



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Finance**

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FINA • NUMBER 067 • 1st SESSION • 41st PARLIAMENT

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**EVIDENCE**

**Thursday, May 31, 2012**

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**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Thursday, May 31, 2012

• (1540)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order. This is the 67th meeting of the Standing Committee on Finance.

I want to thank our witnesses for being here, and Mr. Jackson for joining us from British Columbia.

I want to apologize. We had some committee business to deal with.

We have five presenters here during the first panel: we have a professor from the University of Toronto, Mr. Aurel Braun; from the organization Canada Without Poverty, we have the executive director, Rob Rainer; from the Canadian Association of University Teachers, we have the executive director, James Turk; from the Canadian Medical Association, we have the past president, Jeffrey Turnbull; and by video conference, we have Mr. Michael Jackson, professor, Faculty of Law at UBC.

You each have up to five minutes for an opening statement.

We'll start with Mr. Braun and work our way down.

**Mr. Aurel Braun (Professor, University of Toronto, As an Individual):** Thank you very much. I would like to thank this committee for inviting me to speak to you. I tremendously appreciate this opportunity.

I will speak to only a small section of Bill C-38, and this is division 33 of part 4, the decision to close out the International Centre for Human Rights and Democratic Development. That is my concern as the former chair of what was commonly known as Rights and Democracy.

I must say that at one level this has been a difficult process for me, because I spent much of my adult life engaged in trying to protect human rights, to promote democracy. It had certainly been a key part of my life for three years, but eventually I had to come to the conclusion that Rights and Democracy, as an organization, had some fundamental structural and process problems that went back all the way to its original drafted legislation.

It had an inadequately defined structure. It turned out to have been a recipe for problems. For two decades, contrary to certain urban legends, Rights and Democracy lurched from crisis to crisis. We did our best to fix it, but it involved misunderstandings and distortions from the very beginning of its foundation in 1988.

There were particularly two myths that developed. One was that Rights and Democracy was an independent organization. I think it's very important for us to understand that Rights and Democracy was not an independent organization. It was taxpayer funded. It was, from the beginning, a shared governance agency, a "short-arm" agency. It had to operate within the parameters of the policies laid down by the government of the day, and it was responsible to Parliament. It was not an NGO.

Second, throughout its history, there was the myth that it was some non-partisan organization. It was meant to be. This was what was shocking when I came in. In fact, what I and others found with Rights and Democracy when we came in three years ago was that it was an organization run, wrongly, as an independent NGO, with private ideological philanthropy representing a narrow ideological perspective. Using public funds was pursued as if it were an entitlement.

I have no objection to anyone privately funding or privately speaking up for any particular cause, but it's something else when taxpayer money is used for particular private political and ideological philanthropy.

The result was that you had a distorted and hopelessly contradictory organization that functioned very poorly in the 1980s and 1990s, and it was certainly the wrong vehicle at the wrong time to deal with the crucial issues of human rights and promotion of democracy in the 21st century.

**The Chair:** One minute, Mr. Braun.

**Mr. Aurel Braun:** Attempts at adaptation were highly problematic. I think Minister Baird and Mr. LeBlanc from the Liberals were very good in saying that there was a need to change from a funding model to one of providing expertise, but I want to get to something concrete, because there were certain things that happened that I think this committee needs to know.

There were two things. Perhaps the last one I can bring out in the question period, but I have to get to the first one. It involves the past—the past where new evidence has come to light. There was testimony before this Parliament, for example, that was crucial in trying to define what this organization was.

It's very sad that Mr. Beauregard passed away. I'm very reluctant to speak about this, but with the new information.... This is one of the things that had happened. This organization was prevented, both by the government and by the board of directors, from participating in the Durban II hatefest. Mr. Beauregard testified before Parliament in the presence of two of his lieutenants, Razmik Panossian and Madam Cloutier. It was asked very plainly—the question could not have been more direct—by Mr. Lunney, “Did Rights and Democracy play any role, directly or indirectly, in planning for or participating in the” Durban conference? He answered unequivocally, “No, we did not.”

We have evidence that this was utterly, completely false. Rights and Democracy did participate. Parliament was directly misled. This is why, together with other developments, I have no choice. I think the best decision is to support the government's conclusion that the organization will be defunded.

● (1545)

**The Chair:** Thank you, Mr. Braun.

We'll go to Mr. Rainer, please.

**Mr. Rob Rainer (Executive Director, Canada Without Poverty):** Mr. Chair and members of the Standing Committee on Finance, on behalf of our team at Canada Without Poverty, our directors, honorary directors, staff, volunteers, and supporters, and on behalf of those to whom Canada Without Poverty amplifies their voice on matters of their very survival, thank you for the opportunity to appear before you today to speak with respect to Bill C-38.

Our central concern is the eradication of poverty in Canada, getting at the roots of this problem and dealing with them head on, not just because it's the right thing to do but because it's the wise thing to do. As you may know, poverty costs Canada to the tune of some \$72 billion to \$86 billion per year, about 5% to 6% of our GDP. That's the dollar cost, but in the past week alone, we have learned that people in low-income neighbourhoods are twice as likely to die from preventable causes as people in high-income neighbourhoods. That undercuts families, communities, our economy, and our prosperity. We are all poorer as a result. As you know, you only have to walk less than a block off Parliament Hill before this problem is there before you and all around us.

Nonetheless, we are curious as to why we are appearing before you once again after our last testimony on September 28. At that time, in response to pre-budget consultations, we made but one recommendation: for the federal government to set targets and timelines for poverty reduction and elimination, and to study all fiscal mechanisms, federal as well as intergovernmental, available to help reach these targets and lay out options for your committee's consideration and consultation. That recommendation wasn't heeded in the budget, which is strange, as it represented an essentially costless request with the potential for a great payoff for the country. But you did ask us to appear today, so I will answer through the lens of poverty in Canada.

In short, Bill C-38 scares us, like it is scaring a lot of Canadians. Governments are supposed to provide calm to the people, not sow fear. A bill like this renders fear because there is so much consequential stuff in it, with decision-making power being handed to far too narrow a group of people—bureaucrats and cabinet

members—with elected representatives largely cut out of what should be a healthy debate on a wide range of issues.

It is worth knowing that “omnibus” is derived from Latin and means “for everything”.

The overarching concern is captured with these words: “Omnibus bills subvert the Parliamentary process by denying members of Parliament and the Canadian public the ability to fully study or understand the drastic changes currently being made to our laws without proper study or scrutiny.” For that reason, you must stand against this bill and address its many dozens of substantive components with the due care they deserve, that Canadians deserve.

What is the government's purpose, and in addition, what is really in the public interest in centralizing power in the PMO? What indeed, when staff are not elected and when it has been demonstrated time and time again that regulations rarely are held truly accountable to Parliament?

If you recommended that Bill C-38 be passed, you would recommend to your colleagues that they remove their oversight of matters that directly affect your constituents. We don't think MPs were elected to delegate their powers of oversight, transparency, and accountability. Substantive issues such as the innumerable ones encompassed in this bill should go to Parliament on the recommendation of government to be debated and potentially passed. What's happening here is the reverse.

It is worth noting there are more questions about this bill than of the distinct society clause in the Meech Lake accord. When the compromise, the Charlottetown accord, was put to a vote, it failed in major part because, as in Bill C-38, there was so much in it that in time various groups and interests became opposed to select parts.

As John Ivison of the *National Post* wrote on May 23:

...as you remove the outer layers of the bill, you discover potentially far-reaching policy shifts that have no business being in any budget, far less being scrutinized by the finance committee.

Bill C-38 adds to the current air of instability, especially among those who very specifically live day to day from hand to mouth.

For example, one, the bill gives authority to the Minister of Human Resources and Skills Development to increase the age of eligibility for old age security and the guaranteed income supplement, a move that will definitively injure those who most need OAS, the poor or almost poor who are approaching the age of 65.

Two, permitting regulations to be made concerning what constitutes suitable employment is troubling considering that the Minister of Finance believes there is no bad job, when the swelling ranks of the working poor would suggest otherwise.

Three, there are dramatic operational changes to social security tribunal hearings, with very real risks that those who have the right to old age security, the Canada Pension Plan, or employment insurance benefits may be unable to effectively claim them.

Four, eliminating the National Council of Welfare undermines the identification of the most promising approaches and solutions to poverty.

Mr. Chair and members of the committee, we have only asked for a plan to combat poverty, not for even more uncertainty than there is now. We've been living with uncertainty for a long time.

• (1550)

We remind the committee of the now infamous 1989 parliamentary resolution to eliminate child poverty by the year 2000, but with no plan behind this intention. UNICEF has recently reported that Canada's child poverty rate is 13.3%, placing us 24th of 35 developed countries on this very telling metric of progress.

We do have hope with the new all-party anti-poverty caucus, a "Canada without poverty" inspired concept. Perhaps you can also rethink how your own caucus can operate and report back to Parliament.

In conclusion, Bill C-38 offers zero consolation to those who face the evil effects of falling into the ditch while a misguided policy reform was implemented. Bill C-38 is, simply put, a power grab. The right thing to do, as we hope each of you will agree, is to break this bill apart.

Thank you.

**The Chair:** Thank you, Mr. Rainer.

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

**Mr. James L. Turk (Executive Director, Canadian Association of University Teachers):** Thank you, Mr. Chair and committee. We welcome the opportunity to appear before you.

I'm here representing the Canadian Association of University Teachers. We're a federation of faculty associations at 124 universities and colleges across the country, representing about 68,000 academic staff.

It's a challenge for a witness to appear before you with five minutes to address a bill of such enormity. One hardly knows where to begin. The table of contents, simply listing the acts affected, is 15 pages long. It makes such fundamental changes, or allows fundamental changes, to EI, to old age security, appeals from old age security and Canada Pension Plan, eliminating the office of the Inspector General for CSIS, and even repealing the fair wages and hours of labour policy that was introduced by the Mulroney government to ensure that contractors for the federal government were fairly paid.

In our view, combining all these things together raises a fundamental issue of process and transparency, and ultimately democracy.

I'll choose to make our comments on provisions that have some serious effect for our members. One is provisions in the bill that continue to erode Canada's scientific and cultural knowledge base. Secondly, the bill represents a major step backwards in the promotion of greater equity within our universities and colleges, and finally, it has serious implications for our contract academic staff, which constitutes about 40% of the people who teach in

colleges and universities, as well as other people who have seasonal jobs.

First, with regard to the erosion of our knowledge base, the last federal budget announced cuts across all government departments, including support for the three federal research funding agencies, SSHRC, NSIRC, and the Canadian Institutes for Health Research, at a time when more research is more important than ever.

At the time, we were told no programs would be affected. The savings would come from administrative efficiencies and synergies. We're seeing the opposite. Because of time, I'll only give you one example. At NSIRC, for instance, we've seen the elimination of the major resource support and the research tools and instrument program that provided critical infrastructure to support basic discovery-driven research.

I have a letter that I'll leave with the committee signed by 49 of the top scientists in Canada, deploring what the elimination of those programs will mean and pointing out that now there are no funding streams left dedicated to the purchase of scientific equipment or to operate nationally or internationally unique resources.

Beyond that, the bill also makes serious cuts to Library and Archives Canada. As all of you know, our national library and public archives are basically the memory institution for Canada, preserving our heritage so that future generations can know our history and compiling all the books and articles about our country. Already devastated by decisions made by the archivist and librarian of Canada to put a moratorium on purchase of acquisitions, to make other cuts, the current budget makes further reductions in the funding for that vital agency.

The cuts to Statistics Canada are also devastating. It's having to eliminate, for example—and this is only one example—the only survey of full-time university faculty across the country. We'll be the only industrialized country in the world that will have no idea how many faculty we have, how one does planning. When the OAC does its tables of international comparisons, there will simply be a whole line of blank cells beside Canada because we don't collect the data.

In terms of moving backward on equity, instead of strengthening the federal contractors program, which was established by a Conservative government in 1986 to help achieve workplace equity, the budget bill before you effectively guts that program.

In terms of penalizing contract academic staff, as I say, roughly 40% of the people who teach in Canadian universities currently are on a per-course or limited-term appointment, so that during summers there aren't jobs and they use employment insurance as a way of tiding them over. The effect of the changes are going to be devastating for them.

• (1555)

**The Chair:** You have one minute.

**Mr. James L. Turk:** So there is a dilemma for us in what to recommend to you, given that there are so many aspects. At the very least, I would echo the recommendation of my colleague that the bill needs to be broken up so that there is proper opportunity for parliamentarians, for experts and organizations across Canada, and for the people of Canada to understand all the aspects of the bill and to have a proper consideration of those before any of these measures are put forward in legislative changes.

Thank you very much.

**The Chair:** Thank you, Mr. Turk.

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

**Dr. Jeffrey Turnbull (Past-President, Canadian Medical Association):** Mr. Chair, members, thank you very much for this opportunity to be before the committee on behalf of the CMA and its 76,000 members. Canadians believe that transforming our health care system to meet 21st century Canada must be among the highest priorities for all levels of government, including the federal government.

I would like to begin by commenting on the health transfer framework announced by the Minister of Finance in December. This announcement provided some predictability for years. However, with the federal government reducing its involvement in several areas affecting health or health care, added costs will end up in the laps of the provinces and territories. So while this budget may enhance the federal government's fiscal prospects, it will do little to help the provinces and the territories.

But there's more to this debate than just funding. We believe that Canadians would be better served if federal health care transfers came with specific guidelines, ensuring that the system provides care of comparable access and quality to Canadians across the country, regardless of their circumstances. We are encouraged that the Minister of Health has indicated that she wants to collaborate with the provinces and territories on developing accountability measures to ensure value for money and better patient care. We look forward to the minister's plan for accountability.

This budget is notable for other missed opportunities. For many years, groups across the political spectrum have called for a pharmaceutical strategy to reduce national disparities. In fact, such a strategy was committed to by governments under the 2004 accord. Minister Kenney referred to this issue indirectly when he said that the recent cancellation of supplemental health benefits for refugee claimants is justified because refugees should not have access to drug coverage that Canadians do not have. Rather than cutting off those desperately vulnerable people, Canada's physicians urge the federal government to work with the provinces and territories to develop a plan that ensures that all Canadians—all Canadians—have a basic level of drug coverage.

Indeed, we now appear to be in a race to the bottom in the way we treat vulnerable groups—for example, by deferring old age security for two years, changing service delivery to veterans and mental health programs for our military, and the EI program.

Significant policy changes have been announced since the budget, with little opportunity for debate and little evidence provided. We note as well the lack of open consultation with Canadians on matters

of great importance to their lives. Successful policy requires buy-in, which is best achieved when those interested are able to participate in the policy-making process.

This brings me to a wider concern shared by our members that policy-makers are not paying adequate attention to the social determinants of health, factors such as income and housing that have a major effect on health outcomes. We remind the government that every action that has a negative effect on the social determinants of health will have dramatic physical consequences.

The federal government is the key to change that benefits all Canadians. While there are costs and jurisdictions to consider, the CMA believes that the best way to address this is to make the impact on health a key consideration of every policy decision that is made. The federal government has used this approach in the past as it relates to rural Canadians, for example.

We therefore call for a new requirement for a health impact assessment to be carried out prior to any decision made by cabinet. This would require that, based on evidence, all cabinet decisions take into consideration the possible impacts of health and on health care and whether they contribute to the country's overall health objectives. A similar model is in use in New Zealand and some European countries.

For example, if we took that example in tobacco legislation, we would influence our tobacco strategies. Such an assessment would have a particularly dramatic impact on the effects of poverty. Poverty hinders both human potential and our country's economic growth, and needlessly so, as there are many ways to address it effectively.

The National Council on Welfare, which will disappear as a result of this budget, reported last fall that the amount it would have taken in 2007 for every Canadian to have an income over the poverty line was \$12.6 billion, whereas the consequences of poverty that year added up to almost double that amount.

• (1600)

**The Chair:** One minute.

**Dr. Jeffrey Turnbull:** Close to 10% of Canadians were living in poverty in 2009, many of them children, as UNICEF has underlined recently. This is a huge challenge for our country.

In closing, as this budget cycle ends and as you begin to prepare for the next, please bear in mind that as prosperous as our country is, if we do nothing for the most vulnerable in our society—our children, the elderly, the mentally ill, our aboriginal peoples—we will have failed.

Thank you very much.

**The Chair:** Thank you, Mr. Turnbull.

Now we'll go to Mr. Jackson for your five-minute opening statement, please.

**Mr. Michael Jackson (Professor, Faculty of Law, University of British-Columbia, As an Individual):** Mr. Chairman and members of this committee, my name is Michael Jackson. I am a professor of law at the UBC Faculty of Law. I am in equal measure surprised, disturbed, dismayed, and alarmed that I am appearing before you today. I say this for three reasons.

First, over the past winter I made submissions and appeared on behalf of the Canadian Bar Association before the House committee on justice and human rights and the Senate committee on constitutional affairs on Bill C-10, the Safe Streets and Communities Act. This bill, now enacted, contained a specific part that made a number of amendments to the Corrections and Conditional Release Act. The House and Senate committees heard from many witnesses addressing these changes. Nowhere in any of the reports that were the foundation for Bill C-10, or in any submissions to these committees by officials from the parole board—

**The Chair:** Mr. Jackson, sorry, we have a point of order here.

**Mr. Michael Jackson:** Yes.

**Mrs. Shelly Glover (Saint Boniface, CPC):** I respect Mr. Jackson's expertise and what not. He's talking about Bill C-10, which isn't part of the budget implementation act. I was just wondering if he was talking about another division in BIA. Otherwise this is out of scope.

