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Chair

Mr. James Rajotte

Standing Committee on Finance

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• (0930)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): Good morning, everyone. Thank you so much for being with us this morning.

We are in St. John's, Newfoundland, this morning. This is our first city outside of Ottawa for our pre-budget consultations for Budget 2012, the budget consultations that follow up on 2011.

My name is James Rajotte. I'm the chair of the Standing Committee on Finance.

I want to thank you all for coming in this morning. We have a couple of members who are unable to make it because of the weather.

Again, thank you for coming in this morning. We have a full panel. We have six organizations here to present, and then you'll have questions from members from all sides. I'll just list the organizations for everyone: Genome Canada; the St. John's Board of Trade; the Brain Injury Association of Canada; the Building and Construction Trades Department, AFL-CIO, Canadian Office; the Canadian Federation of Students—Newfoundland and Labrador; and the Council of Canadians with Disabilities.

You will each have up to five minutes for an opening presentation. Then we'll start with questions from members.

We will start with Genome Canada, please.

[Translation]

Mr. Pierre Meulien (President and Chief Executive Officer, Genome Canada): Good day, Chair, committee members.

I will be making my presentation in English; however, I would be delighted to answer questions in French, should there be any.

[English]

Mr. Chairman and members of the committee, on behalf of Genome Canada, I'm pleased to participate in this consultation process leading to the 2012 federal budget.

Recognizing the central role that genomics will play in Canada's future, the federal government supported the establishment of Genome Canada a decade ago to foster this comparatively young science. In our first 10 years of existence, three key foundational activities were accomplished.

Genome Canada and six regional genome centres were formed to induce and support genomics research activities across the country in

sectors of strategic importance to Canada. A national strategy was developed that aimed at fostering genomics developments in terms of scientific output, infrastructure support, and research talent. In funding research, we incorporated considerations of ethical, environmental, economic, legal, and social challenges as a means of improving the likelihood that scientific discovery would lead to real world benefit.

We've delivered a real return on investment, leveraging the \$915 million received from the Government of Canada into \$2 billion in research through co-funding agreements with international partners, the private sector, universities, and, very importantly, provincial governments.

Five world-class science and technology innovation centres have been created in Canada to build an advanced, highly sophisticated technological foundation for Canadian researchers, companies, and others to support genomics initiatives across the country. Genome Canada has established a unique, effective operating model that combines national leadership with the ability to respond to regional needs and priorities.

More than 150 large-scale research projects—these are about \$10 million each—have been undertaken and are fuelling the development of Canada's bio-economy. We've developed a cross-sectoral approach to create the multidisciplinary expertise needed to address complex challenges that impact Canadians directly. This approach touches upon most key sectors that are critical to future Canadian growth and prosperity: agriculture, forestry, fisheries, the environment, energy, mining, and human health.

More than 20 private sector companies have resulted from our research investment. Our strong focus on commercialization has led to more than 350 patent applications and patent awards, as well as 24 commercial licence agreements. More than 10,000 highly skilled personnel have been trained in genomics throughout this period.

There are a lot of examples. Some are listed in my sheet. In human health, in the areas of cancer, diabetes, and autism, the approach is helping patients but also helping to improve the economics of our health care system.

In forestry, genomics is helping to choose trees to plant: which tree do you plant after 14 million hectares of forest have been destroyed by the mountain pine beetle? Genomics is there.

In mining, energy, and the environment, microbial communities are being looked at through genomics in terms of helping to get new remediation technologies up and running. The sequencing of the salmon genome will provide improved management of wild fish stocks and enhanced brood stock development for the aquaculture industry.

Over the last 10 years, we have been very successful regarding any benchmark study, and in order to fully capitalize on the promise of genomics and keep pace with the rapid rate of evolution and the impact of this young science, we've set ourselves new objectives for the next five years: investing in large-scale science and technology to fuel innovation; connecting ideas and people across the public and private sectors to find new uses and applications for genomics; and translating discoveries into applications that create valuable products and services delivering direct benefits to Canadians.

Mr. Chairman, to continue the process of generating discoveries and accelerating their translation into direct benefits, we're requesting stable, multi-year funding of \$500 million over five years—\$100 million per year. We intend to multiply that funding substantially so that a net investment of approximately \$1.5 billion—so that's three to one—will be made in Canada in genomics. We will do so in recognition of the central role of genomics in our economic and social future and the expectation that we're on the cusp of significant and dramatic change.

The economic and social benefits that we're reporting to you here today are only the earliest indicators of the net benefit to come. We do understand the fiscal challenges facing the Government of Canada at this time, but we believe this needs to be balanced with the innovative agenda, which will drive the economy that Canada needs to set its new priorities.

Stable multi-year funding will optimize Canada's chances of playing a major role in the future bio-economy; according to the OECD, this will be worth nearly 3% of global GDP by 2030. Canada, given its footprint, should be expecting a larger percentage of that pie.

• (0935)

Genome Canada has aligned itself with the objective of the federal government's Advantage Canada initiative and has become an integral part of the innovation agenda, bringing return on investment to all citizens of Canada over the past ten years, and continuing partnership with the Canadian government in sharing goals and objectives of job creation and economic development. Our next ten years will provide even greater ROI to Canada.

Mr. Chairman, Canada's genomics enterprise has just begun the process of expanding Canada's innovative capacities. We ask for your support in realizing this promise.

Thank you very much.

The Chair: Thank you very much for your presentation.

We will now hear from the St. John's Board of Trade.

Mr. Jo Mark Zurel (Chair, St. John's Board of Trade): Thank you, Mr. Chairman.

Thank you, members of the committee, for making time for the St. John's Board of Trade to speak on this subject. I'm going to keep my presentation in the context of Canada's position in the global economy.

When you look around the world right now, you see governments in Europe and south of us in the United States struggling with large deficits and large debts. These issues are affecting the real economy as well. In Canada, through the last recession, we have increased our deficits quite substantially, and we've been adding to our debt. At the St. John's Board of Trade, we believe it's time to get back to basics, and time for the government to focus on the core role of government and to reduce its costs. We believe that for things like the public service, costs should be reduced proportionately.

In the past, we've seen that in some regions cuts have been deeper than they have been in central Canada. We believe, to the extent that cuts in the number of civil servants and the cost of services are required, that these need to be done on a proportional basis so everybody is delivering the services proportionally across the country. We think doing so is important because Canada relies heavily on resources, and resource prices rise and fall with the global economy. These are things we don't control. All we really control is our own spending.

Looking at ways to reduce costs, we believe the private sector can deliver many of the services the government currently delivers directly, and can do it more cheaply and more efficiently, thus freeing up funds for the federal government to be able to focus on core government programs.

We also believe, though, as was the case in the last downturn when there was some stimulus spending, there are times when strategic investments need to be made. We believe this may still be the case in some areas. We really think these investments should be based on evidence and should be delivered, to the extent possible, with partners in the private sector.

I will give you a couple examples. These are the types of things we believe would help stimulate economic activity in the future, as opposed to just adding expensive infrastructure to be maintained later. These examples include things like the recent adoption by the Canadian Chamber of Commerce of a policy asking the federal government to develop a plan for northern gateways across Canada. We believe this sort of thing will stimulate economic activity into the future and would be a worthwhile investment.

Another example is the adoption by the Canadian Chamber of Commerce of a policy saying we should have the federal government, through public policy and potential investment, ensure that we have an east-west power grid and, to the extent that is practical, a north-south one as well, so that provincial rivalries will not get in the way of good economics. There is an important role there for the federal government. We think these are the sorts of things, to the extent that stimulus spending is required, that should be focused on rather than just adding expensive infrastructure.

That's the end of my formal comments, so I'll leave it at that.

• (0940)

The Chair: Thank you very much for your presentation.

We will now hear from the Brain Injury Association of Canada.

Ms. Jeannette Holman-Price (Vice-Chair, Brain Injury Association of Canada): Thank you, Mr. Chairman and committee members. We're honoured to be able to present today to your committee.

