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Chair

The Honourable Wayne Easter

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● (1535)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I call the meeting to order.

Pursuant to Standing Order 83.1, we are holding pre-budget consultations in advance of the 2017 budget.

I welcome the witnesses here. As you know, in the letter that went to each of you, we outlined that we would like people to hold their presentations to about five minutes, and especially to emphasize anything you have to say about how we may better achieve economic growth in this country.

With that, we will go to the first witness, Ms. Cianfarani of the Canadian Association of Defence and Security Industries.

Ms. Christyn Cianfarani (President, Canadian Association of Defence and Security Industries): Thank you. Good afternoon, Mr. Chairman, honourable members.

[*Translation*]

Thank you for inviting me to meet with you today.

[*English*]

My name is Christyn Cianfarani. I am the president of the Canadian Association of Defence and Securities Industries, CADSI.

CADSI represents some 800 Canadian-based defence and security companies in Canada. Our industry accounts for some 63,000 jobs, contributes $6.7 billion to the GDP, generates 60% of its revenue from exports, employs 30% of its workforce in the engineering, research, and technologies fields, provides employee compensation that is 60% above the manufacturing sector average, and is diverse, with significant representation in every region of Canada.

[*Translation*]

These statistics are important in the context of Canada's Innovation Agenda and the Defence Policy Review, two measures that will be implemented at about the same time as Budget 2017.

[*English*]

CADSI has been urging the government to consider the defence review, the innovation agenda, and the recapitalization of the Canadian Armed Forces as an important opportunity to drive innovation-led growth in Canada. This is my essential message to you today.

What this requires is the development of a defence industrial policy tailored to Canada's unique security challenges and industrial base capabilities. To our knowledge, we are the only G7 nation that does not practise one.

[*Translation*]

What exactly do we mean by “industrial defence policy”?

[*English*]

A defence industrial policy does not necessarily require additional funding or even new programming. It does require that the government set goals and priorities for defence sector growth in areas of key industrial capabilities. These capabilities could be ones at which Canada already excels—such as quantum computing, for example—or that confer major economic and scientific returns to the country. They could also be in areas that are important to Canada's sovereign interests. They would, of course, need to be derivative of the planned acquisitions of the Canadian Armed Forces, which some estimates put at over $200 billion over the next 15 to 20 years. This is the starting point for a defence industrial policy.

Once these overarching goals have been established, we would need to better coordinate and connect the existing policies, programs, and instruments scattered across the government, notably national security exemptions, industrial and technological benefits, the Build in Canada innovation program, the strategic aerospace and defence initiative, and export supports like the Canadian Commercial Corporation.

The aim is to align and apply the various elements in a more coherent fashion along the chain, from R and D to procurement, to better achieve outcomes with respect to innovation, manufacturing, supply chain growth, and the scaling-up of firms. It's also important to note that defence procurement is largely exempt from the trade agreements.

One implication here is that Canadian prime contractors could and would be considered more strategically in procurements for major capital projects. Primes or OEMs do the bulk of the manufacturing in the defence industry, and they own the intellectual property, which is essential to getting innovative and sustainable manufacturing services and high-wage employment in the technology fields. When Canada has not done this, strategically important assets have been hollowed out through sales, transfers, or mergers.

Incentivizing intellectual property transfer from foreign primes into Canada is also important. We need to go beyond just raw investment dollars. This allows Canadian companies to engage in activities that come with owning and exploiting intellectual property over a long period of time, well beyond any initial acquisition phase.

When supply chain growth is the primary objective, the government needs to ensure that when foreign primes win contracts in Canada, Canadian firms are driven into the global supply chains of those primes.

[*Translation*]

These are but some of the essential elements that need to be included in Canada's industrial defence policy.

[*English*]

In closing, Mr. Chairman and honourable members, I'd like to reiterate that there is an important and rare opportunity now to drive innovation-led growth in the Canadian economy through the planned defence acquisitions, the value of which is large by any historical standards.

I urge this committee to highlight this growth opportunity in your report and to recommend that the government commit to working with industry to develop a made-in-Canada defence industrial policy.

The potential to leverage defence procurement to create innovation and growth in every region of Canada is very real and achievable.

● (1540)

[*Translation*]

Thank you for having given me this opportunity to speak to you today.

[*English*]

Thank you.

The Chair: Thank you very much.

We now turn to the Canadian Gas Association and Mr. Egan.

Mr. Tim Egan (President and Chief Executive Officer, Canadian Gas Association): Thank you, Mr. Chairman.

