to look at infrastructure at every opportunity and encourage growth in all sectors of building materials, whether it's steel, glass, wood, or concrete. But we understand where provinces and the federal government and municipalities are coming from in these economic times, when they're really challenged for resources and pitting hard dollars over soft dollars for soft services.

Mr. Paul Szabo: Okay.

In terms of another opportunity, you probably are aware that the Parliamentary Budget Officer has expressed concern that a significant percentage of the projects approved under the stimulus fund may not be completed by the deadline date, which means probably a loss of some potential business for you. Are you aware of that? Are you concerned? Have you relayed your position to the government about how important it will be to follow through on those projects that have been approved and started but may not be completed for reasons beyond their control?

Mr. Michael McSweeney: What we found was that in year one of the stimulus package, most of the money went to architects and engineers and environmental assessments. We only started to see the benefits of the economic stimulus package at the beginning of this year. We had forecast a growth of 9% in cement for 2010, and we're only going to see about 4% to 6% increase in sales in cement.

In letters and speeches that we're making, we are encouraged to hear that the government may be looking at extending the deadline past the March 31, 2011, date that was set two years ago.

Mr. Paul Szabo: Okay.

Let me move on to Campus Stores with regard to parallel imports under the Copyright Act.

If there is an amendment to the Copyright Act to permit parallel imports, have you done any work to consider what the impact would be on the viability of book importers with that additional competition?

Mr. Chris Tabor: Thank you.

First, we're not looking for a change to the act. We want the tariff reduced as part of the regs. We want those zeroed out. It's efficient and effective for us to respect the exclusive distribution agreements. I wouldn't see that changing in any way. Rather, it's that the price of the book is simply dropped between 10% and 15%.

Mr. Paul Szabo: Okay. Thank you for that clarification.

My time is basically up.

For the students, needs-based grants. It's the first time I've ever heard that from a student organization. We have to have a conversation about that. We don't have the time now, but I want to encourage you.

Finally, for Mr. Jock, education, education, education. I'm with you 100%. Do you want to comment briefly?

Mr. Richard Jock: That has been a priority for both the national chief and the existing minister. Certainly, what we've heard from the Prime Minister is that this is a priority. What we're looking for is how do we action that. This would be something that could be benefited by a multi-party approach. It's something that's in a common interest. It's really something for action in terms of future economic benefit for all kinds of reasons. We're looking for the action. The national chief is quite excited and able to contribute to that dialogue and that debate.

● (1610)

The Chair: Thank you.

[*Translation*]

Mr. Paillé, you have the floor.

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Chair, my question is for the Canadian Federation of Students.

First of all, I would like to know why your Association only has four universities and one CEGEP from Quebec, and no French-speaking association, whether it be from Université du Québec, Université de Montréal, HEC, École Polytechnique de Montréal or CEGEPs.

[*English*]

Mr. David Molenhuis: I thank the member for the question.

Very briefly, it's part of the founding principle of the student movement in Canada to respect the right of students in Quebec to self-organize. There are student unions that have been formed in the province that we certainly work in partnership with. It was only a recent development actually that students in Quebec had expressed an interest in joining the national student movement. We still do work with La Fédération étudiante universitaire du Québec as well as the CEGEP organization, La Fédération étudiante collégiale du Québec.

[*Translation*]

Mr. Daniel Paillé: It is interesting to see that our students are preparing for the future.

My second question relates to your recommendation to increase the funding of Statistics Canada by $10 million for collecting and analyzing data on post-secondary education.

You do not mince words, especially on page 4 of your document where you refer to the OECD, and we all know that the parliamentary secretary of the Minister of Finance often refers to the OECD. You state that Canada was unable to provide data on 57 of 96 indicators used to compare countries on the basis of post-secondary education. This means that Canada's mark would only be 40% which, in any university, does not give you a degree. You also state that current facts do not provide us with good statistics.

I would like to know what you think of the decision of the government to cut the long-form census. Do you believe that this means that collecting good data that cannot be challenged—and we know how important that is for students and researchers—is not necessarily a priority for this government?

[*English*]

Mr. David Molenhuis: While certainly we were part of the over 13,000 organizations that opposed the decision to get rid of the mandatory long-form census, in addition to this, we saw what seemed to be a casting aside of the willingness to collect data, which is interesting for the university sector. I mean it's somewhat ironic that for our research institutions we would get out of the business of doing research on them. Nevertheless, I think it's part of an interesting development that the importance of maintaining data collection is not seen as being important going forward.

So the idea of continuing to collect data that's been paid for over the course of several decades and continuing to measure that against future data...we've essentially thrown money out the window by not continuing to collect that same data going forward and not understanding the effects of the billions of dollars that are spent on the post-secondary education sector. That effect on the economy is problematic. That's why we've stood shoulder to shoulder with the other organizations that oppose the long-form census...and continue to see concern with the effective gathering of statistics in the post-secondary education sector as well.

[*Translation*]

Mr. Daniel Paillé: At page 3 of your document, you mention that the total amount of student loans owing to the federal government is more than $13.5 billion. At page 4, in the first column, you ask that each dollar currently loaned by the federal government—the total being $13.5 billion—should be converted to a non-repayable grant. Then, speaking of the Canada Revenue Agency, you state that there is $1.8 billion in foregone tax revenue resulting from the education tax credits, to which should be added close to $800 million spent on the CESG and RRSPs, for a total of $2.6 billion. Let us make it $3 billion today. So, if we add $3 billion to $13 billion, we get a grand total of $16 billion, which is quite a significant amount, is it not?

● (1615)

[*English*]

Mr. David Molenhuis: I would agree with you there. Looking at these numbers too, the $13.5 billion in accumulated...that's net of repayment. Actually what we saw was a regulatory change to the Canada Student Financial Assistance Act right before the beginning of the school year, because the amount being lent out by the Canada student loans program was going to exceed for the first time the legal limit of $15 billion on the books. Something has to give at some point when we have $15 billion out there in federal student debt and all that's really out there right now to accommodate for that is the tax credits and saving schemes that aren't getting any kind of uptake because people's capacity to save is being reduced. We see similar things happening with pensions and people not having the capacity to save.

I agree with you completely. This is a substantial amount of money. Something needs to be done. It all needs to be addressed in the form of non-repayable assistance.

[*Translation*]

Mr. Daniel Paillé: Thank you.

I have a final question on books, for the representative of Campus Stores Canada. You say that the price of imported books would drop by 10% to 15%. I also read somewhere that this is a $30 million problem, more or less. Is that correct? Does this 10% or 15% share only represent $30 million?

[*English*]

The Chair: Could we have just a brief response, Mr. Tabor?

Mr. Chris Tabor: Yes, that's accurate. It's our best estimate. We don't have as much information or data collected as we would like, but that's an accurate estimate.

The Chair: Okay, *merci*.

We'll go to Mr. Wallace, please.

Mr. Mike Wallace (Burlington, CPC): Thank you, Mr. Chair, and I want to thank our guests for coming this afternoon. I will be sharing my time with Mr. Hiebert, so at the three-minute mark could you tell me to be quiet? Thank you.