The Brain Injury Association of Canada, BIAC, was founded in 2002 by a group of eight family members of survivors of brain injury. Just nine years later, we serve 1.4 million brain injury survivors across Canada.

Our board of directors has grown to include representatives from across the country, with board members from Vancouver to St. John's and a strong national presence. We advise MPs interested in the topic, and have been called to Parliament Hill to advise on the creation of private members' bills on our topic.

Our Internet site receives more than 5,000 visits per month, ranking third in North America for information with regard to brain trauma or acquired brain injury. We action more than 75 requests for information from Internet and telephone requests per week.

We count among our front-line advisers the late Dr. Jane Gillett, pediatric neurologist; Dr. Raquel del Carpio, associate director of radiology at the MUHC; Dr. Angela Colantonio, researcher for Toronto Rehab; Dr. Charles Tator, neurosurgeon; Dr. Nora Cullen, physiatrist; Dr. Paul Echlin, neurologist; and Dr. Michael Vassilyadi, pediatric neurosurgeon.

We sit on the NCAA, the Global Road Safety Committee, and the International Brain Injury Association. Our members also sit on the Atlantic Collaborative for Injury Prevention, and we advise across the country on ways to prevent brain injury.

One of our strongest messages is that the only cure for brain injury is prevention.

BIAC is in partnership with the Canadian Chiropractic Association, the Office for Disability Issues with Human Resources Canada, the Canadian Medical Association, the CFL Alumni Association, Stop Concussions in hockey, in Toronto, as well as grassroots and support networks across our country.

Neurological Health Charities Canada was given \$15 million for research initiatives from the Government of Canada. When we were invited to the table, we were able to advise those researchers on inadequacies across the country in areas of research, including pediatric and childhood brain injuries, as well as focusing on the topic of women and ABI.

BIAC has an excellent working relationship with the Ontario Neurotrauma Foundation, and we're working closely with ONF toward a national brain injury research strategy.

Our annual conference attracts specialists from around North America. Our conference is well received by topic specialists, but also has a strong stream of support as it is attended by both survivors and their support networks.

We've managed to attract the interest of our Governor General, His Excellency David Johnston, and Mrs. Sharon Johnston as patrons.

There are huge inadequacies in what is available in terms of care across our country. The stories of people at our conference from the east coast were particularly poignant in comparison to what we've heard from others across Canada. That came up in our focus groups.

There are huge numbers of people affected and huge costs. Brain injury is more common than breast cancer, HIV/AIDS, spinal cord injury, and multiple sclerosis combined. Also, if people got more treatment up front, they would be more productive in the long term, as would their families.

Brain injury tends to affect individuals early in life. As such, they may have to live for decades with a disability. Among long-term brain injury survivors, the leading cause of death is depression and suicide. Return to work after a moderate to severe injury is only about 40%. In a recent study, the lifetime prevalence among homeless participants was 53% for traumatic brain injury and 12% for moderate to severe traumatic brain injury. For 70% of the respondents, their first traumatic brain injury occurred before the onset of their homelessness.

After adjustment for demographic characteristics and lifetime duration of homelessness, a history of moderate to severe traumatic brain injury was associated with a significantly increased likelihood of seizures, mental health problems, drug problems, poor physical health status, and poor mental health status.

There's a high prevalence of brain injury history among persons in prison. Many of these people have a history that would likely not have been there had they had proper support or behavioural interventions from the onset.

There is a focus on prevention. We need to educate families and providers about concussion management to prevent any negative secondary effects from concussions. Traumatic brain injury, or TBI, is a leading cause of death and disability globally, and thus is of major public health importance. TBI is more common than breast cancer, spinal cord injury, HIV/AIDS, and multiple sclerosis in a 2:5 ratio.

Across Canada, approximately 18,000 hospitalizations annually are associated with TBI diagnosis.

● (0945)

The Chair: You have a minute left for your presentation.

Ms. Jeannette Holman-Price: Although men are twice as likely to sustain a TBI, there's a large population of women affected. Despite that, the health-related consequences of TBI that are unique to women have not been adequately studied.

BIAC wants to continue our work and expand our leadership role in the national concussion management program to educate all Canadian parents, athletes, and coaches on how concussion can be prevented through certified equipment.

Our request, Chairman and committee members, is that in order for the Brain Injury Association of Canada to support grassroots organizations, the association requires seed funding for a period of four years to carry out its ambitious development plan to support close to 1.4 million Canadians living with acquired brain injury and to assist in reducing the social, economic, and health burdens that affect all Canadians.

The Brain Injury Association of Canada is requesting an investment of just \$2 million over four years from the Government of Canada to allow our association to build a national movement with provincial affiliates; to assist in our development of research excellence; to enhance our ability to tell the brain injury story and create awareness; to assist the association's ability to reach all Canadians with information about prevention and support; to help launch our national fundraising program; and to assist BIAC's ability to represent and communicate with Canada's francophone community as well.

The return on this investment will be priceless. As soon as new and innovative brain injury programs and services become operationalized, BIAC will be in a position to assist all levels of government.

The Chair: Thank you very much for your presentation.

We'll now hear from the Building and Construction Trades Department, AFL-CIO.

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

My name is Bob Blakely, and I am privileged to represent the men and women who build and maintain Canada.

With me today is Mr. David Wade from the Newfoundland and Labrador building and construction trades.

We're in an industry that employs over a million Canadians but has no permanent jobs. For every construction job that happens in Canada, the day you are hired on, you are one day closer to being laid off. Unlike others who are here with an "ask", I am here to give you money.

I have a scheme that will help meet a number of challenges the Government of Canada faces and get Canadians with skills from one area to another in this country. If you look at the labour market information available, you will find that areas like Newfoundland and Labrador will face significant labour shortages from now until 2014. Ontario will be flat until 2015. Alberta, Nova Scotia, and Quebec need numbers of workers.

In a transitory business, we need to be able to move people from one place to another in the country. According to some of the studies that have been done, 70% of all construction workers move, either within the province or within the country, in order to access work during their careers. What we are proposing is a tax credit program that would allow workers who fall within areas where skills are

required to be able to claim a tax credit for money they spend moving from one part of the country to another. Workers benefit by getting a reduction in their temporary relocation costs. Employers will benefit from having access to a much larger pool of workers. The Government of Canada will benefit. If you look at the investment scheme described in the materials, you'll see that after an initial short-term investment, the Government of Canada will recover money at a rate of about five to one.

We have a number of suggestions as to how you could set up a pilot project and monitor it. I'm not going to waste a lot of time going through that. Suffice it to say, we're asking here for something that will help construction workers move from one part of the country to another. Newfoundland, which has been a traditional exporter of people, is going to be an importer of people over the next three or four years.

We're also asking for some tax fairness here. If, instead of being construction workers, we were engineers or architects or superintendents who incorporated ourselves as one-person companies, we would be able to write off our travel expenses at 100¢ on the dollar. We can't do that as working guys.

Teamsters, who are long-haul truckers and who move across the country, can write off their expenses. We're asking for a tax credit that would help move people, who we desperately need, from one part of the country to another. I know Mr. Jean can tell you that in Fort McMurray they need people.

If you look at the background, at how long we've been talking about this, in 2008 the standing committee on human resources and social development talked about creating some sort of relocation assistance to help people who move from place to place. There is a private member's bill that has been introduced in the last three parliaments, which now is Bill C-201, introduced by Chris Charlton from Hamilton Mountain. It talks about how we could assist people with skills to move.

The time has come. The baby boomer generation, which no one expected was ever going to retire, is going to retire. We have spaces for nearly 2,500 people to enter the construction industry in the next five years, and another 163,000 people in the five years after that. It's an industry that is going to change. If we have trained people all across the country, we need to be able to move them.

We are talking about a way the Government of Canada can lever its investment and have a worker in Corner Brook work in Alberta for a very low cost, instead of being on unemployment insurance at home because he can't afford to travel.

That's my pitch. Thank you.