CGA, the Canadian Gas Association, is the voice of Canada's natural gas delivery industry. Our companies meet the needs of more than 6.7 million customers, representing well over half the Canadian population and using over 450,000 kilometres of underground delivery infrastructure and storage facilities.

Over the past decade, we've invested over $17 billion in this system to ensure that Canadians have the affordable, clean, safe, and reliable energy all of us have come to expect. My focus today is on what we call the natural gas opportunity, and about how we build on that foundation to help our country to stimulate technology innovation; to deliver affordable energy to more of our fellow citizens; to build stronger northern and remote industry in communities, including indigenous communities; and to support clean transportation fuelling for the heavy-duty, return-to-base, off-road, and marine transportation sectors.

Three attributes of our industry explain how we can help.

First, our product is affordable. High energy costs mean that families have less money for essential needs and that businesses have difficulty operating, much less expanding. Affordable energy has long been a competitive advantage for Canada, and natural gas can help us maintain and build on that advantage.

Second, natural gas is an efficient and clean-burning energy choice. It has fewer emissions than many other fuels, and it is an important partner for renewables in emerging low-emission technologies.

Third, natural gas delivery companies are innovators. Our utilities have a long history of supporting energy efficiency programs and driving innovation in energy and use. With these national priorities and attributes in mind, let me quickly summarize the five components of the natural gas opportunity and how the federal government can support it.

The first component of the natural gas opportunity is in connecting communities. Communities with no access to natural gas are dependent on more expensive, less reliable, and, in many cases, higher-emission energy options. According to ICF International, connecting rural communities would result in significant cost savings, emission reductions, and revenue for governments. Our recommendation to the federal government is to allocate $250 million in clean energy infrastructure funding to support the construction of new natural gas delivery infrastructure for homes and businesses not currently serviced by the pipeline system.

The second component is LNG for remote communities in the north. These communities not on the energy delivery system are looking for ways to replace their aging diesel power generation systems and reduce their costs. LNG offers a cleaner, more affordable, and more reliable energy option, and there are excellent precedents in place for its use in the Northwest Territories, Quebec, and elsewhere. According to ICF International, by 2025, at least 16 power generation and 47 industrial customers in Canada's north could convert to LNG, resulting again in costs savings, emission reductions, and government revenue.

The third is to use natural gas as an alternative transportation fuel. Market adoption of natural gas vehicles in Canada has been growing at only a modest pace because of the higher capital cost, the lack of widespread LNG and CNG supply and refuelling infrastructure, and the uncertainty regarding taxation. In the last federal budget, funding was allocated to support the construction of alternative refuelling stations, and our understanding is that project proposals around natural gas are currently being considered. This is an excellent first step. Our submission this year recommends allocating funding over five years to help cover a portion of the incremental cost of natural gas engines to encourage deployment. As well, we recommend allocating further funding in clean energy infrastructure funds to support the development of new infrastructure.

The fourth is renewable natural gas. This CO2-neutral energy source produced from organic waste is captured, cleaned, and delivered for use in the same way as any other natural gas supply. RNG is a locally available product that can assist communities and governments in meeting their GHG emission reduction and energy sustainability targets.

It should be noted that RNG can be produced, cleaned, and injected into the natural gas distribution system at a cost often more affordable than other renewable options. Canada's natural gas utilities just set a voluntary target of 10% RNG in the system by 2030, equal to the energy needs of 3.1 million homes.

Our recommendation is for targeted assistance to advance the development of RNG technology by focusing on biomass gasification and for an amendment to Canada's renewable fuels regulation to include RNG as a compliance option, as is allowed in the United States.

The fifth is to drive efficiency in innovation. Natural gas utilities have a long history of supporting energy efficiency programs and technology innovation that have resulted in customer savings of $1 billion in natural gas costs and reduced emissions of 50 megatonnes. Last week, my association announced the intention to create the natural gas innovation fund to build on that success. Examples of opportunities we want to pursue include high-efficiency combined heat and power systems, micro combined heat and power systems for residential and commercial use, power-to-gas systems to store renewable electricity, new natural gas vehicle engine technologies, and renewable natural gas technologies.

● (1545)

In a submission to the government's clean technology for Canada's natural resource consultation, CGA recommended that the Government of Canada allocate funding to partner with utilities and others on natural gas innovation.

In conclusion, our industry looks forward to working with all interested parties and stakeholders on the opportunities noted above, which we think serve a number of national priorities.