This is for the Genome Prairie guys. Who determines the allocation of funds? Is it Genome Canada, or does it go directly to the individual—I think it's six—organizations across the country? You can just remind me of that.

Dr. Wilfred Keller: Genome Canada receives the funding from Industry Canada and Genome Canada puts the call out for proposals across the country.

Mr. Mike Wallace: So shouldn't Genome Canada be here asking for the money? Are we going to see six of you guys over this time?

Dr. Wilfred Keller: Well, there are six regional centres, and our request was really not in this case on funding for Genome Canada but for activities that relate to a commercialization of operations within our region.

Mr. Mike Wallace: Okay.

You have in your recommendation the complete refundability of SR and ED credits and the addition of giving it to not-for-profits. I know we have a committee looking at these issues. We've spent $7 billion on innovation and research, and so on, and we're looking at doing...SR and ED is right, IRAP is right. But in theory, aren't SR and ED credits an incentive to those companies who are innovating and doing research to reduce their tax burden so they can take that money and further invest it in research? Are not-for-profits...maybe I'm misinterpreting what you mean by not-for-profit. Are they paying taxes anyway?

Mr. Patrick Pitka: Not-for-profits don't pay taxes. It would be additional incentive—

Mr. Mike Wallace: So instead of calling it SR and ED, do you want a direct donation to that organization for development and research, basically?

Mr. Patrick Pitka: It's to help with the commercialization.

Mr. Mike Wallace: I need to be clear on this if we're going to be arguing with our Finance folks on what people want to do and so on. Really, at the end of the day, if it's fully refundable, that means if you don't make any money, it doesn't matter. You still qualify for that, and it ends up being an investment, let's put it that way, of cash in the system.

I'm going to move on to my friends from the cement organization. I'm 100% behind you on recommendation 1...firmly opposed to that bill that supports one type of building product over another, particularly in the area where I'm from, where steel happens to be very important.

On your second point, I want to make sure I understand what you're asking for. You want the accelerated capital cost allowance to be permanent. Is that correct? It's not a temporary measure, which it has been for stimulus purposes.

● (1620)

Mr. Steve Morrissey (Director, Cement Association of Canada): Yes, we've asked for that. We know that collectively all the manufacturers have been advocating for a longer timeframe for this program to exist. Originally, this program was a temporary measure, and we understand that.

Mr. Mike Wallace: I have 30 seconds.

What you're asking for, then, is that we make this permanent and that—we're opening negotiations—if the company can take that capital cost allowance, and it's really a deferral of paying taxes to the government, can take that expense, move it back up to seven years to create a loss, so if they pay taxes they get their tax back.... Is that what you really want?

Mr. Steve Morrissey: There has to be flexibility, and for each financial circumstance the—

Mr. Mike Wallace: I would agree with you on that.

Thank you very much.

Mr. Hiebert.

The Chair: You've got about three minutes.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you, Mr. Chair, and thank you for your time, Mr. Wallace.

My question is for the University Campus Student Stores, Mr. Tabor.

Why was the tariff first adopted, from your understanding, at 10% to 15%?

Mr. Chris Tabor: The tariff was first adopted in 1998-99 as part of, coincidently, Bill C-32. The policy impact statement was vague then. So the purpose of it, for us, has always been questionable. There's no explanation as to what the intended benefits would be, how they would—

Mr. Russ Hiebert: It doesn't protect Canadian booksellers or anything like that, or publishers. Is that right?

Mr. Chris Tabor: No. The benefit would have been to the international distributors on this side of the border.

Mr. Russ Hiebert: How do we know that the price will actually drop? You mentioned that it could save students up to $30 million a year. How do we know that the sellers, your organizations, will actually reduce the prices?

Mr. Chris Tabor: Well, the market will discipline that. If the prices don't come down, they'll continue to buy them south of the border.

Mr. Russ Hiebert: But there is a bit of a monopoly on campus, so I hear. Generally, these book stores are the only place you can get your textbooks.

Mr. Chris Tabor: That's inaccurate. Actually, well in excess of 92% or 93% of the books in a typical campus book store are available through Amazon, Chapters online, and a number of others.

Mr. Russ Hiebert: In a timely fashion, when school starts, you need your text books.

Mr. Chris Tabor: That's correct. That's one of the problems we have with the imposition of the tariff as it forces students to go south, and frequently they don't have their books on time to engage in that rigorous university setting.

Mr. Russ Hiebert: Do you know how much this tax generates to the government in revenue?

Mr. Chris Tabor: It generates no revenue whatsoever.

Mr. Russ Hiebert: The tariff doesn't?

Mr. Chris Tabor: No, the tariff is collected by private interests that extract the 10% or 15%.

Mr. Russ Hiebert: So there's no loss to the government if we change the regulations?

Mr. Chris Tabor: None whatsoever.

Mr. Russ Hiebert: That sounds like a good idea. Thank you.

The Chair: Thank you, Mr. Hiebert.

Final round, Mr. Mulcair.

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Thank you, Mr. Chair.

My first question is for the Canadian Federation of Students. In your first recommendation, you ask that the federal government, in cooperation with the provinces, implement a federal Post-Secondary Education Act that “restores federal funding for post-secondary education to 1992 levels.”

Would you be kind enough to explain to us why it is so important to take 1992 as the base year? Is it because that is the year when the Liberal government of the day started cutting transfers to the provinces?

[*English*]

Mr. David Molenhuis: Yes, in fact, it does. It represents a time when the deepest cuts to social spending in Canada were made. For all intents and purposes, we look back at that as being a time when post-secondary education was, for argument's sake, adequately funded.

We also costed out what the expenses would be to roll back tuition fees to that time. Again, for all intents and purposes, the tuition fees, for argument's sake, were reflective of a time when post-secondary education was adequately funded. So the total cost there to the federal government would be $799 million to do that and roughly $1 billion to get ourselves back up to where we were funding post-secondary education according to the demographics at the time.

● (1625)

[*Translation*]

Mr. Thomas Mulcair: One of your first statements was that post-secondary education should become a right in Canada. You said that the present situation is “elitist”.

I know how important it is to make sure that students be able to do post-secondary studies. I come from a family of 10 children with very modest means. Without the very generous system of loans and grants in Quebec, I would never have been able to study at a university like McGill. In any other province, it would have been impossible. So, I can certainly understand the significance of what you said.

Could you be kind enough to explain the meaning of the word “elitist” that you used in your statement?

[*English*]

Mr. David Molenhuis: Absolutely. There's certainly a wellspring of information to further develop on this, which I think I'll put on the table here today for members of the committee.

The Canadian Medical Association, as well as the Law Society of Upper Canada, has published reports previously about the impacts higher tuition fees have on the behaviour of students entering into programs. By costing out certain populations from being able to access that, in particular those on the lower end of the socio-economic spectrum, it certainly builds an elitist character within the country. It entrenches socio-economic differences between communities and it has a direct impact on the kind of people who get into, say, for example, medical studies or law, which tend to be the most expensive in the country.