● (0950)

The Chair: Thank you very much.

We'll now hear from the Canadian Federation of Students, please.

Ms. Jessica McCormick (Chairperson, Canadian Federation of Students (Newfoundland and Labrador)): Thank you.

Good morning. My name is Jessica McCormick. I'm the chair of the Canadian Federation of Students—Newfoundland and Labrador. The federation represents every public university and college student in the province and over half a million post-secondary students across Canada. I'd like to thank the committee for the opportunity to make the voice of students heard here today.

The student movement's recommendations focus on how the next federal budget can improve access to post-secondary education for students like me and pave the way for a more stable and equitable economy.

As a student who faced significant barriers accessing post-secondary education in my home province of Nova Scotia, I was forced to leave my family, friends, and community in Cape Breton and attend Memorial University of Newfoundland, where tuition fees are less than half those of Nova Scotia. A recent study conducted by the Memorial University Faculty of Education found that since the tuition fee freeze was introduced in 1999 there has been a 1,079% increase in the number of Nova Scotians studying at MUN.

Inadequate post-secondary education funding has resulted in tuition fee increases of over 230% since 1992. Those who receive government assistance or private bank loans face average debt loads of \$28,000, with many debts over twice that figure. Over the previous few years, the federal government has made some progress in increasing access to post-secondary education, both through the increase to the Canada social transfer and the introduction of a national grants program. However, there is much work to be done to increase accessibility to post-secondary education in this country.

Our first recommendation is that the government adopt a post-secondary education act. At a time when over 70% of new jobs require a degree or a diploma, it is crucial that we have a national vision and framework.

A post-secondary act—similar to the Canada Health Act—would clarify the federal government's shared role in ensuring that billions of federal dollars transferred to the provinces each year are spent on post-secondary education and that education is a right for everyone in Canada, regardless of their socio-economic circumstances. Although education is a provincial jurisdiction, not unlike health care, the federal government has a clear role to play in providing funding for post-secondary education as well as student financial assistance. In order to achieve this worthwhile goal, the federal government should work together with the provinces to implement a national post-secondary education act.

Our second recommendation is to expand the value and quantity of the Canada student grants by reallocating the current funding for ineffective education-related tax credits and savings schemes. For the past decade, the federal government has spent billions on back-ended assistance through the registered education savings program and the Canada education savings grant, as well as education-related tax credits. In addition to having little proof that these measures actually increase access to post-secondary education, uptake for these programs is predominantly by families with higher income levels.

In 2009-10 alone, the federal government spent \$2.5 billion on these programs. This exceeds the total annual lending of the Canada student loans program by \$400 million. By reallocating the funding, the federal government could eliminate the need for students to borrow from the CSLP until 2025.

Fall 2010 saw student debt hit an all-time high of approximately \$15.3 billion. The debt burden faced by students is substantial and unsustainable and has reached a crisis point. Student debt has increased in almost every jurisdiction, with the exception of Newfoundland and Labrador. Here, student debt has been lowered through an expansion of the provincial grants program that now provides \$70 in grants per week of study. This was accomplished while the post-secondary education system experienced an overall increase in enrollment and the province experienced a decrease in population.

If the federal government wants to seriously tackle student debt in Canada, it need look no further than the example set by the policies of the Government of Newfoundland and Labrador: expand the Canada student grants program.

Our final recommendation is to expand the number of Canada graduate scholarships by \$75 million over three years, consistent with average program growth since its creation in 2003. Technology and innovation play a central role in the development of Canada's economy. In Newfoundland and Labrador, the volatility associated with a resource-based economy has highlighted the need for diversity and innovation.

Universities, and particularly graduate students, play an important role in the development of innovation and cutting-edge research. Graduate students are generating a significant portion of Newfoundland and Labrador's new and innovative social and economic ideas, products, and methods. Financial hardship affects the quality of research performed by graduate students, who are under stress and forced to shorten their field work, forego publishing and conference presentations, and rush the writing stage of dissertations.

As an addendum to our submission, I would like to point out that our national organization, the national aboriginal caucus of the federation, and several aboriginal and non-aboriginal organizations alike, have all recommended that the federal government eliminate the 2% cap on the post-secondary student support program. Students in Newfoundland and Labrador and across the country see this as an indefensible policy that is harmful to first nations and Inuit communities and to the economic well-being of the country. The current funding path on the PSSSP has prevented thousands of aboriginal students from attending post-secondary education institutions.

● (0955)

In conclusion, the lack of federal leadership in addressing increasing tuition fees and chronic underfunding has resulted in significant lost opportunity costs to our country. For every Canadian shut out of post-secondary education, the costs of health care, employment insurance, social assistance, and public safety increase, while the tax base is reduced at the same time.

The OECD estimates that the economic return on investing in post-secondary education is \$1.63 for every dollar the federal government spends. Simply put, our government cannot afford to continue to underfund our post-secondary education system.

Thank you. I look forward to any questions the members of the committee may have.

The Chair: Thank you for your presentation.

We will now hear from the Council of Canadians with Disabilities.

Ms. Susan Ralph (Vice-Chairperson, Council of Canadians with Disabilities): Thank you.

I'm Susan Ralph. I'm the second vice-chair of the Council of Canadians with Disabilities, as well as a member at large.

CCD is the only national cross-disability organization of men and women with disabilities working for an inclusive and accessible Canada. CCD promotes the elimination of barriers so that Canadians with disabilities have the opportunity to take their place in the Canadian economy.

Coordinated by our organization and the Canadian Association for Community Living, people with disabilities and their families have developed a national action plan to address these barriers. I have brought along copies of our national action plan to leave with you. In this presentation today, I will share with you those solutions relevant to your work on your committee.

CCD will be focusing on solutions aimed at ensuring shared prosperity and a high standard of living for all citizens. We are aware that the federal jurisdiction has its limitations and that responsibility for many of our issues rests within the provinces and territories.

We urge the Government of Canada to work collaboratively with all provinces and territories on labour market strategies and broad social policy initiatives to address the needs of persons with disabilities. Wherever possible, we ask the Government of Canada to use its legislative powers to ensure persons with disabilities are fully included in Canadian programs and services and thus have opportunities to contribute to Canada's social and economic prosperity.

CCD urges the Government of Canada to remember those who already face significant barriers and disadvantages. Many within the disability community live on incomes that are less than \$10,000 annually. CCD respectfully puts forward three recommendations that if implemented would increase the opportunities for inclusion and contribution of persons with disabilities, improve their standard of living, and facilitate their sharing in Canada's prosperity.

Our number one request is to address the disproportionate poverty experienced by Canadians with disabilities. The registered disability

savings plan created in Budget 2007 is a positive initiative, but its impact will not be felt until 10 years after its inception. The disability tax credit is the Canadian government's main program that addresses the non-itemizable and non-reimbursable costs of living with a disability—for those who meet the DTC eligibility requirement. At present, many Canadians with disabilities who would be eligible for the DTC have no benefit from this because they do not have a taxable income. Our recommendation is that the Government of Canada make the disability tax credit refundable for Canadians with disabilities who do not have a taxable income.

Number two, expand the EI sick benefit. A qualified worker can receive sick benefits for up to 15 weeks. In the area of sickness benefits, Canada lags behind other countries. The inadequate duration of this benefit puts Canadians at increased risk of slipping into poverty. In the national action plan, the disability community has recommended reform of the EI sick benefit, for up to 52 weeks of coverage, as one of the first steps to end disability poverty. Such reform would ensure continuity of income against the interruptions of earnings in case of illness and disablement. It is of note that over 100 Canadian organizations supported this proposal when endorsing the national action plan we have developed. CCD recommends that the Government of Canada reform the EI sick benefit to provide up to 52 weeks of coverage.

Number three, support organizations of persons with disabilities. Organizations of persons with disabilities will be called upon during an economic downturn to support and create community services to assist those who have lost jobs or find themselves less able to cope. Canada's organizations of persons with disabilities provide a wide variety of programming, including training and professional development and individual supports and shelter to members of our community. During hard times, volunteers and their associations play a critical role in addressing the difficulties encountered by many. The Government of Canada must enable volunteers and the disability organizations to continue to make the strong and effective contributions that only they can provide.