Mr. Chairman, thank you for the opportunity to present at committee here today. I'll stop now and look forward to questions afterwards from committee members.

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

Next we have Canadian Manufacturers and Exporters and Mr. Lavoie, director of policy, innovation, and productivity.

[*Translation*]

Mr. Martin Lavoie (Director, Policy, Innovation and Productivity, Canadian Manufacturers and Exporters): Thank you, Mr. Chair.

Good afternoon, lady and gentlemen members of Parliament. I am very happy to accept your invitation today to represent Canadian Manufacturers and Exporters and to submit our pre-budget consultation brief.

Canadian Manufacturers and Exporters represent about 10,000 manufacturing and exporting companies from everywhere in Canada. The association, which was created in 1871, was the first Canadian industrial association.

In a few words, what is the manufacturing sector? It is made up of a variety of sectors that include companies that exploit and process natural resources, aeronautics, automotive and agrifood processing companies, and it also includes 22 manufacturing subsectors of the Canadian economy.

The manufacturing sector generates approximately 10% of Canada's gross domestic product. It also produces two-thirds of Canada's yearly exports. The sector employs 1.7 million Canadians, who earn an average annual salary of $72,500, whereas the average salary for all industries combined is $57,900.

The sector has impacts in a multitude of other economic sectors, such as services, finance, logistics, transport, and many others.

[*English*]

Last week, Canadian Manufacturers and Exporters, our association, unveiled an ambitious plan to double manufacturing output and export by 2030. The plan, called Industrie 2030, is the result of about 100 round table consultations with manufacturers across Canada and the result of CME's biannual management issues survey. In our view, the next federal budget should implement a national industrial strategy based on Industrie 2030 that will accelerate innovation, increase investment, and help manufacturers reduce the carbon footprint.

Our two recommendations include, first, the creation of national clusters dedicated to the development and the adoption of digital manufacturing technology—for example, additive manufacturing, 3D printing, automation and robotics, and industrial Internet.

Second, we recommend increased direct investment in fast-growing companies by the creation of a risk-sharing loan program that will help companies innovate commercialized new products, both domestically and internationally.

Our third recommendation is to reform the scientific research and experimental development tax credit by conducting a complete legislative review of its legislation.

Number four is to implement the patent box tax regime to increase commercialization of intellectual property in Canada. A patent box tax regime means that we would reduce the corporate income tax rate on revenues associated with products that were commercialized with Canadian patents.

Fifth, we would like the federal government to expand the Atlantic Canada investment tax credit to nationwide coverage.

The sixth recommendation is to adopt a strategic procurement policy for all the federally funded infrastructure projects. This would emphasize the need to maximize domestic economic benefits for the manufacturing sector, including in particular fabricated steel products that are used in about 80% of our infrastructure projects, while respecting our current international trade obligations.

Finally, we would recommend that the federal government expand the green investment fund that will be implemented in Ontario soon that to support manufacturing investment in green technology.

I look forward to your questions.

Thank you.

The Chair: Thank you very much.

I would like to mention as well, because witnesses find it distracting, that all the briefs that have been presented are on our iPads, so if you see members looking at their iPads, they're likely trying to find out where you're at in your brief.

Now we have the National Pensioners Federation, and Mr. John.

Mr. Herb John (President, National Pensioners Federation): Mr. Chair and members of the committee, my name is Herb John and I'm president of the National Pensioners Federation. With me is our counsel, Susan Eng.

The National Pensioners Federation is a national, non-partisan, non-sectarian organization of 350 chapters, clubs, groups, organizations, and individual supporters across Canada, with a collective membership of one million seniors and retirees. We are devoted entirely to the welfare and best interests of aging Canadians.

Seniors and those who care about them welcomed the measures announced in the previous federal budget, but more needs to be done. An estimated 665,000 seniors live under the poverty line today, and this is not expected to change unless more is done to provide better income supports and to reduce their critical expenses, such as home care and drug costs.

Single seniors, especially women, face far greater rates of poverty compared to their counterparts in couples. The guaranteed income supplement for single seniors increased in July 2016. That will benefit 900,000 single seniors across Canada. While absolutely welcome, it is a maximum of just $2.60 per day. Much more needs to be done to prevent poverty among seniors.

To prevent and reduce poverty among seniors, we recommend that the government increase the rates of OAS and GIS, starting with single seniors; implement the promised seniors' index, but tie it to wage rates rather than prices to keep better pace with living standards; and immediately provide housing assistance.

