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Chair

Mr. James Rajotte

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● (1530)

[*English*]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order, the 42nd meeting of the Standing Committee on Finance.

I want to welcome all of our witnesses here today to continue our discussion regarding the pre-budget consultations.

We have with us here, on the first panel, seven organizations to present to us. We have, first of all, the Canadian Council of Christian Charities; *deuxièmement*, l'Association des producteurs de films et de télévision du Québec. We have the Association of Canadian Community Colleges, the Canadian Federation of Nurses Unions, the Canadian Nurses Association, the Canadian Dental Hygienists Association, and the Canadian Alliance of Student Associations.

You'll each have five minutes for an opening statement, and we'll proceed in that order. So we will start with the Canadian Council of Christian Charities, please.

Mrs. Teresa Douma (Senior Director, Legal Affairs, Canadian Council of Christian Charities): Thank you, Mr. Chairperson.

Honourable members and guests, good afternoon. My name is Teresa Douma. I'm senior director of legal affairs for the Canadian Council of Christian Charities, also known as the four Cs. We are a member-based association of over 3,100 faith-based charities. Of these, 130 are umbrella charities themselves, representing 25 to several hundred charities. Our membership includes inner-city missions, such as the Yonge Street Mission in Toronto and the Union Gospel Mission in both Vancouver and Winnipeg; faith-based colleges and universities, such as Trinity Western University in B.C. and Redeemer University College in Ontario; relief and development organizations, such as World Vision Canada and Compassion Canada; and disaster relief organizations, such as MSC Canada and the Mennonite Central Committee of Canada. As of October 29, 2010, and based on the most recent T3010s available, collectively our members account for 15.4% of all receipted donations made it Canada.

Our association provides two key functions to our sector. We provide practical resources, and every year we answer over 18,000 calls and e-mails from our members on a wide range of issues, including finance, charity log, governance, and human resources. Our second key function is a charities certification program where we confer a seal of accountability on charities who meet our standards.

We bring three recommendations to the committee.

First, we recommend that the current tax treatment for donations of publicly listed securities be extended to donations of real estate and land. Donations of real estate could include vacant land, vacation, industrial, commercial, and residential investment properties. Principal residences would not be included, given that they are already exempt from capital gains tax. The charities could receive donated land as cash proceeds or in kind. If a donor gave cash proceeds, the donor would be exempt from capital gains tax only on that portion of real estate proceeds donated. The donor could also make an in-kind real estate donation that would enable the recipient charity to liquidate the property itself or retain the property for its own use. The donor would be exempt from capital gains tax on the entire value of the real estate gifted. Both ways of giving parallel the treatment of donations of publicly listed securities. This suggestion was included in this committee's recommendations last year, and we would suggest it merits being recommended again.

Second, we recommend an increase in the federal charitable tax credit from 29% to 42%. For example, if a donor has already made a gift of $200, a further gift of $300 at 29% would give the taxpayer a tax benefit of $87. However, a gift at the 42% rate would make that $300 gift provide a tax benefit of $126 instead of $87. This measure could work to increase support from core existing donors and encourage new ones. It would require a simple and straightforward adjustment to Canada's tax laws.

Third, related to donations of publicly listed securities, we recommend that a taxpayer receive a federal charitable tax credit of 42% on the adjusted-cost-base portion and keep the existing federal charitable tax credit of 29% on the capital gains portion. You will recall that on the capital gains part the taxpayer also benefits from not paying capital gains tax, and that's worth about 23%.

This proposal would align the benefit received from the cost portion of the gift more closely with the benefit received from the capital gains portion. Also, adjusting the tax credit from 29% to 42% on this cost portion would align it with the treatment of donations, as per our second proposal.

● (1535)

The Chair: You have one minute.

Mrs. Teresa Douma: This proposal also reduces the gap between the benefit realized on securities and on other donations. It may encourage people to donate listed securities that have fallen in value, because they would receive the enhanced 42% charitable tax credit on the cost base.

All of these suggestions together would create more incentive for giving.

Thank you for the opportunity.

The Chair: Thank you very much for your presentation.

[*Translation*]

We'll now hear from the Association des producteurs de films et de télévision du Québec.

Ms. Claire Samson (President and Chief Executive Officer, Association des producteurs de films et de télévision du Québec): Thank you, Mr. Chair.

My name is Claire Samson. I am the President and CEO of the Association des producteurs de films et de télévision du Québec. With me today is Brigitte Doucet, Deputy General Director.

For 40 years now, the APFTQ has been the umbrella organization for over 140 production companies working in both official languages and in all sectors of audiovisual production in Quebec. I would remind the committee that the total volume of film and television production in Canada in 2008-09 was worth $5 billion. During that same time period, the sector provided 122,400 direct and indirect full-time equivalent jobs.

Despite this success, the audiovisual industry requires stable funding in order to be able to meet the challenges of the new digital economy and grow again following the country's economic downturn. We represent a fragile, fragmented industry at a time when the trend is towards convergence. Without additional support from the government, the presence and diversity of Canadian content are at risk, and this applies to both traditional and digital distribution platforms. We need to make it easier for Canadians to access productions that have been created and produced in Canada—by Canadians, for Canadians—that is, productions that we can identify with.

We believe that the following measures are absolutely crucial.

Ms. Brigitte Doucet (Deputy General Director, Association des producteurs de films et de télévision du Québec): First of all, funding is needed for research and development in the audiovisual industry, which now has to create productions on all platforms. Film and television producers now need to discover and learn about information and communications technologies, develop content that is available on all platforms, and more importantly, create and test new business models. Federal programs that provide funding for research and development in ICT do exist, but we need programs that respond to the new needs of audiovisual producers.

Second, funding for the Canada Media Fund needs to be increased and digital content providers—in other words, Internet and cellphone service providers—must be obliged to make an annual contribution, following the example of broadcasting distribution companies. Those providers already benefit considerably from digital content, without contributing to its funding. These new financial contributions to the Canada Media Fund will help ensure adequate funding for digital content productions in order to provide Canadians with high-quality, diverse Canadian content, while allowing television productions to benefit from full funding, given that Canadian audiences still really appreciate these productions. In addition, the government must ensure permanent funding for the Canada Media Fund for at least five years. This measure would increase the financial stability of our industry.

Ms. Claire Samson: Third, funding for the Canada Feature Film Fund needs to be increased and a separate fund must be created for documentary feature films. We believe that an additional $20 million needs to be invested to boost the Canadian film industry, specifically, $15 million for the Canada Feature Film Fund and $5 million for a fund dedicated to theatrical-release documentaries. Since its inception, the Feature Film Fund has provided the Canadian industry with the tools needed to produce high-quality feature films. Unfortunately, the funding provided no longer corresponds to the needs, which explains, for the most part, the considerable decrease in production volume in 2008-09, which dropped by 22%. Furthermore, the importance of theatrical-release documentaries and their growing popularity among Canadians are remarkable. In order to promote the growth of Canadian documentary film-making, a separate fund must be created that will be dedicated to that sector, without taking away from the traditional Feature Film Fund.

Fourth, support is needed for international co-production. A $30 million investment to create an international co-production fund would help revive this business model at a time when Canada is about to update some of its treaties with certain countries and negotiate new ones with other countries. Foreign co-production enables participating producers to pool their creative, artistic, technical and financial resources in order to further their “homegrown” production, and to distribute them within all participating countries. In order to access them, Canadian producers need a dedicated fund that will allow them to fulfill the obligations set out in the various international co-production treaties.

● (1540)

Ms. Brigitte Doucet: Fifth, a review of the Canadian Film or Video Production Tax Credit program is needed in order to better support the Canadian film industry and to ensure that it is better adapted to the new needs of the digital economy.

The support of federal tax credits, which represent, on average, 10% of total financing for productions, has decreased by 5% for film, and some French-language feature films received as little as 2%.

We would like the rules for the tax credit program to be more flexible for all theatrical-release feature film productions, whether fictional or documentary, so that government and non-government assistance, with the exception of provincial tax credits, no longer reduce the cost of production used to determine the value of the labour eligible for the tax credit.

Furthermore, the tax credit program should be changed to make all necessary labour expenditures for the supplementary production of digital content related to television and film production eligible, since those productions must now be produced on all platforms. This measure would fit into the federal government's goal to be a world leader in the new digital economy.

On behalf of Quebec's audiovisual producers, thank you for this opportunity to appear before the committee today. We are available to take your questions.

The Chair: Thank you very much.

[*English*]

We'll now hear from the Association of Canadian Community Colleges, please.

[*Translation*]

Mr. James Knight (President and Chief Executive Officer, Association of Canadian Community Colleges): Hello, ladies and gentlemen. My name is James Knight and I am president of the Association of Canadian Community Colleges. With me today is Paul Brennan, our vice-president of International Partnerships.

[*English*]

I commend the committee on its broad-based consultation with Canadians on priorities for 2011-12. Your work is important and onerous, and we're very proud to be here. For the college sector, your report in 2010-11 was particularly helpful, and we thank you for that.

This year our orientation is towards the long term. Most of you remember David Foot's groundbreaking book, *Boom, Bust & Echo*. Well, I'm here to tell you that the bust has arrived. The first baby boomer will celebrate his 65th birthday in 2011, and millions more will follow in quick succession. The high end of our labour force, the most skilled and the most experienced, will retire in vast numbers. As we age, the percentage of Canadians who do not participate in the labour force will rise from 44% to 61% in less than a generation.

HRSDC and Statistics Canada predict a labour shortage of 1.5 million within a decade. These numbers are grim enough, but another consideration makes things even more challenging. Owing to the penetration of technology into everything we do, employers will require persons with a much higher skill level. Not long ago someone could have a good career with no more than a high school diploma. The new standard will be a post-secondary credential. Already, 70% of employment opportunities require PSE, post-secondary education. Within a generation, the figure will be 80%. Currently, only 60% of Canadians between the ages of 25 and 64 meet this standard. This is one reason why we already experience high unemployment and large numbers of job vacancies at the same time. Unless something significant changes soon, by 2016, the 550,000 Canadians without a post-secondary credential will not qualify for positions that will be available. This is the syndrome of people without jobs and jobs without people.

Meeting these challenges will require a whole basket of strategies. Immigration is important but only a small part of the answer. Making post-secondary education more efficient is another opportunity. Encouraging people to work longer is a third opportunity. But by far the most important strategy is to increase the labour participation rates among those who generally fare poorly in the employment market: aboriginals, poor immigrants, the disabled, multi-generation welfare dependants, and disengaged youth, particularly young men.

If we fail to attract these marginalized populations, post-secondary enrolment in Canada will plateau and then begin to decline in 2016. However, if we can bring only 25% of these groups into education, enrolment will increase for a generation and beyond.

Canadian colleges excel at providing accessible, cost-effective post-secondary education and lifelong learning for people of all ages. Colleges have a mandate and a unique ability to reach out to and nurture the marginalized through to graduation and employment.

Meeting these demographic and skills challenges will require a huge national enterprise. We urge the Government of Canada to launch a dialogue with provincial and territorial governments, educational institutions, the private sector, and civil society now. Failure to act will result in a declining standard of living and threaten our most valued national institutions, and I would put health care at the top of the list.

In the short term, we recommend three specific, affordable actions. We must find mechanisms to increase the educational success of our fastest-growing demographic, our aboriginal populations. Shamefully, the number of aboriginal post-secondary graduates is falling. We must act now to recover lost market share for our education exports; that is, bringing foreign post-secondary students into Canada. Higher tuition fees are a great resource for all post-secondary institutions, but our marketing efforts abroad pale in comparison with those of our competitors. Many of these students are now able to remain in Canada following graduation.

On the reciprocal side, it is curious that the country that is the most trade-dependent in the world is the weakest in terms of sending students abroad for cultural and language experiences. Employers place a very high premium on graduates with offshore experience.

● (1545)

Finally, we must continue to invest in college-private sector partnerships, innovation, applied research, and commercialization. These arrangements increase productivity and employment in the SME sector, where most new jobs are created.

Thank you, Chair.

The Chair: Thank you.

We'll now hear from the Canadian Federation of Nurses Unions.

Ms. Pauline Worsfold (Secretary-Treasurer, Canadian Federation of Nurses Unions): Good afternoon.

I'm Pauline Worsfold, the secretary-treasurer of the Canadian Federation of Nurses Unions, and with me today is our health researcher, Amanda Crupi.

The Canadian Federation of Nurses Unions represents 138,000 nurses in all provinces, *sans* Quebec so far, as well as over 25,000 associate members, who are part of the Canadian Nursing Students' Association. Our members work in hospitals, long-term care facilities, community health care, and our homes.

We thank the Standing Committee on Finance for the opportunity to share our views on the prioritization of issues for the next federal budget.

Recent polling by Nanos Research has placed health care as the most important national issue of concern among Canadians. Health care was identified by 35% of Canadians as their most important national issue, followed by jobs and the economy at 19%.

Our suggestions for the 2011 budget remain constant and will have a significant and positive impact on the health and well-being of Canadians, while ensuring the long-term viability of our public health care system.

The 2004 first ministers health accord is set to expire in 2014. CFNU would like to see the federal government take the lead in negotiating a successor accord based on three recommendations presented in our brief today: first, establish a basis for federal leadership in the creation of a national universal pharmacare plan; second, improve the position of the federal government in funding medicare; and third, provide opportunities for system change and improvement rooted in public funding and public delivery of health care.

Canadian nurses urge the federal government to work together with provinces and territories to adopt and fund a national pharmacare program that would provide access to prescription drugs through first-dollar coverage, control drug costs through a national drug formulary and bulk purchasing, and increase the safety and efficacy of drugs.

In the final press release of the Council of the Federation meeting on August 6 this year, the premiers noted the need for “a critical path in the review of...the Canada Health Transfer” and agreed that the federal government “needs to remain a strong partner with provinces and territories in funding health care”—and nurses couldn't agree more.

Many here will know that pharmaceuticals have been responsible for 25% of the increase in medicare costs as a share of GDP since 1975 and that the cost of drugs is the fastest-growing part of our health care pie. A recent report released by the Canadian Health Coalition and the Canadian Centre for Policy Alternatives outlines the costs and benefits of publicly funded drug coverage for all Canadians. Their analysis reveals a number of different policy scenarios that could save the country $10.7 billion—and that's “billion” with a “b”—by implementing universal pharmacare and reviewing policies that artificially inflate drug costs. More details are available in the report, which we mailed to all MPs and senators last week.

To put this in a real-world context, because I'm a real working nurse—in fact, my last shift was on Saturday in the university hospital in Edmonton—I know examples of where people have cut their pills in half to make them last longer because they can't afford them. As a consequence, the medication's effectiveness is also cut in half, resulting in frequent visits to emergency room departments and doctors' offices. The ripple effect of this action not only jeopardizes the health of the person, but it also drives health care costs up and overtaxes already limited resources. So a national pharmacare plan would be a win, win, win—a win for the government who introduces it, a win for the health care system, and a win for the citizens of Canada.

The concept of the continuum of health care ties into another report recently released by the CFNU, *The Sustainability of Medicare*, of which you've all received a copy as well, written by Dr. Michael Rachlis and Hugh Mackenzie, the health economist. It says that medicare costs are not out of control, as some critics would have the public believe. In fact, costs have remained remarkably stable as a share of GDP.

Canada could not have achieved what it has in health care to date without the active participation of the federal government. Although the federal government's responsibility for health care delivery is limited to Veterans Affairs, first nations, Inuit, and aboriginal health, and the Correctional Service of Canada, we must not lose sight of the fact that they still have a critical role to play in supporting health care innovation and ensuring stable and predictable funding to support Canada's health systems.

● (1550)

In 2004, the first ministers reaffirmed that the federal government has a major role to play in ensuring the viability of medicare, and the creation of the health accord helped to re-establish their role in doing so. In September—

The Chair: Okay.

Ms. Pauline Worsfold: —CFNU and the Canadian Nurses Association met with the provincial health ministers in St. John's to discuss this very issue.

The Chair: Thank you.

Ms. Pauline Worsfold: We, along with many other stakeholders, urge the government to adopt an even more active leadership role—

The Chair: Thank you.

Ms. Pauline Worsfold: —beginning with building programs into our federal budget that support the sustainability of our health care system.

Thank you, and we welcome questions and comments.

The Chair: Thank you very much.

We'll now hear from the Canadian Nurses Association. Welcome back.

Dr. Judith Shamian (President, Canadian Nurses Association): Yes. You see, we are managing our human resources really well.