**The Chair:** My understanding is he's addressing division 37.

**Mrs. Shelly Glover:** Division 37. All right. Thank you.

**The Chair:** Mr. Jackson, I apologize. Please continue.

**Mr. Michael Jackson:** Nowhere in any of the reports that were the foundation for Bill C-10 or in any submissions to these committees by officials from the parole board was there any recommendation, not even a footnoted hint, that a further far-reaching amendment to the CCRA would be introduced. Yet what is now before you, just a few months after the passage of Bill C-10, buried deep in a 400-page budget bill, is a change to the correctional legal landscape that, in its impact on constitutional rights, eclipses anything passed in Bill C-10.

The second reason flows from the first and relates to the constitutionality of the amendment to the CCRA contained in division 37, clause 527. This would abolish the right of an offender whose parole or statutory release has been suspended to an in-person hearing before the parole board to determine whether to cancel the suspension or revoke the parole. Henceforth, these parole decisions will be based on a file review only.

Bill C-38, in abolishing the right to an in-person hearing and providing for only file reviews, violates section 7 of the charter. In a consistent and hitherto unchallenged line of cases decided by both provincial superior and federal courts dating back to 1982, it has been held that section 7 of the charter gives a suspended offender the right to an in-person hearing when the issue of revocation is being determined.

The violation of section 7 that the proposed amendment would cause has not and cannot be demonstrably justified as a reasonable limit on a constitutional right. The only reason given by the

government for the legislative change is to save costs. As Federal Court of Appeal Justice Mark MacGuigan, himself a former Minister of Justice, stated in *R. v. Howard*, "Convenience and justice are often not on speaking terms."

In my written brief, I have provided this committee with a more detailed understanding of the factual and legal context and consequences of parole suspension and revocation and the crucial importance of the in-person, post-suspension hearing. This will explain why the courts have concluded that this hearing is a fundamental principle of justice.

The great majority of parole suspensions are not based on the parolee's reoffending for a serious crime of violence, or indeed for any crime, but for allegations of breach of a condition of parole. The alleged breach of conditions contained in a parole officer's report, which constitutes the primary file document upon which the parole board reviews these cases, is often based upon information contained in police reports. Without an in-person hearing, the reliability of this information cannot be properly tested.

I have provided the committee with examples of actual cases that demonstrate the importance of the in-person hearing, and where without the right to such a hearing the offender's parole would almost certainly have been revoked unfairly and needlessly, in many cases resulting in many more years' imprisonment.

The importance of the in-person hearing is not limited to ensuring fairness to the offender. The likelihood that the board will have before it accurate and complete information and relevant arguments needed to make decisions regarding the risk to public safety is considerably enhanced by the in-person hearing. Hearing the offender in person, therefore, is an essential element of the process. It permits fairness to the offender while making it possible for the board to accurately assess the risk to the public.

The third and final reason, to my alarm, is that the amendment will disproportionately affect aboriginal offenders, who as a result of systemic discrimination have lower rates of conditional release and higher rates of revocation. In its recent decision in *R. v. Ipeelee*, the Supreme Court reaffirmed its decision in *R. v. Gladue* that the courts must take into account the special circumstances of aboriginal offenders. The board has previously, to its great credit, responded to the challenge by introducing elder-assisted hearings. The hearing is held in accordance with aboriginal protocol, in a circle, and the board-appointed elder counsels the offender and provides advice to board members. The involvement of elders also provides a valuable opportunity to introduce traditional teachings and the positive involvement of aboriginal communities.

Bill C-38, by abolishing post-suspension hearings, would extinguish the possibility of an elder-assisted hearing in the post-suspension context. In doing so, Parliament will be aggravating, not alleviating, the systemic discrimination referred to by the Supreme Court, and that discrimination has been referred to as a staggering injustice.

I urge this committee to reject clause 527 of Bill C-38.

•(1605)

**The Chair:** Thank you for your opening presentation, Mr. Jackson. We'll now proceed to members' questions.

Mr. Marston, you'll lead off.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Thank you, Mr. Chair.

Mr. Rainer, Mr. Turk, Mr. Turnbull, and Mr. Jackson, I agree with those strong concerns you've brought before us today, and I thank you for taking the time to express those on behalf of democracy in this country. It is significant and it is important.

Mr. Braun, it may come as no surprise to you that you and I may not agree. I'm the critic for human rights and international affairs for our party. From our perspective, Rights and Democracy's status as an arm's-length organization, with the ability to work in different regions of the world, with different civil society groups, is different from what will happen if that work moves into DFAIT.

Could you advise the committee on any analysis that was conducted regarding the loss of Canada's involvement with other organizations, and how that would indirectly or directly affect the Canadian government's perception by the world?

•(1610)

**Mr. Aurel Braun:** I cannot speak to how the decision was reached within the government; I can only speak to what Rights and Democracy did as an organization. I want to emphasize that from the beginning it was not meant to be an independent organization. It is funded by Canadian taxpayers.

**Mr. Wayne Marston:** As I indicated before, I don't think you and I will necessarily agree on that.

Going a bit further, many people have come to me and members of our party with concerns that, when your term started, the board of Rights and Democracy brought on the crisis in the organization. They expressed concerns, and other people in our party have shared those concerns, about money that was wasted investigating long-term public servants. As a result of that, many very talented workers were lost to that organization, as was a lot of its credibility, and now we find ourselves with a bill before us that's killing the organization.

Has that not been the plan right from the beginning?

**Mr. Aurel Braun:** Being a responsible custodian of public funds, I invested three years of my life working extremely hard to try to reform an organization that was meant to protect human rights and promote democracy in a non-partisan fashion. This was not an NGO, not a private organization, but one funded by the Canadian taxpayers, where we have to answer to Parliament. It required transparency, accountability, and responsibility. These things were not met by the organization.

I think the opposition especially should be shocked by the fact that...when Mr. Latulippe, the last president, testified before Parliament, Mr. Dewar, from the New Democratic Party, said to Mr. Latulippe, "There was this Durban 2 conspiracy. That's a dud, from what you're showing in the document here. I'll say it's a dud."

But it wasn't a dud. The last president came before this Parliament and essentially perjured himself. Does that not bother the opposition?

**Mr. Wayne Marston:** I want to move a little further.

The annual budget of Rights and Democracy was about \$11 million. Was that correct, sir?

**Mr. Aurel Braun:** It was closer to \$13 million at the end.

**Mr. Wayne Marston:** Okay, I'll correct that.

And it was completely dedicated to that work. What assurance can we have now, opposition and government, as to the projects that were conducted under Rights and Democracy? Will they move forward under DFAIT?

**Mr. Aurel Braun:** It's not just DFAIT; other organizations can do it. Perhaps eventually a new organization will be founded more on the model of the National Endowment for Democracy in the United States, which is very effective. I cannot predict, but you should be aware of the fact that our investigations showed that Rights and Democracy was spending about double on its staff and on expenses than similar organizations. In other words, what was supposed to be work outside in the rest of the world...that work was not being done. It was—

**Mr. Wayne Marston:** Was that audited? You're suggesting—

**Mr. Aurel Braun:** Yes, this came out from—

**Mr. Wayne Marston:** —there was misappropriation. Were there charges filed against anyone?

**Mr. Aurel Braun:** I'm talking about a structural problem. It was a badly drafted—

**Mr. Wayne Marston:** Okay, so there was no actual fraudulent use or anything like that?

**Mr. Aurel Braun:** It was an organizational flaw, which resulted in Rights and Democracy malfunctioning in comparison to other organizations, but there was also one instance of fraud that perhaps I will have a chance to speak about.

**The Chair:** Thank you Mr. Marston.

Mrs. McLeod, please.

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

I also would like to thank the witnesses. We appreciate the time you've taken, I'm sure from very busy schedules, to help us with this debate.

One thing I want to mention up front is that many of the witnesses have said 450 pages is a horrifying number. I want to note that in 2009 it was 552 pages, in 2010 it was 880, and in 2011 it was 644. I think we need to recognize that.

Also, I looked back, because it was said, “Well, this is different. The others were focused strictly on budget issues.” I think there are two things. One is that we did look back, and there are many pieces. A budget, by its nature, is really a whole-of-government opportunity to move forward.

I think this is an important point to make, that 450 pages is perhaps less than we've had in the last few years. Also, because we have devoted more time for study of this particular legislation than has been done in the last ten years, there are significantly more hours devoted to actually setting the legislation.

I would like to start with Mr. Turk.

Mr. Turk, I find what you're saying is a little bit surprising, because I have pages of quotes from people who also have an interest in education, innovation, and research. I could go through them quote by quote, but I won't. I will pick out one. The president of the Association of Universities and Colleges of Canada said:

In the face of tough fiscal choices, the government showed leadership by continuing its investments in research, innovation, research infrastructure and university-private sector collaborations.

Again, I could go on and on. I have pages of people who were very complimentary about, for example, \$500 million to the Canada Foundation, \$60 million to Genome Canada, etc. I know that in the riding of Kamloops—Thompson—Cariboo, we recently cut the ribbon to a beautiful new building.

Having said that, there are a number of very positive measures in terms of supporting research and development. Are you suggesting that these other national associations are wrong in their assessment?

• (1615)

**Mr. James L. Turk:** I most certainly am.

Since 2007, the real contribution of the federal government to the three federal granting councils has fallen in real dollar terms; that is, they're receiving less today, in real dollar terms, than they received in 2007.

I have a letter for—

**Mrs. Cathy McLeod:** Are you suggesting these national organizations are not—

**Mr. James L. Turk:** If they're saying that's fine, then we simply disagree with them. We happen not to think it's fine. At a time when every member of Parliament in this room would acknowledge the importance of research for Canada's future, the fact that this government is funding our granting councils at a lower real-dollar base than they did five years ago should be a concern. If it's not a concern to AUCC or some other organization, well, we do indeed disagree.

The effect of the most recent budget announcements has been the elimination of programs—vital programs.

I have a letter that I'm tabling with the committee from 49 of the top scientists in this country, deploring what's happening and talking about the devastating consequences it's going to have for their research centres.

**Mrs. Cathy McLeod:** Mr. Turk, I would beg to disagree that these people could be so wrong. These are national organizations.

**Mr. James L. Turk:** As we are. So there's a difference of viewpoint.

**Mrs. Cathy McLeod:** So absolutely—

**Mr. James L. Turk:** You're asking for our viewpoint, and I'm sharing it.

**Mrs. Cathy McLeod:** I will go to Mr. Braun. You wanted to make one more comment in terms of... You had a second issue that you wanted to make in your opening statements and you didn't have time for that.

Could you speak to your second issue?

**Mr. Aurel Braun:** Thank you.

As I said before, the problem at Rights and Democracy was that despite the best efforts, it proved to be an unreformable organization, when you look for responsible governance, when you look for transparency and accountability.

I mentioned the fact that the late president basically perjured himself before Parliament. As we struggled to change, we found, for example, that the staff of Rights and Democracy was informed that our organization had been defrauded in our operation in Burma. They were informed in September of 2011—and I'm giving this as an example of the kinds of issues we faced. The board was not notified of this. In October, the following month, we made the decision on funding other organizations in Burma, without the knowledge that we had been defrauded. We did not know, as a board. We were not informed by the staff until January of 2012, several months after the staff had been informed of what had happened.

You cannot run an organization on that basis. We cannot justify spending up to \$13 million of taxpayers' money on human rights—

**The Chair:** Unfortunately, the member's time is well over, so we'll have to come back in another round.

Mr. Brison, please.

**Hon. Scott Brison (Kings—Hants, Lib.):** Thank you very much, Mr. Chair.

Thank you, Mr. Rainer.

Thank you to all of you for joining us today.

I want to speak to you about this whole issue of income inequality and the gap between rich and poor in Canada, which has grown under federal governments of different political stripes. It's grown under provincial governments of different political stripes in Canada, so it's not a partisan issue.

What would be the public policy prescriptives that would actually potentially make a difference in terms of narrowing the gap? And please try to focus on the area of equality of opportunity and not just income inequality. I want to avoid class warfare stuff. I want to actually focus on what we can do to help give people a really good start, to avoid the gap of equality of opportunity growing to a point that it becomes damaging to social cohesion in Canada.

I'd appreciate your thoughts, Mr. Rainer. And I suspect Mr. Turk and perhaps Dr. Turnbull may have comments on this, too.

● (1620)

**Mr. Rob Rainer:** I'll mention two points, one of which is income related, and it's actually a recommendation that has been put forward to Parliament by the special Senate committee that looked at the whole issue of poverty and the federal role.

There was a recommendation for a green paper study on guaranteed income, which is a form of social security that we have to some degree in Canada, but it could be expanded. I would say there's a resurgent interest in guaranteed income in terms of what it could do to help stabilize people's lives and offer them better opportunity to move forward and essentially replace, in my view, 19th century and even 20th century concepts of social security.

**Hon. Scott Brison:** Senator Hugh Segal has—

**Mr. Rob Rainer:** That's correct. Senator Eggleton's and Senator Segal's report had a recommendation for an in-depth feasibility study of essentially expanding the system of basic income or guaranteed income in Canada.

The second point is that the research is pretty solid in terms of investing in early childhood learning and education, and the return on that investment is in the area of nine to one. Children are our most vulnerable and also our most precious resource, and as the UNICEF report on child poverty has made clear this week, we are doing poorly as a country. So there's a lot more we could be doing in that area. I think the federal government has a profound role, not just through early childhood education but obviously through adult learning as well.

There's lots we could be doing there, and we are not having the kind of discussion and debate in this country on those kinds of issues that we should be having. Instead, I think we are getting sidelined by some lesser concerns, such as are wrapped up in Bill C-38, which is just an absolute hodgepodge of issues that we can't possibly do justice to.

**Hon. Scott Brison:** Time marches quickly, doesn't it? Thank you very much.

**Mr. James L. Turk:** I would certainly second what Mr. Rainer said with regard to the importance of early childhood education. The evidence is overwhelming for that being one of the most important investments.

Also, it's the investment in proper social housing. It's a desperate problem in this country that needs to be addressed more aggressively.

With regard to the legislation before you, the changes in employment insurance that are going to be permitted by this bill will have very serious consequences for the least wealthy people.

I'll give Dr. Turnbull a chance, because you don't have much time.

**Hon. Scott Brison:** Dr. Turnbull, in recognizing that poverty is a significant determinant of health outcomes, I would appreciate your input.

Are you seeing a gap in the quality of health care, for instance, in communities based on levels of income?

**Dr. Jeffrey Turnbull:** Absolutely. As social inequity grows, so does health inequity, and we're seeing consequences of that, sometimes comparable to that of the developing world in our most socially disadvantaged and vulnerable populations.

Whereas there are many strategies to address social inequity, I can tell you that it's addressing health care inequity and reaching out to those vulnerable populations. It's improved strategies creating national standards of minimal acceptable standards of care, creating pharmacare programs so that all Canadians, no matter where they live, can access pharmaceuticals, and particularly addressing the health care of aboriginals—a unique federal responsibility.

If we could address those things, I can tell you that at least we would be able to address some of the downstream consequences. I would argue that we should, at the same time, be addressing the upstream social inequality that leads to health inequity.

Thank you.

**Hon. Scott Brison:** Just on the early learning point, there were 23 kids in my grade 6 class in rural Nova Scotia and only 8 graduated from high school. When I think back to those kids, the difference between those of us who did and those of us who didn't, those who didn't come from families where they didn't have an opportunity to read at home and that sort of thing—not because they had bad parents, but because they had parents who probably couldn't read or had limited literacy. So I agree with you in terms of breaking that multi-generational poverty cycle.

**The Chair:** I take that as a comment.

**Mr. Scott Brison:** Thank you very much.

● (1625)

**The Chair:** Thank you, Mr. Brison.

We'll go to Mr. Hoback, please.

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

Again, I'd like to thank the witnesses for being here this afternoon.

I'm going to talk to you, Mr. Braun, about Rights and Democracy. I have a chartered director's designation through McMaster, so board governance, to me, is a very important issue. When you take that designation, you learn a lot about it, and you hear some good case studies on what goes wrong in corporations or not-for-profit organizations when they don't have proper governance and proper transparency. It looks to me as though you came into a really good case study, which sounds like it's full of challenges.

Could you give us a few more examples? Your example in Burma—that's a scary challenge. Just tell me what you were facing when you first came into that organization.

**Mr. Aurel Braun:** When I came in, I had some idea that Rights and Democracy had been problematic. There had been previous crises, and we knew that. The severity of it was not apparent until you got to the organization, until you began to ask for accountability and transparency. What was sad about it is that despite the efforts we made, and we invested an enormous amount of time, people who were on the board were highly dedicated and tried to get the organization right. We all felt that the promotion of human rights and the protection of democracy were absolutely crucial. But you can't do that when most of the money is spent wastefully, when you don't know where it's going. Previously, we had been giving money to Navanethem Pillay's office, the High Commissioner for Human Rights, but there was no accountability for that money. We may as well have put money in a suitcase, opened it up over Geneva, and thrown it out. The Deloitte & Touche reports indicate we don't know exactly where the money went.