● (1000)

CCD recommends that the Government of Canada renew and expand the social development partnership program that supports the disability community to bring the government advice and information for creating a more accessible and inclusive Canada. This fund has not been increased since 1996, and people with disabilities and their organizations have repeatedly been asked to do more with less.

This situation cannot continue. Soon, if the government does not expand its support and added value by engagement with disability organizations, we'll be lost.

In conclusion, on March 11, 2010, Canada ratified the United Nations Convention on the Rights of Persons with Disabilities, CRPD. By adopting the recommendations you have heard today, the Canadian government would be acting in accordance with the spirit of the CRPD, which holds states parties to a standard of progressive realization of the objectives established in the convention.

I thank you all for your time and for the opportunity to highlight our three main items, to which we are confident this committee can contribute.

Again, thank you.

The Chair: Thank you very much for your presentation.

We'll now start members' questions with Mr. Mai, *pour cinq minutes*.

[*Translation*]

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

[*English*]

Thank you to all the witnesses for coming today.

Obviously, we have a lot of questions but not a lot of time. My first question is for Ms. Ralph from the Council of Canadians with Disabilities.

You said the social development partnership program that exists has not been increased since 1996. Do you know why?

• (1005)

Ms. Susan Ralph: I do know that a lot of national disability organizations, more especially our council, the Council of Canadians with Disabilities and the community associations for independent living, have asked for an increase in core funding to the national organizations. I don't know why they haven't been funded. We have repeatedly asked, with the support of our provincial organizations, for an increase in that as many of our national organizations depend on that money in order to function.

Also, I just want to make note that that funding trickles from our national organizations into some provincial ones. These are very small grants that are able to filter out in order to bring together people with disabilities to hear grassroots solutions to many of our issues.

Mr. Hoang Mai: Also, in one of the recommendations you proposed—and this will also apply to Ms. McCormick—regarding a tax credit, you are asking for it to be refundable. Do you mean basically to just give it as a grant? Is that your request or recommendation?

Ms. Susan Ralph: We are asking for income tax reform around the disability tax credit. As you know, not all people with disabilities are eligible for disability tax credits. You have to be markedly restricted in order to gain eligibility to the disability tax credit.

The problem with that is that many of the folks who are eligible for the disability tax credit do not have taxable income simply because they may be on Canada Pension Plan disability or they may be on income support programs within their own provinces. So even though the individuals who are eligible for this tax have significant barriers and disability-related costs, none of those itemizable,

disability-related costs are any good to them as tax writeoffs simply because they do not have that income.

Mr. Hoang Mai: I will ask the same question to the Canadian Federation of Students with regard to tax credits versus grants.

Ms. Jessica McCormick: Currently the federal government invests roughly \$2.4 billion in tax credits and savings schemes.

Our recommendation is actually cost-neutral: to roll those investments in tax credits and savings schemes into upfront, non-repayable grants by investing in grants or reducing student debt. Taking action on the student debt crisis in the country will allow graduates to begin their careers without mortgage-sized debt and to be able to contribute to the economy through the tax base.

Mr. Hoang Mai: Thank you.

I have a question for the building and construction trades.

You talked about Bill C-201, which was put forward by one of my colleagues. However, I was just wondering if that really addresses the issues you raised in terms of jobs and transferability.

Mr. Robert Blakely: The short answer is yes.

I know that Ms. Charlton has told us unequivocally that if the Government of Canada moves forward with something that would deal with the issue of the transfer of skilled people from one part of the country to another, she would withdraw her bill in a heartbeat.

Mr. Hoang Mai: Thank you.

I have one question regarding brain injuries. We know that investing in prevention would help a lot in our society. What recommendations would you give with regard to using that money for prevention? Are there some examples or things that you really see concretely?

Ms. Jeannette Holman-Price: We work together with other organizations throughout the country on prevention. There is an awful lot of funding already in prevention. The ThinkFirst program is dedicated to prevention. The Brain Injury Association of Canada looks at prevention as one small portion. We look at prevention, identification, and rehabilitation.

When it comes to getting people back into the workforce or back into living, we see that the biggest deficit across our country is the very little money put into rehabilitation. Injury prevention is a global problem, but it's being addressed in many areas.

When it comes to brain injury, unlike a broken leg or a broken arm, which will heal, the brain will never heal. Once prevention has failed, we feel that the Brain Injury Association of Canada takes on where the other organizations leave off.

• (1010)

The Chair: Thank you. Merci.

We will go to Mrs. McLeod, please.

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

It's great to be here—although I'm not sure whether we're going to be out of here. We might get to enjoy Newfoundland longer than we'd anticipated.

Voices: Oh, oh!

Mrs. Cathy McLeod: At any rate, it's great to be here.

I would like to start with you, Mr. Zurel. If I look at your brief, what I'm hearing is that absolutely it's important to tackle the deficit. It's important to tackle the inefficient spending of government. We have people who are saying not to do anything in terms of government and government expenditures. I think what I heard from you is that we need to do that work, and if things really become a challenge, any stimulus should be focused in specific areas that are going to be revenue-generating.

Is that what I heard you say?

Mr. Jo Mark Zurel: I couldn't say it better than that. You've got it perfect.

Mrs. Cathy McLeod: Okay.

You mentioned that the private sector can deliver many functions. Do you have any examples that you can give?

Mr. Jo Mark Zurel: Well, sure.

You already see right now where government will outsource things like road building to the construction industry participants. They can do that work because that's what they do every day. It's not a core part of government, but it's something the private sector can deliver efficiently through an RFP and a tender process. Other types of examples would be things like CRA call centres.

Part of the challenge with the government delivering services directly that are not necessary to be delivered is that the cost of government employees is high, with very high benefits and so on. We're saying that, particularly around here, we have a shortage of workers. As someone else said—I think it was the construction gentleman—we have a shortage of people to fill jobs, and the government has a lot of people who have great skills. The private sector really struggles to find enough people, because we cannot compete with these really high pensions, post-employment benefits, time off, and so on.

If such things as call centres were outsourced, we believe that would put more people into the economy. It would be more efficient, and we would have more people out in the economy generating wealth rather than consuming it.

Mrs. Cathy McLeod: Again, this is certainly an area of perhaps disagreement around this table, so it's always good to talk about this. We continue to believe that the reduction in corporate taxes is essential for business.

From the people you represent, can you speak to that?

Mr. Jo Mark Zurel: Certainly.

It's important that Canada and the Canadian provinces maintain a competitive tax regime. When we're looking at the United States and other competing governments with which we compete for work and

workers, we see that Canada right now, in its tax regime, is reasonably competitive in terms of general levels. There are some inefficiencies and some taxes that are more productive than others. Taxes on capital and that sort of thing are regressive taxes that discourage investment, but things like the consumption taxes we have make sense. The government needs to collect taxes to be able to deliver programs. We fully support that. We don't see that Canada has a substantial problem with regard to its taxes. We have to keep reviewing it and looking at it when comparing our rates and our structure to those of our competitors to ensure that we maintain our competitiveness. Right now, the bigger issue for us is that we're spending more than we're bringing in. We need to solve that from the perspective of our spending and not with taxes.

Mrs. Cathy McLeod: Okay.

Mr. Meulien, you were talking \$100 million a year. What have you had in the past? If you have two seconds, do you have a regional centre in Newfoundland?

Mr. Pierre Meulien: We've averaged between \$80 million and \$100 million per year. It's been sporadic over the years. This is not out of whack with the average that we've been receiving from the federal government.

The regional centre here is in Halifax. It covers the four provinces of the Atlantic region. It's Genome Atlantic.

• (1015)

The Chair: Thank you, Ms. McLeod.

Mr. Jean, go ahead, please.

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

I appreciate being here today.