The promised $200 million over two years to support the construction, repair, and adaptation of affordable housing for seniors is welcome, of course, but will not have immediate effect on people now unable to both pay rent and have enough money for food and medicines. Medication and home care costs are a major source of financial strain for seniors and their families. There exist proposals to address those needs, but there is nothing immediately available to families right now.

To address the immediate health care needs of seniors, we recommend that the government, first, implement the promise to invest $3 billion in home care and palliative care. There is an immediate need for sustained funding and national standards on home care. The patchwork of palliative care must be addressed immediately, and this new funding will be a major first step.

Second, the government should implement the promise to remove the requirement for a terminal diagnosis to qualify for the EI compassionate leave benefit and increase flexibility in how the benefit may be used. The requirement for a terminal diagnosis has, in the past, stopped people from applying for the compassionate leave benefit. In addition, the flexibility in using the benefit would better reflect on how chronic illnesses play out.

Third, development of a comprehensive national pharmacare system is necessary in order to ensure that every Canadian is able to access needed medications, regardless of income and postal code.

I will now turn it over to Susan Eng, who has further recommendations for the committee.

● (1550)

Ms. Susan Eng (Counsel, National Pensioners Federation): Thank you.

Mr. Chair and members of the committee, while seniors today need several measures to help them with their health and financial concerns, they are also concerned about the financial security of tomorrow's seniors. Without reservation, the National Pensioners Federation commends the federal and provincial governments on reaching a historic agreement to increase the CPP.

We welcome the proposals in Bill C-26, which is being debated now, to implement that increase and to amend the Income Tax Act to facilitate deductions for the contributions, but we especially commend the addition of the increase to the working income tax benefit to allow lower-income Canadians to participate in the pension plan, so we encourage speedy passage of Bill C-26.

The CPP and previous availability of workplace pensions are largely responsible for the large drop in seniors' poverty over the past two decades, but the effect is finished and workplace pensions are disappearing, so poverty is creeping up again. As recently reported, seniors' poverty has increased from a low of 3.9% in 1995 to just over 11% today, or one in nine seniors. Fully 28% of single female seniors and 24% of male seniors are living in poverty in this country. In human terms, that's 665,000 Canadian seniors living in poverty, mostly the oldest, mostly single, mostly women.

This issue of financial security is exacerbated by concerns about increasing income inequality, and there has been quite a lot of discussion around a guaranteed minimum income. This committee itself has actually recommended that an expert panel be established so the issue can be properly examined, and we encourage you to do so.

Those are our recommendations. We'd be pleased to take your questions.

● (1555)

The Chair: Thank you very much.

Now we have Mr. Littler, from the Retail Council of Canada.

The floor is yours, Karl.

Mr. Karl Littler (Vice-President, Public Affairs, Retail Council of Canada): Thank you, Mr. Chairman.

On behalf of the Retail Council of Canada's 45,000 storefronts, I'd like to bring a retail perspective to your pre-budget deliberations.

In the Tour de France, the last place cyclist is traditionally referred to as the *lanterne rouge*, and in recent years we've appeared at, or very close to, the end of these hearings, so we're delighted to be included today, close to the finish.

RCC made a written submission on August 4, providing somewhat greater detail on our proposals. In the time constraints imposed by a committee appearance, I'd like to restate our support for two measures in the last budget, notably the middle-class tax cut and the boost to the child tax benefit.

These provide major benefits to families, of course, but they're also important to retail merchants, both through increasing disposable incomes for our consumers and through providing higher take-home pay for the two million-plus Canadians who make up the retail workforce—and by the way, that is the largest private sector workforce in the country. Keep it coming, we say, and if members are looking for ways in which to provide further assistance to Canadian families, there are over four billion dollars in customs tariffs and five billion dollars in excessive credit card interchange fees that could certainly stand to be addressed. We've spoken to those in our written submission.

The matter I would like to address today is that of the *de minimis* rate on imported parcels coming in by post and courier. Merchants are deeply concerned by efforts to eliminate the level playing field between retailers operating here in Canada, whether in stores or online, and those who sell from outside Canada and ship parcels cross-border. In a nutshell, the foreign online sellers' lobbying effort is asking our government to provide a tax incentive to shop literally anywhere else but Canada. Under a *de minimis* regime, no sales taxes are collected on imported products. This means that all other things being equal, the final price of an imported parcel will automatically be 13% lower than that same item sold in Ontario, or 15% if it is sold across the river in Quebec. That's not a matter of debate; that's simple arithmetic.