When it comes to Burma, and this was fairly recent, we learned that we and other organizations had been defrauded in Burma of a total of several hundred thousand dollars, tens of thousands of dollars in our case, and the staff did not inform us of this. We found out afterwards that the late Mr. Beauregard, who was used, sadly, by some members of the press and the opposition to bash those of us who tried to bring responsibility and transparency to this organization, had testified and had misled Parliament in the clearest fashion. There were documents that were available that were kept from us.

There was an article by a journalist this year, and we went to him and said that we found out that the denials about participation in the Durban II hatefest...Canada, you will recall, took the lead in walking out of the Durban II conference. We were followed by the leading democracies. Ahmadinejad addressed that hatefest, and 29 countries walked out. When Mr. Beauregard testified, he said unequivocally, and two of his key lieutenants were standing beside him, that they did not participate. This was reported in the *Ottawa Citizen*. We found out that the staffer's responsibility—we did not know there was a staffer in Geneva—was to manage the Durban NGO panel correspondence, write Durban planning newsletters, and brief NGOs on the registration and accreditation process. She undertook a senior role in the Durban II preparations. This was a carefully crafted, deliberate participation, which was kept from the board, which was kept from Parliament. We could not get access to this document even in 2011, even though we made the best possible efforts.

You can't run a human rights organization that is not internally transparent. You can't help the cause of human rights unless you make sure that you are accountable and you are responsible.

**Mr. Randy Hoback:** It's really confusing to the general public, because the name "Rights and Democracy" makes it sound like an honourable and noble goal. When you say that has to change and you start explaining some of the governance issues, and when you can't get reports, or you have no way of getting transparency to how money is being spent, then you, as a director, take on liability without having any visibility on what that liability is. Is that not correct?

**Mr. Aurel Braun:** Mr. Hoback, you put your finger on it. As a director, and particularly as chair, you have a duty of care. You cannot carry the duty of care unless you are able to make fully informed decisions, unless you get timely and clear information,

unless you have that information that we asked for released. Board members, month after month after month, asked for information, and they were faced with stalling and denial of information. These were members of the board of directors. I, as chair, was not informed for several months that we had been defrauded in Burma while we made decisions. It becomes absolutely bizarre.

We had a situation where a chair's report was sent to Parliament with my signature on it, and it wasn't cleared with me.

• (1630)

**The Chair:** Thank you.

Thank you, Mr. Hoback.

We now go to Ms. Nash, please.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Thank you.

Welcome to all the guests.

I want to begin by reaffirming what some of you have already said, which is that this massive budget implementation act is like nothing we have ever seen. My colleague has said that there may have been two other BIAs that this government has brought in that had more pages, but neither of them had this complexity and this number of laws impacted, and neither had the vast scope that we are seeing now, which of course is all under time allocation, so they do not get to be thoroughly debated. Each of the areas you are raising is so substantive on its own.

I'll try to be quick because I have five minutes to ask all of you questions.

First of all, Mr. Turk, something that we've not had the chance to talk about here until you raised it was the issue of cuts to Archives, although I have been contacted by many archivists and many of my constituents about this. The heritage minister assures us that "All the services that we operate right now to Canadians will continue, but they'll be done differently." That's a quote.

First of all, I'd like to get your comment on that.

Secondly, most thinking people agree that we are increasingly living in a knowledge economy. Scientific expertise and capacity is important. I would like your brief comment about so many of our scientists' getting pink slips and so many of our scientific institutions being, if not undermined, then certainly eliminated, and the potential economic impact of those decisions.

**Mr. James L. Turk:** First, with regard to our Library and Archives Canada, the consequences of what's happening there, exacerbated by the most recent budget, are very serious indeed. Every industrialized country has a national library and a public archives. Ours is in great danger. The public archives side of it is sustained by skilled archivists who specialize in certain areas. Their positions are being eliminated. The collections are not being maintained. Canadian Pacific, for example—we've been told—has been trying to give its archives to the LAC for several years, and they have not been accepted. Whatever one's views of Canadian Pacific, certainly they have had a major impact on the history of our country.

Our ability to know our own history is at risk. There was a response saying not to worry because this is all being digitized. Currently, after years of work on it, the best estimate of the percentage of the LAC collection that is digitized is 2%. That's 2%. It's not going to be in my lifetime or the lifetime of anyone in this room that the entire collection will be digitized, or a major portion of it. There are approximately one billion records in the LAC. At 25 cents a page, which is a cheap estimate, it would cost a quarter of a billion dollars to digitize.

**Ms. Peggy Nash:** I'm rapidly running out of time. I did ask you a question about the economic impact of scientists, but I'm not going to be able to have time to hear from you on that.

I want to ask Michael Jackson a question. You talked about, first of all, the change being made in this bill being a potential constitutional breach. That's certainly something that's bracing, when we hear that as a committee, but I'm also concerned when you say that most of the people who will be affected are aboriginal people. They are, of course, an extremely disadvantaged people who have faced incredible systemic barriers, not the least of which is massive economic inequality. They are socially vulnerable, and they are the fastest demographic in our country.

What could be the economic and social impact of this change being proposed in the BIA?

**Mr. Brian Jean (Fort McMurray—Athabasca, CPC):** A point of order, Mr. Chair.

• (1635)

**The Chair:** Mr. Jean.

**Mr. Brian Jean:** Did you mean the fastest demographic or the fastest-growing demographic? I know they're fast, but is it the fastest? You mentioned the fastest demographic—

**Ms. Peggy Nash:** Thank you, Mr. Jean, for that important clarification.

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

**Ms. Peggy Nash:** I meant the fastest-growing demographic is aboriginal youth. Thank you.

**The Chair:** We'll take that as a helpful point.

**Ms. Peggy Nash:** It's very helpful.

**The Chair:** Is that to Mr. Jackson?

**Mr. Michael Jackson:** Let me respond this way. The cost saving of abolishing the right to a hearing in a post-suspension context is estimated by the parole board officials to be \$1.6 million a year.

The impact on the unfair revocation of aboriginal offenders in terms of further contributing to disadvantage, lack of economic opportunity, and further years of incarceration is far, far greater than that, simply in economic terms.

But my point—and this is perhaps the reason why I opened my comments the way I did—is that the issues involved in this particular provision are not primarily economic. They affect fundamental human rights, and that is why this particular provision should be referred to the committee on justice and legal rights and the Senate committee on constitutional affairs. It is principally a human rights issue, a fundamental rights issue.

The economic impact, as I said, is \$1.6 million. So it's tiny in the context of the overall budget of the Correctional Service of Canada and the parole board, but it is huge in its impact on aboriginal people.

**The Chair:** Thank you, Mr. Jackson.

Thank you, Ms. Nash.

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

**Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC):** Thank you, Chair. I didn't think I was up yet, but okay.

I want to address my questions to Mr. Rainer and Mr. Turnbull.

I can appreciate some of the areas of concern you've raised, but the key ingredient you're leaving out—and we heard this very clearly this morning from a number of economists—is the simple fact that in order to sustain some of the things you're talking about, you need revenue. I don't have the figures with me. I suspect somebody on our side will possibly bring those up.

For instance, in the period of the great recession in 2008–09, when the government enacted its economic plan, there were substantial funds given to universities. Mr. Turk, I'm sure you know that. Traditionally, the federal government doesn't get involved with bricks and mortar, but we kind of broke the rule and spent millions of dollars. Again, I'm trusting somebody on this side will give you those figures.

The same could be said for health, as a matter of fact. The finance minister has said that we would be allocating an additional 6% to the provinces and that would continue to 2017. At that time, I believe it's tied to GDP and it will not drop below 3%. We expect that to be 4% at that time, so again, it's very substantial.

Coupled with that, we have a number of situations we're headed towards. Number one, we know we're headed towards an aging population. So when you talk about health care, we know that the majority of health care happens...somebody told me once that the last year of one's life is when.... As we see an aging population, we know we're going to be spending more and more money on health care.

The problem we're seeing is that as this intensifies, we're going to be needing more and more money.

I'm going to give Mr. Rainer a chance to respond, but the one thing that disturbed me was when you suggested—I can appreciate that everybody has an opinion, and that's great, but normally when we ask somebody to appear before us, we want them to give us expert advice. I'll give you this opportunity, but when you suggest that the government is mistaken in dealing with the issue of OAS and raising the age from 65 to 67, do you have statistical data that would enforce that?

The economist who appeared before us this morning, rather than giving his opinion, quoted what the OECD was stating. Not just Canada, but all western countries have overspent, and they have a real problem ahead and they need to address it. As a matter of fact, some of them have suggested that they raise it to age 70.

Do you have any statistics, or something to support that kind of statement, to suggest that we need to move that down instead of up?

•(1640)

**Mr. Rob Rainer:** I will get back to you with some firm specifics on that. I will just briefly say that the chief actuarial officer, as you may be aware, has already spoken on this issue to say that there is no crisis in the old age security, that it's adequately supported, and that it is sustainable in its current form. We can get you the reference on that.

I'm going to come back to Mr. Jackson's point: this is an example of an issue that isn't just monetary, or even a monetary issue. There are so many substantive things in this bill that have nothing really to do with the budget or the economy. They have a lot to do with fundamental issues of human rights or of social development, and so forth. This is the kind of issue that deserves a far fairer hearing than what it's been given to date. To package it into a massive omnibus bill is a big mistake.

**The Vice-Chair (Ms. Peggy Nash):** Thirty seconds.

**Mr. Dave Van Kesteren:** I have some statistics; I won't share them.

I would say, then, that the best thing we can do for anybody who's living in poverty is give them a job. That is precisely what this bill is addressing, to make sure our economy remains strong and remains vibrant so that jobs are created. The best thing we can do to get them out of poverty is to give them a job. I think the government is doing what we promised, and, quite frankly, what people expected us to do.

**Mr. Rob Rainer:** A brief retort on that is that Canadians are working harder than ever before—we have evidence of that—and the ranks of the working poor are growing. You will find them in homeless shelters, and so forth. We have structural problems in our labour market, which also deserves far greater scrutiny.

**The Vice-Chair (Ms. Peggy Nash):** Thank you very much, Mr. Van Kesteren, Mr. Rainer.

Mr. Caron.

[*Translation*]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Thank you.

I would like to thank all the witnesses for being here.

Mr. Turnbull, I have had the pleasure in the past of working with members of the Canadian Medical Association, and the work done was in fact very productive. In a previous life, I worked more in the field of public policy, in the area of health care.

The federal government seems to have its perception when it comes to reducing its contributions. During the election, the federal government promised to preserve the 6% growth per year in transfers indefinitely. In December, it announced that it would be 6% for three years and 3% after that. That is actually a reduction from the commitment of about \$31 billion. Their perception seems to be that they can grant this funding and thus control spending on health care and allow the provinces to do that as well.

From the perspective of the health care policy field, where I worked, it seems clear to me that this will not be a magic solution that will enable us to slow spending. On the contrary, it is going to force provinces to make painful and difficult choices about the services that are provided.

Could you comment on that subject?

[*English*]

**Dr. Jeffrey Turnbull:** Thank you very much.

The CMA has been very concerned about focusing all the discussion of sustainability on health care around just dollars. We believe this is not necessarily a discussion about just dollars. Sustainability, to us, is access to quality, patient-centred care across the continuum. Yes, it's provided in a cost-effective fashion. We believe strongly that if we just focus on the dollars, we're missing the opportunity of having significant health care transformation.

We need the federal government to work with us—providers, the provinces, the territories, municipalities—all together, to come to meaningful solutions. We can't do this without the federal government, and yes, the transfers are one part of this. But transfers without accountability, transfers without a change to the health care system, will just buy the status quo, which we already have and which we recognize is insufficient.

I can't think of anything worse than taking existing money out of an already struggling health care system that is having a great deal of difficulty providing services to ordinary Canadians, and especially those most vulnerable. So without transformative change—

•(1645)

**Mr. Guy Caron:** What you're saying basically is that the federal government is missing a good chance to show leadership by being able to look at the problem from a very different perspective than a monetary one.

**Dr. Jeffrey Turnbull:** We need their help. They need to work with all of us. And for that amount of money, that \$446 billion between now and 2023, I would think the public would expect that there would be accountability and change for that.

**Mr. Guy Caron:** Thank you.

I have about a minute and a half left.

[Translation]

Mr. Braun, one thing you said surprised me. Obviously, I have followed the Rights and Democracy tale from the outside, given that I was elected in 2011. If we go by what you have said, it seems that you and the other people appointed to the board of directors are the only ones in the entire tale who are blameless. I find that interesting. I have never heard you say that you created any problems or were part of any problems.

You talk about transparency and accountability. I know that you asked Deloitte & Touche to do an audit of Rights and Democracy relating to its structure and to decisions made during the period from 2005 to 2009. You spent \$1 million dollars for a report that you sat on for five months, without disclosing it, when a request had been made for you to disclose it. Ultimately, that report did not show there to be any particular problems in the management of Rights and Democracy.

**The Chair:** Please ask your question.

**Mr. Guy Caron:** I find it astounding that you would justify your decision by citing a document that Mr. Beauregard cannot defend himself against, obviously, and that other people cannot defend themselves against, when the report you obtained did not contain any criticism of Mr. Beauregard's management. I am astounded.

[English]

**The Chair:** A brief response, Mr. Braun.

**Mr. Aurel Braun:** I appreciate the question.

I hope you read the Deloitte report, which did not cost \$1 million. The report was actually devastating. I'm puzzled, as an academic, how you could read the report—I'd like to assume you read the report—and say this. The report basically stated that there was no accountability. The report stated that we have no way of tracing some of the money. The report stated, for example, that there was an internal audit report on the Geneva office that was negative, that was kept from the board. And then the late Mr. Beauregard commissioned another report that was submitted to the board, which was positive, but we were prevented from knowing about the negative report.

This was all in the Deloitte report. I do not know how it would be possible to read through that report and come to the conclusion you have, with the greatest respect, sir.

**The Chair:** Okay. Thank you.

We'll go to Mr. Jean, please.

**Mr. Brian Jean:** Thank you, Mr. Chair.

Thank you to the witnesses for coming today. I found it very interesting, indeed.

Mr. Jackson, after our last visit together at the committee for justice and human rights on Bill C-10, which was not that long ago—I enjoyed that thoroughly as well. I was hoping you'd come out on Bill C-38 and be very positive in relation to some of the measures we've taken in this particular bill. I'm basing that on your interest in aboriginal rights and aboriginals and freeing them from poverty.

I'd invite you up to Fort McMurray to take a look at what's going on there. We have 300 very successful aboriginal businesses in the

area. Syncrude has a workforce of 1,200 people who are aboriginal—14% of the workforce. They have a pro-aboriginal hiring policy. So does Suncor, with 9% of their workforce being aboriginal, another 700 to 800 people.

To give you an example, one of the bands in the area, Fort McKay, has 600 members, and their businesses did \$440 million in sales last year. The aboriginals in my area are doing very, very well.

They are going to do very well indeed under Bill C-38, because of course we have regulatory approval that has been fine-tuned. You don't have a one project, one review situation in Canada; you have 27 reviews and one project, usually, which take up to 8 to 14 years, and now we're looking at a two-year limit.

So I thought you would come out very positively about what this budget is going to mean to aboriginal Canadians, because of course most of these reviews will be in ridings and areas with 90% aboriginals.

Saying all of that, I appreciate all the work you have done. Of course, you are one of the most well-known prisoners' rights advocates in the country. Thank you for your comments today.

In relation to Mr. Turnbull, you mentioned that you thought health care should be an equivalent service to all Canadians and of equivalent quality?

• (1650)

**Dr. Jeffrey Turnbull:** Very much.

**Mr. Brian Jean:** Do you agree that the federal government should treat all citizens the same in relation to health care across the country?

**Dr. Jeffrey Turnbull:** Very much.

**Mr. Brian Jean:** Okay.

What about you, Mr. Turk? Do you believe that all students should pay the same fees and have the same quality of service and the same equivalent service wherever they are in the country?

**Mr. James L. Turk:** I think all Canadians should have reasonable access to post-secondary education.

**Mr. Brian Jean:** That's not what I asked, though.

**Mr. James L. Turk:** That's what I'm answering.

**Mr. Brian Jean:** Okay. But should they pay the same fees?

**Mr. James L. Turk:** It depends on the programs.

**Mr. Brian Jean:** For the same programs, wherever they are in the country, should they be treated the same? If they're in Alberta, should they pay a different amount for the same quality of education?

**Mr. James L. Turk:** That's not within the jurisdiction of the federal government to say.

**Mr. Brian Jean:** Exactly, and that's my point. We know clearly that education and health care are matters for the provincial government insofar as delivery is concerned.

**Mr. James L. Turk:** But we also know that since the Massey commission in 1951—

**Mr. Brian Jean:** We do.

**Mr. James L. Turk:** —without the significant contribution of the federal government to post-secondary education, the ability to have reasonably equivalent post-secondary education for all Canadians is impossible.

**Mr. Brian Jean:** In fact, we know today that the cost is not anywhere near the same depending on where you go in the country. We clearly know as well that delivery is not the same as providing funds. The provinces have the absolute jurisdiction to deal with delivery of health care and to deal with the delivery of education.

We are funding partners in that as a federal government, and of course we have to do that.

**Mr. James L. Turk:** Your decisions about funding have a dramatic impact, both on health care and on education decisions at the provincial level.