I have to say, Jo Mark Zurel, that you sound Albertan. It's no surprise to me that we have such a good connection between Newfoundland and northern Alberta, because you sound just like my chamber of commerce does. I would agree with everything you say, and I'm glad to see you here.

My question is really for Bob in relation to the construction trades industry. I'd like to suss out a little bit more. I proposed the same thing back in 2008 at a human resources committee, and I hit the front page of every newspaper in Atlantic Canada, which suggested that we were trying to steal people from Atlantic Canada for Fort McMurray. I'd rather not see a repeat of that if anybody is in the room.

I have to say that I was quite shocked at the response of people, because Fort McMurray was built by Newfoundland. The oil sands were built by Newfoundland. I had 45 years there, and I spent my entire time with people from Atlantic Canada. I don't really understand why we don't have a program at this stage. I know we have been looking at one for some period of time. Are you speaking specifically of long-term relocations or short-term relocations? In Fort McMurray, of course, we have people in for 20 days and then out for 10 days. They go back to Moncton or St. John's, or whatever the case may be.

Mr. Robert Blakely: I'm talking more about the short term.

If you look at the long term, there's a program under the Income Tax Act under which you can claim the cost of a move. If you look at the short term, at those guys who are in for 28 days and out for seven or whatever, most of what they're doing is found. The fellow who shows up to go to the shutdown at Syncrude, which is going on now, comes on his own dime and lives in a motel for a while. Lots of the fellows who are going to be working there left from here, St. John's, five days ago in a car. They will drive to Edmonton. They'll get a dispatch slip. They'll hang around until it's time to go to work—catching their own rabbits, as they say in the trade. They'll go to work and then drive back. And there is nothing to support them.

Mr. Brian Jean: I agree with you. I think it's low-hanging fruit that we could actually deal with to encourage people to go back and forth.

Most people indicate to me that when they want to come out to Fort McMurray they've usually just finished UI so they don't have any money. They say, "I need money before I can go out. You have a job for me, but I need \$1,000 or \$2,000 to move my family or just to come out there and try it for a while."

Has your organization looked at anything in conjunction with unemployment insurance to either up it to a certain period or...?

Mr. Robert Blakely: Honestly, Brian, my pitch for the last six or seven years has been, give us a grubstake so we can get the guy to work. That didn't go over very well with the last three governments, so I changed tack a little bit and said, let's try the tax credit idea.

You're exactly right: the guy in Corner Brook who was going to go work on the shutdown has run out of poge and needs a grubstake to get him there. In some cases, the local union will give him enough money and he'll pay it back when he comes in, or he gets it from Aunt Susie or somewhere. Among our skilled trades what we're really doing is creating a system of applied begging, and I don't think that's appropriate.

I mean, if I were king, I would let people have a tax credit net of what the employer has paid—that came out of their own pocket—and if someone needs \$1,000 or \$2,000 to get to the job, I'd do that.

Mr. Brian Jean: So you would tie it in some way with unemployment insurance, either extend it for three months...? Is that what you're suggesting, as long as they relocate?

Mr. Robert Blakely: Yes.

The Chair: You have one minute.

Mr. Brian Jean: Also, housing is an issue when they get onsite or when they're in different communities. I don't want to pick out Fort McMurray... This is the future of our country. We're going to be sending people from Alberta who are actually the sons and daughters of people who have moved from Newfoundland to Fort McMurray and have stayed there—

Mr. Robert Blakely: They'll be coming to Argentina to go to work.

Mr. Brian Jean: Exactly. They are going to come back to Newfoundland to work.

So I think it's clear, whether it be in the Northwest Territories, Yukon, Newfoundland and Labrador, or Fort McMurray, that if we do not do something in relation to our skilled workers, we are going to have a major problem with baby boomers retiring. In Syncrude, I

cannot tell you how many people I know who have left Fort McMurray in the last five or six years and who were hired in the eighties.

• (1020)

Mr. Robert Blakely: We're there right now. The fact that there was no work in Alberta, Ontario, or Atlantic Canada in the eighties and the nineties means that we didn't invest in apprentices. We are now paying the piper for that.

The integration of nearly 300,000 new workers into the construction industry over the next five years is an enormous task. The truth is that most people never see the construction worker, but if you want to turn on your iPad and do something with the Internet, it doesn't work unless we've built the generating station. Without us, there are no comfort stops along the Internet highway.

The Chair: Thank you, Mr. Jean.

We'll go to Mr. Marston, please.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Thank you for joining us. I really appreciate it.

Mr. Zurel, you made the comment about high benefits, high pay, and the competition. There's another side to that coin: when government services are provided in a community, those incomes are invested in your community.

The unemployment rate is 7.3% currently. When you add in those who have given up looking for employment, it is 11%. I'm not sure about Newfoundland; for a long time, it was even worse than the rest of Canada.

The Federation of Canadian Municipalities says there's a deficit of over \$130 billion in infrastructure in our country. From your presentation, I gather that you look for strategic investment from the federal government. The government set a narrow timeframe to reduce the deficit. We're suggesting that they should extend that out and invest in infrastructure, undertaking that deficit of \$130 billion, in order to employ Canadians right now. What would you think of that?

Mr. Jo Mark Zurel: I disagree with that, from the perspective that when you look at an infrastructure deficit, the deficit is always relative to something. There is no absolute value as to what infrastructure should be. When we put money into infrastructure, whether it's in small communities for schools, hospitals, or whatever... These things are definitely needed. I absolutely acknowledge that. But when I look at a deficit or when we look at a deficit, I think we need to look at what we can afford, because if we always hold out a gold standard for where we'd like to be, we can always justify spending more. There's no shortage of places to spend money.

What we're saying at the St. John's Board of Trade is that in order to have an economy that will support itself over the very long term and to have stability and the ability to plan long term, we need to move that balance back from the large deficits and adding to our debt to getting that back under control and having a stronger economy.

Mr. Wayne Marston: You made the statement earlier that we're not bringing enough money in. Well, that's a fact. The government has cut the tax rate. In the year 2000, Paul Martin cut it from 38% to 20% so that...and now they've cut it to 15%. This government has taken \$16 billion a year out of the income for the government.

It's exactly the point you just made; it's the money that would have been there to invest.

So I think on some of these points, we're just going to disagree. I don't think that's a great surprise.

Ms. Ralph, you raised a point that's really troubling. I was the seniors critic for a time. We talked about the fact that seniors on GIS and OAS got \$15,000 a year, and the poverty line is \$22,000 a year.

You're talking to us about half being below the poverty line. That's...

Well, I'll bite my tongue. I was going to say something in Hamiltonese, and we're not supposed to use that language in Parliament.

But that is just horrible. It's a horrible thought. Thank you for bringing that to us.

In my riding, I hold disability tax credit seminars. A lot of the time, the people who come in are veterans. As you know, it's a limited type of ability; for instance, if you can't walk the length of a football field without the use of a cane, you would qualify for this. Then you have folks who have a more substantial disabilities who don't qualify because of the income problem.

What would you think of two-tiering it—leaving it as is for people with income, and then having a second tier for those who don't have the qualifying income?

Ms. Susan Ralph: That's what we're asking for.

Mr. Wayne Marston: So you wanted to keep both.

Ms. Susan Ralph: We want to make it refundable in that they're able to use the amount of the disability tax credit so that individuals with an income of \$10,000 or less are able to have it as a credit.

Certainly I can get you the figures on it, but basically it would put—

• (1025)

Mr. Wayne Marston: You said you had other documentation. We'd be glad to receive that.

Ms. Susan Ralph: I have that with me, yes.

Essentially, if they were able to use that credit with non-taxable income, it would put about \$1,400 in each individual's pocket.

Mr. Wayne Marston: That's huge.

I have about 30 more seconds here.

Mr. Blakely, we have to make sure that the red seal trades across this country are portable along with that tax credit. Do you see any place for the federal government to be involved in that?