It also places a value on those kinds of jobs. It also relegates different sections of the population to be able to access those jobs. This results in things like doctor shortages in remote communities. It also has other very real social impacts that can't be understated, hence the use of the term “elitist”.

[*Translation*]

Mr. Thomas Mulcair: One of the recent trends that we have seen is the one exemplified by McGill University which has shamefully decided to withdraw its MBA program from the normal government funding system. The university believes—although I think it is legally mistaken—that it is quite possible to ask $25,000 per year for an MBA and not ask anything to the government, even though it is generally funded by public dollars.

What do you think of that decision?

[*English*]

Mr. David Molenhuis: Absolutely. We obviously stood in opposition to that move. The fact that you are able to do that within our public post-secondary education system is just so telling as to why we need to have some kind of federal framework that legislates the public administration of our post-secondary system and ensures that we don't have privatization by stealth in the form of ever-increasing tuition fees that move our public system away from one of public administration into a realm where there's a heavy reliance on private sources of funding.

What's interesting about that measure by McGill University is that it has now priced statistically the cost of the MBA programs outside of Statistics Canada's calculation of the average tuition fees in this country. Those tuition fees are so absurdly high that they now represent a statistical outlier for the collection of data within Statistics Canada.

[*Translation*]

Mr. Thomas Mulcair: Thank you for your answer.

I have a final question for Mr. Jock of the Assembly of First Nations.

You said that there is a need for 88,000 housing units as well as 40 new schools. Those figures are mainly based on your estimation of population growth in the first nations communities.

Could you give us a brief outline of this growth and tell us what we can expect in the next few years?

[*English*]

Mr. Richard Jock: Thank you. That is a good question.

I would say that that rate of growth, unlike other portions of the population, is much in excess of the normal growth rate. We are seeing growth rates of at least 3% to 4% over the Canadian rate. Also, what's happening in particular provinces, most notably Saskatchewan and Manitoba, is that the percentage of population that is aboriginal is actually shifting higher and higher. It is estimated that it will be approximately 15% in the coming years.

These demographic trends really make it a requirement that there be a good investment in both education and other forms of infrastructure, which will make sure that those populations essentially will be able to contribute to upcoming and future economies.

● (1630)

The Chair: Thank you.

I want to thank you all for being with us here this afternoon. I want to thank you for your presentations and your responses. If there's anything further you would like the committee to review, please submit it to the clerk and I will ensure all members get it.

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

● (1630)

(Pause)

● (1630)

The Chair: I will ask colleagues and witnesses to find their seats, please.

We have another panel of six organizations. First of all, we have the Canadian Labour Congress. We have the Canadian Union of Public Employees, the Independent Media Arts Alliance, the Association of Fundraising Professionals, the Clarington Board of Trade, and the Canadian Pharmacists Association.

Each of you will have five minutes maximum for an opening statement, and then we'll have questions from members.

We'll begin with Mr. Jackson.

Mr. Andrew Jackson (Chief Economist, Canadian Labour Congress): Apologies from our president, Ken Georgetti. We had a change of time.

Thank you for listening to us. I think our brief was circulated earlier. It was prepared some time ago, so I'll just provide a bit of updating.

There are really three key issues that we'd identify for action in this budget: first of all, pensions; second, employment insurance; and third, jobs.

As many members know, we were meeting with a number of MPs on the Hill yesterday, on the pensions issue. Probably people are familiar with our advocacy of an expansion of the Canada Pension Plan. I see Mr. Menzies shaking his head. I could provide all the details.

Basically, there's a general recognition that the private part of that pension system is in some considerable difficulties. People aren't saving enough, they're not getting decent enough returns on those, and there are a number of options in play. Our proposal is to have a fully pre-funded expansion of the Canada Pension Plan, which would take the benefit from 25% to 50% of pensionable earnings, with an affordable pension increase.

We're very pleased that the proposal is under serious consideration by the federal government and the provinces. Today we'd just confine ourselves to saying we'd hope that in the 2011 round of federal and provincial budgets there may be occasion to announce some agreement for moving forward on that and other pension issues.

On employment insurance, clearly this is a critically important program in tough economic times. Workers need adequate benefits to support themselves and their families, and improving EI is now viewed as an effective form of economic stimulus. There's no doubt that the EI program did respond in a significant way to the recent recession. Benefits expanded by something in the order of $5 billion over the two years of recession, as compared to the status quo. The improvements to the program and the action plan were certainly appreciated: the extra five weeks of benefits and the additional benefits for long-tenured older workers.

I would underline for you today that there is today a very serious issue in terms of workers running out of EI benefits. Just to throw one number at you, since June 2009, when the number of EI beneficiaries peaked, and last month, which was July 2010, the number of regular EI beneficiaries has fallen by almost 150,000—that's by 18%—even though the number of unemployed has actually only fallen by 6%. So the proportion of all unemployed workers collecting unemployment benefits has fallen from 51% to 45%. Certainly, in our view, a major priority should be a further extension of EI benefits. Given the very high level of unemployment we still have, the fact that there are over 1.5 million unemployed workers, 20% of whom have now been out of work for more than six months, there's a case for that.

What I would flag is that the government did just announce that there was an extra five weeks being reinstated under a pilot project. So in 21 regions there will be an additional five weeks still available, and that is certainly appreciated. But I would note to the committee that those 21 regions are the regions that had unemployment rates of over 10% five years ago. It doesn't really match the reality across Canada today. So if you look at Windsor, Oshawa, a number of hard-hit industrial communities in Ontario, they will not qualify for extended benefits.

Just a brief word around jobs. As stated in the economic update, we are now back to the level of employment we had before the recession, which is worthy of some celebration. However, we're still down 211,000 full-time permanent jobs, compared to before the recession. The real unemployment rate, counting involuntary part-timers and people who have dropped out of the labour force, is still over 10%. The youth unemployment rate is 15%.

In a nutshell, our pitch would be that there is a case for continuing investment in effective job creation programs in the next budget rather than a premature turn to fiscal austerity.

● (1635)

The Government of Canada today can borrow under 10-year bonds for well under 3%. There are a lot of public investment projects, from infrastructure to investment and training, to education, that could more than cover an interest rate of under 3% for long-term borrowing. So we'd urge that the budget make some investments in those long-term projects.

I'll wind up there, Mr. Chair.

The Chair: Thank you, Mr. Jackson.

We'll go to Mr. Sanger, please.

● (1640)

Mr. Toby Sanger (Senior Economist, Canadian Union of Public Employees): Thank you very much for inviting us again to discuss priorities for next year's budget. Our national president, Paul Moist, had really hoped to be with you today, but he's speaking at the opening of a national health care conference that we have today in Victoria.

CUPE is Canada's largest union. We represent over 600,000 members. Our members work on the front lines providing quality public services in health care, education, municipal-community social services, clean water, and electricity. Just yesterday we heard that two of our members—paramedics in British Columbia—died tragically when their ambulance plunged off a cliff into a lake on Vancouver Island. These are men and women who spend their lives saving the lives of others, so I hope you will join us in expressing condolences to their friends and families.