**Mr. Brian Jean:** They certainly do, and that's why we have promised to continue with the transfer of funds.

**Mr. James L. Turk:** As well, with regard to post-secondary education, the federal government does have responsibility for funding research—

**Mr. Brian Jean:** Yes, and I agree.

**Mr. James L. Turk:** —and that's an aspect of the worry for the federal government of which we've been critical.

**Mr. Brian Jean:** Of course, we're doing a very good job on that.

I wanted to mention, in relation to what the NDP said before, that I don't remember anybody promising that we would continue with 6% transfers year over year indefinitely. I certainly promised to oppose the NDP every step of the way in whatever they did, but I haven't promised that.

I wanted to comment in relation to Mr. Braun. Do you have anything else to say about the organization you were part of? You mentioned fraud. I'm kind of nervous, as a lawyer, about some of the things you've said. Do you have anything further to say about that? You did say that you clearly indicated that you support the government's position.

**The Chair:** Give Mr. Braun the time, then. I'm always cutting him off and I feel bad.

Mr. Braun.

**Mr. Aurel Braun:** I think everyone has the right to be nervous about what was happening in a human rights organization where you could not get information.

We did not control when, for example, the Deloitte report would be released. As members of the board, we wanted it to be out as soon as possible. I personally wanted the SIRCO report out as well.

Transparency is absolutely crucial. The facts must come out, and people should be able to judge them. This is what is so essential. Unless you have an organization that can show that it uses funds responsibly and is effective and can bring those areas of expertise to genuinely promote human rights and democracy, one cannot justify that, because it's not a private organization. We are responsible to the taxpayers, and unless we meet that duty of care, it's very difficult to justify, in the 21st century, that kind of expenditure.

This is why, very reluctantly, after struggling for three years, I had to come to the conclusion that the government made the only viable decision in this particular case.

**The Chair:** Thank you.

Mr. Mai, please.

[*Translation*]

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

We often hear the government say that the previous government, a Conservative government, introduced omnibus bills and so it is reasonable for them to be introducing one today. I recall, for one thing, that it was a minority government, and for another thing, that it was the government that was found guilty of contempt of Parliament. Sometimes we need to be careful when we refer to a previous government.

The present government has a majority. So why is it presenting us with an omnibus bill? The fact that was done previously does not mean it is proper to do it now. In the media, including the *Financial Post*, everyone is saying that this bill is not appropriate, that it should be severed and examined in depth by different committees.

[*English*]

Mr. Jackson, obviously I agree with you that this should be studied at the justice committee, but what is of concern, because we did mention it, is the fact that it's unconstitutional. Can you explain to me what the impact is on the legal side of it?

**Mr. Michael Jackson:** Certainly.

Section 7 of the charter provides that everyone has the right to life, liberty, and security of the person, and the right not to be deprived thereof except in accordance with fundamental principles of justice.

The courts have consistently found that a person who is on parole and who has his parole suspended and is returned to prison is thereby jeopardized in terms of his qualified right to liberty. It's not a complete right to liberty. The courts accept that it's a qualified right, but it engages section 7 of the Constitution.

The courts have gone on to ask what the necessary process is, in accordance with fundamental principles of justice, to justify the deprivation of that qualified liberty. The courts have found consistently that it requires a hearing in which the person is present to address the issues of breach of conditions, to provide the board with further information regarding their life under parole, to challenge any incorrect statements made by the parole officer's report, and to enable the board—and this is an important point in the interest of public safety—to fairly and fully decide what is necessary to deal with the risk of that individual in the community. That is a constitutional right to a hearing.

What the bill does is abrogate that right. Thereafter, these reviews will be done by a paper review. The board is now also contemplating moving to a single member conducting this review by changing the regulations. You'll have one member of the board reviewing the case without the presence of the offender and making a potential decision to revoke parole.

I've given examples of individuals who have been out in the community for 20 years without reoffending who, because of concerns about bizarre behaviour and problems in dealing with their parole officer, were in fact suspended and recommended for revocation. In the hearing that I personally attended, that offender would have been sent back to prison because he was suffering from Alzheimer's, potentially to serve many more years in prison. That's the argument.

Perhaps I can finish by saying that there is no justification under section 1 of the charter to infringe upon that right based upon saving \$1.6 million a year.

● (1655)

**Mr. Hoang Mai:** Thank you, Mr. Jackson. I only have 30 seconds.

Mr. Rainer, we heard Campaign 2000 saying there was nothing in the budget to reduce poverty.

Can you tell us what you see in this budget that responded to your pre-budget requests? Is there anything regarding reducing poverty?

**Mr. Rob Rainer:** No, there's nothing at all.

**Mr. Hoang Mai:** Thank you.

**The Chair:** Thank you, Mr. Mai.

We'll go to Mr. Del Mastro, please.

**Mr. Dean Del Mastro (Peterborough, CPC):** Thank you, Mr. Chairman. It's a pleasure to be able to join the hearings on Bill C-38, an outstanding piece of legislation that I'm proud to support.

I think one of the things that may be lost in the discussion, specifically when the NDP talks about democracy, is the confusion about obstruction and democracy. I don't believe the wilful effort to obstruct legislation should in any way be confused with democracy or debate or otherwise. I think we're having a debate about this bill, but I also think we've had the opportunity to debate many of the items in this bill for some time.

I'm interested, Mr. Turk, in your comments. You were careful with your language. You indicated that, in real terms, dollars have actually declined. That, of course, is an economics term, adjusting for the real value of money, so I would assume that in nominal terms, investments have not been reduced. Is that accurate?

**Mr. James L. Turk:** What counts is what the money will buy. When I say in constant dollars, it means taking out the effect of inflation. The amount available for researchers to spend on their research has declined in real dollars.

**Mr. Dean Del Mastro:** Sure, but in nominal terms it has not declined.

**Mr. James L. Turk:** That's correct.

**Mr. Dean Del Mastro:** That's good.

During the same period of time, as I recall in Budget 2007, we had a one-time increase of 40% in post-secondary funding directly to the provinces. We then put in place a 3% escalator each and every year, which of course is in place now. My colleague mentioned the funds we spent on post-secondary institutions in terms of construction. There were many new laboratories built over that period of time that are supporting institutions right across the country. Certainly all of these investments, major investments, hundreds of millions of dollars—all of these were viewed as quite positive.

During the same period of time, you're suggesting in real terms dollars have not increased.

● (1700)

**Mr. James L. Turk:** Yes. To be clear, your government did make a commitment of a 3% escalator each year. You've honoured that, and we appreciate that.

**Mr. Dean Del Mastro:** On top of the 40%.

Of course, the other thing I would say is we always have to keep in mind the times we're living in. We've made all of these investments and prioritized education right across the country at a period of time when we've been struggling with the deficit, but globally, many similar countries like Canada—for example, the U.K.—have actually withdrawn significant amounts of money. We've made a different decision, haven't we?

**Mr. James L. Turk:** Our principal comparator and the place where we lose academics to or gain them from is principally the United States. They've made much more significant investments in research than our country has.

Your government did, in 2009, commit \$2 billion for a knowledge infrastructure project to which your colleague is responding, but at the same time it cut the funding for the granting councils by \$147.9 million. We had instances of labs that received very valuable new equipment but had to close because they had no operational money. Part of the problem is just the failure to understand, I think on the government's part, what is necessary in order to have a successful research and scientific venture.

**Mr. Dean Del Mastro:** No, I don't think it's a failure to understand. I think it's in fact—

**Mr. James L. Turk:** Well, when you put in millions for physical infrastructure and there's no money for human infrastructure...

**Mr. Dean Del Mastro:** In fairness, Mr. Turk, I would like to speak.

I think it's important for the government to set priorities and to understand where the economy is going, and to make sure that we're responding to that.

I've had the opportunity to tour the rapidly expanding and developing economies in this world. What I can tell you is they are very fleet of foot. They're moving very quickly. As Canadians we can debate things until the cows come home, but I can tell you that those economies will not set aside. They will continue to advance. As Canadians we can meet that challenge head on or we can be left behind. I prefer a government that's going to meet that challenge head on. That's what we're doing.

Thank you, Mr. Chairman.

**The Chair:** Thank you.

Ms. Glover, final round, please.

**Mrs. Shelly Glover:** Thank you, Mr. Chair.

Once again, I will finish up by perhaps clarifying some misleading statements.

Ms. Nash mentioned that previous budgets were not as comprehensive. I would direct the witnesses and all Canadians who are watching this to have a look at Budget 2010, for example, which contains 880 pages. Yes, it was a minority government, which is why Mr. Mai's logic makes no sense. Their parties together only asked for 16 hours of study on that bill, where we have provided 60 hours on a smaller bill, virtually half the size of the 2010 bill. Most of the things that are in that 2010 bill are in this bill again, because we're now enhancing and improving things.

I just want to make sure that when untruths are said, people have the opportunity to look at the documentation and see which side of this table is being honest. I'm going to say that for the last time, because it keeps coming back, and it's important that we be very frank with Canadians.

I would like to turn to Mr. Turnbull. I truly do admire the work you do, sir. I understand we have some differences in opinion on some of the things that are in the bill, but may I ask you about some of the things that I think we might agree on? I'm going to go through them, and you tell me whether or not you think these are valuable enhancements to what we presently have in the area of health. I'm talking about everything in the budget. It might not all be in this budget implementation bill, but it will be coming, so I'm interested in going through the ones in the budget implementation bill as well as some others.

With respect to investing in mental health research, there is \$5.2 million to establish an integrated network of mental health-related professionals. Is that good or bad?

**Dr. Jeffrey Turnbull:** Any amount of money into mental health would be great. I'd love to see investment, not having us cut mental health in other of the jurisdictions that are currently within the budget.

**Mrs. Shelly Glover:** Mental health is not being cut in the budget, sir. We've added \$5.2 million. I'm asking you specifically about this one. I know you want to interject and talk about other stuff, and I get that, but I want to ask you about some other measures, because if they're good, Canadians should know that there are medical professionals who actually think they're good. Fair enough?

**Dr. Jeffrey Turnbull:** That's correct. Give credit where credit is due.

**Mrs. Shelly Glover:** Let's continue. Mental health, you said, is good.

What about promoting cost-effective health care with \$6.5 million for a research project at McMaster University to make the health care system more cost effective? Accountability is an important issue for you, I heard you say. Is this a good measure?

• (1705)

**Dr. Jeffrey Turnbull:** That is a good measure.

**Mrs. Shelly Glover:** Thank you.

What about advancing knowledge and treatment of spinal cord injury and partnering with the Rick Hansen Institute on research and care?

**Dr. Jeffrey Turnbull:** It's a good measure.

**Mrs. Shelly Glover:** Thank you.

What about diversifying Canada's medical isotope supply with \$17 million over two years to further develop alternatives to existing isotope production technologies?

**Dr. Jeffrey Turnbull:** It's a good measure.

**Mrs. Shelly Glover:** Next, what about exempting pharmacists' professional services for the GST/HST?

**Dr. Jeffrey Turnbull:** Yes, that's good.

**Mrs. Shelly Glover:** It's a good measure?

**Dr. Jeffrey Turnbull:** Yes, it is.

**Mrs. Shelly Glover:** What about expanding the list of health care professionals who can order certain medical and assistive devices that are zero-rated under the GST/HST, to reflect the increasing involvement of health care professionals such as nurses, like the one sitting next to me?

**Dr. Jeffrey Turnbull:** We definitely support an integrated care model with professionals. We need more work specifically on what the scopes of practice are.

**Mrs. Shelly Glover:** Okay. What about expanding the list of GST/HST zero-rated medical and assistive devices and the list of expenses an individual may claim for income tax purposes under the medical expense tax credit to include blood coagulation monitors for use by individuals who require them? Is that a good measure?

**Dr. Jeffrey Turnbull:** Yes—

**Mrs. Shelly Glover:** Thank you. On strengthening food safety with \$51.2 million over the next two years to continue measures to strengthen Canada's food safety system—is that a good measure or bad measure?

**Dr. Jeffrey Turnbull:** Strengthened food safety measures are excellent.

**Mrs. Shelly Glover:** Okay. What about encouraging participation and health communities with continued support to ParticipACTION and

[*Translation*]

the Pierre Lavoie Challenge?

[*English*]

**The Chair:** You have one minute.

**Dr. Jeffrey Turnbull:** We support healthy communities.

**Mrs. Shelly Glover:** Okay, I have one minute. Let's keep going. On strengthening health care in rural—

**Dr. Jeffrey Turnbull:** Am I going to be giving them a “but”?

**Mrs. Shelly Glover:** —communities with the forgiveness of student loans for medical graduates who practise in remote and rural areas, is that a good measure?

**Dr. Jeffrey Turnbull:** Yes, you announced that already, and we have supported that already.

**Mrs. Shelly Glover:** Thank you. No, this is actually a clarification in the budget, because for the term that the medical students...there was a term for which they weren't covered while they were in residency, basically. It actually enhances it. I know they're very pleased with it. I'm glad you support that.

For Genome Canada, \$60 million to launch new applied research competition in the area of human health and to sustain the science and technology centres—is that a good measure or a bad measure?

**Dr. Jeffrey Turnbull:** That would be very good.

**Mrs. Shelly Glover:** Thank you. Last but not least, Mr. Jean mentioned how important it is to serve Canadians equally, especially when it comes to health care. Having the expertise you have, would you not agree it's about time Albertans got the same care that Manitobans in my province have? This bill is about to give them per capita—

**The Chair:** Please give us a brief response.

**Dr. Jeffrey Turnbull:** I would respond—if you'll allow me. That would be great.

**Mrs. Shelly Glover:** Absolutely.

**Dr. Jeffrey Turnbull:** I think there is a very strong role for the federal government in ensuring that there is the same high quality of care right across the country. I was asked by Mr. Jean whether that was an important thing, and I agreed it was.

Without the federal government, without accountability, without standards, we will never know.

**The Chair:** Thank you.

I want to thank our witnesses in our first panel for being here and responding to our questions. If there's anything further, please submit it to the clerk. We will ensure members get it.

Mr. Jackson, thank you very much for joining us from British Columbia. We appreciate your time today.

Colleagues, I'll suspend for a couple of minutes and bring the next panel forward.

• (1705)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1710)

**The Chair:** I call this meeting back to order. I ask that all witnesses and members of Parliament find their seats, please. We have another panel and another hour-and-a-half session.

We are continuing our discussion of Bill C-38, the budget implementation act. We have another six panellists during this session.

We want to thank all of you for being here. We are a little bit behind time because we had to have a brief meeting prior to the last panel, but we want to thank all of you for coming in.

First of all, we have

[*Translation*]

Alain Noël, who is a professor in the Department of Political Science at the Université de Montréal.

Welcome.

[*English*]

We also have with us the Canadian Conference of the Arts, with Monsieur Alain Pineau, national director; the Canadian Federation of Nurses Unions, with Linda Silas, president; the Canadian Media Guild, with Ms. Karen Wirsig; the Canadian Museums Association, with executive director John McAvity; and the Council of Canadians, with Mr. Anil Naidoo.

You each have up to five minutes for your opening statement. We'll proceed in the order that I've read to you.

[*Translation*]

We will begin with Mr. Noël.

You have five minutes.

• (1715)

**Mr. Alain Noël (Full Professor, Department of Political Science, Université de Montréal, As an Individual):** Thank you.

Thank you for inviting me. I am appearing today in my personal capacity, but also as a professor of political science who has been working for several years on subjects like the architecture of Canadian social programs and transfers, the issues I have been asked to address today.

I will start by saying I was a little reluctant to accept this invitation. I was sceptical about the possibility of a real discussion of a bill like Bill C-38, which is very long and lumps together a large number of very important issues, and which seems to have been passed precipitously. I decided that I could at least come and share that impression with you and comment briefly on the division I was asked to address—and I am glad there is only one: division 17 of part 4, which deals with changes to the Federal-Provincial Fiscal Arrangements Act.

Included in that division are two provisions relating to the Canada Health Transfer. In both cases, those measures had already been announced. The first provision involves allocating the Canada Health Transfer on a strictly per capita basis starting in 2014, and no longer using the value of the tax points transferred in 1977-1978. I will come back to this later. The second provision deals with the ceiling, starting in 2017-2018, on the growth of the Canada Health Transfer, based on economic growth. The two measures are very different, but they reflect the federal government's withdrawal from preserving our health care system, as well as a particular idea about redistribution across the federation.

We will start with the second one, which is probably the most important: the ceiling on growth based on economic growth. I will simply say that in order to evaluate that decision, that measure or approach, we have to understand where we are coming from, in Canada. We have to understand that the role of the federal government in health care funding was originally defined by the idea of the costs being shared equally by the federal government and the provinces.

In fact, there was never really equal sharing, but in 1976, the federal government did contribute 38% of health care costs paid. In 1980, that contribution fell to 25%. It declined considerably starting in 1995. We will recall that this was the year when the federal government took draconian measures to eliminate the public deficit. In 2000, the federal government's contribution to health care funding was a mere 10%. We have gone from a 38% contribution in 1976 to a 10% contribution.

In the first decade of this century, the Government of Quebec established the Commission sur le déséquilibre fiscal, the Séguin Commission, of which I was a member. The commission's purpose was to review all transfers within the Canadian federation. At the same time, the Romanow Commission was proposing that we return to a 25% financial contribution to ensure that the federal government continued to play its role.

By making growth in the federal transfer dependent on economic growth, we are instead moving toward a 19% contribution, which would be a step backwards. This measure is going to create a further fiscal imbalance in Canada and lessen the possibility of the federal government participating in broad policy directions in the health system.

The per capital allocation is also a measure that is far removed from the origins of our health care system. It completely separates needs from funding. It is an allocation that will essentially favour Alberta at the expense of virtually every other province.