It's a pleasure to be back. I'm Judy Shamian, and I'm here in my capacity as the president of the Canadian Nurses Association. With me is Michael Villeneuve, who is the resident scholar at the Canadian Nurses Association.

I'm delighted to be here, and I'm going to focus on two separate issues. One is health human resources, and the other is a return on investment when investing in nursing research.

Health human resources—it's an issue that often feels as if we should sleep on it, because we don't stop talking about it, but it's an issue that is getting more and more acute. Based on research that's been carried out recently, we know, and we just heard, that the bust is here, and that by 2025 we will be short 60,000 nurses. We currently are short around 11,000. That's if things stay as they are, but there are additional issues that need to be taken into account, and we have some major concerns for you to consider.

One of them, for example, is that 4.3 million Canadians have no access to primary care. We know there are over 2,000 nurse practitioners in this country who provide primary care to tens of thousands of Canadians, and that's a trend we can deal with. If we had proper planning, we would not be in a position today where 4.3 million Canadians have no access to primary care. That's really difficult to consider in a country like Canada.

The other issue for us to consider is that if you're looking at what's happening south of the border, with the U.S. investment in access to health care, their investment will increase access to health care to 30 million Americans. Guess where they will be going for their general practitioners, for their nurse practitioners, and for their nurses? Currently 5% of our production in Canada in the nineties work in the U.S. They will be at our door, and with NAFTA and all the other agreements, they will be sucking up our physicians, family physicians, nurse practitioners, faculty—because they will need to prepare their own workforce eventually—and so on. So unless we do some proper planning...if we think it's 60,000, we can double, triple, or quadruple that for the coming years. We have some time to act on those issues.

Another issue to consider is the whole notion of chronic diseases and the impact we can have through team effort and collaborative work. Plenty of research shows that currently we're spending close to $90 billion—and again it's with a “b”, reinforcing Pauline's message—on chronic disease management, and that can be managed if we work differently as teams in human resources. The bottom line is that investing $100 million over five years to invest in planning and pan-Canadian work, and figuring out some pilot initiative to deliver our care differently, will pay back in spades.

Let me just reinforce the recommendation in front of you. The federal government invests $100 million over five years toward collaboratively funded Canadian health human resource planning. Over the question period we can reinforce what it can do and how it works.

Let me talk about investment in research. Again, what we are asking for is very minimal, an investment of $60 million over 10 years. So our two requests add up to $26 million a year, which is really peanuts. We need investment in nursing research, because the return on that investment is pretty phenomenal, and we have proven it in the last 10 years, where we did get investment from the federal government dedicated to nursing research. I will give you one example.

One of the studies that was carried out in one province resulted in the implementation of doing home care differently, which saved the province of Ontario $10 million a year. That's $10 million—and we are asking for an investment of $6 million per year in nursing research. That's a single study, and there are many more examples.

So investing in nursing research will help us to test different care delivery models that can be helpful in improving and strengthening the Canadian health care system. It can also help us with the areas of chronic disease management and how we can handle issues differently. Another study, for example, that was carried out that looked at how to manage wound care has saved the Province of Alberta and others millions of dollars by doing it differently, based on research generated from nursing research.

So there are two recommendations: one around human resources and one around nursing research.

Thank you.

● (1555)

The Chair: Thank you very much.

We'll now hear from the Canadian Dental Hygienists Association.

Ms. Palmer Nelson (President, Canadian Dental Hygienists Association): Thank you for the opportunity to address you today.

CDHA represents dental hygienists in Canada, who number 20,000. We rank eighth in size among other health professional disciplines.

The newly released “Report on the Findings of the Oral Health Component of the Canadian Health Measures Survey 2007-2009” is a call to action to invest in oral health. The survey shows good oral health is not experienced evenly across all segments of the population, since there is a lack of equitable access to oral health professionals and the cost of treatment for oral diseases is prohibitive for vulnerable segments of the population, including low-income Canadians.

Canada’s health system is ranked a shocking fifth out of seven countries on equity issues, particularly equitable access to oral health care. Those with the poorest oral health, the least education, and the lowest income have less access to oral health care providers. Many of these individuals are children, seniors, persons with disabilities, and aboriginal people.

Because of the cost, between 17% and 33% of low-income individuals do not visit oral health professionals, and their oral health outcomes are two times worse than those of higher-income Canadians.

When it comes to oral health care, many European nations have national oral health plans. However, in Canada public funding is a paltry 6% of all oral health expenditures, with the federal government contributing 40% and the provinces 60%.

We call on the federal government to invest in oral health in five areas.

The first is the Canadian oral health strategy. We ask for financial support for the office of the chief dental officer to revise the 2005 oral health strategy to reflect the findings from the oral health survey. The strategy must include a government implementation plan, and a working group should include dental hygienists.

Second is the Canada Health Act. We call for the development of a comprehensive plan to provide oral health promotion and disease prevention for all Canadians as part of the continuum of care in the Canada Health Act. The timing is right, as community and physicians' groups are also calling for expanded oral health coverage based on the tie-in with systemic health. You have to connect the mouth to the body. It is time to classify oral diseases such as caries and periodontal disease, or gum disease, as chronic diseases.

Third is public health human resources. We call for collaboration with the provincial and territorial governments to develop a comprehensive plan to fund oral health promotion and disease prevention public health programs. At the present time, there are almost 43,000 oral health care providers in Canada; however, only 700 are in public health, creating a ratio of 46,000 Canadians to every oral public health professional. The federal government must invest $10 million each year into a designated fund in order to double the existing 453 dental hygienists who practise in public health. It is a necessity to mobilize dental hygiene professionals in the public health system, as they are prevention specialists, oral health educators, and interdisciplinary collaborators.

Fourth is data collection and research. Oral health data are critical to developing oral health policies and programs, but we've had no new data for 30 years. The federal government must incorporate an oral health component into the oral health strategy every five years and expand the strategy to include infants, young children, adolescents at risk, and seniors.

It's important to survey children because early childhood caries is the most common chronic childhood disease and one of the main reasons that children receive a general anaesthetic. It's also important to survey seniors, as a large number of seniors are keeping their teeth as they age. However, physical and mental health complications, medication, and decreased dexterity significantly compromise their oral health.

The fifth area is first nations and Inuit oral health. Upon release of the first nations and Inuit oral health surveys expected early in 2011, the federal government must work collaboratively with stakeholders—

● (1600)

The Chair: You have one minute.

Ms. Palmer Nelson: —to develop a comprehensive long-term plan with secure and stable funding to address oral health issues.

We present two economic arguments that support a call for federal investment in oral health to create a cost-effective system with a prevention emphasis.

First, there are a group of individuals who do not have access to oral health professionals, and the burden of illness negatively impacts the economy. An estimated total of 40.36 million hours are lost from normal activities, school, or work each year because of problems with teeth.

Dental decay can be acute. It can involve chronic pain and interference with eating, sleeping, and general health. In addition, there is a connection between oral diseases and other diseases such as diabetes, lung disease, and heart disease. Access to oral disease prevention will lead to better productivity and a stronger economy.

Second, for the group of individuals who do have access to oral health care, it is costly relative to other conditions covered by medicare. For example, oral health care parallels prescription drugs as the greatest component of total private health spending.

The Chair: Thank you.

Just wrap up very quickly, please. You have five seconds to wrap up.

Ms. Palmer Nelson: The costs associated with the treatment of oral diseases are staggering. How do we reduce these costs? Two words: prevention and education.

The Chair: Thank you very much.

We'll now hear from the Canadian Alliance of Student Associations.

Mr. Zachary Dayler (National Director, Canadian Alliance of Student Associations): Thank you, Mr. Chair.

On behalf of our 26 post-secondary institutions across Canada representing over 300,000 students, we'd like to thank you and the members of the committee for inviting CASA here today.

Before we begin, I'd like to take a moment to remind the committee of the importance of investing in education. During the last federal election, the Prime Minister commented on our education system by saying "...with all of its challenges and problems, [it] is still a great unifier, a great equalizer, a great provider of opportunity, a symbol of some of the best things about our country".

We come before you today on behalf of students to propose smart solutions that will help address the challenges and problems of post-secondary education in Canada and help create a high-quality education system that is accessible, affordable, and innovative.

In a time of difficult choices, the government must prioritize investments in areas that will promote sustained economic growth and strong returns to Canadians. The recommendations we are advancing today are a series of high-return policy options for the federal government to ensure access to post-secondary programs.

To address what we have put on the table today, CASA recommends investments to strengthen federal support for first nations education, address unmet student financial need, and make books cheaper.

Canada's aboriginal peoples face persistent inequalities in employment, wage levels, and supported access to post-secondary education. Between 1971 and 2001, Canada's aboriginal population grew 322%, compared to 37% in the non-aboriginal population. Further, a larger proportion of the aboriginal populace is now of school age. Fifty percent of aboriginals are under the age of 25, while a third are under the age of 14. These numbers highlight the importance this demographic will play in ensuring that Canada has the labour force to grow and be competitive in the future.

To ensure that these important Canadians are prepared, we must give them the tools to improve their educational outcomes. CASA recommends that the federal government lift the 2% cap on spending to INAC's post-secondary student support program and ensure that the PSSS program is supported with the appropriate program delivery budget. Our estimates suggest that the government would need to initially invest $318 million, with a 5.6% escalator for annual growth.

Another challenge facing Canadians is the extraordinary debt of new graduates. For more than one in three student loan borrowers, however, the problem is the opposite: an inability to secure enough cash or credit to afford tuition, books, and basic costs of living. CASA is asking the federal government to increase the Canada student loan program limit from $210 a week to $290 a week, beginning in the year 2011-12. This increase will cover 95% of a student's financial need, compared to the current 66%.

The recession has been particularly cruel to students, who, on average, rely on employment for 40% of their college or university funding. Thirty-four percent of students are working while in study to help pay for their education. We are also asking that the federal government support working students by increasing the allowable in-study work income exemption from $50 to a minimum of $100 a week. The government could go even further to increase that to $200 a week, which would result in $81 million of new money for students at only a cost of $7 million to the government.

Finally, we would like to address the issue of parallel book importation regulations, an issue recently well presented by Campus Stores Canada. Supported through government legislation, textbooks in Canada have risen in price over the past 15 years by 280%. The importation regulations force retail book sellers to buy textbooks domestically at an inflated price and prevent domestic book sellers from capitalizing on more competitive prices elsewhere. If these provisions were eliminated, it would save close to $30 million annually for students alone, at no cost to the government. As a matter of perspective, the most recent reduction in the GST by one percentage point saved students $3.7 million on textbooks. CASA is recommending that the Copyright Act be amended to eliminate section 27.1, prohibiting the parallel importation of books from foreign distributors.

In closing, let me emphasize the importance of increasing the percentage of people pursuing post-secondary education in this country. By 2025, the number of persons retiring from the labour force will exceed newcomers by 34%. To continue funding in health and social services, we need to substantially increase the value of our workforce. If as a country we want to invest in ourselves and invest in our future prosperity, this committee will recognize education as a symbol of what makes Canada great, and that investing in education will build our human infrastructure and strengthen Canada's economic position.

Thank you.

● (1605)

The Chair: Thank you very much for your presentation.

Colleagues, we have about 50 minutes, I believe, for questions.

We'll start with Mr. Szabo. This is a seven-minute round.

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

To the Canadian Council of Christian Charities, I assume you are aware of Imagine Canada's proposal of a stretch tax credit. Their target is those who either don't give now or are modest givers. They're trying to get people to give something. To do that, they're proposing increases in the tax credit rates, but only to a limit.

Is that consistent with what you're proposing, even though you're not saying that there is a limit?

Mrs. Teresa Douma: Putting a cap on some of our proposals is certainly a way to manage costs. As we all are trying to increase resources available for charities, we have slightly different ideas. The stretch tax credit provides the 10% additional credit only on the increments, whereas ours would be a more significant incentive.

Mr. Paul Szabo: Okay. Thank you. I understand.

I have a question for the Association of Canadian Community Colleges. I am certainly very pleased with your report. I am very familiar with the correlation between level of education attained and employment rate, and also with income earned, for those who do have jobs.

In terms of the statistics, is this generally consistent equally across the country? Is there any province that is skewed in the numbers?

● (1610)

Mr. James Knight: No. These numbers are broadly comparable across Canada, absolutely.

Mr. Paul Szabo: You say “absolutely”. Okay.

You may want to look at Quebec. At the time I last looked at it—it's been a couple of years—the high school dropout rate was off the map in Quebec.

Mr. James Knight: I'm sorry. I misunderstood your question. I thought you were talking simply about the success of the graduates, but in high schools there is a difference.

Mr. Paul Szabo: Okay.

On the foreign student issue, I think a lot of people would like to understand a little better what promoting further attraction of international students means to the availability of university spaces to domestic students as well as to the costs of university.

Mr. James Knight: By the way, we represent primarily—but not only—community colleges. However, we have many universities that are members.

Foreign students pay very significantly higher tuitions—four or five times more—which more than covers their cost at the institution and leaves an additional amount for the institutions to reinvest in their programs and facilities and faculty. It's a very important revenue source. Some provinces are pointing to it as an option to public sector financing.

We think it's really important. We don't do well at this. We've lost a lot of market share to Australia and the U.K. We just need a little bit of support here to do this a whole lot better.

Mr. Paul Szabo: I agree with you 100%.

I'd like to turn to the Canadian Federation of Nurses Unions, particularly with regard to pharmaceuticals. My experience on the health committee and my other experience as a director of a hospital for nine years was that the cost of pharmaceuticals was going up dramatically for nominal or maybe even no apparent beneficial effect. That is troubling, and I don't think it's been resolved.

Have you, as an association, done anything to challenge the rise in cost of pharmaceuticals in Canada?

Ms. Pauline Worsfold: The only thing we've done is bring it to the attention of people in the positions of power. We've been saying that we're very concerned about this as well. We see our patients, residents, and clients paying out of pocket for drugs that, as you say, don't give any additional benefits, by the look of it.

Mr. Paul Szabo: Okay. It certainly is an area that we have to look at, because in health care I think we now pay more for pharmaceuticals than we do for the cost of doctors and nurses combined. Is that about right?

Ms. Pauline Worsfold: Well, the medications and physicians are the two most costly contributors to the health care system.

Mr. Paul Szabo: Finally, to the Canadian Nurses Association, we have to have a little conversation about where we're going. You mentioned investing $60 million for 10 years. When I was on the health committee in the late 1990s, one of the things we talked about was Nurse 2000. Are you familiar with that?

Dr. Judith Shamian: No.

Mr. Paul Szabo: This was the whole plan—

Dr. Judith Shamian: It must have been a while ago.

Mr. Paul Szabo: Well, it was nurses in the year 2000; first of all, it was in the millennium year.

It was basically that nurses were going to start to take over a lot of the activities that doctors had vacated. This was a very significant effort to restructure: to be able to prescribe, to give advice and counselling, and basically to hold a hand, which doesn't happen anymore.

Did that never happen?

Dr. Judith Shamian: Some of it happened, and where it happened the evidence shows that the nurses stepped up to it in a comparable way to physicians and others, if you look at the nurse practitioners movement, the investment that Ontario has made around nurse-led clinics, and so on. And in acute care, nurse practitioners work in collaboration with specialists, which allows a much faster flow of patients.

A couple of provinces are currently looking at prescribing. Nurse practitioners in primary care have prescriptive authorities, but not in the acute care settings. There are further discussions around nurses being able to discharge in acute care.

There's a lot more that nurses can do, and the research is there. It's being bogged down by provincial policies, and we could benefit from federal leadership. If we plan in a pan-Canadian way, across the country, we can go much faster than going one-off.

● (1615)

Mr. Paul Szabo: Thank you.

The Chair: Thank you, Mr. Szabo.

Monsieur Paillé, s'il vous plaît, vous aurez sept minutes.

[*Translation*]

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

I would like to thank you for appearing before the committee. As a parliamentarian, I know this is generally not done, but I am going to do it anyway. I would like to apologize to the first two groups. Indeed, when 80% of the government members are absent, it gives the impression that we do not take our work seriously. I felt somewhat uncomfortable listening to the Canadian Council of Christian Charities and the Association des producteurs de films et de télévision du Québec giving evidence before so many empty Conservative seats.