Mr. Robert Blakely: The federal government runs the red seal program. I would like to see it expanded to more trades. I believe we have 54 trades now. Probably another 15 trades would significantly

benefit. That would benefit not just our industry but a number of stationary industries that use the same trades.

Mr. Wayne Marston: Mr. Chair, just so that people understand what I'm referring to, red seal is simply a guaranteed level of qualification of people who are in the trades.

Thank you, Mr. Chair.

The Chair: Thank you.

Before I go to Mr. Adler, I want to clarify, Ms. Ralph, that it's \$1,400 per person and that the estimated number of people would be about 20,000.

Am I correct in that?

Ms. Susan Ralph: I'm sorry, I don't have the statistics in front of me, but I certainly can provide that information to you.

The Chair: Okay. Thank you.

We'll go to Mr. Adler, please.

Mr. Mark Adler (York Centre, CPC): I want to thank you all for coming this morning.

To Mr. Meulien, we're all aware of the great work that Genome is doing. You mentioned that by the year 2030, 3% of global GDP will be in the biotech and genome sectors, and Canada has the benefit of the lion's share of all of that.

Could you speak a bit about some of the great success stories we've had in this country in terms of investment, in terms of commercialization, and job creation, and creating the jobs of tomorrow? I just wondered if you could speak a bit about that.

Mr. Pierre Meulien: Sure. I'll start with a great example in Newfoundland, since we're here. In the health area, a genomic study funded by Genome Canada about four years ago was able to identify a defective gene in Newfoundland families. Males between the ages of 40 and 45 were just dropping dead of heart failure. Now, because of this work's real impact, there is a defibrillator in the chest of over 100 males who are walking around in Newfoundland and whose life is being saved. In fact, all of these defibrillators have been activated over the last year or so.

These are the types of things we will see more and more of, in the cancer area and in the area of adverse drug reactions. There is real, tangible benefit coming out of these studies.

In terms of economics and real job creation you were talking about, those are nascent. As I said, we have now created 24 companies. A lot of them are based on the technology area, for things like new diagnostic tools, new machines for doing high-end mass spectrometry, or machines for isolating DNA from different sources, including, for example, the oil sands. You wouldn't naturally link genomics with oil sands, but in fact the microbial communities that live in the oil sands, if manipulated correctly—and this is not genetic manipulation but just understanding how those communities work from a genomic standpoint—can facilitate the extraction of oil from the oil sands.

Also on the remediation side, there are a lot of projects on the bioremediation of mining sites. This is big environmental stuff, and I believe a lot more companies will be created on these interfaces between the environmental studies and the genomics area. It's at these interfaces that new companies are going to be created. We've started. We've created 24 companies. We've done over 25 licensing agreements with larger companies. Companies are coming forward, and I'm very interested in this public-private sector divide we have in Canada. I'm very interested, because I believe we can play the role of that interface.

Our job is designing programs. We can design programs that bring the public and private sectors together and get this innovation pipeline to correct the deficiencies that exist. Everybody in Canada today knows that we have great science but there is a lack of the innovative pipeline, which is something we need to change.

• (1030)

The Chair: You have one minute.

Mr. Mark Adler: To rectify that, where do you see it going? Is it just a lack of venture capital?

Mr. Pierre Meulien: No, I think that is just one item. If we have good ideas and we have people trained on the entrepreneurial side, then I think capital will come. With good ideas, capital will come. I don't think that is the real deficiency. The deficiency is in that gap we have.

We have just launched an entrepreneurial educational program specifically in genomics whereby over the next three years we're going to have young entrepreneurs going into the genomics labs, understanding what they're doing, and getting new ideas into the commercial space. I think that is part of the puzzle.

Much has been written, and Canada has been criticized about this commercialization and lack of research getting out into the real world. It is up to us on the ground to actually create the programs that are necessary. I don't think there's any big-ticket item missing. I think we need to just go and do it.

The Chair: Thank you.

[*Translation*]

Mr. Giguère, you have the floor. You have five minutes.

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Good day.

My first question is for Mr. Meulien.

I would like to know who maintains intellectual property rights at present.

Mr. Pierre Meulien: They are held by the institutions, meaning the universities and research institutes. We do not take any part of those rights.

Mr. Alain Giguère: In the latest budget, we voted for \$20 million to go to corporate support, meaning general career support.

Would you be prepared to develop that career support for companies? Would you be able to take that budget and manage it?

Mr. Pierre Meulien: Of course we would. However, we specialize in various aspects of genomics. That is our strength. There are other stakeholders in other areas. The goal of the Entrepreneurship Education in Genomics Program is to develop and

strengthen the interface between business and science through young entrepreneurs who will work in genomics labs.

Mr. Alain Giguère: Very good.

I would like to ask Ms. Susan Ralph a question. Taxation is a subject that I know a little about. At present, the vast majority of individuals with a handicap are not claiming the credits they are entitled to. Furthermore, a number of private companies are filling out their returns for them, pocketing on average from 20% to 30% of the amounts claimed.

Are you proposing major reforms with regard to the simplification of taxation procedures and above all the definition of a handicapped individual?

[*English*]

Ms. Susan Ralph: If I understand your question properly, it is about a suggestion of a tax-free formula that would work for persons with disabilities. Am I right? Okay.

We have done a formula. Unfortunately, I haven't brought a copy with me. That would show how the disability tax credit could roll out to help individuals with disabilities who do not have a taxable income. I will provide that. We can send it in from our national organization. Unfortunately, I'm not prepared to answer that question right now, but we do have it listed.

[*Translation*]

Mr. Alain Giguère: Good.

Mr. Zurel, how many public-private partnership undertakings in the Newfoundland region have you been involved in? How many are there that you know about? Is your knowledge theoretical or practical?

• (1035)

[*English*]

Mr. Jo Mark Zurel: On the question on P3s and my personal involvement in these organizations, I am not involved in any way with any companies that provide P3s directly to government. I speak on behalf of the St. John's Board of Trade, with our 800-plus members and tens of thousands of employees. What I'm talking about is the policy work we have developed with input from these members.

[*Translation*]

Mr. Alain Giguère: I want to know specifically about public-private partnerships. How important is this sector in Newfoundland? Does it exist?

[*English*]

Mr. Jo Mark Zurel: Yes, there are. For example, we do the construction work for many of the federal government programs, so there are P3s. My comment was directed more towards the fact that it's not the benefit to the companies but more the benefit to the government, because we believe that private industry can do these things more efficiently and at a lower cost than government directly. We're really focusing on the benefit to government, not to business, although obviously there would be some benefits going in both directions.

[Translation]

The Chair: You have 15 seconds.

Mr. Alain Giguère: The problem is that, in the rest of Canada, where public-private partnerships have operated, there have been scandals, corruption, major cost overruns and poor service.

When we talk about public-private partnerships and we say that it will work, it must be based on a model that works. Currently, in your opinion, what model works well? There have been none to date in Canada, England and France.

[English]

Mr. Jo Mark Zurel: If you want to find examples of things that don't work, you can always find them. When you look at what small businesses do directly, they outsource, they build themselves into global value chains all around the world, and they are able to compete and develop value. When services are delivered directly by government, or delivered by business, you'll always be able to find examples of where things go poorly. It doesn't mean that it's not worth trying or that we shouldn't learn from these experiences. We need to work hard to make sure that we manage our contracts properly and that we put the checks and balances in place to ensure that corruption doesn't take place.

The Chair: Thank you.

We'll go to Mr. Van Kesteren, please.

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

Thank you, everybody, for coming here today.

Ms. Ralph, I appreciate your recommendations. I suspect that part of the problem with your second recommendation is that the EI act itself is structured in such a way that the provinces become responsible for an individual who experiences disabilities, and that creates a little bit of a problem.

I would like you to address that. I think our government recognizes there is a real need in the provinces for more funding. For instance, under the gas act, for municipalities, the 2¢... I just jotted some of these things down, and I'm trying to think if we have participated in that. The reduction in GST will impact all governments. There were enormous increases to the provinces in transfer payments. If my memory serves me right, there was \$2 billion for co-op housing as well, which certainly would help those who are on disability. The government is doing, within its framework, what it is able to do.