Our members don't just deliver public services, but they also depend on accessible, affordable, and quality public services. Forget about the myth of the overpaid public sector worker. The average salary for our members is below $40,000 a year. The value of public services that each Canadian receives is about half that—$17,000 a year. So when public services are cut, our members are hurt twice: first, through their own lost jobs and wages; and secondly, because the value of public services they receive is diminished as it is for all Canadians.

This is why we're such strong supporters of what Andrew just spoke about, taking this opportunity to improve our pension system so that all working Canadians can rely on a decent income in retirement. The best way of doing this is by increasing CPP benefits to 50% of the average wage over seven years. This could, of course, be pre-funded through a gradual increase in premiums, so this would have little direct fiscal impact on governments.

As part of this, the federal government should also increase the guaranteed income supplement benefits for seniors by 15%. This would help lift 200,000 seniors out of poverty.

We also agree that the extended benefits for employment insurance that expired on September 11 should be renewed for another year.

We also strongly recommend that the deadline for infrastructure stimulus be extended until at least next July. The need for these investments won't disappear at the end of this fiscal year, and it's detrimental to have an artificial deadline that could result in inappropriate haste, projects lapsing, and job losses.

We still have 1.5 million Canadians out of work. Recovery from this recession is slow at best. It's not time to turn off the taps; it's time to make sure that we continue to invest in public infrastructure, create jobs, and support the most vulnerable in our communities. We also need to move forward with new strategic infrastructure programs to build for the future. A key proposal that we have in our submission is for a national clean water fund that would help municipalities pay for the estimated $22 billion required to upgrade their wastewater facilities to new national standards that were announced earlier this year. These new standards are unfunded and could lead to the largest property tax increases in history for some mostly rural communities. So we're proposing a commitment of a billion dollars a year from the federal government, over 20 years, to be cost-matched by provincial and municipal governments. Additional direct support is also needed to improve water and wastewater facilities for first nations reserves and communities beyond 2012.

In the next two years, before a national agreement is concluded, the value of transfers to the provinces should also be protected. With the exception of Ontario, all equalization-receiving provinces are expected to face a reduction in these payments next fiscal year, with most of these provinces also likely to suffer an overall decline in their combined major federal transfers.

So how to pay for this? All of these measures, and much more, could be easily paid for through a combination of fairer taxation measures and better spending of federal dollars. This could include eliminating the $1 billion P3 fund that subsidizes privatization; equitable taxation so that stock options and income from capital gains are taxed at the same rate as employment income; cancelling further cuts to corporate income taxes and restoring rates to 2007 levels; and more equitable taxation of the financial sector, such as with the financial activities taxes that the International Monetary Fund just recently proposed.

I've included some charts as well—I gave them to the clerk—that help to illustrate some of the impacts here. You can see with this one that reductions in the corporate income tax rate have actually led to lower, not higher, investment by businesses. A reduction in the share that government revenues across Canada receive from the economy is equal to about $60 billion over the past 10 years.

● (1645)

I also have a chart here that shows the enormous shift in household debt and deficits that has occurred toward the household sector because of low wages; meanwhile corporations are amassing large surpluses that they're not investing back into the economy.

Thank you very much.

The Chair: Thank you for your presentation.

We'll now hear from the Independent Media Arts Alliance, please.

Mr. Timothy Dallett (Interim National Director, Independent Media Arts Alliance): My name is Timothy Dallett. On behalf of the members of the Independent Media Arts Alliance, I would like to express our appreciation for this opportunity to appear before you today.

Our organization represents 80 non-profit, artist-run media arts producers, distributors, and film festivals across the country. Our members serve a community of 12,000 Canadian film and video makers and digital artists who are at the forefront of independent creative expression in today's media.

I'm here on their behalf to present for your consideration four recommendations that will contribute to a strong, vibrant, and sustainable future for the country's cultural sector. As art and culture transform with new technologies, we suggest it is appropriate for the government to make strategic investments that will enhance the potential of this transformation.

Our first recommendation for the 2011 federal budget is to support the work of the Canada Council for the Arts by increasing its annual funding by $30 million in 2011, with a plan to reach a base budget of $300 million by 2015. Second is to enable the creation of a national strategy to preserve and make accessible Canada's digital and media arts heritage. Third is to implement programs to support the development of markets for arts and cultural projects nationally and internationally for Canadian artists, cultural institutions, and industries. Fourth is to grant professional artists and creators a $30,000 annual tax exemption on income deriving from copyright and residual payments, and a complete tax exemptions on arts grants.

The Canada Council is seen by our community as an exceptionally effective way for the arts to be promoted in Canada. Research and development by artists is how new forms of expression are created. These innovations from the cultural sector renew and enrich the knowledge economy and contribute to Canada's profile around the world. Canada's ranks of artists and digital creators grow annually as new graduates enter the field. Changes in other federal funding programs for filmmaking and audiovisual production have increased the number of independent producers turning to the council for support of their films and digital productions. It is logical and strategic that the Canada Council's budget gradually increase to meet these needs.

Our recommendation is echoed by the country's cultural community and supported by the Canadian Conference for the Arts and the Canadian Arts Coalition.

The notion of digital heritage might sound like a contradiction in terms, yet has anyone tried to access information on a floppy disc or audio cassette lately? This is exactly the situation that Canada's arts and heritage community will increasingly confront as changing technology makes formats obsolete.

We submit that the way technology and culture are converging makes it critical to develop a national strategy to address how Canada's cultural heritage will move into the future in digital form. It is not only about preserving Canadian stories in legacy media like celluloid film or videotape; it's about proactive planning for the future so that the question of longevity is considered as new culture is created in new platforms. Canada's national institutions and agencies have a key role to play here, and we encourage you to give them the resources and mandates to carry out this work.

Canada's artists are ambassadors for their country, contributing good will and positive impressions in civil societies worldwide. Canadian culture is a powerful tool for building awareness around the world of this country as an innovative, creative, forward-looking society. Development of markets for Canadian arts and culture in other countries will help reinforce this positive image of Canada. Again, the federal government has a key role to play here.

We don't pretend to have detailed knowledge of how such programs could be best designed and administered or how federal departments might relate to such initiatives. But we respectfully submit that there are very good reasons to make this investment in Canada's profile abroad.

Finally, artists in Canada are significantly under-compensated for the work they do and the skills and training they have. As self-employed entrepreneurs, they fall between the cracks. We ask that government consider recommendations made repeatedly over the past four years by artists' advocates that tax relief be provided to help artists develop their careers. Providing an exemption on a portion of their income will help artists grow what in effect are their small businesses, as the sector works to develop markets and opportunities for their products.

I thank you for your time and consideration. I'd be pleased to answer any questions you may have.

The Chair: Thank you very much for your presentation.

We'll now hear from the Association of Fundraising Professionals.

Ms. Amanda Gellman (Immediate Past Chair, Canadian Government Relations Committee, Association of Fundraising Professionals): Good afternoon. I'm here on behalf of the Association of Fundraising Professionals, also known as AFP, a group I joined in 1984.