At a press conference today, the Conférence internationale des arts de la scène, or CINARS, spoke out against the impact of the draconian cuts made to the funding of international tours in particular. The $4.5 million cuts made two years ago have had rather powerful residual effects on culture. These people were not just told to stop travelling. An entire industry has been destroyed. Furthermore, we see that, after a year or two, if Quebec artists are able to obtain international contracts, they are asked if they will have the means to get there. We never know if things are permanent or not. On the other hand, we are dealing with foreign competitors who come here and who undoubtedly have the support of their governments.

The appearance of representatives of the Association des producteurs de films et de télévision du Québec allows us to take stock of the situation.

You say in your document that stability is needed considering the diversity of competition and the fragility of the industry. It seems that you have no stability at present. You mentioned improving the Canada Media Fund and support for international co-production, as well as “...funding for research and development in the audiovisual industry, which now has to produce on all platforms...”.

I wonder if you could talk about this in greater detail, because I am having a hard time understanding what your expectations are.

Ms. Brigitte Doucet: The exact expectations have not been quantified. Our industry, that is, the audiovisual industry, has no programs specifically for research and development. At this time, producers need to test business models for all digital media. It is a question of testing various ways to work, because at present, producers cannot produce solely for television; the conception of a product must allow them not only to distribute it on other platforms, but also to ensure that they complement one another. Thus, there are parts within each platform, and in order to be successful... Actually, I do not believe that anyone already has all of the necessary expertise at this time. Some people have some of the expertise, and we are trying to get everyone to share them, but I think there have been many new developments. When I say research, I mean testing new business models and new ways of conceiving products. I do not know if that answers your question.

Mr. Daniel Paillé: So you want money to be invested specifically for that, just as you would like $15 million for film and $5 million for—

Ms. Brigitte Doucet: In research and development, tax credit programs do exist for labour and there are some specifically for information technology. We believe it is the same kind of principle. These people need to do research and development to become more knowledgeable and perfect their fields. We would like to see our field integrated into an existing tax credit program, or a new program created to meet the needs of the audiovisual industry.

● (1620)

Mr. Daniel Paillé: Regarding the funding of co-production, you say you would like $30 million “without further delay”. So there is some urgency to this. Why did you specify “without further delay”? You do not want to wait for the rest of it, either, but you seem to focus more on this.

Ms. Claire Samson: Because when it comes to co-production, the industry has already been waiting too long. Canada is losing very important, very beneficial international contacts. Indeed, our producers are no longer appreciated as partners with foreign producers, since our system is too bureaucratic and because of the lack of funding.

Let me give an example. The various member countries in the European Economic Community have reached co-production agreements that include excellent tax incentives, with which Canada simply cannot compete. Yet co-production is very important for Canadian producers, because it takes Canadian productions around the globe. Furthermore, from a purely economic standpoint, this brings new money into Canada, money that we would not bring in any other way. This represents a considerable financial and economic advantage and is extremely beneficial on a cultural level.

Mr. Daniel Paillé: I have about a minute left. I would like to ask you a question about the Canada Media Fund. You want distributors —for instance, Vidéotron, Cogeco, Telus, Bell and Rogers—to become involved, and that is where you would like to get new funds.

Ms. Claire Samson: Vidéotron and Cogeco are already involved, for their cable television services.

Mr. Daniel Paillé: Okay.

Ms. Claire Samson: They contribute from their cable TV revenues.

We have always asked ourselves this. Now, at the government's request, all content produced with the Canadian Television Fund must be distributed on all platforms. Of course, many of these cable providers are also Internet services providers—Vidéotron, Bell, and so on.

Mr. Daniel Paillé: I was hoping you would clarify that.

Ms. Claire Samson: So why do they not contribute to the Canada Media Fund, to increase its revenues? After all, they benefit fully from the content they broadcast.

Mr. Daniel Paillé: Thank you very much.

The Chair: Thank you.

Mr. Généreux, go ahead please.

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

Ladies, I was present during your presentations and your comments. My first questions are for you.

Ms. Douma, what could possibly justify raising the federal tax credit from 29% to 42%? Why not set it at 32%, 35% or 38%? Why should it jump from 29% to 42%?

[*English*]

Mrs. Teresa Douma: The increase to 42% is a substantive increase; there is no mathematical basis for it. There is a parallel with the provincial increase in Alberta. There was a substantive increase there, roughly the same amount, which had a significant increase in giving, statistically.

There's no other basis than just wanting a substantive increase to increase the amount of resources available for charities.

[*Translation*]

Mr. Bernard Généreux: Can you estimate what such a possible tax credit increase, from 29% to 42%, would mean for the government, in terms of money, taking into account all the donations that have been made to all of your members in the last year? Can you calculate that?

[*English*]

Mrs. Teresa Douma: I don't have the figures precisely for our own members. I understand it's been estimated by the Department of Finance that this would cost approximately $900 million.

If, as Cardus will propose, this was implemented only for donations over $450, the cost would be reduced to under $500 million.

[*Translation*]

Mr. Bernard Généreux: Okay.

Would it be possible to provide us with those figures? Could you please ask your organization to forward them to us, through the proper channels?

[*English*]

Mrs. Teresa Douma: Yes.

[*Translation*]

Mr. Bernard Généreux: Ms. Samson and Ms. Doucet, the world of television and information technology has evolved considerably and very rapidly over the past few years.

Just 10 years ago, we seemed to be a little behind, but I think we have caught up relatively quickly, especially in Quebec. Not to flatter my Bloc Québécois colleagues, but the Parti Québécois established some extremely ambitious measures in the early 2000s, particularly regarding tax credits for information technology. As a result, Quebec has become an extremely dynamic province in the area of research and development.

Of course, there is a lot of talk about videos, especially in the metropolitan areas of Montreal and Quebec City. Did that not affect you? I have been seeing more and more Canadian and Quebec content, in particular, and for some time now.

● (1625)

Ms. Claire Samson: I think Quebec productions continue to enjoy a lot of attention from Quebec audiences. Unfortunately, its success has never been equalled in the rest of Canada. That is still true.

Yes, the Quebec government has demonstrated a great deal of economic leadership over the years concerning cultural productions in Quebec, and this has proven fruitful, I must say.

Of course, Quebec's international market potential is limited. Few regions are interested in our productions. More and more, we seem to be selling program formats, but very rarely integrated contents.

Quebec is doing relatively well, for the time being, thanks to industrial strategies that are proving fruitful. That is why we are asking the federal government to show some leadership and to extend the tax credit to production costs related to other platforms that we also now have to use, in accordance with Canada Media Fund guidelines.

Ms. Brigitte Doucet: I would simply like to make one small clarification, if I may.

Yes, there is a tax credit in Quebec, but only in multimedia. It requires interactivity and multimedia producers who produce games and who produce something big like that. As for audiovisual, I assume you are perhaps referring to linear videos, that is, web series, which have become very common on the Internet.

Mr. Bernard Généreux: In terms of content, in Quebec, I think that—

Ms. Brigitte Doucet: There are some.

Mr. Bernard Généreux: We need only think of TOU.TV. The sharing of content—

Ms. Brigitte Doucet: Yes.

Mr. Bernard Généreux: —has become extremely diversified and increasingly common.

Ms. Brigitte Doucet: Yes, that is exactly it.

I simply wanted to point out there has been no research and development in this area.

Mr. Bernard Généreux: If I may, I quickly calculated the total of what you are asking for. It comes to about $80 million or $90 million, over a variable period. If you had to set one absolute priority, what would it be? As I am sure you are aware, we are going through—

Ms. Claire Samson: If I had to choose one absolute priority, I would say that the issue of co-production is one that certainly deserves some attention in the short term. The Feature Film Fund budget also needs to be reviewed. That amount has not been indexed for years.

Mr. Bernard Généreux: Okay, thank you. I would now like to speak to—

The Chair: You have one minute left.

Mr. Bernard Généreux: Okay.

Mr. Knight and Mr. Dayler, you both represent students. You both —probably without consulting one another—talked about first nations. Regarding first nations education, a march was held on Parliament Hill to demand more funding for post-secondary education, particularly, for first nations groups.

Mr. Knight, in the report you tabled, it also talks about immigration as a possible solution. The combination of immigration and first nations post-secondary education is probably not the only way to solve the problem of employability.

[*English*]

The Chair: Okay.

Mr. James Knight: What I drew attention to were the demographic challenges that Canada has and the reality that employers will not find the skills they need to carry on their businesses. There are a number of solutions to that problem. One is immigration—that can do something for us, not a lot, but something —and certainly ensuring that our fastest-growing demographic, our aboriginal population, is more successful in education. Currently, the number of aboriginal post-secondary graduates is falling, not increasing, and that is shameful, simply shameful.

● (1630)

The Chair: Be very brief, sir.

Mr. Zachary Dayler: In terms of our comments, obviously we're facing a major shortage in our labour force and in making sure that the fastest-growing demographic, that being our aboriginal populations, is educated and trained to the level that they need to be to compete and help us move forward in facing that challenge.

The Chair: Thank you.

Mr. Cullen, please. You may have a seven-minute round.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Thank you, Chair.

Thank you to all our witnesses. You've done a commendable job of trying to pack so much of what you're hoping for into such a reduced time.

I sometimes reflect on the process we use here in the federal government to get information about how to solve some of the country's challenges this way. We do a pre-budget consultation in my riding just through my office, and we try to get at things with more of a problem-solving initiative: take the problem and then have everyone get around the table. I sometimes lament that we don't have something similar for us federally. It's a big country and all the rest, but if you have any comments on process, feel free to throw them in with your answers to this question.

Mr. Knight, picking up on my colleague's question about first nations graduation rates, there's a college in northern B.C. called Northwest Community College. You may well know Stephanie Forsyth. She has since moved to Manitoba, but she had a lot of success in increasing participation of first nations.

What's the single greatest impediment right now? You talked about graduation rates falling for first nations students, yet as identified by CASA, this is a growing demographic and one that needs to be addressed. What's the single greatest barrier in the college experience that keeps first nations students from completing their studies?

Mr. James Knight: Well, there are many. One is poor K to 12 education. Another is financial, and that's what we spoke to. Another is cultural—ensuring that the cultural facilities in the institution are welcoming and reflect the aboriginal need.

I want to say that a number of colleges have done very well with aboriginal post-secondary education. You've mentioned Northwest Community College. I would add several others, but I'll tell you that Red River College in Manitoba has a higher aboriginal participation rate than the population would justify, and it's not alone.

We've worked very hard at this file, and there are success stories, absolutely, but there is still a very long distance to go.

Mr. Nathan Cullen: It would be something worthwhile, at least to folks like me, if some of those trends and models could be picked up and then implemented, particularly when speaking to government —and I know the colleges talk—speaking to the financial services that government offers, the mechanisms that the government actually controls.

Turning to my friends at CASA here, I'm looking at a number of your requests. How would you characterize the trend for students and their loan payments? Take the last 10 years, if you want to look at a specific timeframe. Are we trending up or are we trending down? Are students leaving school with more money owed to the banks or less?

Mr. Spencer Keys (Government Relations Officer, Canadian Alliance of Student Associations): It's essentially two things. One is that there's definitely more debt out there, and that has been steadily rising for a number of years. We have seen some very good investments, such as the Canada student grants program, to continue the grants that are out there for students. But debt is rising.

We're also seeing that a number of students are in fact taking loans from the government, and the number of those who are defaulting on those loans is going down. It's still around 16%, which is a large number, but there has been some decrease over the last few years.

Mr. Nathan Cullen: That last point you make is interesting. I would suggest that there's a general dialogue out there that students are not good at repaying their debt, that they tend to default more than average Canadians, that they're not good borrowers.

Getting back to your requests, you talked about increasing the loan limit. I'm surprised that there wasn't something in your brief that talked more about the grant portion. If we're trending towards higher debts and students are leaving it, we know that's an encumbrance upon the general economy. They tend to buy fewer things and tend to make career choices that are not optimal, in order to service the debt.

Why would you ask for more debt rather than seek more grants?

Mr. Spencer Keys: That's certainly a good question.

There are two issues. One is how much debt you have at the end of your education. But first, do you have enough money to simply start your education? We mention in our brief some of the effects of the recession on student employment. Student unemployment is up 24% over the pre-recession period, so you have a number of students who simply do not have enough money to even start their program.

That's one problem, one barrier: how do we get people to actually begin the program? There's the new repayment assistance program. That, we think, is going to help with people who have larger amounts of debt on the back end, but we certainly would associate ourselves with anyone who wants to put more grant money out there. We think there is an acute issue.

● (1635)

Mr. Nathan Cullen: It's an interesting and I think important story.

Ms. Worsfold, you mentioned a national pharmacare program. I can see how it would have some tangential benefits to the experience of your average nurse going to work, but it's not a request to pay more nurses more money. You're not doing something that's directly affecting and benefiting your members. Why make that one of your few requests?

It's expensive as well. How have you folks come to rationalize that request as being a top priority for nurses in the health care system? Secondly, how can you rationalize the cost and say that overall this is a worthwhile cost for government to incur?

Ms. Pauline Worsfold: The paper I referred to actually says we could save $10.7 billion—save it. It's not going to cost us that much money.

You're right, we're not asking for more money for nurses, even though we need more nurses. I think with the cost savings with a pharmacare program we could look at areas that have been neglected over the years, including long-term care, home care, mental health, and those types of things.

Mr. Nathan Cullen: Thank you.

What would the barrier be then, if you had to guess, to government accepting this recommendation? I'm sure the current government is into saving money, outside of G-8 things—

Voices: Oh, oh!

Mr. Nathan Cullen: —and is into helping people in those categories that you mentioned—home care, mental health, and what not. Is it philosophical? Is it ideological? Is it the appearance that this is just going to cost more rather than save money? What's preventing government from getting better service to Canadians and better health care, while saving the taxpayer money in the process?

Ms. Pauline Worsfold: Isn't that supposed to be my question?

Voices: Oh, oh!

Mr. Nathan Cullen: You deal with the government; you make these requests. It's logical what you've laid out. There's evidence; other countries have done this. What do you guess? Take a wild stab in the dark as to why the government resists this.

Ms. Pauline Worsfold: I think because it's a multi-jurisdictional issue. That is the biggest challenge, because the federal, the provinces, and the territories all have to agree. I would say that is one of the largest barriers at this point in time. I think with bulk purchasing, doing things.... In Alberta I know we have done that. Instead of each jurisdiction buying their own medications, they've gone to portions of the province doing bulk buying in order to drive costs down. But I think it's multi-jurisdictional.

The Chair: Thank you very much.

We'll go to Mr. Brison, please, for a five-minute round.

Hon. Scott Brison (Kings—Hants, Lib.): Thank you very much, Mr. Chair, and thanks to each of you for your presentations.

It struck me, both on the health care side and on the education side, that the repeated theme is around the demographic shift and the importance of us building public policy that will prepare Canadians for the shift, both economically and socially—because of the impact on our productivity, when currently 44% of Canadians don't participate in the labour market. That figure will rise to 57% by 2026.

I'd like to start on the education side. Right now our policies are built around someone getting an education at community college or university, graduating, and then going into the workforce. We really have very little in terms of public policy beyond that. What should we be doing in terms of building public policy for higher education, in terms of the capacity to educate, re-educate, train, and retrain throughout one's life in order to adapt for these shifts that are going to be upon us? I'd be interested in your thoughts in terms of some of those long-term policies.

Mr. James Knight: I find learning is absolutely critical in a world that changes so quickly and in an economy where we really can't predict what the jobs of tomorrow will be.

One of the things that colleges do, I think reasonably well, is keep in touch with employers and try to stay on top of trends. In this respect, cooperation with Human Resources and Skills Development Canada is really critical. At the end of the day, the reality is that in this time of economic stress, our partners, the provinces, typically are reducing funding when really they should be increasing it quite dramatically. It's an area of provincial jurisdiction, yet the federal government historically has played a very important role in times of difficulty. My submission is that it is now a time of difficulty, and in this field we need stronger engagement with the provinces, civil society, and employers. Employers, particularly, are already telling us—and we heard it moments ago—that their future is bleak. They do not know where they will find their workers of the future. They do not see them coming.

● (1640)

Mr. Paul Brennan (Vice-President, International Partnerships, Association of Canadian Community Colleges): I'd like to add just one other point. I think some fiscal incentives to companies that would encourage them to free up their personnel to be able to upgrade their skills and reward them for doing so would be an enlightened measure. Quebec has done this to a certain extent in terms of a tax that encourages training, but I think we need to make it easier and encourage our businesses to upgrade the people they already have.