I think your recommendations are something we have to look at, but within that framework we are somewhat impeded.

There is one issue I wish you would have possibly made into a recommendation. You probably do recommend this. I just want to give you that opportunity. We've heard from a number of our witnesses that we are at the very crest of a worker shortage, so it seems very strange...because I know that people with disabilities have very much to offer. I am wondering if you have some type of plan for employers to hire people with disabilities, in the form of a tax.... Have you considered those? Do you have any of those recommendations? I think that would be as important as your other recommendations.

● (1040)

Ms. Susan Ralph: As I said, our national action plan is developed strictly by people with disabilities and their families, and the tax bracket for employers is not something we've really considered. We have not wanted to work from a framework of charity models under which employers would get things. We want disability-related supports attached to individuals and not more programming.

Mr. Dave Van Kesteren: I appreciate that, but what I mean is we know we have some areas of concern. You've addressed those. In the interim period, for somebody who becomes disabled, our government is doing what it can. Whether or not we have to revamp that is a discussion that would have to take place among the provinces and the federal government.

What I mean is, are you actively looking at ways to have people who have become disabled return to the workforce? Do you have some recommendations for the government that would enable employers to possibly hire people with disabilities? Have you any recommendations to that effect?

Ms. Susan Ralph: I would say yes. On numerous occasions we have looked at labour market strategies and ways to include people with disabilities in the workforce. One of the things that has happened, certainly more at a grassroots level, is that we have developed training programs within disability organizations that depend very much on the social development partnerships program. We are working with people with disabilities to increase labour market opportunities through awareness and information and through partnering people with disabilities within a trades program or through educational opportunities and training programs, so they can get out there and get involved, but not at all through tax breaks for employers.

Mr. Robert Blakely: What if they modified the workplace in order for somebody to be able to access the work?

Mr. Dave Van Kesteren: That's a good recommendation.

The Chair: Your time is up.

Mr. Dave Van Kesteren: If you could make those recommendations, I think they would be very helpful for the government as well. If you have some ideas, sir, that possibly—

Mr. Robert Blakely: Sure. We frequently get people who are in a skilled trade and have an injury that would preclude them from being able to.... Let's say an iron worker has an injury to their lower limb or to their back and can no longer climb on the steel. Finding a way to modify the work so they can do the work, in some cases while sitting down.... It costs maybe \$100,000 to set somebody up at a workstation, but if you can set them up at a workstation, they can be as productive as they were beforehand, doing important and highly technical work. You just need to have the ready capital to be able to modify the guy's work circumstances.

Mr. Dave Van Kesteren: Ms. Ralph?

Ms. Susan Ralph: I'll just say one thing. The little study that we did do showed that most workplace accommodations for persons with disabilities cost less than \$50 to modify....

The Chair: Thank you.

We'll go to Mr. Harris, please.

Mr. Jack Harris (St. John's East, NDP): Thank you, Chair.

First of all, I want to thank and welcome to St. John's all of my colleagues from the House of Commons, on both sides of the House. This morning we had a nice blanket of fog to envelop you and make you feel cozy.

Voices: Oh, oh!

Mr. Jack Harris: I see that it's opening up now. You can have a good view of the harbour and the city. There may even be some sunshine later on today. Who knows?

Thanks to all of you for your presentations. I'm sorry that I had to step out for a moment to do an interview.

Let me ask you this first, Bob Blakely. As someone who travels back and forth to Ottawa regularly, I know that there are always a lot of Newfoundlanders heading to work, many to Alberta, because the flight from here goes from St. John's to Ottawa to Edmonton and then up to see Brian Jean in his riding.

I have a lot of respect for all of those people who travel back and forth. They live in their communities in Newfoundland and many of them drive a few hours to get to St. John's before they even go out there. They're working in Alberta or elsewhere, keeping their community going here in Newfoundland and Labrador with their income, with their families here.

We do have a crisis, obviously, in workers—we hear it all the time—especially in construction. But the two things about construction are: one, the requirement for people to move to get to work is significant; and two, in many cases, the seasonality of construction projects makes this type of work less attractive. People like to have year-round employment. They like to have steady work and they like to have a steady income.

I get a sense of frustration from you. You keep proposing ways of making life easier for workers and of making those jobs more attractive, but are you getting any response at all from the government in terms of proposals to make these jobs more attractive? How else are we going to achieve the resolution to the worker shortage and skills shortage if we don't do things like that?

• (1045)

Mr. Robert Blakely: Am I a bit frustrated with this? The short answer is yes. If you look at it, you'll see that there is enough work in the future for the next 10 years in Canada for the workforce we have, plus the workforce we're going to need to attract to keep the numbers up to a critical mass. The only issue is that people have to move from place to place. In some cases, when you're travelling on your own nickel or your employer is giving you \$65 a day to live, you're subsidizing that employer.

In some cases, you may live in the camp and it's all found, but the guy who drives from Corner Brook to St. John's to get the flight spends a lot of money. A lot of people look at it and say, "Gee, if I'm living in Alberta and it's costing me \$185 a night for a hotel room and I have to buy my meals, what's the point?"

The long and the short of this one is that by coming up with some way to assist people in moving across this country, we actually benefit the country. One of the most important drivers when people look at investing \$6 billion to build the Vale Inco smelter, investing \$12 billion to do Muskrat Falls, or putting down \$10 billion to build an upgrader in Fort McMurray is, will we get enough people with the right skills at the right time? If they can't be assured of that, they don't invest.

So as an economic driver, making sure that we have a workforce that's mobile.... I wouldn't call us seasonal. I don't think we're seasonal anymore; we are transitory from job to job, because no job lasts forever. But until and unless there is some way of ensuring ready access to the pool of people who are unemployed in another part of this country, and to creating a truly mobile construction maintenance workforce, it's a disincentive for people who are going to spend their money.

The Chair: You have 30 seconds.

Mr. Jack Harris: I can get a question out in 30 seconds.

Jessica McCormick, we've seen the changes in Newfoundland's tuition fees. That brought more students here, but tell me, has there been any work done on what that has done in regard to who gets access to post-secondary education?

Ms. Jessica McCormick: What we've seen in Newfoundland and Labrador is that successive provincial governments have been taking various measures to increase access. As you've said, it goes from reducing tuition fees and freezing tuition fees to reintroducing a grants program.

As for what we've seen, not only have student debt increased and enrollment gone up, but students from lower-income households are able to now access post-secondary education. It's not just limited to students in university. It's students who are studying skilled trades, and those are the workers of tomorrow, the ones who will be filling the labour shortage that we expect in the near future.

The Chair: Thank you.

We'll go to Mr. Hoback, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I apologize for my tardiness this morning. I got in at 4:30 last night. Air Canada has that late flight out of Toronto, so I feel for a lot of you Newfoundlanders who are trying to get to and from western Canada if you're taking that flight. That's a long haul going from Fort McMurray though Toronto to get here at four in the morning.

But I definitely wanted to be here, because Newfoundland is like Saskatchewan. We're almost like twin provinces, one on one side of the country and one on the other side, and we're both emerging from have-not status to have status. We've both seen our economies grow in a lot of ways.

In Saskatchewan, when you talk about a recession, they kind of look at you cross-eyed and say, "Well, can you get me another 10 plumbers?" There's a tremendous shortage of skilled labour in Saskatchewan right now. With the announcements in the potash sector, we're seeing even more of a shortage of skilled labour, so I think your mobility plan has some merit and some good ideas.

I also want to pass along greetings from our Minister of Intergovernmental Affairs, Peter Penashue. He of course is busy in Ottawa, so he can't be here. I'm surprised that there are no Liberals here considering the number of Liberals who are represented in Newfoundland, but maybe it's the weather or some other interests they have. I'm not sure.