• (1720)

In conclusion, I would recommend keeping a link between growth in health spending and the federal contribution, first.

Second, I would recommend that needs be taken into account, possibly by taking into account the number of seniors in the provinces.

With respect to my third recommendation, I have not talked about it, but we could come back to that in the discussion. It is that this also be reviewed in light of the equalization program, on which a ceiling

was also imposed in 2008, which makes the mechanics of redistribution much less effective in Canada.

Thank you.

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

Mr. Pineau now has the floor.

**Mr. Alain Pineau (National Director, Canadian Conference of the Arts):** Good afternoon. Thank you for the honour of inviting me to testify before you on behalf of the arts, cultural industries and heritage institutions from coast to coast.

My name is Alain Pineau, national director of the Canadian Conference of the Arts, which was created in 1945 by, among others, members of the Group of Seven. The CCA is a nonprofit, nonpartisan organization composed of members representing nearly 400,000 professionals in the arts, culture and heritage throughout the country. The perspectives that the CCA brings to questions of cultural policy are broad and long term. The unique contribution that CCA brings to public debate has been recognized by 46 years of financial support from the federal government.

The abolition of the Canadian Artists and Producers Professional Relations Tribunal and the transfer of its functions to the Canadian Industrial Relation Board is one of many amendment to other acts found in Bill C-38.

The Tribunal was created in 1993 under the Status of the Artist Act. That act governs professional relations, that is, labour relations, between self-employed artists and the producers who retain their services. It grants the exclusive right to negotiate scale agreements with producers. A scale agreement specifies the minimum terms and conditions under which producers engage the services of, or commission works from, self-employed artists in a specified sector.

[*English*]

Some of our members were concerned that the Canada Industrial Relations Board may not understand artists' issues and unique working conditions. We were comforted on Monday night when we heard heritage officials confirm that some of the tribunal expertise will be moving to the board and that decisions will be based on the Status of the Artist Act and on jurisprudence accumulated since the creation of the tribunal.

Maintaining the Status of the Artist Act as a basis for decision is what matters; whether the CIRB or the current tribunal decides on issues should not matter all that much. I will note that Quebec has taken a similar path in the administration of its own status of the artist legislation, and without any negative repercussions.

To sum up, given the guarantees provided by the government, this specific aspect of Bill C-38 is not of major concern.

This said, within the time allotted to me I would be remiss not to use this unique opportunity to raise areas of greater concern in the budget.

Like so many others, we rejoice in the fact that the parliamentary appropriations to the Canada Council have been spared. The CCA is a strong protagonist of the importance—for our economy, our quality of life, and our international reputation—of investing in artists and creators.

This being said, a reality check shows that, in constant dollars, parliamentary appropriations to the Canada Council on a per capita basis have actually declined somewhat between 1990 and 2010. Obviously, given this renewable and non-polluting resource, we need to make more efforts if we don't want to miss opportunities to invest in Canadian creativity.

[Translation]

Cuts in the audiovisual sector will have repercussions on the whole production sector in Canada. These cuts have many people, including the Quebec Minister of Finance, worried about the impact on the ecology of the system. Cutting 10% to Telefilm Canada, the NFB and the CBC's budgets, not to mention the cumulative effects of past restrictions not yet absorbed, means breaking the balance between creation, public money and private investments. These public funds are often used for productions and for research and development that cannot rely on private money. We also emphasize that documentary filmmaking, a genre for which Canada has earned an international reputation, is particularly at risk.

[English]

There is reason to rejoice in the fact that the budgets of the national museums were also spared, but the cuts to Library and Archives are major and widespread. Daniel Caron, librarian and archivist of Library and Archives Canada, is quoted today as saying that “the new environment is totally decentralized and our monopoly as stewards of the national documentary heritage is over”. This is troubling.

Archivists, a group not particularly prone to terrorism, have risen in protest to defend the budget of \$1.7 million for the national archival development program, which is very important for future historians and researchers. It is ironic that as we celebrate the War of 1812, a founding moment of our history too long neglected, and as we prepare to celebrate the 150th anniversary of our country, we have to fight such small battles in the fields of history.

• (1725)

[Translation]

Several other budget cuts will jeopardize the strength of a complex sector that is so important in the knowledge and creativity economy. I will mention just a few: severe cuts to Statistics Canada, where the last remains of the culture statistics unit, which was formerly highly regarded internationally, are disappearing; the elimination of the Cultural Human Resources Council and the abandonment of its programs; and cuts to the Canadian Music Fund that will weaken an industry that has already been undermined.

[English]

Dear members of Parliament, I thank you for your attention. I will be happy to answer any question.

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

We will now hear from Ms. Silas, please.

[Translation]

**Ms. Linda Silas (President, Canadian Federation of Nurses Unions):** Good afternoon.

[English]

I am president of the Canadian Federation of Nurses Unions. The CFNU represents close to 160,000 nurses working in hospitals, in nursing homes, in homes, and in our communities.

I thank the committee for providing us this opportunity to appear. I have to say that it reminds me of my days in the emergency room, when we didn't know what would come through the door. Nowadays we don't know what kind of invitation we will get overnight. We rushed to prepare for this.

We will focus on health care, of course, and add our voice to those who are critical of the omnibus nature of this bill. We would ask that non-budget-related items be removed from the bill.

I will focus on the December 19 announcement by Minister Flaherty in regard to the size of Canada's health transfer until 2024, which is in part 4 of this bill. The announcement came as a surprise to every health care stakeholder, and I would say to every premier in this country, because of the Speech from the Throne one year ago, which said:

Our Government is committed to...working with the provinces and territories to ensure that the health care system is sustainable and that there is accountability for results. It will maintain the six percent escalator for the Canada Health Transfer, while working collaboratively with provincial partners to renew the Health Accord and to continue reducing wait times.

Let's build on the words “working collaboratively”. Bill C-38, part 4, is unilateral, and does not go in the spirit of the health accord. The bill does not maintain the 6% escalator. Instead, it will reduce five years later, potentially by half. Nor does this bill make any reference to a plan or accountability framework for the billions that will be transferred to the provinces for health care. Nor does it provide a framework for the redesign needed in our health care system.

Bill C-38 means two bad things for Canadians: the same old same old debate about health care, and a race to the bottom on services. We have population growth, aging, the use and cost of medical technology, the increase in drug costs, and inflation in general. Plus, hospitals across this country are working at over 100% capacity when the safest level for improving patient outcomes and containing costs of overtime, hospital-acquired infections, etc., is closer to an 80% capacity.

We need to improve access, quality, and service across the continuum and across this country. We need federal leadership on a redesign of our health care system. Provinces and territories have good intentions, but they cannot succeed on their own, and they cannot succeed in bending the cost curve on their own.

We are a land of successful pilot projects. It is time this changes. The federal government needs to be at the table for fostering prototypes for positive change and providing leadership, coordination, and cooperation to ensure a race to the top in terms of health care excellence.

I'm sure you share, as federal MPs, the desire to make it right for all your constituents. You do not want your constituents to fall behind. Well, in the absence of a stronger federal role in coordinating health care, you will find gaps in your community. If you live in Alberta, it's one of the best places in Canada if you need home care. But if you're like me and you come from the Atlantic provinces, it is the worst place, because it has the most expensive medication.

We are not alone in reaching this conclusion. The Senate committee reviewed the 10-year accord and concluded that we know what reforms are necessary, and now we need governments, including the federal government, to set up and create the initiative to propel transformation change. A report commissioned by Health Canada on March 2, 2012, just a few months ago, said the same thing.

We ask from this committee that Bill C-38 be amended to ensure that the 6% escalator clause is there for 10 years, followed by an extensive review, and that funding be tied to the new accord being negotiated, which will include accountability for progress towards shared objectives. We also recommend, because health care is not alone here, that the escalator for the Canada social transfer be the same size as the Canada health transfer here.

• (1730)

Some of you will ask how the federal government will afford this. Well, in my last recommendation we urge the committee to study taxation, and as a part of this study to look both at the impacts of tax cuts on Canadians' well-being and at the possible benefits of taxation, such as a financial transaction tax.

Thank you.

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

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

**Ms. Karen Wirsig (Communication Policy, Canadian Media Guild):** Thank you very much.

My name is Karen Wirsig. I'm the communications coordinator for the Canadian Media Guild, a union that represents 6,000 media workers across the country. Thank you for inviting me to appear before you today.

Bill C-38 is a massive undertaking that changes an astounding number of pieces of legislation to enact a budget that itself makes fundamental changes to what our government does and how it does it.

It's inappropriate, in our view, that this budget implementation bill covers substantial legislative changes in a number of areas, including old age security, employment insurance, and environmental protection. More study, opportunities for public involvement, and transparency would be possible if such changes were dealt with under separate bills.

In this context, the elimination of the Canadian Artists and Producers Professional Relations Tribunal and the shifting of its responsibilities to the Canada Industrial Relations Board is not particularly momentous, as I think Alain pointed out. Although details are scarce on how these changes would be enacted in practice, we urge the government to ensure that the CIRB has both the

resources and the expertise needed to deal effectively with the issues that have come before CAPPRT in the past and to address its existing files at the CIRB in a timely manner.

I'd also like to take a few moments to talk about the impacts of other budget and Bill C-38 measures on the lives of cultural workers in Canada.

Over the next three years, \$191 million is slated to be cut from Canadian heritage programs. Included in this are disproportionate cuts to funding for CBC/Radio-Canada, Telefilm, and the National Film Board. Not only will this shrink opportunities for cultural workers and diminish a vibrant sector of our economy, but the obvious corollary is that Canadians will have fewer opportunities to see and hear ourselves and our stories on our screens and radios. For individual Canadian artists to thrive in our vast and diverse country, institutional supports—including our public broadcaster, film funding agencies, and museums and performance spaces—are essential.

Looking at the planned cuts to CBC alone, we see the disappearance of regional music recording facilities and production assistance. That is causing great concern, especially within the legendary music scene of Newfoundland and Labrador. CBC music producers, recordings, and live broadcasts have helped nurture regional and national music scenes that contribute both to our identity and to our economy. Because of the drop in funding, CBC is also planning to close the only TV production studio in Canada east of Montreal, the home of *This Hour Has 22 Minutes*, in Halifax. This country would not have a TV production sector without significant government supports, starting with the CBC.

We urge Parliament to examine its support for Canada's cultural sector with a view to reinvesting in the institutions that anchor artistic and cultural expression in the country. Later this year, the Canadian Radio-television and Telecommunications Commission will hold public hearings to renew CBC's broadcast licences. Tens of thousands of Canadians are already participating in a "Reimagine CBC" project. Canadians know that our stories, our diverse cultural experiences, and our ideas rely on public institutions such as the CBC to flourish.

We also know that the cultural sector contributes enormously to our economic well-being. For example, Deloitte and Touche found last year that the \$1.1 billion the government has been giving CBC translates into \$3.7 billion in economic activity in this important sector. The guild is very concerned that the government is backing away from national public support for culture.

Finally, I have a few words on how other measures in this bill will affect cultural workers. Proposed changes to old age security will primarily affect lower-wage Canadians who don't have a workplace pension. Artists and cultural workers in Canada are too well represented within this group. With the changes to OAS, these lower-wage workers will spend more of their later years struggling to put food on the table. This country needs a decent pension plan for all types of workers—union and non-union, employees and the self-employed. The planned changes to OAS move us in the wrong direction.

Further, the changes to EI are very troubling and will affect our own members who, along with 19,000 federal public servants, are being thrown out of work as a result of the cuts in this very budget. Employment insurance is a plan we all pay into. We rely on it to be there in critical times. It should not be considered the same as general revenues. It's a public trust with a specific mandate, and changes must be made with great care and much consultation among the people who pay into it.

The changes to the definition of an acceptable job and the reduction in benefits to those in higher unemployment areas essentially serve to reduce access to much-needed benefits for unemployed Canadians. Furthermore, the changes to the appeals process stand to create even more delays for Canadians who challenge a denial of benefits. In effect, you are telling workers not to bother appealing, thus giving up on an insurance system they pay into. This feels like a naked cash grab.

● (1735)

With all of the changes in this omnibus bill, the government is provoking widespread anger as more Canadians feel the pain of economic injustice. The polarizing effects of this approach may well lead to situations and consequences that the government hasn't foreseen and cannot control.

Thank you.

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

We'll hear from Mr. McAvity, please.

**Mr. John McAvity (Executive Director, Canadian Museums Association):** Thank you, Mr. Chair.

I'm very pleased to be here, and for a couple of reasons. One reason is that I feel right at home in this room, because this structure, this building we're in, used to be the Museum of Contemporary Photography. I remember touring it before it was officially opened.

The CMA is very pleased to be here to discuss division 47 of the bill, which includes the amendments for Canada's travelling exhibitions program.

But first, before I go into details on that, I'd like to take an opportunity to say how very pleased we are as a sector over this budget. In fact, we've seen three out of the four recommendations that we made being implemented in this legislation, so we as a sector are very pleased.

Let me just mention what the three recommendations are: first, no cuts to the national museums over a three-year period, and no cuts to support programs for museums or for most support programs that

we're aware of; secondly, an increase in youth employment of \$50 million, a small part of which we hope will come to the museum sector, as we are currently turning down 90% of all applications for internships each year; and finally, a significant increase in the indemnification program for large travelling exhibitions, which I'm here to discuss today.

Division 47 includes only three short but very important amendments that will have a major impact on all Canadians and their communities. These amendments will more than double the capacity of the indemnification program, giving Canadians rare opportunities to see exhibits that they would never normally be able to see, and resulting in a very positive economic impact on the host communities.

For example, *Titanic*, the artifact exhibition hosted by the Royal British Columbia Museum in 2007, was visited by more than 450,000 visitors in a six-month period, 26% of them from outside the region. The exhibition generated more than \$30 million in economic activity and more than 742 full-time jobs in southern B.C., out on Vancouver Island.

This act has permitted the indemnification of major exhibitions for over 12 years in Canada, and it has been a complete success. There has never been a single claim against this program due to the high standards of museums. The program has minimal operating costs, and the economic activity generated by major exhibitions in fact results in a net gain of \$15 million in tax revenues. In a phrase, this is a win-win scenario.

With the proposed increases from total coverage of \$1.5 billion to \$3 billion at any one time, which is a very important amendment that's included before you, and a new cap on the amount of coverage per exhibition, exhibitions such as the Art Gallery of Ontario's *Picasso: Masterpieces*, which is valued at \$1.27 billion, can be viewed by a large number of Canadians and generate economic impact.

The proposed amendments, however, will not solve all of the issues facing exhibitions, and will not cover all exhibitions in Canada, but will more than double the impact from this program. Given the increases in the valuations of art and objects, this will lift an important roadblock that has prevented a number of exhibitions from being covered. We urge your speedy consideration of these amendments.

In addition, we would like suggest that a program review be undertaken of the effectiveness of this program in two years' time with a view to bringing this program in line with international standards. Most nations have unlimited indemnification programs in their nations that are based on the eligibility of the exhibit rather than the financial value. Such a measure would improve planning, increase the number of exhibitions presented, and have a positive economic, educational, and social impact for all Canadians.

Thank you.

• (1740)

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

Our final presenter is Mr. Naidoo, please.

**Mr. Anil Naidoo (Project Organizer, Council of Canadians):** Thank you.

Good evening. I want to thank the committee for inviting us to present.

My name is Anil Naidoo. I am here on behalf of the Council of Canadians, which is over 25 years old, with tens of thousands of members across every province and territory, and with chapters in almost 80 communities across the country.

To give you a sense of the organization, we take no corporate or government money, and therefore we feel we are able to speak independently in the interests of our members and the broader public interest, as we see it.

For full disclosure, the Council of Canadians is assiduously non-partisan, with members from every political party, but I took leave to stand as a provincial candidate for the NDP in the last Ontario election.

The council's campaigns are focused on water, trade, public health care, energy, as well as sometimes carrying forward our members' concerns around issues of democracy and social programs.

Right now our chairperson, Maude Barlow, is travelling around the Great Lakes, holding town halls to protect this most precious body of water, and we are simultaneously hosting a mining conference in Vancouver.

Over our 25 years we have held meetings across the country on the Canada-EU free trade agreement, medicare, bottled water, and many issues of concern to Canadians and our members.

Personally, I am highly focused on the issues of water and want to note that Canada had an important breakthrough on Tuesday when this government recognized the human right to water and sanitation at the United Nations Rio+20 negotiations. The council has been advocating for the human right to water for the past ten years, internationally, as well as pressing successive Canadian governments at home. We are pleased to have been part of the campaign to get the UN to recognize the human right to water. Canada joining the international community is clearly a positive step forward.

Recognizing the human right to water is in the public interest, but we believe those parts of Bill C-38 that deal with water are not. The bill contains amendments to acts related to environmental assessment, fisheries, parks, navigable waters, not to mention cuts to front-

line programs at Environment Canada and decades-long monitoring programs studying the health of our lakes, effluent monitoring, and water use efficiency.

I know that others, including former Progressive Conservative Minister Tom Siddon, have presented many of these concerns to you already, so let me suggest that what this process is asking you to do as members of Parliament I believe is untenable. To try to assess, in a matter of mere hours, the impacts of the profound changes to 70 acts of Parliament contained in these 420 pages is in itself daunting, but it is even more complicated than this. Each paragraph impacts whole laws, which are themselves massively complex, as you know.