AFP is a professional association representing individuals responsible for generating philanthropic resources for charitable and public service organizations. AFP is the largest association of fundraisers around the world, representing more than 30,000 practitioners across the globe, including 3,100 members in 16 chapters across Canada. I sit on the Canada council of AFP.

AFP has presented comments before the Standing Committee on Finance every year since 2000, and today I'm going to be covering three topics: stretch charitable tax credits, capital gains tax, and a government-sponsored National Philanthropy Day.

The charitable sector in Canada has more than 161,000 organizations with over 1.2 million paid staff and 6.5 million volunteers. Unfortunately, the economy has taken its toll on this sector. According to Statistics Canada, Canadians donated $8.19 billion to charities in 2008, which was a 5.3% drop from the previous years. In other words, as the recession hit, people started giving less to their favourite charities. Initial indications also show us that in 2009 there was another drop.

Accordingly, AFP encourages the committee to examine and approve the following recommendations that will encourage more robust private giving to and support for the charitable sector.

Recommendation number 1. To further stimulate a national culture of giving, AFP supports the recommendation from Imagine Canada that proposes a stretch tax credit that would apply to amounts that exceed a donor's previous highest giving level, using 2009 as the baseline. This would add ten percentage points to the tax credit for the eligible portion of donations. In other words, a 15% tax credit would be boosted to 25% and a 29% credit to 39%, but only for the portion of donation that exceeded the previous year's giving. Once an individual has reached $10,000 in annual donations, no enhancement would be offered.

I would also like you to know that in our recommendation in our written brief submitted in August, we had suggested that the tax credit apply to donations over $200. After consulting with Imagine Canada and others following that submission, we now recommend applying the tax stretch credit to all donations to broaden the appeal of this new charitable giving initiative. If successful, this measure could contribute significantly to increasing a stronger base of financial support to meet the growing demand on non-profit organizations and charities for service and support.

Recommendation number 2. AFP believes that eliminating the capital gains tax on gifts of appreciated land and real estate to charities would strengthen the capacity of Canada's voluntary sector to better serve Canadians and contribute to the country's economy.

As you will recall, the federal government removed the capital gains tax on donations of securities to most charities in 2006, making these donations more attractive to potential donors than they had been previously. On a personal note, at that time I was vice-president of a university and the president of a hospital board, a foundation board, and the donations did increase significantly because of that change.

As was the case for gifts of securities, contributions of land and real estate are currently stymied by a tax system that makes such giving too burdensome and not attractive to donors. Eliminating the capital gains tax would remove a huge barrier to these types of gifts and make it far more likely and appealing for donors to give land and real estate to a charity.

Recommendation number 3. Last fall, the Minister of Canadian Heritage officially declared November 15, 2009, as National Philanthropy Day in Canada. Canada was the first country to officially recognize National Philanthropy Day since its inception in 1986.

To instill some added permanence to the minister's declaration, Senator Terry Mercer, a Liberal senator from Northend Halifax in Nova Scotia and a certified fundraising executive, introduced Bill S-203 on March 4, 2010, that would permanently recognize National Philanthropy Day every November 15. The bill received a third reading in the Senate on June 10, 2010, and now awaits passage in the House. It is hoped that the House will pass the bill as well.

National Philanthropy Day was created with the intent of increasing awareness of giving at all levels.

● (1650)

Many organizations, such as AFP, already hold celebrations designed to encourage giving, raise awareness, and honour donors and volunteers. Last year, I believe there were actually 20 celebrations across Canada. The government's involvement could help create partnerships with media sources and other organizations to further increase awareness of philanthropy and encourage Canadians to invest in the voluntary sector.

In conclusion, charitable organizations need the support of government to better serve all Canadians. These three recommended policy changes will go a long way towards strengthening the capacity of the charitable sector to provide critically needed programs and services and to enhance donors' ability to fulfill their philanthropic aspirations.

Thank you very much for your time.

● (1655)

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

We'll hear from Ms. Hall now, please.

Ms. Sheila Hall (Executive Director and Economic Development Officer, Clarington Board of Trade): Good afternoon, Mr. Chair and committee members. I'd like to thank you for the opportunity to speak with your committee this afternoon as a representative of Clarington's business community.

Clarington is the proud home of the Darlington nuclear power station, which provides 30% of Ontario's electricity. Along with our dynamic agribusiness, including vegetable and fruit farms, cereal crops, and livestock, and a vibrant small manufacturing and service industry, Clarington is proud to be contributing to and exploring new opportunities for growing Canada's economy.

It is encouraging to see our governments take action in these challenging economic times with programs to keep our communities working and creating jobs through business support and infrastructure investment. Clarington is very grateful for the support we have received, totalling approximately $13 million since 2008. In addition, the municipality of Clarington has been very fortunate to have had significant infrastructure investment announcements, including the Highway 407 extension and the proposed Darlington new nuclear build. It is essential that action be taken on these announcements.

We strongly encourage the federal government to ensure that decisions with AECL be brought to the forefront in planning, while acknowledging and respecting that all levels of government need to demonstrate their due diligence and ensure they are making the right decisions for all the people of Canada. A new nuclear build in Ontario is a positive thing for all of Canada and will help support the lucrative nuclear industry across the country and confirm our place in a global nuclear market.

OPG has continued its work on the environmental assessment and licensing processes in support of the project, which has included extensive consultation and involvement in our community. We are ready for the government to take the next step.

All levels of government within our community—municipal, regional, provincial, and federal—plus community leaders and residents, support the Darlington new nuclear project. Not only is the project needed as an economic driver, but further delays in the decision may potentially result in increased costs for the overall project, which is not good for anyone, government or taxpayers. It is estimated that for every one nuclear job created, there will be six spinoff jobs created for Canadians. I don't have to tell you that this is hard to match.

The municipality of Clarington is on the eastern border of the GTA, and the extension of Highway 407 to the Highway 35/115 is essential to ensure the effective and timely movement of goods and people. A recent announcement by the Ontario government indicates that the extension of Highway 407 will stop at Simcoe Street in Oshawa. This makes absolutely no sense to us as a regional community, and we respectfully request that the federal government require that the Province of Ontario honour its previous agreements and build the extension of the 407 to the Highway 35/115 and ensure that economic growth is supported by all levels of government.

With all this excitement, we are also seeing an increase in investment interest in Clarington. As in many communities across Canada, the lack of serviced land adds complication in the development process. Our governments have been very active in supporting road infrastructure, community, and shovel-ready project support, which has been a great asset to communities in creating immediate short-term employment opportunities for communities that are ready to go.

In order to have sustainable and self-reliant economies across Canada, we need to explore funding opportunities to build communities that are ready for international and intranational investments, which will create long-term employment, build healthy community tax bases, and allow us to care for our own maintenance programs.

As our federal government prepares for Budget 2011, it is essential that a long-term, self-sustaining approach be considered. The Clarington Board of Trade recommends that action be taken to ensure that the Darlington new nuclear project move forward with no more delays, that the Highway 407 extension be completed to Highway 35/115—as all previous discussions indicated—and that programs be developed to support the servicing of employment lands in our communities.

I thank you for your consideration.