Actually, where I want to go today here a bit is to talk about some of the things that we've done right and how they're going to impact Newfoundland. There's one that I just can't believe we're not talking about and that is Muskrat Falls and the impact that's going to have on Newfoundland. I know that August 19 must have been a really happy day here in Newfoundland when Minister Oliver came out and Mr. Penashue and Mr. MacKay talked about the loan guarantees for Muskrat Falls.

I think I'll talk to you, Jo Mark Zurel, about the impact of the Muskrat Falls and Lower Churchill development on Newfoundland. Can you give us an oversight of just how great that will be?

• (1050)

Mr. Jo Mark Zurel: Yes, certainly. It will be tremendous for Newfoundland and Labrador from the perspective that it's going to create substantial work in a remote part of our province. It's going to employ a lot of people.

But beyond that, both for our province and for the rest of Canada, it will allow us to have stably priced power that's green. It will take something like the equivalent of three million cars off the roads of Canada. There's a lot to be done yet before the project is complete, but the loan guarantee absolutely is a great example of how Canada can participate.

The point I'd like to make, though, is that this is only about a quarter to a third of the total Lower Churchill Falls project. The Gull Island project is over 2,000 megawatts of power, and that one needs a route through Quebec to be viable.

Right now we have interprovincial rivalries that have for decades prevented this from getting done, so there's a role for Ottawa in making that happen as well, because it will benefit all of Canada with good, clean, efficient power that is badly needed in the maritime provinces and central Canada, and that potentially could access markets in the United States if it were allowed to proceed. This is a perfect example of an infrastructure project where private industry and regional governments can partner with Ottawa to do things that are going to generate long-term wealth and a long-term strengthening of our country in the building of this country.

Mr. Randy Hoback: Yes, I think you're right. It's the perfect example of what can happen when all levels of government work together in a cooperative manner instead of a controversial manner.

Chair, I was just wondering about something Mr. Giguère talked about. He talked about the P3s that were involved in scandals and that. I'm not aware of those companies.

I was wondering if he could table the names of those companies that were involved in those scandals, because I think that's very important. If there are scandals going on in P3s, we should be examining what they are and who they are and making sure they don't repeat themselves. I know that there have been quite a few examples out west; I know that Brian talked about a bridge in B.C. that came in under budget and a ring road around Edmonton that came in under budget just because that was done through P3s.

Mr. Giguère, if you could table those names, I think that would be very important and helpful to the committee.

[*Translation*]

Mr. Alain Giguère: I will be very pleased to tell you about all the scandals in this regard.

[*English*]

The Chair: You have one minute, Mr. Hoback.

Mr. Randy Hoback: I'm going to go to Genome Canada. I'm very familiar with Genome Prairie in Saskatoon, and it's amazing what they've done in plant breeding. That alone has taken the conventional breeding system from 10 years to four years, just because of the technology and the markers they've found in the genome.

One thing they're talking about is good multi-year funding. Would that be a request that Genome Canada would have, something that's predictable and bankable, not over one year, but over four or five years, so they could actually see a project through that four-year or five-year timetable?

Mr. Pierre Meulien: Thanks for that question.

This multi-year funding business is becoming critical. The reason, really, is all about strategy. We cannot be strategic with year-to-year funding.

In fact we've driven some of the public-private partnerships in the research area, and we cannot build strategic partnerships with the private sector if they don't know we're going to be there in two or three years. This is one of the big things that I want to do in terms of linking the research with the private sector. So I think you're absolutely right that this is key.

Also, as you know very well, the NRC is building a very large wheat program. They will be using our \$10 million wheat project as a cornerstone of that, so we're all about enabling others to succeed as well. We're going across those divides very actively.

• (1055)

The Chair: Thank you.

I should say, in fairness to Mr. Brison, that he did e-mail me this morning. He took off from Halifax but the plane could not land, so the entire plane went back to Halifax. In fairness to him, I should point out that he certainly did make an effort to be here this morning.

I do want to raise a few points.

First, Ms. McCormick, you talked about the Canada education savings grant and the RESPs. It's true there has not been as much take-up as one would have hoped, but the issue is that there are a lot of people who have invested in these programs.

So very quickly, if we do wrap these up, how would your organization suggest we respect the investments people have already made in these programs?

Ms. Jessica McCormick: Those investments were welcomed and certainly long overdue.

What we've seen is that the individuals who benefit most from RESPs are from higher-income or wealthier households and are able to save more for their education. What we're saying is that we need to address the problem in a way that takes into account varying socio-economic circumstances.

The Chair: They've made their investments, so what are you saying to them? What happens to their investment? Under your program, what would happen to it?

Ms. Jessica McCormick: I can certainly provide more information. I'm speaking on behalf of the Newfoundland and Labrador component of the federation, so I feel that our national office can certainly provide additional information on that.

The Chair: Okay, thank you.

Mr. Blakely, quickly again, you talked about short term and long term. One of the issues that may arise—I don't know if it will—is the department may raise the issue that if you're doing it for short-term moving expenses it may be hard determining if it is in fact for labour, ensuring there is no abuse. I know you probably have an answer to that, so I want to get you on record in terms of ensuring that it is for actual moving expenses for labour needs across the country.

Mr. Robert Blakely: Certainly. As it sits now, if one is going to access certain programs, you get a certificate from your employer—I think it's a T2000 form—where the employer certifies that you're getting this for short-term work, that it's for this period of time, and that you've had some compensation from the employer in the amount of x dollars. Then you go to your friend the accountant and the accountant puts together your other expenses and comes up with a net amount to fill in on your income tax.

Trying to devise the program is not a problem. I think we have that one covered.

The Chair: Okay, I appreciate that.

The issue of business tax reductions is a huge issue, so I want to follow up with Mr. Zurel.

It's often said that this is for the big oil and gas companies and the big banks. But with regard to the corporate tax rate, if your business income is \$500,000 or less, you pay the 11% rate. If it's above \$500,000, right now you pay 16.5% federal rate and typically a 10% or 11% provincial rate. If your business income is \$600,000, you are not a massive enterprise in this country. I think we need to clarify

that the larger rate applies, I would argue, to a lot of small and medium-sized and large enterprises. I do want to get your point on that.

As well, I do want to get you to respond to what the Canadian Manufacturers and Exporters said in their January report of this year, that by reducing taxes, being competitive has actually resulted in more business investment, more innovation, and more revenue to the federal government, at least in the short term.

Mr. Jo Mark Zurel: I totally agree with your comments. The rates, in terms of where the small business tax rate cuts in, are low. So we have thousands of companies across Canada that employ a lot of Canadians and are still paying the high rate of tax, even though they may be only relatively small companies.

We need to be really vigilant to make sure we protect these companies, because ultimately, with no economic drivers in our Canadian economy, there will be no services. In the short term, looking to raise taxes on small and large businesses, to collect all the money and distribute it to people who are less fortunate, makes sense. But what the Canadian business community or the St. John's Board of Trade really argues for is to make sure we are able to deliver these services to support Canadians for the long term.

We don't advocate cutting back on services to people who need a hand up or who need support. But we do advocate making sure we don't kill the geese laying the golden eggs. We do advocate making sure we create an environment where businesses can thrive so that we will have people employed by these businesses, these businesses will be able to pay taxes, and they won't migrate outside the country.

A good example is the manufacturing industry in Ontario and the manufacturing industry in Newfoundland and Labrador. We do struggle. We really battle. Our costs are high. Our country is remote from markets. So in order to compete, we need to be able to ensure that all of our costs are at a reasonable level.

I don't think there's any major problem with regard to tax revenues being consumed and wasted, or low taxes being wasted by companies. In fact, we need to make sure our business community remains healthy to be able to support Canadian services.

● (1100)

The Chair: Thank you.

Unfortunately, my own time is up. In fact, our committee's time is up

We want to thank you very much for being with us here this morning and responding to our questions. I know many of our colleagues asked for further information. Please feel free to provide that to the clerk, and we will ensure that all members of the committee get it. Thank you for being with us here this morning. We appreciate it.

Colleagues, we will meet in 15 minutes in the lobby.

The meeting is adjourned.

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