We should not expect members of one committee to be asked to pass judgment on whether these changes are in the best interests of Canadians. In your situation, I would appreciate more time before making such major decisions regarding these myriad acts and changes. Even a short bill of a few paragraphs, such as Bill C-36, would have a fuller review.

We all know that in one form or another, majority governments get bills passed. This is not the issue. The issue is whether members of Parliament, including Conservative members, get the time to grapple with the issues, suggest constructive changes, and are confident when they vote that they are representing the broader interests of their constituents. This ultimately goes to Canadians being able to have confidence in our system of government.

Right now, people are losing confidence in politics—you know this—and I believe the reactions you are seeing to Bill C-38 are only going to build if there is no political solution to address these types of concerns. Our system is based on convention and tradition, and I believe this bill, while legal according to the letter of the law, does challenge the spirit of our parliamentary system.

I also want to address the framing of this bill. I believe that if we are truly focused on jobs, growth, and long-term prosperity, we must be focused on the environment as the foundation of a healthy economy and society. The environmental legislation we have currently is not frivolous. It was deemed necessary by previous members of Parliament and governments. The threats to our environment are now enhanced, as you all know, not diminished.

I'm asking you to send this piece of legislation back and ask for more time and thought to be put into the implications, and to ask for the consideration that you need to do your job as members of Parliament the way that we, as Canadians, expect you to do it. I know that many other witnesses would also join me in supporting you, if that were your recommendation.

Thank you.

• (1745)

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

We'll start members' questions with Ms. Nash, please, for five minutes.

**Ms. Peggy Nash:** Thank you very much.

Thank you to all the witnesses for being here this afternoon.

I want to first of all make a comment, picking up on Mr. Naidoo's statement around the scope of this bill. Others have referenced that.

We are members of the finance committee, and as members of the finance committee we are dealing with an unprecedented bill. There have been two other Conservative budget implementation acts that had more pages, but there has never been one that has had this scope and complexity and impact of these—

**Mr. Brian Jean:** A point of order, Mr. Chair.

**The Chair:** On a point of order, Mr. Jean.

**Mr. Brian Jean:** I just wanted to point out that Mr. Del Mastro is the parliamentary secretary to the Prime Minister, and was previously to the Minister of Heritage, so he's not a member of the finance committee. He's here serving today.

**Ms. Peggy Nash:** If I understand correctly, he's substituting on the finance committee. This is a meeting of the finance committee.

**Mr. Brian Jean:** I understand, Ms. Nash, but he's not a full member.

**The Chair:** What is the point of order?

**Mr. Brian Jean:** The point of order is that it's misrepresentation. I want to make sure that people know that he was a parliamentary secretary—

**Ms. Peggy Nash:** It's a pointless point of order.

**The Chair:** It's a point of debate.

**Mr. Brian Jean:** He's the parliamentary secretary, so he's not a full member of the finance committee.

**The Chair:** Your point of order is to do what?

**Mr. Brian Jean:** It's just to clarify that he's not a full member of the finance committee.

**The Chair:** Points of clarification are not points of order. Points of order deal with procedures of the committee. Does this relate to a procedure of the committee?

**Mr. Brian Jean:** No, it relates to what Ms. Nash said.

**The Chair:** Okay. It's not a point of order, Mr. Jean.

Ms. Nash.

**Ms. Peggy Nash:** I think it was a point of interruption.

**Voices:** Oh, oh!

**Ms. Peggy Nash:** This bill has an unprecedented scope. I'll just share with you that this committee has been dealing with the Employment Equity Act, the Status of the Artist Act, the Coasting Trade Act, the Wage Earner Protection Act, the Canada Marine Act, the Food and Drugs Act, the Fisheries Act, the Currency Act, the Investment Canada Act, the International Centre for Human Rights,

the Health of Animals Act, the Bank Act, the Seeds Act, the Old Age Security Act....

It is a vast bill, and I want to thank those of you who have made the point, which we completely concur with, that this bill should be split. In the interests of democracy, of fair debate, and of reasonable examination of the implications of these changes, that would be a wise thing to do. Nevertheless, we are examining all of these pieces.

I want to say to those of you who are here from the cultural sector, I certainly am concerned about cuts taking place in this sector. In my particular riding, we have a large number of people who work in the arts and culture sector. I should also say that we have had other testimony about the impact of the cuts to libraries and archives, and in spite of the minister's reassurances that these cuts will not mean any change to how things are done, we've had other testimony that says that in fact that's simply not the case.

I'd like to get a sense from you, because I know what a huge economic impact the arts have in Canada, and it is basically a sustainable industry. It's a non-polluting industry. It has a huge economic impact. Perhaps one of the witnesses for the arts could just comment briefly about the economic impact when you start cutting back on funding for the arts.

Mr. Pineau or Ms. Wirsig?

**Mr. Alain Pineau:** Very briefly, this is a sector that is quite key to the creative economy, and there are all sorts of studies that show that artist creation and creation in general are linked. It's a question of training, of people—the artist and cultural workers are an important part of the economy. In 2008 the Conference Board of Canada did a study that showed that directly and indirectly it represented over \$84 billion, so it's an important part of the economy. It's important to invest in that sector in particular.

The other aspect, also because we're talking here about job growth and long-term prosperity, is that one of the upsides of the downsides of being an artist is that it doesn't cost much to create an artist job and to have a cumulative effect, a multiplier effect, because artists are not paid huge sums of money.

I remember the statistic—but I can't say exactly where the number came from—and it cost about \$30,000 to \$35,000 to create a job in the cultural sector. It costs something like \$400,000 in heavy-industry and about \$100,000 in middle-industry types of jobs.

If the strategy is to create as many jobs as possible, there shouldn't be cuts in the cultural sector. There should be investment.

• (1750)

**Ms. Peggy Nash:** Thank you very much.

I take your point that this budget implementation act, which is supposedly about creating jobs, in fact will be cutting jobs in the arts sector, which is very efficient in creating jobs.

I want to have time to ask a question about health care. It could be to Mr. Noël, or to Ms. Silas.

What I'm hearing you say is that there will be serious repercussions down the road because of the change to the funding formula for health care. It's kind of a time-release change that will happen. Because there is no overall restructuring of health care, there's going to be a squeeze in terms of the cost of delivery of health care.

Can one of you please comment on that?

**The Chair:** Ms. Nash, you're almost out of time.

Ms. Silas, very briefly, please.

**Ms. Linda Silas:** Yes, it has been very clear from most of the provincial premiers that the squeeze will come. Never mind that the squeeze will come when the federal government reduces its financing, but what's happening right now is that we see a big squeeze because of the cost of drugs and because of the cost of our health care system, mainly in the acute care sector.

We know that the long-term-care sector is going to be the next big bubble. Nothing in this bill or in the announcement in December is addressing this. Compared to what we were hoping for with the health accord, which was a vision.... That's where we're hoping to convince this committee to go further.

**The Chair:** Thank you.

Ms. McLeod, please.

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

I would like to thank all of our witnesses, but because health care is near and dear to my heart, I think I will focus in on health care issues.

First of all, I don't know if you were able to be here during the last panel, but at the end of it my colleague engaged Dr. Turnbull in terms of a fairly significant list of what are really positive measures in what we are providing within this budget for health care. I'm not going to go through that list, but I just want to note the glass half-full or half-empty.... There are significant measures. One in particular that is near and dear to my heart is starting to recognize the interdisciplinary role and the ability for nurses and other practitioners in terms of ordering medical supplies, devices, etc. Those are of some of the pictures within it.

I want to take a quote—we had a conversation yesterday—from one of the institutes. This is actually very familiar, because I think there's research all over the world. I think Minister Flaherty, when he moved forward with the 6%, extending it, and then 3% is a significant commitment from the federal government.... But here's the quote:

Canada spends a lot, but doesn't get a lot. Our health care spending is...11.4 per cent of GDP; that ranks us sixth among the industrialized countries with universal health care. Yet Canada ranks poorly on many key measures, such as access to doctors and medical technologies....Thus, contrary to a widespread misconception, health-care in Canada is not "underfunded", but is..."underperforming".

We sat down with the provinces, and I always will remember my Bloc colleague saying "Don't interfere in our jurisdiction". We now have the funding envelope, and the health minister has been very clear in terms of wanting to sit down with the provinces about where we're going to go next. So given this statement, does anyone disagree with the statement that we can be doing better? I mean, if

other countries are doing better.... Do you disagree with that particular statement?

• (1755)

**Ms. Linda Silas:** I'm quickly reading Dr. Turnbull's comments—

**Mrs. Cathy McLeod:** This was yesterday—sorry.

**Ms. Linda Silas:** Oh, okay.

But the CMA is very clear in its statement and is asking the same thing that we are: you need to attach the funding, which is a lot of dollars, and dollars from Canadians—they're not ours to spend—to targets. One of the areas they address is pharmaceuticals. The cost of pharmaceuticals in this country is three times the cost of inflation; it is after hospital costs. Right there, we pay more for drugs than we pay for doctors. Now, I will say this: last year, doctors just matched it, but still, it's a big problem.

**Mrs. Cathy McLeod:** So how come in Canada...? We've tried to sit down with the provinces. We've had all of these different things that we were trying to do. I actually had a health care round table in my riding with a number of professionals and leaders. What they said is that the most key thing the federal government should be doing is providing good data and information to support decisions the provinces make, and that they should be providing continued support through things like Health Infoway Canada.

My experience is that when you allow innovation, the closer it is to the front line, the better you get. So why are we not getting the outcomes that some of our other countries are getting?

**Mr. Alain Noël:** If I may, Mr. Chair, the story of rising costs in health care is not a Canadian story. It's an international story and it's —

**Mrs. Cathy McLeod:** Yes, but on outcomes for GDP, we're just not having—

**Mr. Alain Noël:** There are differences, but there's no way that reducing the contribution of the federal government will improve automatically—

**Mrs. Cathy McLeod:** Well, increasing it can—

**Mr. Alain Noël:** —the performance of provinces.

What we see across the OECD is that the cost of.... Well, there's aging, and there are also scientific advances. In health, scientific progress does not so much reduce costs as increase costs, because it allows us to solve more problems and to create treatments that are often expensive. So there's no story of underperformance in the provinces.

**Mrs. Cathy McLeod:** Well—

**Mr. Alain Noël:** If there were, at least one province would do better than others. There is a general trend here.

**Mrs. Cathy McLeod:** Unfortunately, I don't have time to ask my next question, but I just have to say that if you look internationally in countries with universal health care systems, we don't get the outcomes, and it's clear that we need to do something. But I'm not necessarily sure that increased funding....

I think I'm out of time, but maybe my colleague will—

**The Chair:** Unfortunately, you are, but I'm sure we will come back to that.

Mr. Brison, please.

**Hon. Scott Brison:** Thank you very much.

There's been some discussion. We've heard from numerous witnesses. We've heard from the Council of Canadians on this omnibus bill, and the Conservatives pointed out earlier that there have been budget implementation acts in the past that actually were more voluminous in terms of the number of pages. I would just like to reference that those budget implementation acts contained hundreds of pages of customs tariff data and tables. This budget implementation act does not contain that. That's a big difference.

I'm about to celebrate my fifteenth anniversary as a member of Parliament. I don't remember a budget implementation act debate being led in the House by a minister of natural resources and a minister of the environment, which was the case with this. I'm just pointing that out for clarification.

I want to start off with the issue of youth unemployment. We have an issue now where this year we have seen the worst youth employment numbers in ten years, so pre-dating the downturn. I'd appreciate input from the museum sector and the cultural sector as to the demographic of the people in the cultural and museum sectors, as an example. Is it accurate to assume that there is a disproportionate number of opportunities for young people in your sectors?

**Mr. John McAvity:** No. We operate, on behalf of the Government of Canada, what is called YCW, Young Canada Works Heritage. That is a program of about \$7 million. It funds a lot of young people.

What it also provides is quality jobs. These are not mowing lawns kinds of jobs. These are research jobs, jobs in technology, in public relations, and all kinds of different areas. In the statistics and the evaluation that we have done, we have seen that it has provided a great opportunity to young people. They have secured employment afterwards and gone on to greater, better things.

• (1800)

**Hon. Scott Brison:** My point is that there are opportunities, so perhaps—

**Mr. John McAvity:** There are opportunities. However, that program is greatly oversubscribed.

**Hon. Scott Brison:** Okay, that's an opportunity for us to invest in. Thank you.

On the cultural side, you referenced one of my favourite shows, *This Hour Has 22 Minutes*. Rob Ford's not a big fan, I understand, but some politicians are. In any case, within your sector, would investments in your sector be good for youth employment and opportunities?

**Ms. Karen Wirsig:** I think so. Very few young people don't want to become cultural stars, so I think there's a lot of attractiveness of the industry, but at the same time very few opportunities for paid employment. This is both in the public and private sectors.

What we're seeing is a shrinking industry with fewer real opportunities for people to get jobs. Unfortunately, the cuts at CBC will affect, I would say, both ends of the age spectrum. At the top end, people will perhaps take early retirements in order to save the jobs of their younger colleagues, but also we know there will be some of their younger colleagues going out the door, some contract and temporary employees losing opportunities, and in a shrinking sector, just plain fewer opportunities.

I can't imagine that it can help, the idea of people losing interest in this really important sector, which, as Alain says, is so efficient in creating jobs but also in creating pleasure and enjoyment for Canadians.

**Hon. Scott Brison:** I suggest that when we recognize the issue that there is a youth job crisis or problem in Canada, this would be a helpful part of your presentation to help inform our deliberations in terms of where we can invest that would disproportionately help young people find opportunities.

On the health care side, and I'll be very fast on this, with provinces being largely responsible for the delivery of health care and the balkanization of Canadian economic opportunity, resource-rich and non-resource-rich, there is a gap. Is there a risk with the aging population in the Atlantic provinces, let's say, of disproportionate health care costs at a time of a shrinking tax base? Is there a need for a more robust federal role at this time to avoid a hollowing out of health care—

**The Chair:** Who is that question to?

**Hon. Scott Brison:** —in less wealthy provinces?

**The Chair:** Very briefly. Mr. Brison has left you ten seconds to answer that.

**Mr. Alain Noël:** Actually, in the transformation of the health care financing, part of the transformation is to place a ceiling on growth based on economic growth. But the other part of the transformation is that the distribution of the envelope will now be based, starting in 2014, solely on per capita.

There was, until now, some element of redistribution within the distribution of the health care transfer—and this was a bit arcane—based on the value of tax points transferred in 1977-78. This, I would argue, was not a very good way, because this is a very abstract and notional way to redistribute—

**The Chair:** Professor Noël, I apologize, but I—

**Mr. Alain Noël:** —but at least there was an element of redistribution that was involved, and that is being lost. Now it means that all provinces will receive this element, regardless of needs, and indeed in terms of the difference in age distribution among the provinces it's going to make a difference.

**The Chair:** Okay. I've mentioned this to members only about 10,000 times; I don't know how to say it any more often. If we're going to ask our witnesses a good question, we have to allow them time to answer.

I say it at every meeting, and I implore members, if you're going to ask a good question—and these are all good questions—you have to allow the witness the time to answer, if you do want to have an answer to the question. I don't want to be cutting our guests off. I'd rather that members leave that time for the witnesses. I implore you to follow that advice.

I will go to Mr. Hoback.

**Mr. Randy Hoback:** Thank you, Chair.

I'd like to thank all the witnesses for being here this evening. I appreciate your making the sacrifices to come on short notice. I know it's tough to rearrange your schedules to do something like this, but the work you're doing tonight is very important. I appreciate the time and the effort you're giving.

I'm going to start off with the Council of Canadians. Mr. Naidoo, I appreciate your honesty in stating that you were a candidate. I respect that, and I know you and I will probably agree to disagree on a lot of things.

In fact, your association is planning to hold a demonstration outside my office on Saturday. If I were able to be back there on Saturday, I would open up the doors and offer them a coffee and I'd sit and listen to them, and again probably agree to disagree, but I would try to listen to their views and appreciate or respect that.

The only thing I'm concerned about is can you assure me that the demonstration will be peaceful and that nobody will be hurt?

• (1805)

**Mr. Anil Naidoo:** First, I'll thank you for—

**Mr. Randy Hoback:** Actually, I don't have a lot of time. I just want your assurance that it's going to be peaceful.

**Mr. Anil Naidoo:** I will just say it's not solely the Council of Canadians. This is being done by a broad coalition of groups, and it's part of...I think it's called Black Out. It's part of that. It's a takeoff of what's happened on the Internet.

**Mr. Randy Hoback:** But you'll assure me that it will be peaceful.

**Mr. Anil Naidoo:** We have been very clear that our demonstrations and our organization are non-partisan and peaceful. We have a non-violence policy, certainly.

**Mr. Randy Hoback:** You may say you're non-partisan, but the reality is that your policies are very partisan. That's a reality.

**Mr. Anil Naidoo:** We've been very critical of previous governments since our inception 25 years ago, and the majority of that time has not been Conservative.

**Mr. Randy Hoback:** My concern is to make sure that everything is peaceful on Saturday. That's fine. It's a great country we live in, because you can do that. But when I see people abuse that...

I know Mr. Marston laughs at that, but that's unfortunate. I take that very seriously.

Ms. Silas and Ms. Wirsig, the reason that I pick on you—pick on you is not the right term.... I selected you two because I have one dollar to spend. The reality is, we have to balance our books. We've spent money and gone into deficit to build infrastructure that was required right across this country, but now I have one dollar to spend.