Hon. Scott Brison: We do have some exclusively federal tools, like EI, for instance, and the federal tax system, which can be used to provide greater capacity.

I appreciate it. Also, of course, Acadia University is a great member of CASA.

Mr. Spencer Keys: Now, to steal the thunder away from an Acadian....

I would say there are two quick things that immediately come to mind. One thing is part-time student loans. The federal government does provide those, but they're not very good. Certainly, there was a former director of the Canada student loan program who didn't understand how people even got to the part-time student loans because economically it made more sense to go to the bank.

The second one is something as basic as a car. If you have a car, that's counted against how much of a loan you can get. The average car is more valuable than the total amount of loan you can earn, so if you own a car, you can't really get anything.

These are just a couple of examples of the kinds of policies that could help people who are already in the workforce who need to have a more flexible learning arrangement.

Hon. Scott Brison: Okay. I appreciate that.

This is a question in terms of the home as a centre for health care and the movement beyond the hospital-focused care and the home. What kind of public policy should we be introducing in terms of EI for family caregivers, and also potentially through the tax system, family caregiver tax credits? What should we be doing?

Dr. Judith Shamian: There were a couple of recommendations that I discussed with the committee when I was here two weeks ago, and they looked at several things. Under the ceiling of tax rebate, currently if you earn more than $18,000 you are unable to claim any of the caregiver expenses. Well, $18,000 doesn't take you anywhere.

The other issue of discussion has been around pensions. If you are taking time off for caregiving functions, you are really compromising the pension levels. We already have a model in child care and other areas where that can be attended to.

Overall, as we look at retaining older workers, we need to look at what kinds of tax systems we can put in place in order to make sure they stay in the workplace longer and we continue to be a productive society, in health care and otherwise.

So the whole notion of health human resource planning, which includes older workers, family caregivers, including voluntarism, all of those areas that build into health care, needs to be examined from the financial and other perspectives.

The Chair: Sorry, we're about a minute over time.

Monsieur Carrier.

[*Translation*]

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

Good afternoon, ladies and gentlemen.

I would like to point out certain problems related to the division of powers between the federal government and provincial governments. I will begin with the Canadian Federation of Nurses Unions.

Ms. Worsfold, in your first recommendation, you call on the government to “establish a basis for federal leadership in the creation of a national universal pharmacare plan”. Such a system has been in place in Quebec for a few years, and it works very well. Also, at the beginning of your presentation, you said that Quebec's nurses unions are not part of your association.

I was wondering if you are at least familiar with Quebec's system and if that is the model you would like to implement across the country. You said you represent 138,000 nurses in all provinces. You are hearing the same story from across the country. Have the nurses asked for the creation of a pharmacare program in their respective provinces? Although health care is a matter of provincial jurisdiction, are you asking the federal government to impose such a system on these unwilling provinces because the nurses asked them and they refused? You are proposing that the federal government interfere in an area that does not fall under its jurisdictions.

I wonder what your thoughts are on that.

● (1645)

[*English*]

Ms. Pauline Worsfold: I'm not intimately familiar with the pharmacare program in Quebec. We do hear from our members across Canada. You're right, the nurses in each of the provinces, through their provincial unions, speak to the Canadian Federation of Nurses Unions. I also said at the beginning that we are “*sans* Quebec” for now, as we are in ongoing discussions with the nurses in Quebec about joining the Canadian Federation of Nurses Unions. We have a good liaison relationship right now with FIQ, the nurses and health professionals union in Quebec.

I'm also aware that B.C. and Ontario have some type of health plan currently. But again, I'm not the expert; I'm a nurse, a working nurse. But our experts, in this book on universal pharmacare, *The Economic Case for Universal Pharmacare*, and the author, Marc-André Gagnon, have a pretty strong opinion about being able to do this across all jurisdictions.

[*Translation*]

Mr. Robert Carrier: I am surprised to hear you say that you did not know about Quebec's pharmacare program. You said you have a good relationship with the Quebec nurses union. You are proposing something that you did not know already exists in Quebec. It is a service that Quebec decided to provide. In my opinion, this clearly shows a lack of respect for provincial jurisdictions in the area of health care. The federal government wants to interfere in this jurisdiction.

I have one minute left. I would like to ask another question on a different topic. My question is for the representatives of the Association of Canadian Community Colleges. I noticed more or less the same problem regarding your recommendation on page 3. You say you want to, and I quote:

> Launch a national dialogue with provincial...governments, educational institutions,...to develop an action plan to increase employment participation rates...

As you know, that is also a matter of provincial jurisdiction and the provinces each have their own plans. I assume there are education ministries in each province. Is it the federal government that will negotiate this?

[*English*]

The Chair: Okay, and your question is?

Mr. James Knight: Thank you for the question.

The federal government has had many vehicles for participating in education that have been accepted and welcomed by all provinces. Recently, Quebec welcomed the knowledge infrastructure program and the college and community innovation program, and the province participates in federal financing arrangements for students —and of course the aboriginal file is a heavily federal file. There was as well an increase of $800 million recently to the federal health and social transfer targeting education, and that money was welcomed by Quebec.

So respecting the jurisdiction, there are, nevertheless, mechanisms of engagement that have been historically important.

The Chair: Thank you. *Merci.*

Mr. Hiebert, please, for five minutes.

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

The first question is for CASA.

I'm glad you raised the issue of books. We've heard, as you mentioned, from Campus Stores Canada, who raised the issue as well. It seems pretty straightforward.

I just noted in one of your footnotes here that the original legislation or regulation was primarily intended for two publishers, General Distribution and Pegasus Wholesale, who are no longer in business. Do you know how that was in fact the case, that they were the intended recipients of these regulations?

● (1650)

Mr. Spencer Keys: That has come through conversations with Campus Stores, but certainly our understanding at the time was that those were the two major domestically owned distributors that were importing books at the time.

Mr. Russ Hiebert: Okay.

Going to the issue of student loans, you note the “perverse incentive”, as you wrote, “where the more a student works, the more their student loan is diminished”. Obviously that's a clear disincentive, but after a student loan has been disbursed, how would the program reduce a loan once they found out the student was working?

Mr. Spencer Keys: That's actually one of the additional problems with it, which is that it really ends up targeting only those who make a prediction about how much they're going to earn, rather than actually relating it to their income level. So if you were generous about what you thought you might earn, that's going to punish you more than a person who thinks they're not going to work at all.

Mr. Russ Hiebert: So it's part of the application?

Mr. Spencer Keys: Yes.

Mr. Russ Hiebert: Okay.

Mr. Knight, you rightfully point out the demographic challenges we're going to be facing moving forward, and I appreciate your recommendations about increasing participation rates among all groups.

You mentioned, at least in this document you provided to us, that “Tens of thousands of qualified students are turned away” in a given year at a time when we're trying to increase student participation rates among a whole group of individuals. You later recommend that we put more money into increasing the attendance of international students.

So how do we balance that? Do we want to have more domestic students who are not now participating—and yet you're calling for us to spend $22 million to invite more international students?

Mr. James Knight: Well, capacity limitations are a really big problem. Some provinces have turned away thousands and thousands of qualified students from colleges, because they are at capacity. The increase in enrollment this year was quite dramatic, and that's both a good thing and a bad thing. So capacity limitations are quite severe, and obviously that calls for more investment.

But on the international side, those students come with very big tuition fees attached to them—three, four, or five times what a Canadian student would pay—and that allows for capacity growth. There's an asset here. They pay fees that allow for the institutions to hire faculty, and maybe even expand capital equipment. So that's the inducement.

There's great pressure. The Government of Ontario admitted that it wants more international students, because they don't want to continue funding their post-secondary institutions at the same level. They see that as a real benefit for everyone.

Mr. Russ Hiebert: So you're saying that the more international students who come, the more spaces there will be for domestic students, if the government takes the revenue and translates it into more spaces?

Mr. James Knight: That's because the resources will allow for an expansion of capacity. I don't pretend this is going to be easy and there won't be tensions, but we have to go somewhere for support.

Mr. Russ Hiebert: Do you know what percentage of international students stay in Canada after they finish their education?

Mr. James Knight: Well, that's the other side of the coin. With the new experience class for immigrants, they will have much more opportunity to remain in Canada, which does address the demographic challenges that we point out.

Mr. Russ Hiebert: So you don't have any percentages?

Mr. Paul Brennan: It varies depending on the levels. It's increasing, but it's somewhere around 20%.

Mr. Russ Hiebert: The other recommendation you make is to improve the credit transfer arrangements between universities and colleges and across jurisdictions, making it more efficient for students to find a pathway to graduation. I think that's a great point.

Is there a role for the federal government to play in those arrangements between universities and colleges and across jurisdictions?

The Chair: Just a brief response, please.

Mr. Paul Brennan: Yes, I think there is a role to play in facilitating the dialogue between the provinces and the various jurisdictions to build those bridges and pathways, in the same way that in the red seal program, each province is responsible for the trades training and for accrediting their trades people. But the federal government, with the provinces, then developed a common red seal program that everybody then accessed, allowing the trades people to move from province to province with their accreditation and to get recognized. So that convening role of the federal government was critical.

● (1655)

The Chair: Thank you.

We'll go to Mr. Pacetti, please.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Thank you, Mr. Chairman, and thank you to the witnesses for appearing.

[*Translation*]

I would first like to quickly address the representatives from the Association des producteurs de films et de télévision. I returned a copy of your document, so that it may appear in the official record, because for me personally, I generally find it easier to read documents in English. However, I noticed that the English version and French version are vastly different. I would like to perhaps discuss at least the first point on research and development, because I find that interesting. You say funding is needed for research and development in the audiovisual industry. That is not written anywhere in the English version of the document.

Ms. Claire Samson: I think we may have shed some light on the mystery. The French version that you have is indeed what we presented here this morning. If you look at the English version, it says: “2009 pre-budget consultations”; it is our document from last year.

Mr. Massimo Pacetti: Okay. We will try to get it translated. There is no problem as far as translators are concerned. They have more than 400 briefs to translate. I wanted this at least to be entered into the record.

As far as research and development is concerned, are you saying that companies that have turned to digital production are not eligible for subsidies? Is that what you are saying?

Ms. Brigitte Doucet: Companies that work in the audiovisual sector, movie and television producers that have to work on other platforms, are not eligible for now. This applies to people who development games, video games or other types of web sites, but it does not apply... I have gone over the programs and none apply to audiovisual production.

Mr. Massimo Pacetti: Okay. Is there a large percentage that is not eligible?

Ms. Claire Samson: Anything produced for new platforms that is a spinoff from a television show or a feature film, is not eligible for this funding.

Mr. Massimo Pacetti: Okay. Thank you.

[*English*]

Just quickly to the Canadian Dental Hygienists Association, I always get the cleanup. I always get to ask questions of whoever hasn't had a question, so it's going to be quite easy.

You're asking for $10 million. I know a couple of years ago when we were in a surplus, we were probably going to focus more on pharmacare and dental health and other areas where the federal government can help in terms of health issues. In your brief you're saying $10 million is going to go a long way or is going to help out. How do you get to that number of $10 million? That's the easy question.

I only have a limited amount of time, so if you're going to argue about who is going to go, I'll just move on.

Ms. Palmer Nelson: I just received figures that in terms of oral hygiene promotion and disease prevention limited to seniors, children, and low-income individuals, medicare could expect to pay $3.5 million. So Judy can explain where she got the $10 million figure.

Mr. Massimo Pacetti: But where will that savings come from? Will it be at the health services end or will it be in going less frequently to the dentist, at what stage, or is it throughout a lifetime?

Ms. Palmer Nelson: I believe it's at the health services end, yes.

Mr. Massimo Pacetti: Health services.

On page 4 of your brief you indicate,

> Until this year, Canada had not collected oral health data for thirty years.

So the tough question is, how do you make that calculation if you haven't collected the data?

Ms. Palmer Nelson: The Canadian health measures survey has just been released with the oral health data. We're still looking for the data from the Inuit nations and the aboriginal peoples. That's going to come out in January 2011, so we can make more recommendations based on that.

We would like to see oral health surveyed every five years. We don't want to wait every 30 years.

Mr. Massimo Pacetti: In terms of setting up a national strategy, would the provincial governments, to your knowledge, be willing to participate in such an endeavour or such a proposal?

Ms. Palmer Nelson: It's interesting. I've been a practising dental hygienist for 20 years in Newfoundland and Labrador, and there is no public health hygienist in the province. The federal government spends close to $5 million to $7 million a year on treatment, particularly for the Inuit, and they fly children into St. John's and extract all their teeth by the age of four—

● (1700)

Mr. Massimo Pacetti: Good for you.

Ms. Palmer Nelson: —and have to provide denturists and dental care for these children, and it's an ongoing situation.

There is no provision for public oral health care in Newfoundland and Labrador, yet the federal government spends money on public health for seniors in P.E.I., and they don't have to spend as much money on the treatment as a result of the prevention and the promotion of good oral care for seniors. Those are just two provincial examples.

Yes, I think there are opportunities. Dental hygienists have also become self-regulating, and we're able to go into homes and communities to do that. So we're looking for some funding.

The Chair: Thank you very much.

Thank you, Mr. Pacetti.

[*Translation*]

Thank you everyone. I want to thank you for your presentations and for answering our questions.

[*English*]

Colleagues, we will take about a two-minute break and we'll have the next panel come forward.

Thank you all.

● (1700)

(Pause)

● (1705)

The Chair: I'll ask everyone to find seats, please. We'll begin our second panel. We are discussing our recommendations for the pre-budget consultations for 2010-11.

We have another seven organizations for this panel. We have Encana Corporation; the Royal College of Physicians and Surgeons of Canada; the Building and Construction Trades Department, AFL-CIO, Canadian office; the Canadian Association of Petroleum Producers; the Canadian Public Works Association; the Canadian Wireless Telecommunications Association; and the Association of Universities and Colleges of Canada.

I'll ask each of you to speak for a maximum of five minutes during your opening presentation. We'll start with Encana Corporation.

Mr. Eric Marsh (Executive Vice-President, Encana Corporation): Good afternoon, Mr. Chairman and members of the Standing Committee on Finance. My name is Eric Marsh. I am executive vice-president of Encana Corporation. Along with my two vice-presidents, Wayne Geis and Sam Shaw, it is my honour to address this committee.

Today we are proposing that the Government of Canada become a leader in a transportation policy that will offer an innovative solution to growing our economy, creating jobs, lowering emissions, and generating government revenue. We believe that with strong government leadership and the use of natural gas throughout the transportation sector, Canada would quickly marry the environmental benefits of natural gas with widespread economic growth and job creation.

Why choose natural gas? It's clean, affordable, and abundant. Natural gas emissions are lower than those from diesel or gasoline, so it's the right choice to achieve our emissions targets. Natural gas is abundant, and now discoveries of shale gas across Canada make it a resource that eastern and western provinces can develop and utilize.

The following proposal offers a long-term solution that would generate benefits through virtually every sector of society. We have summarized our plan on one page for the committee's convenience.

Encana is requesting that the federal government adopt and invest in a natural gas transportation policy for all of Canada. This policy has three measures that we will be requesting be in Budget 2011.

First, we request that the government make strategic investments by providing fiscal incentives to purchasers of natural gas vehicles in the heavy-, medium-, and light-duty ranges for fleet applications. These investments would help to reduce the substantial cost difference between natural gas vehicles and their diesel or gasoline equivalents. In addition, these investments would help to offset the business risk for early adopters who convert to using a cleaner, more affordable domestic fuel. This support could be in the form of a tax credit, a capital cost allowance modification, or a grant. We believe a declining per unit value incentive program should last 10 years to achieve the revenue generation, job creation, and emissions reductions that will be the hallmark of a successful program.

Second, tax credits for grants that assist with manufacturing and research and development could position Canada's auto sector as a global leader in natural gas vehicle manufacturing. This assistance would facilitate the introduction of expanded consumer vehicle choices, economies of scale, and technological improvements to reduce the cost of vehicles in increased spinoff companies developing new business opportunities.

Finally, to ensure consumer confidence, Encana would propose that government exclude any excise fuel taxation during the program. The incentives we are recommending are available in other jurisdictions, and the evidence is clear that adoption is accelerated when government participates in new industry. As many of you know, Quebec has adopted a provincial-level program. As a result, Robert Transport recently announced the purchase of 180 natural gas heavy-duty trucks with engines produced by Westport Innovations, the Canadian-based world leader in natural gas powertrains.