● (1700)

The Chair: Thank you very much, Ms. Hall, for your presentation.

The Canadian Pharmacists Association will make the final presentation.

Dr. Jeff Poston (Executive Director, Canadian Pharmacists Association): Thank you very much, Mr. Chairman.

The Canadian Pharmacists Association is very grateful for this opportunity to appear before the committee. For those of you who are not familiar with the organization, CPhA, as we refer to it, is the national organization that represents individual Canadian pharmacists.

I'd like to take this opportunity to highlight our recommendations in three areas we believe need further investment: drug safety, value, and quality; health care funding; and health human resources.

There's no issue more important to pharmacists than to ensure the safety and effectiveness of drugs and that they represent value and quality outcomes for patients. To do this, pharmacists need access to data, and we need better information on safety and efficacy to be able to put in programs to help address some of the problems.

It's estimated that some 25% of drugs are prescribed inappropriately, that 50% of patients fail to take their medications as they've been directed and often fail to complete their courses, and it's estimated that there are about 70,000 preventable hospital admissions in Canada each year as a result of adverse drug reactions and inappropriate drug use.

We require investment funding to develop better indicators of drug use. By indicators, I mean really defined statistics that measure quality and effectiveness. A national medication management centre is required to improve the safety and quality of drug therapy. We're recommending appropriate funding of such a centre to develop better indicators of drug use and make better use of the existing ones.

Canada also requires the establishment of seamless pan-Canadian electronic health records. A comprehensive e-health record for every Canadian would allow health professionals to access medically necessary information to work in a more collaborative manner, make better informed decisions, and improve the safety and outcomes for patients. Introduction of e-health records across Canada continues to be a priority.

Moving to health care funding, as we know, the current 10-year agreement on health care funding that was signed in 2004 is set to expire in 2014. The current agreement included an annual 6% escalator in the Canada health transfer and a commitment to meet a range of health-related objectives. One of those objectives was the introduction of a national pharmaceutical strategy, which included a catastrophic drug coverage program. In its most recent reports on the progress of the agreement in 2008, the House of Commons health committee identified a number of areas in which progress had been made, but also identified some areas where there had been lack of progress.

Governments need to revisit the 2004 agreement and address the unfinished business arising from the accord, including the commitment to a national pharmaceutical strategy.

As we know, discussions have begun regarding the structures and the future of health transfers after 2014. All governments, the health sector, and Canadians in general need to be consulted on the transfer arrangement post-2014. We're recommending that the federal government establish a broad consultation process as a part of the planning for 2014 or for what happens to health care funding post-2014.

An important part of the health care system is health human resources. In June the House of Commons Standing Committee on Health also released a key report on health human resources, which contained a number of recommendations for the federal government to improve health human resource forecasting, planning, integration, and supply. It recommended the establishment of a new national observatory on health human resources. An observatory can be thought of as an arm's-length organization whose mandate would be to monitor, track, and measure the supply of health human resources in Canada. The committee also recommended that the federal government provide a sustained funding mechanism to the provinces and territories to promote and develop interprofessional collaborative practice.

At CPhA we strongly support these two recommendations and would recommend appropriate funding be devoted to each.

Thank you once again for this opportunity to appear. I look forward to your questions.

The Chair: Thank you for your presentation.

We will begin members' questions with seven-minute rounds. Ms. Minna, please.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you very much, Mr. Chair.

First I want to give my condolences to Mr. Sanger and his membership on their loss. It's very sad.

I believe we are at a crossroads in facing some really tough choices in this country. There is money. Despite the fact that we have a deficit, there is money. If we look at some of the money that is available, there is $16 billion for jets, without any guarantees for Canadian jobs at this point. That contract doesn't give us any guarantees. There is $10 billion for prisons; the crime rate in this country is not going up.

There is $6 billion in corporate taxation cuts. Mr. Sanger, you just pointed out that tax cuts don't really create jobs. Canada's corporate taxes are the lowest in the world anyway, so we really don't have to go there. I'm not even going to mention the $1.3 billion that was spent on the G-20.

So we do have money, but we have to make some choices.

Mr. Jackson, my question to you would be on the choices. Pensions, which you've already mentioned, would be a choice. It would seem to be a major one that I would think we would need to look at.

Family care certainly includes looking after caregiving for families who have members of the family who are not well. But there is also child care. These families need those kinds of assistance to be able to be in the labour force and to stay in the labour force.

Learning is huge, in order to make sure we have the skills the economy needs.

And there is investing in jobs, investing in companies, to create the jobs of tomorrow: the green jobs, the retooling of companies.

These are areas that in my humble opinion are huge, and there are choices there that we have to make.

I'm looking to both of you to ask what your choices would be. What side of this ledger—and you may have others—would you choose? It seems to me that the issue is not that we don't have the funds; it's what choices we are making and where the will is to do it.

● (1705)

Mr. Andrew Jackson: Well, I agree with the general thrust of your comments.

On the pension issue, I'd point out that the CPP expansion proposal wouldn't in fact involve any expenditure of government funds since the contributions would come from workers and employers in return for benefits.

I guess the other pension proposal we'd make is an increase in the guaranteed income supplement to push all seniors above the poverty line in Canada. That would actually be a very modest cost of under $1 billion. I checked the numbers the other day—the total amount by which the incomes of seniors fall below the line.

In terms of continued stimulus spending in the economy to keep us through this very soft period of economic growth, in our budget brief we did call not just for an expansion of infrastructure funding, which I think creates jobs and makes a permanent investment in our future, but also for the expansion of caring services. That would be very high on our list of priorities. Certainly long-term care for the elderly in the context of a very rapidly aging population is a huge challenge that can't be avoided. And certainly putting in place that child care system, which so many of us have talked about for so long without getting there, would be very high on our priority list.

Hon. Maria Minna: Mr. Jackson, what is your reaction to the six months compassionate leave as part of our Liberal proposal? Is that adequate or—

Mr. Andrew Jackson: We haven't had a chance to review those proposals and details. I think we need to consider them.

Hon. Maria Minna: Mr. Sanger, with respect to corporate taxes, if I'm not mistaken, you indicated earlier that lower taxes really don't create jobs; investment doesn't go into employment.

Mr. Toby Sanger: Yes. As an economist, these results certainly surprise me. I have some theories for why it's happened, but it's interesting that when I've been on sessions with people from the Canadian manufacturers association, they generally don't support further corporate income tax cuts. What they have supported, and I think a number of us here have as well, are investment tax credits, because then not just the profitable corporations can benefit from those, but also companies who are going to invest in the economy in that way. That's what we really need in Canada.

I think you'd agree that the whole austerity agenda has been misguided. I think we've seen that six months after the spring budgets. I think the overriding concern that a lot of people have had is not so much the immediate deficits that we have now, but the deficits into the future and the potential cost of aging, because obviously when you are preparing an annual budget you are looking into the future as well. Even the IMF has done some calculations, and the cost of that aging for the pension systems and also for health care is not an enormous amount in comparison with the reduction we've had in terms of overall revenues.