Do I give it to culture? Do I give it to health care? Or do I split it up? What would you suggest? If you were in my shoes, what would you suggest? That's the question, really. I have one dollar to spend. Who do I give it to?

That goes for all the groups. Government has to figure that out. Those are tough decisions, and there are no winners on each of the decisions. I think you understand—I sense the silence—what we're dealing with.

**Ms. Karen Wirsig:** Are you suggesting that the federal government has a dollar to spend?

**Mr. Randy Hoback:** I'm using that as an example, so you can twist it if you want.

I'm saying the reality is that we have a limited number of dollars to spend, so we have to divide it up—

**Ms. Karen Wirsig:** Of course. This whole budgeting process is about setting priorities.

**Mr. Randy Hoback:** So you would put more priority on culture over health care?

**Ms. Karen Wirsig:** No. I don't think your budget has only health care and culture in it, and I think they're both essential parts of the budget.

Unfortunately, I think culture has become somewhat diminished in priority-setting, and that's all I'm saying. I don't think it takes a lot of money. If you only had one dollar, you probably wouldn't even need ten cents of that to put towards boosting culture and increasing youth employment, and all kinds of other things.

**Mr. Randy Hoback:** Again, unfortunately, everybody says that. Where it gets frustrating for me is that we've increased health care spending 6%, but then I go to the provinces and look at what they've done for expected growth in health care, and it's 2% or 3%. In fact, if you look at the Nova Scotia government, for example, they're forecasting spending 2.5%. We're going to spend 6%, but they're only going to increase their spending by 2.5%. So how am I supposed to react when I see that the provinces don't even take...and give the increases that we're giving them?

**Ms. Linda Silas:** If I can answer, with all due respect to Mr. Hoback, it is a question of priorities. It's not a question of culture, the environment, or health care.

**Mr. Randy Hoback:** It always is.

**Ms. Linda Silas:** You have a role as parliamentarians to look at the priorities of Canadians in every community equally.

**Mr. Randy Hoback:** Yes, every Canadian's a priority.

**Ms. Linda Silas:** But when we look at priorities, it's also about how you collect that one dollar.

Since 2006, you've lost over \$200 billion in tax cuts. Why? So the provinces get less.

The provinces have done the same thing—don't get me wrong. They've also done the same thing, so everyone's guilty here. Then we say health care doesn't have enough or culture doesn't have enough.

**Mr. Randy Hoback:** Again, the question was that the provinces are not spending what the feds are spending.

If you look at our role, it's to ensure jobs during a recession. There's a global recession.

Again, what's important is actually ensuring that you set the environment so that jobs and families are benefiting, and that's what we've done through the tax reductions. So you can either send your money to Ottawa and we can distribute it out blindly, or you can leave it in the families' pockets and they can spend it wisely, and that's what we've chosen. That's a difference in philosophy—

**Ms. Linda Silas:** If you hadn't cut your taxes, you could have had a national drug plan. You could have had child care for every child in this country. You could have done that.

**Mr. Randy Hoback:** No, that's wrong.

If we hadn't cut taxes, we would have had more people laid off. We would have had higher unemployment.

**Ms. Linda Silas:** No. They saved about \$1,000 a year each, and they're on unemployment now.

• (1810)

**Mr. Randy Hoback:** No, we would have had way more layoffs.

Again, this is a philosophy difference, and the greatness of our country is that we can debate things.

**The Chair:** All right.

**Ms. Linda Silas:** I'm a proud New Brunswicker, and I know what's happening at home.

**Mr. Randy Hoback:** Again, you have your theories, and we have our theories. I know that our country is doing very well. Look at Canada's position in the world. I don't think you can argue with that.

**The Chair:** Okay.

**Ms. Linda Silas:** I need more than 30 seconds, Mr. Hoback.

**Mr. Randy Hoback:** Me too.

**The Chair:** Thank you.

Thank you, Mr. Hoback.

[*Translation*]

Mr. Nantel, you have the floor, if you will.

**Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP):** Thank you, Mr. Chair.

I cannot believe that you came here voluntarily to have a member of Parliament lay into you like that. But he is paid to do it; that is unbelievable. I think all six of you are very brave.

When we hear these people's views, we realize that Mr. Moore is not being completely accurate when he talks about all the knives in the back. We can plainly see here that it is not unusual for people to go after the CBC.

Go ahead, raise a point of order so we can keep at it a little more.

[*English*]

**The Chair:** On a point of order, Mr. Hoback.

**Mr. Randy Hoback:** Actually the point of order that I have, Chair, is that this member has five minutes and I assume that his time is being used up as he goes through and berates me. I didn't berate any of the witnesses. I agreed and disagreed with them. In fact I was very respectful to Mr. Naidoo. So I assume that you're not giving him any extra time for this tirade.

**The Chair:** I appreciate that.

**A voice:** That's shameful.

**The Chair:** Order.

I know we've spent a lot of hours, and I know members are working very hard. I would just encourage members to be as respectful as possible. Let's try to cut down on the back and forth across the table. Let's pose the questions to the witnesses who are here. I am asking all members to do that respectfully and to use their time to ask questions of the witnesses, and to get as much information out as they can.

**Mr. Pierre Nantel:** Thank you, Mr. Chair.

[*Translation*]

Ms. Wirsig, I said you were brave and I want to point out that Mr. Naidoo told us he felt he could speak freely because he is not afraid of losing his public funding, since he does not receive any.

Before talking to Mr. Pineau about the consequences of eliminating the Arts, Culture and Diversity Program, I would like to ask him something, and I will phrase my question carefully. Does he understand why I think it is a great shame that, having been such a cohesion builder in respect of copyright reform, the Canadian Conference of the Arts is having its funding reduced by so much when the program has been funded for 46 years? Does he think it is reasonable for me to raise my eyebrows at these kinds of cuts?

**Mr. Alain Pineau:** It depends on what your political philosophy is. You may be surprised. When we learned that this was the government's decision, we decided to accept it. We have worked for a year now to establish ourselves on an autonomous footing. In fact, regardless of the government's political stripe, when an organization is funded out of public monies, politicians are very thin-skinned and sensitive. I worked at the CBC for 34 years, and I can tell you all about that.

Becoming autonomous is an objective that our board of directors has embraced. We have developed a business plan that enables us to do that. We have requested transitional funding from the government. It saw that we were serious about this and it gave us a lot less than what we needed, but we can start from there. I hope we will succeed, because I believe that an organization like the Canadian Conference of the Arts has something unique to bring to the public discourse.

**Mr. Pierre Nantel:** That is entirely correct.

I am sure that my neighbours opposite greatly appreciate your politeness, sir.

The Canadian Conference of the Arts certainly played an absolutely outstanding role in the negotiations relating to copyright reform—

[*English*]

coast to coast to coast

[*Translation*]

—in trying to build cohesion among the views of creators throughout Canada. That is entirely to your credit.

**Mr. Alain Pineau:** Under the agreement with the government, our fundamental role is to simplify the message as much as possible, by reducing the cacophony that exists within such a diverse community and bringing together so many divergent interests. That is why our position was not necessarily an absolute consensus, but a majority consensus.

We simplified the message and we presented 20 clear amendments to parliamentarians. If someone does not like the message, that is one thing, but at least we fulfilled our mandate of simplifying matters.

•(1815)

**Mr. Pierre Nantel:** I congratulate you.

I have one last question that relates to the Arts, Culture and Diversity Program. Is it correct to say that the ASPAQ, the Association des professionnels des arts de la scène du Québec, which made its voice heard clearly during negotiations concerning Bill C-11, is going to disappear along with that program?

**Mr. Alain Pineau:** No, the ASPAQ is not part of that program. If I understand correctly, because this covers a lot of ground, the cuts to the Canada Music Fund will affect that organization. That has nothing to do with the program that funded us.

**Mr. Pierre Nantel:** I would like to ask Ms. Wirsig a question.

A little earlier, you alluded to television studios. Do you have an idea now about what is going to happen in the case of the Halifax television studio, which will probably be sold? Do you think it will be sold to a used car dealership or another broadcaster?

**The Chair:** Please give a brief response.

**Mr. Pierre Nantel:** It is a private broadcaster, this time.

[*English*]

**The Chair:** Please give a brief response.

[*Translation*]

**Ms. Karen Wirsig:** We do not know. The proposed closure is scheduled for 2014, I believe. Between now and then, we will be working to stop the sale of the studio or find a way to keep it operating, because it is very important to have a television studio in eastern Canada.

**The Chair:** Fine. Thank you.

[*English*]

Mr. Van Kesteren, please.

**Mr. Dave Van Kesteren:** Thank you, Chair.

Thank you, everybody, for coming this afternoon.

There's a lot of talk about the size and scope of the budget. That's been much of the focus. I need to stress that this is a result of the government's strategy, which is jobs, growth, and long-term prosperity. That's our strategy. That's what we plan to do.

Madam Silas, you think we should spend more on health care, and that's fair. Mr. Pineau thinks we should spend more on culture. I think Ms. Wirsig said the same, and I don't disagree with that.

We heard from the Council of Canadians. I checked your web page, and right up front, the first thing I read was “don't frack”, “no pipelines”, “no tankers”, and “saying no to CETA”. You also agree that we should spend more on health care. That's kind of a consensus we have here, as well.

We all have to agree that to improve services, we have to grow our economy. Again, I want to stress that this is the government's strategy: jobs, growth, and long-term prosperity.

In a previous meeting here, I made reference to the fact that here in Canada, we are cutting \$5 billion out of the budget. I just returned from a trip to the Netherlands. The Netherlands is a country of 16 million people, as opposed to our 33 million. It is a country the size of Mr. Brison's province. It's the size of Nova Scotia. With a budget of approximately 150 billion euros, the Netherlands is going to cut 15 billion euros. The Netherlands probably agrees with us, in that we both recognize what economists are saying, which is that western economies can't continue to go on in the direction they're going. This is what economists are telling us. The Netherlands isn't the only country. I think there's Germany and a number of other countries. We can't continue our spending levels and not expect to run into some big problems.

In the previous panel that came before us, we spoke to Mr. Turk. His concern was education. He felt, and I don't think anybody disagrees, that we need to spend more money on education. He compared us to the United States in post-secondary spending. What wasn't brought out, of course, is that in the United States it costs about \$30,000 for a year of university. I don't know what it is in Canada, but I know that it's not \$30,000. I said \$30,000, but in some places it's \$35,000, \$40,000, or \$50,000.

The other difference that wasn't brought out is that the United States is projected to have another \$3 trillion deficit. It did that last year, and it looks as if it's going to do it this year. There seems to be no plan to stop.

I have a very simple question, and then maybe we can discuss later how we're going to do this. I want you to just answer this very simple question. The strategy this government has embarked upon I believe is something Canadians want us to do too. Do you think the strategy to balance the budget is the correct strategy? Or do you think we should continue to move into a deficit position, as the United States is spiralling into?

I'd like each one of you to answer that simple question. It's a yes or no question. Then we'll talk about how we're going to do that.

• (1820)

**The Chair:** You have about a minute, so please be very brief.

**Ms. Linda Silas:** I mentioned before that it's a question of priority.

**Mr. Dave Van Kesteren:** No, please. Is the strategy to eliminate our deficit the correct strategy, yes or no? That's all. Then if we have time, we'll talk about—

**Ms. Linda Silas:** It's not a yes or no question, so I'm not going to be pinpointed there. But I—

**Mr. Dave Van Kesteren:** Could we move on to Mr. Noël?

**Ms. Linda Silas:** —did not say to increase the cost of health care. I said to spend more smartly. Give continuous funding—

**Mr. Dave Van Kesteren:** That's not my question. We can talk about that in a minute.

**Ms. Linda Silas:** —but spend more smartly.

**Mr. Dave Van Kesteren:** Do you think the strategy to eliminate the deficit is the right strategy? Can you answer that question, Madam Silas?

**Mr. Alain Noël:** I'll just say that we had budgetary surpluses for many years before your government came to power, and I think there are ways to achieve—

**Mr. Dave Van Kesteren:** I only have about 30 seconds left, so we'll go to Mr. Pineau.

**Mr. Alain Noël:** I'm done then.

**Mr. Alain Pineau:** The objective is good. The strategy is questionable.

**Mr. Dave Van Kesteren:** That's fair.

Thank you.

**Ms. Karen Wirsig:** I reject the premise of the question. I don't believe you're actually going to eliminate the deficit in the approach that's been taken globally.

**Mr. Dave Van Kesteren:** That's your answer; thank you.

**Mr. John McAvity:** Well, I think the question is sound, in that, yes, we need to balance our federal budget as much as we would be balancing our household budgets. The question of how that is implemented—

**Mr. Dave Van Kesteren:** That's fair.

**The Chair:** Okay.

Mr. Naidoo, very briefly.

**Mr. Anil Naidoo:** Mr. Chair, austerity is not an excuse, and then we have to look at investments. So “Walkerton” is the one word I

would say; you can actually end up costing a lot more by cutting in the wrong place.

**The Chair:** Thank you.

Mr. Marston, please.

**Mr. Wayne Marston:** Thank you, Mr. Chair.

If you saw me furiously typing here, I was trying to collect my thoughts just a little bit, because we've been at this for a long time.

We've heard many times from the government members, and I'm not disputing their claims, but they talk about how this is not the largest budget bill, and that's a fact. They speak primarily of previous budgets of their own as far as the number of pages go, but it almost misses the point, because witness after witness and organization after organization here at these hearings has raised concerns about Bill C-38. They see Bill C-38 for what it is: it's a major offence to Canadian democracy.

**A voice:** [*Inaudible—Editor*]

**Mr. Wayne Marston:** No, not everything in the bill is bad. In fact, for some of the things that Ms. Glover raised and that some of the witnesses agreed with, if they were stand-alone things in the budget without some of these other things piled on top of them, you might actually be shocked to see that we might have supported it.

But the approach, the omnibus style of this bill, causes it to impede MPs from our ability to use what expertise we may have. Critics were given areas like the environment or whatever, and if these had been taken to the appropriate committees for us to do due diligence appropriately and properly, we'd be far better off.

I want to say something to Mr. Naidoo. You said that the COC is 25 years old.

**Mr. Anil Naidoo:** Yes.

**Mr. Wayne Marston:** You're making me feel old, because I was a founding member of the Council of Canadians and the president of the first Hamilton chapter. I thought I'd put that on the record before anybody starts over there—

**Voices:** Oh, oh!

**Mr. Wayne Marston:** But I'll say to you that the Council of Canadians came into existence because of our fears for democracy at the time. It was framed around the free trade agreement, right or wrong, whichever way it went.

I think Bill C-38 has a more damaging effect on Canadian democracy today than anything I've seen since the 1980s. This is a huge bill that is about to force changes in law, in the laws that govern us, the laws for the protection of Canadians in food inspection, the environment, retirement security, employment insurance, and many, many other areas of the operations of our government.

Now, as you see...and members on the other side, I'll offer this to you: as we see our witnesses come in, the successive groups that have come in are a little bit like we are. We get a little testy because we're tired, but they're also starting to recognize the impacts of Bill C-38 and the potential problems.

I appeal to the government side to really honestly look into yourselves and think about what we're about to do here. Really consider it. Put the partisan stuff aside. All of us should do that.

We are at risk of doing severe damage in several areas of our country. We can debate it. We can go back and forth. I think that you are actually people of reasonably good will, overall, from my experience with you, but we are failing Canadian by taking this approach. We have to do better. The future of our country is hinging on several areas of this. You may agree or disagree on the environmental changes, but they're not getting the look they deserve and that Canadians deserve to have us take. We are not able to do our due diligence.

In the future, when they look back at this particular government, they're going to say that was the one single major failure: that they impeded the due diligence of MPs.

If anybody wants to comment, go ahead, because I'm done.

• (1825)

**The Chair:** There's about a minute and a half left.

Mr. Naidoo.

**Mr. Anil Naidoo:** Yes, I think this is directly about democracy. It is not only about our environment or.... It's about the founding of our country and the direction we choose at a critical moment.

I think that when you have CARP, health care professionals, archivists, charitable organizations, environmental groups, public servants, four ministers, the Council of Canadians.... There is such a broad swath of society that is standing up and taking note of this.

I would lend my voice and say to those on the government side to please also take note, because you do have to go back. It is on your shoulders to go back to your ridings and explain the changes that are happening.

**The Chair:** I just have one more person.

Professor Noël, did you want to comment?

**Mr. Alain Noël:** It's just on something along these lines. As members of Parliament, you should all be worried and concerned about preserving the role of Parliament in deliberating thoroughly on any issue, whatever side you are on. This is damaging to Parliament, the institution that you are making work.

**Mr. Wayne Marston:** That's exactly my point.

**The Chair:** Okay. Thank you.

Thank you, Mr. Marston.

Let's not have the comments across the aisle. I'll recognize members. They have the floor as they make their comments. Let's stick to that, please.

Mr. Jean, you have the floor.

**Mr. Brian Jean:** Thank you, Mr. Chair.

I agree with you. I think this is about democracy. It's called a parliamentary democracy, and that's how our country was started. Parliamentary democracy means Parliament is supreme, and in this particular case Parliament is made up of the supremacy of

Conservatives. I, for one, agree with all of the things that are in Bill C-38.