In addition, foreign online sellers would be exempt from the customs duties that we pay on imported goods. The importance of this distinction cannot be overstated. A price differential of 13%—and in some cases upward of 20%, once duties are factored in—will lead to an inevitable shift away from Canadian retail. That could be devastating to our operations, to our investment plans, and to employment in our industry.

This tax advantage that the other side would gain is never, ever mentioned by the proponents of increased *de minimis* despite its being the obvious elephant in the room. It isn't simply a matter of fiddling with the level, hiking it to $40, $60, $80, or what have you; the effects of the *de minimis* level bite very differently throughout our industry, depending on its subsector. A $40 level puts most of our bookstores and toy stores in jeopardy, for example. A $60 level affects those selling shoes and apparel. At $80, think about the impact on your local hardware store and so on. What might seem like relatively minor adjustments, in fact, put tens of billions of dollars worth of goods in play. Of course, these are the very areas in which many local small and medium-sized retailers tend to specialize.

We also take huge exception to our adversaries' attempt to portray this as a move benefiting information technology investment in Canada. If you think about it for a moment, their argument makes no sense. Our Canadian and our many transnational members are investing heavily in IT here to serve the market here. Even our opponents on the issue need to invest here, because as the current rules operate, they can't simply service the Canadian market from outside.

One of our Ottawa area members put it very well. They've just invested $200 million in a distribution and IT centre in Prescott, 60 miles down the road, but if *de minimis* were to be increased significantly, they would have been better to go one mile further, across the St. Lawrence River and into New York State, and locate their plant and jobs there. If they did, they'd gain a 13% advantage for any sales into Ontario. Surely that cannot be the kind of policy that we want to introduce—a tax incentive not to shop here and not to invest here.

By all means, let's work together to diminish stickiness for processing times and brokerage fees at the border, but don't presume that bricks and mortar stores in our communities or investments in .ca websites are inevitable or that they're invulnerable. For clarity, when people talk about raising the *de minimis* threshold, what they're really talking about is giving foreign sellers a tax-free sale advantage over Canadian merchants on all sales under that level, and they're talking about giving themselves a duty-free advantage as well, which Canadian merchants will have already paid.

● (1600)

So, yes, it would be about creating a new advantage for foreign merchants, an unlevel playing field that clearly disadvantages Canadian retailers, be they bricks and mortar or online, and an advantage for the U.S. for jobs to move there from Canada.

Thank you.

The Chair: Thank you, Mr. Littler.

Then we have joint presentations, I believe, by Sport Matters Group, with Mr. Elliott, and Canadian Parks and Recreation Association, with Ms. Noble.

Go ahead, Mr. Elliott.

Mr. Robert Elliott (Senior Leader, Sport Matters Group): Thank you, Mr. Chairman and members of the committee, for the opportunity to present here today. I think you're going to hear a bit of a change of pace from what you've already heard from the other presenters here on the panel.

I'm going to begin our presentation, and then I'm going to turn it over to my colleague, as you suggested, Mr. Chairman, from the Canadian Parks and Recreation Association.

Our comments, as with the others here before the committee, are a reflection of our full submission made in August.

The Sport Matters Group is a coalition of over 80 sport, physical activity, and recreation organizations. The recommendations that follow are the result of a consensus developed by representatives of all of those organizations.

My recommendations highlight the priorities and actions that support Canadians, both able-bodied and those with a disability, who want to be active, as well as those pursuing high-performance endeavours. Our overall goal is to improve health, wellness, and excellence through participation in sport and physical activity.

The performances of our athletes at the recent Olympic and Paralympic Games, where Canada met its objectives and finished 10th and 14th respectively, will hopefully inspire a new generation of Canadian children to take up a sport and become active.

As you might be aware, sport and physical activity participation levels have declined in recent years. Watching our athletes compete at the highest levels is part of the solution to seeing this trend reversed.

Children need role models. Seeing our athletes strive for the podium not only provides inspiration but also helps to instill a sense of national pride. In 2010, 90% of Canadians said the performance of our athletes at the Vancouver Games had a positive impact on Canadian pride.

If Canada is to maintain or increase its national ranking against the rest of the world, additional strategic investments will need to be made. Our recommendations are as follows.

The most important support we can provide is an increase in direct financial assistance to athletes through the athlete assistance program. AAP provides a monthly stipend and tuition support primarily to those athletes ranked highest in the world in their Olympic or Paralympic sport. This stipend has not increased since 2004, whereas the CPI has increased by a cumulative 23.25%.