Our modelling demonstrates that government investment in this project would become revenue neutral within five years and would achieve investment payout within eight years through revenues generated by increased royalties and taxation. Cumulative government revenues would equal approximately $6.5 billion by the year 2025. Our estimate shows that the total government investment would average less than $300 million annually over the first five years of the program. This project would create 70,000 new jobs in all sectors of the natural gas vehicle value chain, including resource extraction, technology, and vehicle and equipment manufacturing infrastructure.

The impact of growing Canada's natural gas economy will be profound, but we must act to seize the opportunity. As oil prices continue to rise, gas prices remain low and stable, and this is expected to continue for the foreseeable future. The new abundance of natural gas will provide price stability and ensure affordability for future use as a transportation fuel with lower operating costs.

This government investment proposal will create jobs, return revenues, and drive down emissions. Encana looks forward to working with industry and all levels of government to help this nation realize this opportunity.

● (1710)

Thank you. We look forward to your questions.

The Chair: Thank you for your presentation.

We'll now hear from the Royal College of Physicians and Surgeons of Canada.

Dr. Andrew Padmos (Chief Executive Officer, Royal College of Physicians and Surgeons of Canada): Thank you, Mr. Chair.

My name is Andrew Padmos. I'm a physician specialist in hematology and the chief executive of the Royal College of Physicians and Surgeons of Canada, an organization created by a special act of Parliament in 1929 to represent the public interest in choosing and defining “specialists” in medical and surgical practices. We have 42,000 members, 30,000 in active practice in Canada. We're known for setting standards in the public interest and overseeing the education and certification of all specialists, with the exception of our colleagues in family medicine.

It's my privilege today to expand on four recommendations in our brief: firstly, to create a pan-Canadian health human resource observatory to leverage our human resource investment in health care; to support the further invigoration of research to retain thought leadership in this huge and important industry; to support leading innovation to develop leading practice that is going to improve the efficiency and effectiveness of health care; and lastly, to dignify our aboriginal peoples to provide a continuum of health care as a model supported by the federal government, a model expected by all Canadians.

Our first recommendation concerns an observatory for health human resources. Our colleagues from industry and business would consider it laughable, if not catastrophic, to see an industry the size of health care, nearly $200 billion a year, that expends literally nothing on tracking its most expensive resource—that is, the health human resources in our personnel, and not just physicians but all categories—although we spend 70¢ of every health care dollar on personnel costs.

We're facing incredible changes in the health care environment and we have no means to track the directions or the ramifications of these, including a great sucking noise from the south of us because of the health care improvement act in the United States. They look to Canada as the best and most able source of health human resources to fill a huge gap they have.

We also have expended very little time, energy, or effort on deciphering what the impact of electronic tools and resources will be in health care. We know a little bit about Google Health, but we don't know very much about when the electronic records will be established in Canada for all practitioners and all patients.

We want to ensure that Canadians have the best of health care through innovation and research, and yet our investments in health care research fall far behind those of our neighbours to the south. The importance of this also impacts on health care human resources, because now there are over 3,500 Canadian-trained Canadian physicians in the United States, where they have taken up residence because of the improved opportunities for research and for practice.

We'd like to promote innovation in health care and recommend the establishment of a body at the federal level, working in a pan-Canadian environment, to boost productivity and to examine and disseminate information about leading practices. Again, our colleagues in the United States have invested heavily in this area, and we have some examples in our provinces, such as the Saskatchewan Health Quality Council, which has adopted collaborative methods. These are spreading in other provinces as well.

Lastly, we want and we call for investment in the health and well-being of Canada's aboriginal peoples. We invite you to consider a community near you where heart disease occurs one and a half times more commonly than in your family home; where diabetes is three to five times more prevalent; where tuberculosis occurrence is ten times more likely; where the life expectancy of women is less than that of other groups of women by six years; where infant mortality is twice that of the general population. These figures are a stark reality in a call for federal action. The government's $285 million commitment to aboriginal health initiatives in Budget 2010 isn't enough. We ask that the government extend its support for the aboriginal health human resources initiative funding, which was announced in 2010, beyond its two-year term, considering the long lead time required to make these recommendations come forward.

Thank you for the opportunity. We look forward to any questions you might have.

● (1715)

The Chair: Thank you for your presentation.

We'll now hear from the AFL-CIO, please.

Mr. Robert Blakely (Director, Canadian Affairs, Building and Construction Trades Department, AFL-CIO, Canadian Office): Thank you very much, Mr. Chairman.

With me today is Mr. Chris Smillie. Mr. Smillie, from my office, has cufflinks today, which is explained by the fact that, first, his mom is going to be watching today, and second, he had to beg them from me in order to be here.

Thank you very much for the opportunity. We'd like to say to the committee that we've made pitches here in the past. Thank you for the stimulus program; it put a lot of our people to work. We're not here to beat that one to death.

A number of presentations that have been made to you or will be made in this cycle will talk about labour supply issues. Labour supply issues, at a time when you can't pick up a magazine or a newspaper in this country without reading about skill shortages, are going to affect us in the near run.

We have a mobility problem in our industry, the construction industry. The truth is, we have enough people to do the work, but we don't have enough people who live in the provinces where the work is, and the work is of such a short duration that it's neither reasonable nor feasible for people to move their homes and families for a two- or three-month job.

Labour shortages are going to go on. We believe the Government of Canada can and should do something about that. We proposed in our material, and I will propose to you today, that what can be done is both efficient, an insignificant interference with the budgeting process, and something that in the final analysis will actually benefit financially the Government of Canada. We're proposing a sensible approach to a structural problem.

We need skilled people to build the infrastructure. If you don't have skilled people to build the infrastructure.... One of the significant drivers for people who are investing in major projects is knowing whether or not there will be someone to do the job. Shortages have the effect of creating uncertainty and insecurity within the contracting community and among the owners who actually put up the money for projects.

We spend a significant amount of our money in this country on post-secondary education. A portion of that is for the apprenticeship system. We train apprentices in every territory and province in the country, but frequently there is not enough work at home to allow someone to actually complete an apprenticeship. We want to be in a position to be able to move those people across the country so that they get varied experience and they get to complete their training. It is moving people from areas where work is slow to areas where demand exists. Across this country, people in trades are being trained no longer to an Alberta or an Ontario or a British Columbia standard, but rather to a national standard. We need an effective way to get people to work.

In some cases, employers will assist someone in getting across the country, but they won't absorb all the costs. We need an opportunity to let people claim net expenses by way of a tax credit. We're not talking here about commuting, but about people who move long distances across the country, are not able to return home daily, are generally flying to go somewhere, and are maintaining a second residence.

There is a cost to inaction. Inaction in these circumstances means the employment insurance account either staying with the same level of employment or unemployment, or else going up. We're suggesting a program that will foster a decrease in the draw on EI and decrease the horizontal spending that HRSDC and Citizenship and Immigration Canada currently undertake—about $64 million—on the temporary foreign worker program, labour market opinions, labour market information, and administering those programs.

Rather than remain on EI, the program we're suggesting gets skilled tradespeople to move across the country, to go where the work is, and to pay taxes. In our materials you will see the costs that we have looked at for the program. One dollar invested this year by the Government of Canada returns four dollars the next year and for each succeeding year.

● (1720)

We certainly have had some policy buy-in from the people at HRSDC. We now need the buy-in from the Department of Finance to do something that will benefit construction workers in this country and the people who employ them.

As a final and closing note, we're quite heartened to see our colleagues and industry partners from the Canadian Association of Petroleum Producers here today. We certainly support their pitch on the accelerated capital cost allowance. It's a game changer for them and a game changer in terms of employment for our members.

That's my submission.

Thank you very much.

The Chair: Thank you.

That's actually a good segue into our next group, the Canadian Association of Petroleum Producers.

Mr. David Collyer (President, Canadian Association of Petroleum Producers): Good afternoon, Mr. Chairman and members of the committee.

I'm Dave Collyer. I'm the president of the Canadian Association of Petroleum Producers. I'm joined by Mr. Tom Huffaker, who is our vice-president of policy and environment.

I recognize that you have our pre-budget submission, so I will try to be brief in my remarks.

CAPP represents the upstream oil and gas sector in Canada. Our members comprise an industry that is the largest single private sector investor in Canada, and we believe a vital part of the Canadian economy.

CAPP submitted three pre-budget recommendations.

Our first recommendation is that the government take steps to encourage Canadian competitiveness in the natural gas market. I'll comment further on that recommendation in a moment.

Our second recommendation is that the previously recognized need for tax incentives to assist in developing carbon capture and sequestration projects and other greenhouse gas reduction technologies be implemented in this budget. CAPP is already on record with detailed suggestions in that regard, specifically recommending broadening of class 43.2, which is a 50% declining balance reduction for renewable energy technology, to include expenditures on CCS and other emergent carbon reduction technologies.

Our third recommendation is that the government implement tax measures to encourage responsible reclamation of pipeline infrastructure.

Let me now focus on the first recommendation, which is intended to encourage the competitiveness of Canadian natural gas during what we believe to be very challenging near-term market conditions.

The Canadian natural gas industry—and it is truly a national industry—is important for several reasons. It provides jobs and economic growth across the country; it contributes significantly to government revenues; it provides clean, safe, reliable energy for use by Canadians and by export markets in the United States; and its abundance, at least a 100-year supply at current production rates in Canada, and responsible development provide, we believe, the opportunity for natural gas to play a foundational role in the energy supply mix in North America going forward.

Having said that, the economic downturn and the emergence of large shale gas resources in the United States have made the natural gas production business in Canada very challenging in the near term. Our Canadian industry is facing lower prices, relatively higher production costs, and in some cases long distances from markets.

The U.S. industry is attracting investment, infrastructure, and labour, which, once firmly established, could result in economies of scale and market capture that could make it more difficult for us to compete for markets as Canadian suppliers.

And finally, growth in shale gas development in the United States is reducing market share for Canadian suppliers.

We expect market conditions to improve over time, but in the near term we believe there is a strong case for action. Our recommendation is therefore that the federal government join producers and shippers and pipeline companies, who are working very hard to reduce their production costs, and the producing provinces, who are advancing both fiscal reform and regulatory reform, in taking action to encourage competitiveness during this very challenging period.

Our specific recommendation is that for a 30-month period the Government of Canada should allow drilling and completion costs for natural gas to be deductible on a 50% straight-line basis.

We estimate the positive economic impact over 30 months to be $1.2 billion to $1.3 billion in investment and something on the order of 17,500 jobs, 2,500 of which we believe to be in central and eastern Canada. This does not require any direct stimulus funding, and we estimate that over time there is no overall cost to government.

We acknowledge that you may find it difficult to support a recommendation that is directed to the oil and gas sector, but we think there are three very good reasons for doing so.

The first is competitiveness. This puts in place a tax regime for the Canadian natural gas sector that is on par with that which competing producers in the United States enjoy and is also comparable to that which is afforded to the manufacturing and processing sector in Canada. It's time limited; it establishes a tax treatment for a fixed duration of 30 months, over which time we believe there is an opportunity for the market to continue to recover, and for broader opportunities, such as those that Encana talked about, to be pursued.

● (1725)

Finally, we believe natural gas is a vital part of a clean energy future for Canada, and this plays a key part in sustaining an industry that we believe is going to be very important over the longer term.

Mr. Chairman and members of the committee, we look forward to your questions and the discussion to follow. Thank you very much.

The Chair: Thank you very much.

We'll now hear from the Canadian Public Works Association.

Mr. Darwin Durnie (President, Canadian Public Works Association): Thank you, Mr. Chair.

My name is Darwin Durnie. I'm the president of the Canadian Public Works Association. With me here this afternoon is Mr. Clarke Cross, who is CPWA's federal government relations coordinator.

Our membership is composed of over 2,000 public works practitioners from across Canada, representing all disciplines of public works. In a nutshell, public works is the backbone of our communities, large and small, urban and rural. All the public assets above the ground, below the ground, and on the ground are public works. It's our infrastructure.

Additionally, we provide services that make our communities safe and sustainable and fun places to work and grow. Snow and solid waste removal, urban transit, signalling and street lighting, and cultural spaces are but a few of the services our members deliver to Canadians 365 days a year, 24/7.

Today we'll focus on two recommendations. First, like other infrastructure stakeholders, we are encouraging the government to build on and sustain investment in infrastructure and to adopt a long-term approach to funding and investment beyond the end of the EAP in 2011 and the Building Canada fund in 2014.

Second, we encourage government to work with municipalities and provinces to ensure the smooth and orderly completion of the economic action plan. There's no denying that the billions of dollars invested in infrastructure through stimulus spending and the Building Canada fund have created an infrastructure legacy and economic benefits across the communities in Canada. However, as stimulus funding is withdrawn and the Building Canada fund becomes fully subscribed, we believe that governments need to begin planning for the next generation of infrastructure programs now and begin implementing new tools to improve delivery.

Some of those basic requirements or tools were created during the EAP. Others are still required. For instance, a national vision for infrastructure first requires long-term assurances on funding, which will provide municipalities and industry with the predictability they require for the renewal of existing assets and for building new infrastructure to keep Canada competitive. Second, this new national vision for infrastructure should obviously include a tool or method for measuring success.

Next, all orders of government and first nations need to share analysis, research, and best practices to leverage and maximize the return on infrastructure investment and to incent innovation. CPWA has been working actively on this front, but the federal government has a coordinating role to support and foster forums that allow this exchange of information to take place. Issues that have emerged from these discussions include the need to address capacity challenges facing small communities and first nations and the need to explore alternative infrastructure financing solutions, such as public-private partnerships.

We want to briefly talk about the March 31, 2011, deadline for stimulus spending.

First is the good news. From an on-the-ground perspective, an end-user's perspective, there have been significant and positive results. The stimulus programs brought forth an unprecedented need to approve applications and get money to projects as soon as possible. Government had to adapt its methods. No longer would delays to approvals be permitted, and our industry had to nominate thousands of shovel-ready projects and fill out innumerable applications.

In response to these challenges, a streamlined and simplified application process for project funding was developed. This was welcomed by CPWA and its members, and particularly by those smaller communities with more limited administrative capacity.

● (1730)

The Chair: You have one minute.

Mr. Darwin Durnie: Thank you.

This simplified application process, backed by proper due diligence, is a model for the next generation of infrastructure programs. As legislators, you should all take some pride in that accomplishment.

We're equally hopeful that the government will extend the same common sense approach to the end of the program that it applied at the outset of the program. This means that on a case-by-case basis, the federal government should consider extending the funding period for projects that could not be completed on time.

In conclusion, I'd like to quote from an e-mail sent to me from the director of public works in Three Hills, Alberta:

> The Stimulus Fund has been a...positive factor in regards to our infrastructure... in...Three Hills. It has allowed us to upgrade roads, underground and drainage infrastructure. Our issue is the March 31st...deadline.... Due to wet weather conditions our project has been delayed and we are not sure if we're going to get [the asphalt down] this fall. I know there are many other communities in Western Canada with this issue.

I think that says it all.

As we're nearing the end of the time, we'd be pleased to discuss possible solutions in the question and answer period.

Thank you.

The Chair: Thank you very much for your presentation.

We'll now hear from the Canadian Wireless Telecommunications Association.

[*Translation*]

Mr. Bernard Lord (President and Chief Executive Officer, Canadian Wireless Telecommunications Association): Thank you, Mr. Chair, members of the committee. My name is Bernard Lord and I am the President of the Canadian Wireless Telecommunications Association.

[*English*]

I'm pleased to be joined by Jim Patrick, our vice-president of government affairs.

We're here today to ask you to consider two very specific recommendations to include in your report. We have circulated a short slide deck to all the members of the committee.

[*Translation*]

It is clear in the 21st century that wireless networks are a very important economic driver. Wireless networks are a major driver of economic activity in all regions of Canada across all sectors of the economy.

[*English*]

As I've just said, wireless is an economic driver throughout Canada, but one thing to note is that wireless data traffic is doubling every single year in Canada. If vehicle traffic were growing at the same rate on the Trans-Canada Highway, we would need to expand the Trans-Canada from a four-lane highway to a 64-lane highway in just four years. That would not be the right time to put a new tax on asphalt. Well, we don't think this is the right time to put a new tax on spectrum or to put a new tax on innovation and productivity growth.