I think it's a great bill, and I have been out with the marching band since I got elected eight years ago, in front of this piece of legislation, wanting it for a long time. I can promise you that the 72% of my constituency that voted for me are behind me too, and that includes 1.7 million people who travel back and forth between Fort McMurray and other places in this country, including the young man who gave me a hug on the plane the last time I came, which was last weekend, from Newfoundland. He told me we were doing a great job and this was a great budget. I had never met that man before, but he gave me a hug. I thought it was a little weird too, but it was on the plane. And I hope he didn't hear that.

Just to let you know, it is about democracy, and we at this particular time are the people who are able to pass these laws. If you look back to when we were a minority government and we had the economic action plan—which included the largest rollout of infrastructure this country's ever seen, at \$45 billion—guess who voted against all of those initiatives: every bridge, every road, every job that created? It was the NDP that voted against it.

So you can make promises and you can talk about things here, but when it comes to voting, that's when it comes down to the brass tacks. I do think there's a fundamental difference in philosophy and theory.

I have a couple of questions.

Mr. Noël, you mentioned we should take into consideration seniors and older people. I have a population with an average age of 29. A lot of babies are born in Fort McMurray. There are a lot of babies in my riding. Not only that, but there are a lot of industrial accidents, because I have the highest proportion of males in the country, and they all work very hard, and they work in an industry in which there are accidents. Should those kinds of things be considered in the health care costs as well, not just the demographics of the populations, but things like young adults? Having babies is expensive. Should things like industrial accidents be included?

**Mr. Alain Noël:** The decision—

**Mr. Brian Jean:** Just give a yes or no if you can, please. I have another question for you too. Then you can slip something else in there if you like.

**Mr. Alain Noël:** Well, ask the other question, and I'll say yes or no then.

**Mr. Brian Jean:** Oh, I don't know if you're going to like the second question.

Have you ever been to northern Alberta?

**Mr. Alain Noël:** I worked for four years in Edmonton.

**Mr. Brian Jean:** No, I mean northern Alberta. That's in the middle.

**Mr. Alain Noël:** Okay, well, that's as far north as I went.

**A voice:** That's southern Alberta.

**The Chair:** That's the gateway to the north, I'll tell you.

**Mr. Alain Noël:** I thought I would surprise you.

**Mr. Brian Jean:** There is a direct plane from Toronto now, so it's a little bit faster.

I'm asking that because \$21 billion was collected for equalization last year. So \$5,700 for every man, woman, and child in Alberta was put into that equalization program, and \$7.4 billion or 48% went to Quebec. My constituents keep saying the same thing to me.

Quebec has \$7-a-day day care. They have universal drug insurance. They have the lowest tuition by significant amounts in the country. To get a babysitter to babysit my kids in Fort McMurray costs me \$20 an hour, not \$7 a day. You only get that really cheap education in Quebec if you're a Quebec resident. You don't get it if you're from another province, whereas we reciprocate in our provinces. You have the most generous parental leave in the country. I have the lowest doctor-patient ratio in the OECD and in this country.

How do you square that hole when you said earlier that Alberta's going to get an advantage in relation to the health care change? Because that didn't make sense to me. It really didn't.

Yes, I'm done with that question.

• (1830)

**Mr. Alain Noël:** Can I answer?

**Mr. Brian Jean:** Please do.

**Mr. Alain Noël:** I would be so pleased if Alberta were following Quebec and implementing social policies like we have, and I know Alberta can afford it.

**Mr. Brian Jean:** I have to cut you off there. I'm sorry, but Alberta can't afford it. How do we afford it? We don't even have the infrastructure. We have no roads. We have a deficit. We have the deadliest highway in the country, where seven people were killed three weeks ago.

**The Chair:** Mr. Jean, there are 30 seconds. Do you want Mr. Noël to respond?

**Mr. Alain Noël:** If you want to make Alberta a have-not province in Canada, that's hard to—

**Mr. Brian Jean:** It's only a have-not province because it's transferring \$10 billion every year.

**Mr. Alain Noël:** Quebeckers have more social programs because they pay more taxes by a large amount. Most of the difference is explained by the fact that we pay more taxes, and we decide to do it because we want to provide ourselves with social services. If Albertans don't want these social services and don't want to pay the taxes for them, that's their choice. That's what is great about having a federation, that you don't have to have a one-size-fits-all.

**Mr. Brian Jean:** Sir, I'm done.

With respect, I really think you should visit northern Alberta and see the quality of life there.

**The Chair:** Thank you.

We'll have to keep this as an ongoing debate.

Monsieur Mai.

[Translation]

**Mr. Hoang Mai:** Thank you, Mr. Chair.

Ms. Silas, you represent nurses. Can you tell us how many members you represent?

**Ms. Linda Silas:** One hundred fifty-eight thousand.

**Mr. Hoang Mai:** I have enormous respect for nurses, because they are very important to our society.

You have been severely critical of the government because it did not negotiate with the provinces.

Can you explain a little again about the efforts made and what the government should have done to be really sure that the amounts, the transfers, are right for the federal government and the provinces?

**Ms. Linda Silas:** It should have actually done what it had promised to do: sit down at a table, as was done in 2003-3004, where it would have negotiated an agreement with the provinces concerning financial needs. There are things the provinces want regarding those financial needs. They want to know in the long term, in 5, or 10, or 15 years, what the federal government's contribution will be. It is now about 20% of total health care costs. Some people would like to see that rise to 25%, of course, but a majority agree on 20%.

In addition, there is the question of priorities: where are we going when it comes to health care? Ms. McLeod talked about Canada's position at the global level. I could tell her that we won the gold medal for emergency room visits: 58% of Canadians have to go to an emergency room to get primary health care, because they have no other choice. To Mr. Jean, I would say that this concerns young families, because there are no community health centres or primary health care centres in our communities.

I mentioned the costs of pharmaceuticals; we also have to talk about home care. Our seniors who are in good health, people who are 65 years old and healthy today: where are they going to go?

**Mr. Hoang Mai:** Thank you.

Mr. Noël, you also talked about a structural deficit. Can you explain a little about the problem stemming from a relative change in the transfer? We were promised 6% in the beginning, but what will happen then and what will the consequences be for the provinces?

**Mr. Alain Noël:** The Parliamentary Budget Officer has done evaluations of the long-term consequences. A little earlier, the question of whether we should continue spending more on health care was asked. In fact, what is proposed is not that we spend more, but that we spend less. The federal government's financial contribution to health care is going to decline. It is already below what was proposed in the Romanow report, which was 25% as a sort of target. It is going to decline gradually, and that necessarily means that the federal government's role in defining policy in the health care system will become less and less significant, since the resources will not be there.

• (1835)

**Mr. Hoang Mai:** What might the effects be on services provided to the public?

**Mr. Alain Noël:** Essentially, it will vary, depending on what the provinces decide to do. If we rely on what happened after 1995, when there were major cuts in federal transfers to the provinces.... Certainly health care represents the largest expense for the provinces, and so there will almost inevitably be cuts in that area.

**Mr. Hoang Mai:** At the federal level, we believe strongly in universal health care: every Canadian should have access to health care and should not have to decide between that and buying groceries, perhaps.

Is there a risk that there will be negative consequences in that regard? What do you think, Ms. Silas or Mr. Noël?

**Ms. Linda Silas:** Access to health care is a matter that the present and previous governments had made a priority. Some people have asked why we signed a health care accord in 2004. It was because parliamentarians were tired of being questioned about access to health care. And there were specific priorities: it addressed five conditions we had already discussed, but did not address home care, primary care and the cost of pharmaceuticals.

Access to health care is going to deteriorate in every respect because we simply have no comprehensive or Canada-wide plan.

**Mr. Hoang Mai:** You represent nurses. What is their position on the idea of raising the age of retirement age from 65 to 67? Will forcing people to work two more years have negative consequences for people who are working now and for future generations?

**Ms. Linda Silas:** We have to understand that our population is already quite old, with the average age being 48. We work at all hours of the day, all days of the week. This is not really an easy question for us, because of the shortage of nurses. Nurses are needed all the time, so we work all the time. Our profession has the highest sickness rate among all occupations. Nurses take the most sick days in the country, because of the working conditions.

So working two more years will be very difficult. And it will be difficult in any health care profession, not just for nurses and doctors.

**The Chair:** Thank you.

Thank you, Mr. Mai.

[*English*]

Colleagues, we have two rounds left. I believe Ms. Glover will be taking most of them.

I want to express my appreciation to our witnesses. We've gone a little bit over, but we did start late. I thank you for staying tonight.

**Mrs. Shelly Glover:** It's actually Dean Del Mastro.

**The Chair:** Sorry.

Mr. Del Mastro.

**Mr. Dean Del Mastro:** Thank you, Mr. Chairman. I've really appreciated the opportunity to take part.

I did a little bit of artwork that I'd like to hold up for the committee.

Can you see that number, Ms. Wirsig? I'm not an artist, but it was a bit of artwork.

**Ms. Karen Wirsig:** Yes.

**Mr. Dean Del Mastro:** Okay. I wrote \$100 million down on the page for colleagues. That's about double, roughly, the record lottery that's ever been held in this country.

Is that a big number?

**Ms. Karen Wirsig:** Sure.

**Mr. Dean Del Mastro:** It's a big number. Do we agree?

We give that to the CBC every month. It's a lot of money.

**A voice:** To do what?

**Mr. Dean Del Mastro:** For the most part, Canadians hear numbers like 1.1, 5.2, 3.6, whatever the number is, and then the fact of whether it's million or billion gets thrown out and we lose the idea of the significance of a number.

The CBC gets in excess of a billion dollars. If you started counting—one, two, three, four—it would take you 32 years to reach the number one billion. It's a lot of money. And there's a lot of responsibility that comes along with spending that much money.

One thing that really surprises me.... We've talked about how government resources are finite—they're not infinite—and that decisions have to be made. The government has made a number of decisions that I think are difficult but necessary, including the Department of National Defence. I understand you compared the CBC budget to fighter jets in your comments. Obviously we'll spend significantly more on the CBC than we will on fighter jets over the next 30 years.

We're providing this level of support, frankly, in a backdrop where I think you'd have to acknowledge that over-the-top and online media.... That's where young people are. I'm just curious. If we can acknowledge that's a lot of money, then why isn't the government being recognized, despite the fact that if it is faced with very difficult challenges, it's still going to provide in excess of \$100 million a month to the CBC?

● (1840)

**Ms. Karen Wirsig:** By the time the proposed cuts are finished in 2014, the CBC will get less than \$1 billion. So I can hardly see that it will be \$100 million a month. My math isn't fantastic, but....

**Mr. Dean Del Mastro:** No, actually they won't. I was in Heritage. The CBC gets direct funding in excess of \$1 billion. They get an additional roughly \$200 million from the Canadian Media Fund. They have schedule 1 fees that they collect from CBC Newsworld from each and every Canadian—that's about 75¢ per Canadian—on their cable bill per month.

These are direct public subsidies that are coming into the CBC. And then of course you have government advertising, which would again go on top of that.

I don't want to dwell on this too much, but I think it's important to recognize that despite the difficult choices the government has made, we were the only country in the G-8, the only one, to increase funding for arts and culture during the recession—the only one. We made that difficult choice because we knew that if there was a sector that would be targeted and would hurt more than others, it was probably entertainment. When people are challenged, it's one of the areas they draw back.

So the government made that choice, and now the government has to move forward and balance its books. By providing the CBC the money it needs for its 2015 plan, I think we've demonstrated support for them—despite, frankly, a number of Canadians out there who look at it and say, “Are you really sure this is money well spent?” I recognize that there are a lot of Canadians on the other side of that debate as well, but we've indicated our support.

**The Chair:** You have one more minute.

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

Mr. Noël, I just wanted to point out that you've referenced a funding model going back decades—without recognizing that in that time span, equalization was created, and without recognizing that significant tax points were transferred to the provinces. That's how the provincial share of health care funding actually increased, because revenues and a percentage of revenues that went to the federal government were decreased at the same time. Those were through agreements that went on for generations. I don't discount that there were significant federal cuts in the 1990s.

One of the things we also have to acknowledge in this country, and this is important, is that inflation is always tracked at 2%. That's the central bank's goal. That's the rate of inflation that's targeted.

**The Chair:** Question.

**Mr. Dean Del Mastro:** Well, I may not have time for a question, Mr. Chairman.

By guaranteeing the annual increase of health care funding post-2017, 6% annually up to 2017 but not less than 3% post-2017, that is an increase.

**The Chair:** Okay—

**Mr. Dean Del Mastro:** I don't know where the terminology “cut” comes from. It is an increase. It is an increase in real and absolute terms of health care funding guaranteed out for more than a decade. It's a fact.

**The Chair:** Mr. Noël, do you want to comment briefly on that?

**Mr. Alain Noël:** I had five minutes, so I was a bit short on equalization and other programs. I didn't talk about cuts, but the thing is that the federation is organized around a certain understanding of fiscal transfers and arrangements between Ottawa and the provinces. Among these arrangements was an understanding that the federal government plays a role in health care.

You are changing the rules of the game, and this has not been discussed with the provinces. It's a unilateral decision. And you're absolutely right that it has to be considered along with equalization in particular, but equalization was also changed in 2008.

So the picture is such that what's in the books is that the federal government will in part realize its surplus on the backs of the provinces.

**The Chair:** Thank you.

Ms. Glover, please.

[*Translation*]

**Mrs. Shelly Glover:** Thank you, Mr. Chair.

I would also like to thank our witnesses, who have travelled considerable distances today.

I saw no personal attacks against our witnesses today. I do not understand Mr. Nantel's bizarre comments. Nonetheless, I would like to provide some clarification regarding Mr. Marston.

● (1845)

[*English*]

I'll do this in English, because Mr. Marston typically speaks in English.

I come to his defence because when Mr. Hoback was speaking there was a moment when he thought Mr. Marston was laughing at him. It wasn't in fact Mr. Marston. It was Monsieur Nantel. Again, I can't explain his odd behaviour, but I want to make that clear, because I didn't want Mr. Marston to think.... It's just that Mr. Hoback didn't see who it was.

In any event, I'm going to share part of my time with the chair, so I'm almost done. I just want to add that when Mr. Marston speaks from the heart, so do I. I'm a mother of five children. I believe in this bill. I believe in the things that are in it. I also have been fighting very long to get this forward.

I think the reason we have most of the aboriginal members of the House of Commons in the Conservatives, the reason we have all of the police officers in the House of Commons in the Conservative caucus, and the reason we have doctors and nurses who are sitting at this table is that we care about the future of the country.

So I want you to take that home with you. Democracy means allowing the people to choose, and the people chose us to do the work we're doing. We believe in it.

Go ahead, Mr. Chair.

**The Chair:** Thank you, Ms. Glover.

I wanted to follow up just on one specific issue, and that's with Professor Noël about division 17.

I've actually read a lot of your work, I respect your work as a political scientist in Canada very much, and I know some of your good friends, like Allan Tupper, who taught me at the University of Alberta. But I do have to question you with respect to division 17, because it has the 6% increases in health care year over year going to 2017, which is more, as was pointed out, than any other province going forward. But it also ensures that no province loses going forward. So division 17 has an additional payment of \$362 million to Quebec, \$13 million-plus to Nova Scotia, \$102 million to New Brunswick, \$201 million to Manitoba.

But you reference in your opening statement about the per capita cash transfer going forward. People from my province—and you were an Edmontonian for some time—see it as a sense of fairness that if the federal government is going to transfer cash for health care to the provinces, that it do so on a per capita basis, recognizing the equality of every person in Canada. I'm very surprised. I thought you were being critical of moving to per capita cash transfers, so correct me if I'm wrong. But if I'm not wrong, explain to the citizen who lives in Alberta why they would not get the same per capita cash transfers as people living in other provinces.

**Mr. Alain Noël:** If I remember correctly, it's the 2007 budget. In 2006 there was a budget that acknowledged that. Because the Conservatives had just been elected there was not a full year to really prepare their own budget, but that budget in 2006 acknowledged the problems that existed in the federation in terms of the fiscal arrangements.

To a large extent, 2007 fixed the problems, and the deal in 2007 was that social transfers, including health and also other social transfers, would be largely per capita. That would mean that wealthier provinces would gain and less-well-endowed provinces would lose. What accompanied this was that the equalization program was much improved following the recommendations of the committee chaired by Al O'Brien.

This was sort of the deal in 2007, and it was a good deal. It was a deal that said we're not going to use social transfers to do equalization; we're going to use equalization for that. But then that deal lasted a year. In 2008 there was a ceiling that was put on equalization. This brings back the problems that existed when Paul Martin was finance minister; that is to say, that the size of the envelope is not determined by the formula of equalization, but by

economic growth. Therefore, if economic disparities between the provinces increase, the program does not respond well.

All this to say that you have to look at social transfers, along with equalization, and they balance each other.

**The Chair:** I appreciate that. But isn't that then—and that may be your point—more with equalization? Because to the Albertan who says to me, “I'm living in this province, but I'm a Canadian citizen and I deserve an equal per capita cash transfer as in any other province”, wouldn't you see that as fair, from a federal government point of view?

**Mr. Alain Noël:** As I said, if the equalization program is well done, that can be fair. But it has to be acknowledged that it's a different conception of sharing from what used to exist in the programs.

What should be said also about equalization is that it's not a program that takes money from Alberta and gives it to other provinces. I pay equalization too, as someone who has a good income.

● (1850)

**The Chair:** I know, and I didn't make that argument at all.

We'll have to continue this debate after, but I appreciate all of you being here tonight and staying longer.

Colleagues, we will meet tomorrow morning at 8:30 back in this room.

Thank you all.

The meeting is adjourned.

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