The real economic problem that we have now isn't so much saving so that we can invest in the economy. Corporations now have a big surplus of savings, and they're driving that back into share buy-backs that help pump up their stock prices but don't do anything in terms of investment. The real problem we have is a lack of spending by individuals. That is why you need to support the vulnerable, help create jobs, and keep the economy going that way. There's been an incredible imbalance that's developed.

● (1710)

Hon. Maria Minna: Thank you.

I'll yield to my colleague, Mr. Brison.

The Chair: There are only 30 seconds left, and Ms. Minna actually substituted for Mr. Brison, so—

An hon. member: He's back now.

The Chair: He's back now? Okay.

Ms. Minna, you are now subbed out. Thank you.

Mr. Brison, you have 30 seconds for a very brief question.

Hon. Scott Brison (Kings—Hants, Lib.): Expanding the EI compassionate care benefit from six weeks, as it is now, to six months for people taking care of ailing and, in some cases, dying relatives and loved-ones is our proposal.

Mr. Jackson, what do you think of that? Would it help Canadian families?

Mr. Andrew Jackson: We've certainly supported the current provisions. I don't think we've had a chance to seriously reflect on your proposal and to discuss it, so it would be premature to comment on it. I certainly don't want to be critical of it per se, but we need to discuss it.

The Chair: Thank you.

[*Translation*]

Mr. Carrier, you have the floor.

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

I hope that my colleagues from the government have heard the previous comments, the questions asked by Ms. Minna and the answers provided. I want to congratulate you both for what you have told us today.

I have a question for Mr. Sanger. How many members do you represent in the Canadian Union of Public Employees?

[*English*]

Mr. Toby Sanger: We have over 600,000 members, as I indicated.

[*Translation*]

Mr. Robert Carrier: Thank you.

My next question is for you, Mr. Jackson. You said that you represent 3.2 million members in the Canadian Labour Congress. So, you represent a big chunk of the Canadian population, and you also have similar recommendations which are in sync with the positions of the Bloc Québécois.

About the Guaranteed Income Supplement, we have been asking for several years that the maximum monthly benefit be increased by $110, as you mentioned in the documents of the Canadian Labour Congress. You have also calculated that the cost would be $1 billion. Two years ago, I tabled on behalf of the Bloc Québécois a bill that was finally passed in second reading. The only opponents were the members of the Conservative Party. The reason given by the government was that it would be too expensive. According to you, the cost would be $1 billion. This is indeed a big amount but I have many arguments to justify such an increase. Just think of all the tax havens managed by our Canadian banks, which would give us $2.4 billion of tax revenues. If that money was collected, we could immediately fund a guaranteed income supplement.

I want to let you explain how this money would be beneficial for the Canadian economy, in comparison to other investments such as buying the F-35 aircraft.

[*English*]

Mr. Andrew Jackson: To make sure we're not double counting, CUPE's 600,000 members are affiliated to the Canadian Labour Congress, so between us we're speaking...we generally see eye to eye on most major policy issues.

With respect to the guaranteed income supplement, I think there are two things that are kind of true simultaneously that I think members need to bear in mind. When you look at Canada in an international context, we've done very well with respect to rates of low income amongst the current retirees, and it really is because the guaranteed income supplement makes a very real difference to a lot of people. Actually, one in three people collecting old age security also qualify for some money from the guaranteed income supplement, and I think it has been a very effective anti-poverty program.

That said, if you added 10% to the poverty line, the LICO line, we would have high rates of low income amongst the elderly. So the GIS actually raises a lot of people to or very near the poverty line, and it makes a huge difference to them. I quoted before the number I got from Statistics Canada about a year ago. The total amount by which the incomes of the elderly in Canada fell below the poverty line, the LICO after-tax line, in 2007 was under a billion dollars. So it wouldn't actually cost a lot of money to abolish poverty amongst seniors if you define it by pushing over that line.

We actually advocate increasing the GIS by 15%, which would be more than a billion dollars, but I think it's an affordable amount. In all honesty, if we don't move forward on pension reform, that amount that goes to the GIS is going to increase over time. One of our key arguments, really, for expanding the Canada Pension Plan over time is that it's really only by giving people a decent income and retirement in the future for people in their thirties and forties now that we'll stop them falling into low incomes in the future.

So we need that increase in GIS now, I think. Longer term, we need the increase in the Canada Pension Plan to really deal more pre-emptively with the problem of low incomes in old age.

● (1715)

[*Translation*]

Mr. Robert Carrier: Thank you for your explanations.

I have a question for Ms. Gellman of the Association of Fundraising Professionals. I see that the name of your organization is in English only but, as you explained, you have members worldwide. You said that your association is made up of 30,000 fundraisers from all over the world, 3,000 of whom are in Canada.

This is the first time I hear about your organization and, from what I understand, the professional fundraisers that you represent are people hired by charity organizations. Is that correct?

[*English*]

Ms. Amanda Gellman: That would be correct. Most of our members are paid members at non-profit organizations. Usually, they're the executive director, a volunteer coordinator, or a fundraising coordinator.

I apologize that we don't have the information in French. We do have chapters in Quebec, and we're actually having our international conference in Quebec next year. I will make sure that a document is sent in French.

[*Translation*]

Mr. Robert Carrier: You seem to be quite a nice person but, even though you are the employees of charity organizations, you have no compulsion in making recommendations about the financial management of the country in relation to donations. I have the feeling that this should instead be the job of the organizations themselves. I have in mind an organization called Image Canada, representing all the charity organizations, and I believe we will also meet with its representatives.

[*English*]

Ms. Amanda Gellman: We actually work hand in hand with Imagine Canada as well as the Canadian Association of Gift Planners. I actually am a volunteer board chair for a hospital foundation, but also a member of AFP, so it's an individual professional organization.

The importance of our organization is that it promotes professional ethics amongst its members, so we don't have the problems such as those you have recently seen in the press where people who don't follow professional ethics sometimes get fundraising and charities in trouble.

The Chair: Thank you.

We'll go to Ms. Block, please.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair. I will be sharing my time with Mr. Menzies.

My question is for Sheila Hall. I am a former mayor of a small community, so I'm very aware of some of the infrastructure pressures that communities find themselves under, especially during a time of growth. Just last week, actually, I had an opportunity to announce a number of different announcements across the province in terms of some funding they received through the municipal infrastructure lending program. Now I recognize that is a program that is given to municipalities for housing-related infrastructure, so I'm interested in hearing from you if you are aware of that program and if it is what you are suggesting in your recommendation, that "programs be developed to support the servicing of employment lands in our communities".

Are you contemplating something somewhat similar to that? Are you aware of it? And if not, what are you actually envisioning the programs to look like for that development?

● (1720)

Ms. Sheila Hall: I don't know the details of that program specifically, but we're all given a lot of opportunities for different programs from all different levels of government, and most of those are geared towards communities that already have land ready for investment. My focus is economic development and making sure that jobs are coming to our community, so that's where my expertise lies. We really believe that if there are programs developed to help communities get to that point, there is investment waiting at our door. We just need to make sure that we're ready for them. So I think some communities need a little bit more support in that way.