● (1735)

[*Translation*]

The benefits of wireless for Canada have been recognized in an international study based on 2008 figures and produced by the international firm Ovum. In 2008, wireless communications generated a total economic value of some $39 billion for the Canadian economy, or $16 billion in terms of direct contribution to the GDP, $14 billion indirectly to the GDP and in economic spinoffs, and $9 billion in consumer surplus. The wireless industry employs nearly 300,000 people in Canada.

[*English*]

One of the obstacles to further and faster growth is the fact that Canada's spectrum fees are the highest in the G-7. The chart on page 3 of the slide deck shows clearly that our fees are not just somewhat higher, but a lot higher, than anywhere else in the G-7. By comparison, Canadian wireless carriers hold less than 2% of all licensed spectrum, yet pay over 50% of all the spectrum licence fees. Obviously somebody's getting a better deal than we are.

The Canadian Senate recommended taking other countries' regimes into account when setting the Canadian fees, looking particularly at the U.S. If the U.S. spectrum fee regime had been in place in Canada in 2009, instead of paying $130 million, the carriers would have paid $4 million. As the Broadband Canada program distributes $225 million over 36 months to subsidize rural broadband, Industry Canada will have taken close to $400 million just in licence fees in that same period of time.

A spectrum fee increase will not support the government's digital economy strategy objective. Just like a tax on asphalt at the outset of a national highway strategy, it would not be the right approach.

[*Translation*]

That is why we are making two very specific recommendations. One recommendation is to include in Budget 2011 a temporary accelerated capital cost allowance for broadband-network related assets, increasing the current CCA rates of depreciation to 50% for most areas, and to 100% for the hardest and most-expensive-to-serve areas of the country, as identified by Industry Canada.

[*English*]

Our second recommendation, and the one we feel is extremely important, is to include a recommendation in the pre-budget report that government should not increase the already excessive spectrum licence fees paid by Canada's wireless network operators. In fact, we may talk about it as a fee, and the government may want to describe it as a fee, but it really is a tax. Increasing it would be a tax on innovation and an additional tax on productivity. We don't think that's necessary as we see this sector of the economy continue to grow.

Thank you very much, Mr. Chair.

[*Translation*]

I want to thank all the committee members. It would be our pleasure to answer your questions.

The Chair: Thank you very much.

We will now move on to the Association of Universities and Colleges of Canada.

[*English*]

Mr. Paul Davidson (President and Chief Executive Officer, Association of Universities and Colleges of Canada): Good afternoon. I'm Paul Davidson, president of AUCC. With me is André Dulude, the vice-president of advocacy.

Since I've seen you last, many of you have been out across the country seeing the knowledge infrastructure program at work. I hope you received a copy of our progress report to all members of Parliament last week.

I want to assure you that the knowledge infrastructure program is working. It's transforming classrooms that were built in the age of the Sputnik and creating 21st century learning and research environments.

I hope also that you're watching the economy as closely as we are, and if you remember one fact from today, keep in mind that from September 2008 to September 2010, during the worst part of the worst recession in 60 years, across Canada there were net 280,000 new jobs for university graduates and 250,000 jobs eliminated for those without higher education. I think that speaks to the changing nature of Canada's economy and the move to the knowledge-based economy.

I also want to underscore that students, parents, and employers recognize the value of a university degree. Earlier this fall we released data that showed that those with a university degree will over their lifetime earn $1.5 million more than those without a university degree and that university graduates contribute 40% of Canada's tax base. In short, Canada needs more university graduates.

In looking at the situation facing Canada, Canada's universities considered the concurrent challenges of demography, productivity, and innovation and developed a three-part plan to help ensure Canada's economic renewal and global competitiveness.

Let me get to the recommendations right away: first, continued and increased investments in Canada's science and technology strategy; second, new investments that support a major international education marketing effort to establish a national brand for Canada around the world; and third, investments in programs and services that will help more aboriginal students graduate from university.

I know people in Ottawa are wrestling with how to communicate the productivity challenge. For me, the clearest example is that over the next 20 years the number of people of retirement age is going to double and the number of those entering the workforce is only going to increase by 8%. What that means is that we have to increase the skills and talents and abilities of every Canadian to meet that challenge.

That's also why investing in research is so critically important. Canada's science and technology strategy is delivering results, and AUCC recommends that the Government of Canada continue to build on its previous initiatives to attract and retain top talent—the Vaniers, the Bantings, the Canada excellence research chairs. These are important initiatives, and we are encouraging, this year specifically, renewing and growing the commitment to fund the Canada graduate scholarships program.

We're also calling for continued investments in Canada's granting agencies. These investments are foundational to the science and technology strategy and ensure that Canada remains an international leader in research. It wouldn't be an AUCC presentation if we didn't mention that we would hope these increases include support for the full costs of research.

I want to turn for a moment to the question of international education marketing. I understand there were some good presentations earlier today, and I just want to reinforce the message of those presentations, that bringing international students to Canada enriches the learning experience for all Canadians, helps Canada meet its labour needs, boosts local economies, and builds long-term links overseas.

The Department of Foreign Affairs and International Trade last year estimated that international students contribute $6.5 billion a year to Canada's economy. This year, we're pleased to report, international student enrollment is up 10%. Although this is good news, there is a lot more work to be done. The U.S., the United Kingdom, and Australia are simply outpacing us. We need to aggressively promote higher education to bring more international students to Canada and to build Canada's brand internationally.

Let me say two things that have happened since I've been before this committee that are significant. The first is that the national education stakeholders around the country have agreed to form an international consortium to market Canada overseas. Second, every Canadian premier has identified this as a priority. It's pretty rare when there's that kind of consensus in Canada.

I will mention briefly that next week we'll be leading a delegation of 16 university presidents to India, and we are hopeful that the Government of Canada will consider targeted investments to support our India strategy.

Let me close by speaking to an issue I spoke about last year, and that's engaging the capacities of every Canadian to their full extent. There are 460,000 aboriginal Canadians who are entering the job market, and the question before this committee and every Canadian is, are those young people going to have full access to every opportunity in this country, or are we going to let another generation go? We need to increase financial support for aboriginal students, we need to increase the graduate scholarships for them, and we also need to support the pilot projects that demonstrate how they can be successful and full participants in Canadian life.

● (1740)

Thank you very much, Mr. Chairman.

The Chair: Thank you very much for your presentation.

We'll start members' questions with Mr. Szabo, for seven minutes, please.

Mr. Paul Szabo: Thank you, Mr. Chair.

These are excellent presentations, and there's a lot to work with.

This is for Encana. I'm delighted about the specific proposal with respect to natural gas vehicles. There are dimensions here, and it says to me that you're concerned about not only jobs, but the environment, our competitiveness, and a whole bunch of things that are really important to us.

Do you want to elaborate on the 70,000 jobs by 2025, basically to be paid for, preferably at the outset, by a tax credit? It's almost too good to be true.

Mr. Eric Marsh: First of all, thank you for a very nice question.

The way it works is that as you begin to increase the production of natural gas in this project, we've noticed from a lot of the different research we've done that for every Bcf a day of incremental production that Canada can produce, we create between 50,000 and 70,000 jobs. What we're able to do here is not only take the upstream sector of it, but also model what the manufacturing sector could add, as well as the downstream side in our business—this is the pipeline and the distribution sides.

Mr. Paul Szabo: Okay.

Because we have very little time, I'm going to give a few questions out here.

I want to address this question to the Royal College of Physicians and Surgeons. I note that your first recommendation—this has come from many of the health-related groups—is about human resources for health: a disciplinary task force. It doesn't on its face evoke a feeling of comfort about where we are today. How serious is it?

● (1745)

Dr. Andrew Padmos: Thank you for the question.

It's serious to patients across Canada who can't find access to medical practitioners, to nursing practitioners, to care in a rural environment. It's a very real and palpable concern.

The concern that we're underlining today is that we're not even tracking the very large-scale shifts in demographics, in production of various disciplines within the health human resources envelope, so we don't know where we're going. We're shooting in the dark. This is a huge industry.

Mr. Paul Szabo: That will lead us to more questions, and I hope you will get them from others as well.

This is for the AFL-CIO. Thank you very much.

This whole stimulus thing has really gotten a lot of attention, obviously, in Parliament. The Parliamentary Budget Officer issued a caution that 25% to 50% of approved projects under the stimulus program may not be completed by the deadline of March 31 next year. Right now, most of them have spent engineering and consulting money, but we don't have shovel-ready types of jobs.

This is pretty serious. How serious is it to the construction industry in Canada?

Mr. Robert Blakely: If you were to look at our industry—we're a baby boom industry—you would see that 25% of the current construction industry, the people who have built the country for the last 35 years, are going to leave. Not to put too fine a point on it, the people who do the demographics say that on June 16 in the year 2015 we reach the peak of the baby boom leaving. It comes up to 35% of our supervisors, superintendents, and construction managers. So it's about as serious as it can be.

Mr. Paul Szabo: Okay. Now I share your concern.

I must admit that if I had time I would ask you about undocumented workers and whether or not we have a handle on that yet, but that's for another day.

Mr. Robert Blakely: The short answer is that we don't, but we haven't for the last 30 years, so it's probably not going to be a big deal.

Mr. Paul Szabo: I'm sure we share the concern that eventually this is going to hit the fan. We have a lot of people who have no health care—

Mr. Robert Blakely: I agree.

Mr. Paul Szabo: —no pension, no EI—

Mr. Robert Blakely: I agree.

Mr. Paul Szabo: —and they're a burden on society.

The last question I have time for I want to direct to the Canadian Public Works Association.

We were told at one point, and, Mr. Chairman, I don't know whether I got the number, but it's something like that the deficit in infrastructure spending in Canada is somewhere around $125 billion. The point made was that if we didn't start to address the infrastructure deficit, it would start to have a creep effect on GDP; in fact, that GDP growth would decline by measurable amounts. This caused them some serious concern.

I wonder whether you share that, because if we're going to get out of this mess, GDP has to grow.

Mr. Darwin Durnie: Mr. Chair, certainly significant numbers—from $20 billion to $150 billion—have been generated in terms of an infrastructure deficit and the impact on the GDP and/or the economy globally and within Canada. There was a lot of investment happening in infrastructure through the $33 billion Building Canada fund that was in place prior to the stimulus funding to try to combat that deficit. If that is coupled with what has been spent on the stimulus fund, I think it bodes well for moving Canada forward and impacting that GDP bottom line, in comparison with what other nations have been able to reinvest from their infrastructure deficits.

Mr. Paul Szabo: Tell me more about what this deficit is. It seems to me that if what is generally understood as infrastructure in Canada—our highways, for instance—start to erode, there are some negative consequences on productivity and profitability of companies. Trucking companies will have trucks breaking down more often because of bad roads, and bridges will be collapsing. I mean, how long can you go before you ignore a significant infrastructure deficit in Canada?

● (1750)

Mr. Darwin Durnie: I think the 1990s were a time when it was in vogue to reduce budgets to eliminate debt, and that was at the expense of investment in infrastructure programs. We seemed to have turned the corner on that through the 2000s, and by happenstance, I suppose, the economic stimulus has brought it back.

Infrastructure in its most basic terms can be equated to the shingles on your home. How far can you let them go before the water is coming through the roof and you have to replace all the timbers and the structure of the roof, as opposed to getting up there and replacing a few shingles?

It can be quite subjective. It varies from the maintenance done in this very room, in this edifice, to a highway.

The Chair: Great. Thanks very much.

Thank you.

Monsieur Paillé, s'il vous plaît, sept minutes.

[*Translation*]

Mr. Daniel Paillé: I have a question for the representative from the Canadian Wireless Telecommunications Association.

Mr. Lord, I want to welcome you as a witness. We never know what the future holds. You are on the right side of the table. Sometimes when I look at the people in government, I think they could use someone like you.

Mr. Bernard Lord: [*Note: inaudible*]

Mr. Daniel Paillé: We will see what the future brings.

I want to first ask you who you represent. What companies do you represent?

Mr. Bernard Lord: It is my pleasure to answer that question. Thank you for welcoming me to your committee as a witness.

We represent companies that work in wireless telecommunication services in Canada. That includes the traditional wireless service providers: Bell, Rogers, Telus. It also includes new service providers such as Windows Mobile, Public Mobile, Mobilicity, Shaw, and Vidéotron.

Mr. Daniel Paillé: Okay. You represent the major telecommunications companies that we all know.

Mr. Bernard Lord: We represent the major companies and the small ones as well.

Mr. Daniel Paillé: In January, when we were in lockout, I had the opportunity to tour Quebec for pre-budgetary consultations. A broadband network is needed in the regions not just for recreation or chatting on Facebook; it is essential to farmers for managing their livestock. In that sense, we are well aware of this problem.

After mentioning the names of the companies you represent, you said they have paid $130 million in 2010 and $2 billion in the past 25 years. Big deal. There is nothing extraordinary about an industry paying $2 billion over 25 years.

Nonetheless, if I understand your graph correctly, where you compare licence fees in Canada to those in other G7 countries, we see that spectrum licence fees in Canada are 3.5¢ per megahertz per person. Is that right?

Mr. Bernard Lord: Yes.

Mr. Daniel Paillé: That is how you come up with $130 million.

Mr. Bernard Lord: Yes.

Mr. Daniel Paillé: You tell us that this risks... that it is irritating. You have described these spectrum licence fees as excessive. The word “excessive” to describe the $130 million a year, which represents 3.5¢ on a bill of I-do-not-know how much, paid by Bell, Telus, Rogers, Vidéotron and so forth, is a bit of an exaggeration, is it not?

Mr. Bernard Lord: Not at all, on the contrary. The cost ends up being passed on to the consumer. It is excessive because Canada pays the highest fees in the world—excuse me, the highest fees in the G7 countries. If we look at developed countries around the world, Australia is the only country that has fees higher than ours. If we compare our fees to those paid in the United States, we would have paid $4 million in Canada instead of $130 million under the U. S. model.

Mr. Daniel Paillé: But we can agree that in many situations in our life in Canada, or Quebec, we cannot necessarily compare ourselves to the United States in all areas.

Mr. Bernard Lord: I totally agree with you. That is why I believe this is an opportunity for Canada to ensure that it is not just further taxing companies that create jobs.

You talk about the rural regions and we are quite aware of this issue. Obviously wireless eliminates distance barriers, which allows businesses in rural regions to be competitive. It allows them to be more productive. This also helps ensure public safety in regions where that is more challenging. More than half the 911 calls in Canada are made on wireless networks. It is crucial to ensure that this same possibility exists in rural regions.

● (1755)

Mr. Daniel Paillé: You are trying to convince us that accessibility everywhere, through valleys and mountains—sometimes the signal does not go through two mountains—is an essential need that should be covered by the state.

Furthermore, I want to know how the 3.5¢, the $130 million paid to the Government of Canada, could be a statistical error. I understand that in New Brunswick it is something else and in Quebec too. How can $130 million, 3.5¢ on a bill of a given amount, be excessive? I think that is a bit of an exaggeration.

Mr. Bernard Lord: Let us compare the situation to that of other companies that pay licence fees in Canada. The wireless industry owns 2% of the licences and pays 50% of the fees. Clearly, there are other sectors that have the right to use public waves who are not paying the same fees.

Mr. Daniel Paillé: That may be the tack we need to take.

Mr. Bernard Lord: Yes, perhaps, but if we also consider the auctions that were held for granting certain zones two years ago, the wireless industry has paid $4.3 billion simply to have the right to access these waves.

Maybe $130 million is not a lot to you, but I can assure you that it is to taxpayers.

Mr. Daniel Paillé: I am not saying that $130 million is not a lot. We are not talking about taxpayers. We are talking about $130 million to Telus, Bell, Rogers, and Vidéotron. They are the ones you are defending. You said so in your first answer.

Mr. Bernard Lord: At the end of the day, it is the taxpayers who pay.

Mr. Daniel Paillé: It is always the public who pays.

Mr. Bernard Lord: Our message is clear. We are not asking the government to lower the licence fees. We are simply asking it not to increase them.

Mr. Daniel Paillé: There are obstacles like that in life...

The Chair: You have 30 seconds left.

Mr. Daniel Paillé: I will address the people from the Canadian Public Works Association about the March 31 deadline. You are proposing that the federal government invest more money, but the commitments have been made. We know that Canada's deficit will be a bit higher, since the government is bound to a tax harmonization process over the next five years. Therefore, it has nothing to do with cash.

Would it not be better if the government, instead of doing this on a case by case basis, simply announced that it will agree to finance the work until July 31, or something like that?

[*English*]

Mr. Darwin Durnie: No. I think in the spirit it was entered into and the efficiency that's been gained by the program parameters that have been established, it could work quite contrary to the efficient completion of a lot of the works that have been done as communities, consultants, and governments have to move on to other projects. Those that have legitimate problems, though, definitely should be revisited and extensions considered on a case-by-case basis.

Thank you.

The Chair: Thank you.

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

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

If you could give me notice when I have two minutes left, I'd appreciate it. I'd like to share some time with Mr. Hiebert.

Very quickly, just for clarification, Mr. Lord—I almost called you Premier—the spectrum was an auction, was it not? Was there a minimum bid or was it the marketplace that determined the price at that auction?

Mr. Bernard Lord: For the spectrum on which the licences applied—not the spectrum that was auctioned in 2008, but prior to 2008 there were licences that were given dating back to 1985 when the industry was very nascent.

Mr. Mike Wallace: Right, but I think in your presentation you talked a little bit about the auction that just happened, did you not?

Mr. Bernard Lord: Yes.

Mr. Mike Wallace: So just to answer my question, was that the marketplace determining that, or was there a minimum bid required by the Government of Canada?

Mr. Bernard Lord: It was the marketplace, but the way the auctions are structured, as you know, can have an impact on the final price of an auction.

Mr. Mike Wallace: I appreciate that, but I wanted to point that out because I need it for future reference.

I have a quick question for our folks from the labour group. First of all, I'm 100% behind mobility of labour. I'm going to look at your recommendation. I'm not sure it should be applied only to the construction trades; maybe it should be expanded.

I've been adamantly opposed to a Bloc private member's bill that pays people to go back to places they're from even if there aren't any jobs. I think it's the absolute opposite of what we should be doing.

I haven't had a chance to look at it yet, but have you actually costed out what it would cost the taxpayer? What is that number?

● (1800)

Mr. Robert Blakely: Yes.

Go ahead, Chris.

Mr. Christopher Smillie (Senior Advisor, Government Relations and Public Affairs, Building and Construction Trades Department, AFL-CIO, Canadian Office): We've outlined a number of scenarios. For a pilot project, the first-year implementation cost is approximately $4 million, with a payback of about $16 million once you take back EI, etc.

Mr. Mike Wallace: I'm assuming your organization isn't opposed to its being expanded to other occupations, but you want it—

Mr. Robert Blakely: What we've really proposed is a pilot project to see how it works and to find the bugs in it. A small program like the home renovation tax credit provided $10,000; people got 13% of the money back, and it put a whole bunch of people to work. We think a small program like this, with $3,500 or $4,000 worth of expenses getting you a small tax credit, will get a lot of people to work.

Mr. Mike Wallace: Thank you very much. I will look at that.

My next question is for my petroleum friends and my natural gas friends, who I think are basically from the same place.

First, name the other government programs with time limits that have actually had time limits honoured.

Second, I want to know if the federal government in the U.S. is actually spending money from their treasury. There was some concern that the U.S. would get ahead of us in the natural gas business in terms of the more commercial use of it.

Third, there's one thing I don't know the history of, but maybe you can explain it to me. It's a little bit out there, but which comes first, the car and then the gasoline, or the gasoline and then the car was produced? Why should government be involved in the conversion of natural gas to a commercial automotive use when I don't think the government was that involved in the early stages of the automobile?

The price is at $27 a barrel. It's cheap. Why can't you compete and make it happen as a business? Why do you always have to come to the government to ask for help for this?

I'd appreciate an answer from either one of you.

The Chair: You have three minutes.

Mr. Mike Wallace: They have one minute, and then we'll go to him.

Mr. David Collyer: I'll take the first two and I'll let Eric take the third one.

First of all, with respect to the U.S. tax treatment, what we're suggesting is not a direct stimulus or cash payment from government. What we're saying is that the Canadian tax treatment for natural gas development expenditure should be comparable to that of the U.S., so we're trying to create a level playing field and make Canadian gas more competitive in the Canadian and North American market.

In answer to your first question, that is really a determination for government to make. We're suggesting 30 months for very deliberate reasons. It's a time-limited period. We expect the economy to recover. We expect there to be development of broader markets for natural gas over that period.

That's our proposal. Whether the government sticks to that 30 months or not is for you to decide.

Mr. Mike Wallace: Thank you.

Mr. Eric Marsh: To come back to the vehicles, in the past, natural gas has historically always traded at a 6:1 ratio to oil. Today it's over 20:1, and with that, natural gas is becoming more of a competitive fuel. What hasn't progressed, because there has been virtually no research done on it, is the advancement of natural gas engines for the transportation sector. In North America you really only have one primary company doing that, so what really needs to happen in the trucking industry is some additional technology. Some additional funding is needed on the manufacturing side of it to advance that technology.

We believe that at some point it becomes more and more economical as time goes on. We need to break that kind of chicken-and-egg cycle that we're in right now.

The Chair: Mr. Hiebert.

Mr. Russ Hiebert: This is concerning the universities and colleges. There was a presentation about an hour ago from the ACCC suggesting that there's a lack of spaces for domestic students, and yet there's an ask that the government fund marketing for international students to come to Canada.

In private conversation, it turned out that there is a disparity. Many universities and colleges are maxed out, and they'd have no place for either domestic or international students, but there are a number of institutions that are not maxed out, that still have space for enrollment.

How could the government proceed with a marketing strategy that would encourage international students to go to the universities and colleges that still have enrollment spaces available and do so without taking these from domestic students?

● (1805)

Mr. Paul Davidson: Thank you for the question. I think one of the great things about our post-secondary education system is its diversity across the country. If you look at the capacity issues across the country, you get very different pictures.

In Atlantic Canada, international students are a critical component of the demographic plan going forward. In some institutions there, there is considerable capacity. In the GTA there is less capacity, but there's also a need to bring international students to enrich the learning experience for all Canadian students.

So in terms of promoting a national strategy, I think the Government of Canada has done a good job in creating a brand. It needs some resources to actually enliven that brand, and each institution in itself can subscribe to that strategy or not. So, for example, some of the very largest institutions, the University of British Columbia, the University of Alberta, have very aggressive marketing plans to bring more students to Canada.

The Chair: Thank you.

We'll go to Mr. Cullen for a seven-minute round, please.

Mr. Nathan Cullen: Thank you, Chair, and thank you to our witnesses.

I'll start with our friends from the AFL-CIO. It's a dark day when union guys are showing up in cufflinks, but we'll let that pass for now.

Mr. Robert Blakely: But they are borrowed.

Mr. Nathan Cullen: They're borrowed cufflinks. Okay. Thank you for clarifying the record on that. That's important.

I may have misheard you, and pardon me for not knowing the union's history on this, but did you say you have no official policy concerning the temporary foreign workers program? The government has increased it dramatically over the last number of years. They actually include it in the so-called immigration numbers, which I find is a bit of a mixing of ideas.

Mr. Robert Blakely: In some cases it's appropriate. If people are on the provincial nominee program—

Mr. Nathan Cullen: I see.

Mr. Robert Blakely: —and they have more than two years, plus Canadian qualifications, they can apply from within Canada.

The suggestion I was trying to make is this. We spend about $60 million-odd a year administering the temporary foreign workers program. We could save some of that dough if we were moving Canadians who don't have a job at home to where there is a job.

Mr. Nathan Cullen: That's very interesting. I'll be looking at that proposal as well.

Mr. Collyer, I wonder if I could address you for a second here. You talk about very challenging times for the industry right now. I asked the library people to pull up the profit lines over the last number of years for your industry. I'll just go back to 2004 and then on. These are net profits after taxes: near $14 billion in 2004; near $20 billion in 2005; up to $25 billion in 2006. You took a big hit, down to a meagre $16 billion, but then recovered nicely back up to $19 billion. And then it goes on.

The industry, from a profitability standpoint, seems to be doing okay. I guess something I don't understand in your submissions, in asking for relief of taxation, is that if we go to 2008 and add up the subsidies that are on the books right now, for which you're already receiving benefit for enhancing your industry's opportunities—flow-through shares, $532 million; Canadian development expenses, $1.2 billion; capital cost allowance and accelerated CCA, $788 million.... If you add those up, you get to just north of $2.5 billion in tax relief already that you're receiving, particular to your industry.

I want to be totally polite about this. It seems a bit much, coming and asking for more, when in the current state the industry receives so much already for its own work, and its good lobbying makes quite a bit of money as it is today, whereas other industries that come before this committee are truly suffering, losing workers and losing competitive advantage in manufacturing, value-added wood, and all the rest of it. Square this circle for me.

Mr. David Collyer: Well, there are a couple of comments I'd make, Mr. Cullen. First of all, on the profits, the money that gets made in this country gets reinvested in this country—

Mr. Nathan Cullen: Does it?

Mr. David Collyer: —in most cases with respect to the oil and gas sector. It is reinvested to create the kinds of jobs that the building trades talked about. So I think it's very important to look at this in the context of its being, yes, a request for incremental tax relief, but it is driven by competitiveness considerations.

I think it's very important that the Canadian industry be competitive in the North American market relative to U.S. gas producers, because we want gas produced in Canada to create jobs in Canada and facilitate the kind of development on the transportation network that Encana talked about. I think that's all good for Canadians.

Mr. Nathan Cullen: You talked about the U.S. I'll just read you a quote: “I will work with my colleagues at the G-20 to phase out fossil fuel subsidies so that we can better address our climate change challenge.” That was the President of the United States speaking at the G-20 in Pittsburgh, which cost $18 million to put on somehow. I guess you get good deals in Pittsburgh.

When we look at a per capita basis, the Americans actually subsidize their oil and gas industry less. I'm trying to find out where CAPP comes to the conclusion that the unfair playing field is actually a disadvantage to Canada right now when we look at the subsidy rates, whichever way you want to cut it—per capita, size of industry, and all the rest. We're not in fact less competitive than the U.S. in terms of this subsidy question, this preferential taxation, or just direct subsidies to the industry.

● (1810)

Mr. David Collyer: I can tell you very specifically that if you take a natural gas well drilled in the United States and compare it with a natural gas well drilled in Canada, the same type of well, it is less competitive in Canada to drill it. Unless we get our cost structure and our tax system into a position such that we can be competitive with our neighbours to the south, Canada is going to lose market share and we're going to lose jobs and economic benefit—

Mr. Nathan Cullen: I'm assuming you're going to make that conclusion for oil and for gas as well? I know you focused a lot on natural gas, but I'm talking about oil, tar sands production, and all the rest of that.

Mr. David Collyer: Well, my comment was specifically to natural gas. That is the comparison we've made.

Mr. Nathan Cullen: But is it also true for oil?

Mr. David Collyer: Which? Is the tax treatment....?

Mr. Nathan Cullen: Is it better? You're claiming it's a better.... I'm trying to distinguish your testimony here. You're claiming that it's more competitive in the U.S., and you want to level the playing field and have used gas as the example. Oil is a very large part of your membership in the industry. Is it true for oil as well?

Mr. David Collyer: The gas market situation is very different. The same type of treatment applies to an oil well drilled in the United States versus an oil well drilled in Canada, so the same issue applies.

Mr. Nathan Cullen: Does CAPP have an official policy on setting a price on carbon right now?

Mr. David Collyer: CAPP's position on the price of carbon is that we need to be very mindful of where the U.S. policy goes. We would not rule out a price on carbon, but in the approach to competitiveness and how we approach carbon policy in Canada, we need to be very mindful of where our neighbours to the south are going. We need to be driven by competitiveness, again, and making sure that we keep jobs in a competitive economic environment on Canada.

Mr. Nathan Cullen: "Mindful"; I assume that you're watching. I suppose that's your policy. You don't want....

One of your members, British Petroleum, already books a $50 price on carbon in their estimations for new projects. If CAPP's mission is to enhance the economic sustainability of the Canadian industry, would it not, with all the indications going on globally and Canada's actual commitments at the UN to put a price on carbon, be wise if CAPP joined with some of your members who have called for a national energy security plan?

Mr. David Collyer: CAPP has spoken out about the need for a national energy strategy, and we support that view. We also are very mindful of the need on the ground to reduce carbon emissions, and our industry has done a great job of that I think over the past many years.

We would argue strongly that for those industries that compete in the U.S. market, it's very important that we have a carbon policy that is not necessarily exactly the same but that is aligned with and compatible with that of the United States, because we're competing in that market.

The Chair: Thank you, Mr. Cullen.

Mr. Brison, please. It's a five-minute round.

Hon. Scott Brison: I have a couple of questions, first of all for CAPP. We had a discussion earlier today, and I'm very interested in tax measures to incentivize investment in clean conventional energy. In 20 years, 80% of the world's energy will still come from conventional sources, so we need to develop those technologies.

Would you consider it helpful in terms of that shift to cleaner energy technologies if we had a revenue-neutral tax reform package for your industry that would cut some of the subsidies Mr. Cullen was referring to, some of the ones that currently perhaps incentivize dirtier energy in terms of its carbon content, and then move it towards enhanced subsidies, accelerated capital allowance, on some of the cleaner measures—for instance, carbon capture and storage, as an example? Wouldn't that make sense in terms of helping transform your industry to competitiveness in a global, carbon-constrained economy?

Mr. David Collyer: I guess the first comment I'd make is that we don't accept the presumption that our industry is heavily subsidized. There's been a lot of material on the record that makes the case, at least from CAPP's perspective, that in fact we are not subsidized.

Again, we think competitiveness matters and that we ought to be looking at how our industry is taxed, how our policy on carbon and other environmental matters in Canada compares with that of the United States in particular, because that's a significant market for us.

Those are the things I would focus on, as opposed to suggesting that we move "subsidies" from one area to another. We don't accept the notion that our industry is in fact subsidized.

● (1815)

Hon. Scott Brison: We can have a longer discussion on that.

I have a question for Mr. Lord on the accelerated capital cost allowance to help build out high-speed Internet broadband to underserved communities. Would, for instance, a 75% accelerated capital cost allowance make a difference for the 20% of Canadians who live in communities that don't have high-speed Internet? It doesn't go as far as the 100%, but it ensures that the builders would have some skin in the game. Do you think that would be helpful?

Mr. Bernard Lord: I certainly believe it would be helpful. Whether it's 50%, 75%, or 100%, they do have skin in the game either way, because they do make the investment, and these are a sizeable investments. In the last three years, over $11 billion in private sector money has been invested to build out the networks without any government subsidy. That's just in the last three years.

Currently in Canada, 99% of the population are covered by wireless services, and 93% have access to high-speed wireless. Our objective is to bring it as close to 100% as possible. There are some limits because of our geography and the dispersed population, but I think 99% is certainly realistic.

Hon. Scott Brison: Thank you. I think my time is up.

Mr. Davidson, we will talk further on the importance of attracting foreign students to Canadian universities. I think you're absolutely right in this.

The Chair: Thank you, Mr. Brison.

We'll go to Monsieur Carrier, *s'il vous plaît, pour cinq minutes*.

[*Translation*]

Mr. Robert Carrier: Thank you, Mr. Chair. I will move on to another speaker in order to spread out the questions among our witnesses. I have a question for the representatives of the Royal College of Physicians and Surgeons of Canada. We have not heard from them yet—or perhaps just once.

I am all in favour of research. It should be encouraged in the country. In fact, that is one of your recommendations. However, you want to defend the creation of a national entity that would be in charge of promoting innovation. When you talk about a national entity, I am not sure what you mean by that. Is it an agency, a crown corporation that would define the direction of the research, which is not being adequately done right now? Do you think that the research you want to encourage in the different provinces, is currently inadequate and that it would take an agency to reflect on that and tell the provinces what direction to take?

[*English*]

Dr. Andrew Padmos: I'd like to ask Madame Danielle Fréchette to answer that question.

[*Translation*]

Ms. Danielle Fréchette (Director, Health Policy and Governance Support, Royal College of Physicians and Surgeons of Canada): Thank you very much.

We are proposing to create a national institute to oversee the quality of research. There are many innovations in various parts of the country that are monitored with varying degrees of attention. Saskatchewan is a good example of a province where innovation does not get shelved, but ends up in the hands of doctors and health care professionals. We are not talking about promoting research.

Another one of our recommendations is to increase funding to the Canadian Institutes of Health Research. These are two different concepts.

Mr. Robert Carrier: When an entity is created there are costs involved just to manage and define this research. That is one more budget that could otherwise be allocated to research. Are you aware of that?