Mrs. Kelly Block: Okay. So up until this point you don't have any recommendations in terms of whether or not that would look like direct low-cost loans or anything along that line.

Ms. Sheila Hall: To my knowledge, there's not a lot out there for that now, so I think that any conversation we can have that starts that process is very helpful.

Mrs. Kelly Block: Okay. Thank you.

The Chair: Mr. Menzies.

Mr. Ted Menzies (Macleod, CPC): Thank you, Mr. Chair, and thank you to our witnesses for coming here today.

Mr. Sanger, I just want to set the record straight. In your presentation you said that median family income workers' wages remained stagnant in the past quarter century. I don't think that's exactly accurate, because we have the eighth strongest growth in the 30 OECD countries on a per capital basis. So it's a little bit misleading.

Mr. Jackson, I know you folks have been very helpful in these pension discussions, and very active. The one topic that we're discussing coming out of Charlottetown is this multi-employer plan that allows smaller enterprises to actually join in with other companies to gain the benefit of larger funds.

Have you folks done any work on that? Our officials are working on it now, both provincially and federally, to try to come up with some ideas. Does that make sense to you?

Mr. Andrew Jackson: I'll let Mr. Sanger jump in as well.

I think the fact that ministers are working on more than one strand is certainly appreciated. Our priority is definitely expansion of the Canada Pension Plan. I think that still leaves room for private pension arrangements. There's no doubt that multi-employer plans have a lot of strengths over particularly small workplace plans, in terms of economies of scale, higher rates of return, and the fact that a multi-employer plan won't go under in the same way that smaller plans would. So we certainly don't rule out moving forward on that as part of a package of proposals.

Mr. Ted Menzies: But you have looked at how it may work for some of your members?

Mr. Andrew Jackson: I'll let Mr. Sanger respond to it.

Mr. Toby Sanger: It's true that we've had strong economic growth, but it hasn't gone to family incomes or to ordinary wages—

Mr. Ted Menzies: Well, yes, it has. The OECD states that it has, so I'm not sure where you're getting your reference.

Mr. Toby Sanger: Well, Statistics Canada reported just a couple of years ago, and I can send you that reference.

Mr. Ted Menzies: Today's OECD reports are saying that it's grown. We're the eighth strongest, so I do appreciate that.

Mr. Toby Sanger: In terms of economic growth, not necessarily the incomes.

Mr. Ted Menzies: Very quickly, Ms. Gellman, before us this fall we have a private member's bill that will actually—and I'm very troubled by it—cap wages given to fundraisers. Our professional fundraisers in this country are just that, they're professionals. I think we need to be focusing on accountability and transparency rather than suggesting that we just cap these, because it will encompass university presidents, heads of hospitals, those sorts of things.

What are your thoughts on that? I'm sure you've had a look at that.

● (1725)

Ms. Amanda Gellman: I have, especially coming out of the hospital and university sector. I agree that the cap will not work for presidents of hospitals and university researchers. On the fundraising end, if you look at most professional fundraisers—if not almost all in this country—their salaries are way below anything that we would even come near.

The importance of our organization, again as mentioned before, is that we promote professional ethics, so we want fundraisers to be professional. The salary cap for most of our organizations doesn't apply, but we're against the cap because it does apply to people outside of the fundraising profession who work in charities and non-profits.

Mr. Ted Menzies: That's the unfortunate, and I hope unintended, consequence. But it will actually target university presidents.

Ms. Amanda Gellman: Universities and hospitals.

Mr. Ted Menzies: And chairs of hospital boards, chairs of library boards. We would encourage you to get on the list as a witness to come back here when we're studying that bill.

Ms. Amanda Gellman: Thank you. I will.

Mr. Ted Menzies: Thank you, Mr. Chair.

The Chair: Final round.

Mr. Mulcair.

[*Translation*]

Mr. Thomas Mulcair: Thank you, Mr. Chair

I would like to give Mr. Sanger the opportunity to complete his answer to Mr. Menzies.

[*English*]

Mr. Toby Sanger: I think it may be a difference in interpretation there. Perhaps the figures that you were looking at, as reported by the OECD, reported on the mean average as opposed to the median average. The median measures the mid-point and the mean averages everything added together and then divided.

What we've had in Canada over the past quarter century is increasing income inequality, particularly at the top end. That brings the mean average up, but the median—that's what the normal average Canadian family might have—has remained pretty much stagnant over the past quarter century.

[*Translation*]

Mr. Thomas Mulcair: I would now like to question—

[*English*]

The Chair: A point of order, Mr. Pacetti.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Sanger has been quoting from a document that I don't think we have. Is it possible to get a copy of that document?

The Chair: Do we have that document? We have it, but it is in English only. We will ensure all members get a copy.

[*Translation*]

Mr. Thomas Mulcair: I would like to question Mr. Jackson.

You raised an interesting issue relating to access to unemployment insurance. You said that the portion of unemployed people who are eligible for unemployment insurance has dropped from 51% to 45%. Is that not a way of transferring the burden to the provinces, which the Conservatives always said they would never do?

I remember that, when they were in power, from 1993 to 2006, the Liberals had transferred their fiscal problems to the provinces. Today, if people are not eligible to unemployment insurance—let us recall that the Liberals took $60 billion from the unemployment insurance fund—it means that this responsibility is being transferred to the provinces, not as unemployment insurance but as social assistance. Once again, the government is transferring the burden to the provinces, is it not?

[*English*]

Mr. Andrew Jackson: There's certainly no doubt that compared to previous recessions, the proportion of unemployed workers in this recession qualifying for benefits was much lower. Actually, you understated the gravity of this. It is 45% of the unemployed today, as we speak, who are collecting benefits. It hit a high point of just over 50% back in June.

It's interesting if you look at that in regional terms. Perhaps somewhat surprisingly, the biggest shortfall is in the greater Toronto area. Believe it or not, about one in five of all unemployed workers in Canada live in the greater Toronto area, and they are only about 10% of all EI beneficiaries.

I think it's in those areas, where people move from employment insurance to a very low-wage, temporary job and are unable to qualify, where the biggest burden is falling. There are all kinds of offloads to the provinces.

I certainly agree that for all provinces, as people are exhausting EI benefits, as they turn to social assistance, clearly that is a—

● (1730)

[*Translation*]

Mr. Thomas Mulcair: Then the provinces have the responsibility.

I would like to complete my comments because the bells have started ringing and we will soon be short of time.

Mr. Sanger, I want to congratulate you for your suggestion to create a national fund to finance the new standards, which is most creative. This relates to public health, job creation and federal-provincial cooperation for sustainable development. This suggestion deserves serious thinking and is most promising, I believe.

Thank you, Mr. Chair.

[*English*]

Mr. Toby Sanger: Thank you.

[*Translation*]

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

The Chair: Is that all? Thank you, Mr. Mulcair.

[*English*]

I want to thank all of the witnesses for coming in and responding to our questions. We will endeavour to translate everything that witnesses have submitted, but if you have anything further, please submit it to the clerk.

Thank you all.

The meeting is adjourned.

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