Ms. Danielle Fréchette: What we are considering is an institute that would allow us to truly exploit the research in areas where we are making a lot of headway. Good practices in place in a small town could be applied to the rest of the province or elsewhere in Canada. It is a question of making better use of the money already being invested in the health care system. As Dr. Padmos was mentioning earlier, we are not doing a lot to promote the incredible investment we are making in health care.

Mr. Robert Carrier: Okay.

I have a question for Mr. Blakely about construction jobs. You are recommending that the government finance travel expenses for workers who have to go and work somewhere other than close to their home. Do you not think it would be better for the jobs to be spread out more around the country, rather than force people to leave...?

I have been to Newfoundland where it is common for workers to go to Alberta to find work because there is a lot of incentive from the companies for them to do so. However, this creates a lot of problems for the people who have to move around like that.

Do you not think it would be better for the government to spread around the budgets or incentives? Take for example the automobile industry. In the past two years, the government has invested $10 billion to save jobs in that sector. However, in Quebec, the forestry industry has been left to its own devices and a lot of jobs are being lost.

● (1820)

The Chair: You have a minute left.

[*English*]

Mr. Robert Blakely: There are two things, sir.

First, I am not asking that the people of Canada give a handout to a construction worker somewhere so that he can go and get a job somewhere else. If he is prepared to stand the cost of doing it, he has to get himself somewhere else, keep himself somewhere else, and work. I am asking that he get a tax credit for doing that. He could get that tax credit if he were an independent contractor, an engineer, a lawyer, a doctor, or a number of other people. That's really the tax fairness angle.

On the issue of whether we should better align where things are built in this country, the short answer to that is yes, but one of the difficulties is that if the tar sands mine is in a certain place or the potash mine is someplace else, you can't take the product all that far to process it. You refine it where you mine it.

The Chair: Okay.

[*Translation*]

Mr. Robert Carrier: We could have a government that thinks about encouraging industries—

The Chair: Thank you Mr. Carrier.

Mr. Robert Carrier: —in the different regions.

[*English*]

The Chair: Thank you.

I'm going to take the next government round. I wanted to follow up on some of the questions that were asked earlier, particular with respect to CAPP.

I'll ask for clarification at the beginning. Mr. Cullen asked about oil and natural gas. Am I correct in understanding that your first proposal is for natural gas alone?

Mr. David Collyer: Yes, it's specific to natural gas. It does not include any consideration of oil, either as oil sands or otherwise.

The Chair: I want to follow up on the question about Canadian competitiveness vis-à-vis the United States, because it seems to me some people are asking about it. They're saying that with the price of gas where it is, we should allow the shale gas development to take place in the United States rather than in Canada.

What is your response to that question?

Mr. David Collyer: My response, Mr. Chair, is that we're well served to have a natural gas price in North America that works for both consumers and producers. Given the job creation, economic benefits, and so on that flow from production of natural gas in Canada, it's important that we maintain a healthy and competitive industry here. With specific respect to our proposal, we believe that from a tax standpoint it effectively puts the Canadian industry on a level playing field with our competitors in the United States.

The Chair: Perhaps I'll get Encana to comment on this. One of the things I did this summer was to go into northeastern B.C. and see a site. I know what fracking is now, because I've seen it first-hand, but I'd like you to comment. My understanding of your argument is that you're promoting it because it is in fact a lower-carbon fuel. Am I correct?

Mr. Eric Marsh: That is correct. The environmental benefits are not the only reason we're working on it. The transportation sector produces between 40% and 50% of the emissions, and natural gas can help move that. We don't have the technology today to run an 18-wheeler or large trucks on batteries or do something better than that, and we think it's a great opportunity for natural gas.

As a comment on the competitiveness of it, I think you have to recognize that among all these different pieces—whether royalties, taxes, or whatever—the Canadian Mcf figure of gas that gets produced has to be competitive with the Mcf produced that day in the U.S.

The U.S. advantage is that it's closer to the burner tip, as we say; there's more of a market there. In North America we produce about 75 Bcf—billion cubic feet—per day. About 14 Bcf per day comes out of Canada, so our biggest market is really to sell into the United States. It's been an exporting revenue source for years in Canada, and I think it's important that we stay very competitive and analyze that.

● (1825)

The Chair: I have about two minutes left. Unfortunately, I don't have more time.

I want to come back to the issue of the accelerated capital cost allowance, because when I chaired the industry committee, we recommended it for the manufacturing sector, and at that time many economists came out and criticized it and said it was a subsidy.

Our argument as a committee was that it's a tax deferral and results in a lot more economic benefits coming to the government over time. It's being proposed for telecommunications, for natural resources, for the equipment manufacturers...for a lot of people. The manufacturing coalition has come back.

I wanted to give you the opportunity to address the question of whether it is a subsidy, because you know that's how the finance department is initially going to react. They're going to say it's a subsidy, a fiscal cost to the government, and have concerns on that side, especially with the fiscal situation we're facing.

I have about a minute for whoever wants to address it.

Go ahead, Mr. Lord.

Mr. Bernard Lord: I'd be happy to address that.

In fact, we don't view it as a subsidy at all; it is a short-term incentive. The tax that would be collected by the government will be collected anyway; it's just that the amortization is done faster, and it provides an incentive to build out faster. It's easier to get capital. That's certainly the case for the wireless sector, and I would say it's the case for other sectors as well.

The other thing is that we have to be careful. What I've noticed—and I don't want to speak for anybody else—is that there are some industries around this table that create wealth and prosperity for the country. We can't fall into the short-sightedness of imposing more taxes on those that produce wealth and prosperity in order to subsidize those that always fail. That's the danger. In fact, by providing a capital cost allowance, you're actually providing the incentive for those that create prosperity to do it faster. Then you'll be able to tax them more if you want to, which we don't think is a solution.

Let's support those that succeed rather than subsidize those that end up failing or those that just need more effort.

The Chair: Mr. Collyer or Mr. Marsh, we have about 15 seconds if you want to add a brief comment.

Mr. David Collyer: I think Mr. Lord said it very well. We would share that view completely.

The Chair: Okay. Thank you.

I have Mr. Brison again, please.

Hon. Scott Brison: Mr. Chair, I have a notice of motion that I'd like to present for Wednesday. I'll read it into the record.

The Chair: Mr. Brison, this is the last final round. You're going to read your notice of motion for debate on Wednesday.

Hon. Scott Brison: Yes.

The Chair: At this point, should I just thank the witnesses, then?

Hon. Scott Brison: Yes.

The Chair: This is a bit of parliamentary procedure. We have a notice of motion.

I want to thank the witnesses for being with us here today and for their responses to our questions. If there's anything further you'd like the committee to consider, please do so through the clerk. We'll ensure that all members get it.

Thank you.

Hon. Scott Brison: Mr. Chair, the motion is:

> That the Committee requests that the Parliamentary Budget Officer provide it with a general analysis, within 21 calendar days, of the Department of Finance's response to the motions moved by Scott Brison, MP and passed by the committee on October 6, 2010. That analysis, shall include, but not be limited to the following items:
>
> The Department of Finance's assertion that the majority of the Government of Canada's justice legislation can be implemented without any incremental fiscal costs to the Government and that to the extent that there are new costs associated with the legislation, that these have already been incorporated into the Government's fiscal projections;
>
> The figures provided by the Department of Finance on the estimated costs to the federal treasury of the Government of Canada's planned reduction of corporate tax rates from January 1, 2011 onwards;
>
> The Department of Finance's estimates on the costs of the F-35 aircraft.
>
> The committee also orders that the Government of Canada provide the committee with electronic copies of the following:
>
> Five-year projections of total corporate profits before taxes and effective corporate tax rates from 2010-11 to 2014-15;
>
> All documents that outline acquisition costs, lifecycle costs, and operational requirements associated with the F-35 program and prior programs, the CF-18. Such documents include but are not limited to the Selected Acquisition Report and the report of the US Department of Defence's Joint Estimating Team both relating to the F-35.
>
> The committee also orders that the Government of Canada provide the committee with electronic copies of the following motions as they relate to each justice bill listed in Mr. Brison's motion of October 6 as well as the following bills: S-2, An Act to amend the Criminal Code and other Acts; S-6, An Act to amend the Criminal Code and another Act; S-7, An Act to deter terrorism and to amend the State Immunity Act; S-9, An Act to amend the Criminal Code (auto theft and trafficking in property obtained by crime); and S-10, An Act to amend the Controlled Drugs and Substances Act and to make related and consequential amendments to other Acts:
>
> the incremental cost estimates broken down by Capital, Operations & Maintenance and Other categories
>
> the baseline departmental funding requirements including the impacts of the bills and Acts, broken down by Capital, Operations and Maintenance and Other categories;

> the total departmental Annual Reference Level, including all quasi-statutory and nonquasi-statutory items, including Capital, Operations and Maintenance and Other categories, including the incremental cost estimates;
>
> detailed cost accounting, analysis and projections, including assumptions, for each of the bills and Acts, conducted in accordance with the Treasury Board Guide to Costing.
>
> That the committee orders that all information requested in this motion from the Government of Canada be provided to the committee within 7 calendar days;
>
> That the Committee authorizes the Clerk to distribute to the Parliamentary Budget Officer all documents provided by the Government of Canada to the Committee in response to this motion;
>
> That the Committee shall report to the House the analysis provided by the Parliamentary Budget Officer to the Committee in response to this motion.

Finally, Mr. Chair, I apologize that we do not have the motion in both languages. I have talked to my colleagues from the Bloc, and tomorrow morning the motion will be circulated in both languages. We appreciate your patience with that today.

● (1830)

The Chair: Thank you, Mr. Brison.

Yes, obviously, we do ask for notices of motion in both official languages, but my understanding from the clerk is that a member can get the floor and read it into the record, which satisfies the requirements. But I would encourage all members to have motions in both languages.

Monsieur Paillé.

[*Translation*]

Mr. Daniel Paillé: I have a technical question. I want to know whether the fact that it was moved in English only makes it out of order. It is a long motion. We cannot debate it, but I ask the question in terms of procedure.

[*English*]

The Chair: It's in order because it's a notice of motion and he's not introducing the motion. It's a notice of motion because he wants to debate it on Wednesday.

Maybe Mr. Brison can indicate when on Wednesday he wants to debate it. We have a two-hour meeting and it may be a lengthy debate on this motion.

Do you want to debate it at the beginning?

[*Translation*]

Hon. Scott Brison: Thank you very much for your patience. I am sorry about today, but tomorrow morning, the clerk will circulate the motion in both official languages.

[*English*]

Mr. Mike Wallace: Are you answering his question?

The Chair: Do you want this debated at the beginning of the meeting on Wednesday?

Mr. Mike Wallace: I'll be talking for two hours.

Hon. Scott Brison: There's a shingle blowing in the wind over there.

What did you say, Mr. Chairman?

The Chair: Order.

This may be a lengthy debate. We have witnesses for Wednesday, so do you want to debate this motion at the beginning of the meeting?

Hon. Scott Brison: Yes, I think we certainly could do that.

The Chair: Okay. Thank you.

When members bring forward motions, in the past we've tried to work by consensus and gain support for motions, but....

Mr. Mike Wallace: I had my hand up before.

The Chair: If we're going to have motions, it presents real challenges for the chair. I'm trying to work with all members here.

Mr. Mike Wallace: I had my hand up earlier.

Hon. Scott Brison: The motion did emanate from the response we received from Finance to a previous....

When a committee makes requests to the government, it's not the opposition party that's making the requests; it is a committee of Parliament. When those responses are inadequate or insufficient, it's not an insult to opposition, but an insult to the entire committee.

I think it's an important motion, and it's one that, out of respect, we ought to debate thoroughly on Wednesday—

The Chair: Thank you. I don't want to get into the debate now. My understanding is that you want this debated at the beginning.

Mr. Wallace, do you want to comment?

Mr. Mike Wallace: Can the mover of the motion consider that on Wednesday we will have our last panels of witnesses? Is that not correct?

● (1835)

The Chair: Tomorrow we have final pre-budget—

Mr. Mike Wallace: I mean Wednesday.

The Chair: On Wednesday we have the Parliamentary Budget Officer—

Mr. Mike Wallace: Right.

The Chair: —and I believe three other economists.

Mr. Mike Wallace: We have three other economists.

Is there any reason you can't have this on the agenda for the very first meeting in the next week after we're back?

The Chair: This would be the Monday after the November break week.

Mr. Mike Wallace: That is correct. I mean, let's be fair to the people we've already invited to come here.

I'll be happy to talk to this motion. I know from my own requests of the Parliamentary Budget Officer for feedback on private members' bills how long it has taken, and I would be surprised if 21 days is within the realm of their being able to do their work. I'd be happy to speak to that. I'd be happy to do it.

Otherwise, Mr. Chair, if we're going to debate it at the beginning of the meeting, my educated guess is that we will not hear from the witnesses we've invited. That is my educated guess.

I'd be happy to debate the issue, and my only suggestion is to do it on the Monday that we get back.

Thank you.

The Chair: Okay. The suggestion has been made.

I'll go to Mr. Szabo first. Mr. Szabo, did you want to comment?

Mr. Paul Szabo: I'll yield to Mr. Brison.

The Chair: Go ahead, Mr. Brison.

Hon. Scott Brison: This information we're requesting is actually reflective of the information that was requested earlier from the Department of Finance, which was not provided. In fact, Finance had the request for, I believe, a month, so it is not that difficult for them to go back.

Second, I agree with Mr. Wallace: there's no need to have a long debate on Wednesday. We can have a short debate and a vote and move forward.

The Chair: I'm not sure that's what he said, but I'll....

Mr. Mike Wallace: Let's be realistic for a change—

The Chair: I have Monsieur Paillé and then Mr. Menzies.

[*Translation*]

Mr. Daniel Paillé: I would like Mr. Wallace to stay in the room.

Mr. Chair, I do not want to rehash the conversation about Wednesday, but since we have invited witnesses, I think we should talk with them on Wednesday at the beginning of our meeting. Then we could try to see if we can reach an agreement on this motion. My impression—and I say this with all due respect to my colleague to the right—is that if we go too fast, the proposal might be rejected because it may not get presented very well.

[*English*]

The Chair: *Merci*, Monsieur Paillé.

Go ahead, Mr. Menzies, please.

Mr. Ted Menzies (Macleod, CPC): I appreciate Monsieur Paillé's comments, and I certainly support Mr. Wallace's reasonable request. If Mr. Brison cares to listen to my comments—I guess he doesn't—I think that's only reasonable.

That's his opinion, and his opinion only. The committee asked for a response and the committee got a response. One individual said it wasn't adequate. I don't think the entire committee felt that it was not adequate. Mr. Brison has suggested that his own presumption is the assumption of this committee, which it's not.

I think the request Mr. Wallace put forward—that we not be rude to our witnesses—was a fair and reasonable request. The Parliamentary Budget Officer has said publicly that he'd be here on November 4. I would suggest we go ahead with that. We'll be more than happy to debate this motion when we get back on the Monday following the Remembrance Day break.

The Chair: Thank you.

I'll go to Mr. Szabo, and then I'll just....

Mr. Paul Szabo: Colleagues, it is the worst possible outcome to have witnesses come but not be heard. I think we all agree on that.

I would suggest, Mr. Chairman, that because this is just notice of motion, there's time for Mr. Brison to have discussions with all parties to see if there's a consensus on how to address this. I don't think we're going to resolve it right now, but I would encourage everybody to work hard to come up with a reasoned position.

The Chair: Okay. I appreciate that. Thank you.

Monsieur Paillé.

[*Translation*]

Mr. Daniel Paillé: The simple fact that Mr. Menzies said that Mr. Wallace's remark was reasonable is a solid argument because that is rare.

[*English*]

The Chair: Okay.

Some hon. members: Oh, oh!

The Chair: Order, order.

Colleagues, if I could just indulge you for 30 seconds, to give some guidance.... I appreciate Mr. Szabo's comments.

The motion for Wednesday is Mr. Pacetti's motion, so I think we ought to respect that motion and respect the witnesses for Wednesday. This is a very long motion, and it's going to have, I suspect, based on the comments made here, a very long debate. As the chair, it's easier for me if I get guidance from the committee as to how you want to proceed. Perhaps we can have some discussions and you can give me some guidance tomorrow. But, frankly, I agree with Mr. Szabo that inviting witnesses here and then having a two-hour debate is not appropriate.

I appreciate all of your comments. Let's talk off-line.

Thank you.

The meeting is adjourned.

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