According to the 2014 status of the athlete survey, athletes receiving AAP support reported an average annual income of $25,616, with an average of $15,200 of that $25,000 coming from the federal and provincial assistance they receive. That was the average annual income of our high-performance athletes. It is 15% lower than it was in 2009. This is not adequate to sustain training for 30-plus hours per week to represent our country.

We are recommending an increase of 24% in the monthly support provided to our carded athletes. This individual increase should be done without reducing the number of athletes funded and would therefore increase the athlete assistance program budget from $28 million to $34.72 million, which is an increase of $6.72 million.

In addition to providing direct support to our high-performance athletes, we are also suggesting funding increases to improve our coaching landscape and to better support the facilities in which these athletes train.

Lastly, with two new team sports being added to the program for Tokyo 2020, we're seeking additional support for team sports. Our total investment request for high-performance sport is therefore $16.22 million per year.

Our sector, though, also believes strongly in the need to invest in active healthy living initiatives that encourage more Canadians to be more active. The individual benefits of being more physically active and less sedentary are well documented. Reductions in the incidence of chronic disease and premature mortality, along with an increase in productivity, will lead to long-term health care benefits for the country.

The Canadian Institute of Actuaries has predicted that by 2037, fully 69% of our government budgets will be consumed by health care costs—a scary number. Clearly, preventative health care, including physical activity in sport, can play a role in mitigating this eventuality.

While our submission spoke to the need to establish a national physical activity plan that would align with existing plans and frameworks, we have now been included in a process to do just that. We recommend that once completed, however, this plan needs to be implemented.

I am now going to turn it over to my colleague, Cathy Jo Noble.

● (1605)

Ms. Cathy Jo Noble (Executive Director, Canadian Parks and Recreation Association): Thank you.

If we're going to encourage Canadians to participate in sport and recreation, we need to ensure that there is the infrastructure necessary to allow them to be active. Existing sport and recreation infrastructure is in a deteriorated state at this point, such that it is now becoming a barrier to Canadians' being active. For this reason, we're recommending that the government commit $12 billion over the next 10 years to a dedicated sport and recreation infrastructure fund. These funds would be divided between a repair fund and a new-build fund.

The key word in our recommendation is “dedicated”, so that infrastructure needs for sport and recreation aren't trumped by other infrastructure categories. This has been a common scenario for many municipalities. While $12 billion may seem like a significant ask, it represents 10% of the government's promised commitment to a $120-billion infrastructure fund. The $12 billion is not significant when you consider that the estimated cost to repair existing sport and recreation facilities is $16 billion. This does not include a single new build to address a growing and aging and diversifying population. It's simply for repair.

The 2015 FCM infrastructure report card showed that of all the infrastructure categories examined, sport and recreation faced the most immediate and critical need for repair. In fact, the report card showed that 47% of existing sport and recreation facilities are in fair, poor, or very poor condition.

Sport and recreation facilities are community economic drivers, they are job providers, they are an entry point for new Canadians, and they are the heart of rural and remote communities.

On behalf of Sport Matters, thank you for this opportunity to appear.

The Chair: Thank you both.

Next is the Canadian Federation of Students and Ms. Amirault.

Ms. Jenna Amirault (Vice-President External, Carleton Graduate Students Association, Canadian Federation of Students): Thank you, Mr. Chairman.

Good afternoon. My name is Jenna Amirault. I am a graduate student at Carleton University here in Ottawa. I am involved in my campus as vice-president external of the Carleton Graduate Students' Association and I am a proud member of the Canadian Federation of Students.

The CFS is Canada's oldest and largest students' union, representing more than 650,000 students from coast to coast. Today I am happy to speak not just on behalf of those students, but also out of hope for the next generation of students and workers.

I am grateful for the opportunity to address you today and excited to tell you about our vision for post-secondary education in Canada.

Students are responding to skyrocketing tuition fees and mounting student debt with action. On November 2, in 30 cities across the country, we are hosting rallies and talking to our communities about universal access to education. Students, educators, administrators, and policy-makers are all in agreement that a strong system of public post-secondary education is key to Canada's current and future success. It generates billions of dollars of annual economic activity, drives growth and innovation, and trains and retrains a skilled workforce that can compete globally, foster civic literacy, and promote responsible citizenship.

All students have a right to education, and Canadian society benefits from the skills people gain in getting there. We need universal access without upfront costs. By eliminating tuition fees and fully funding indigenous students, you can build a strong foundation for growth and ensure access to education for everyone, no matter what province they were born in or what their parents' income is.

We need a new approach to post-secondary education. In 2017 a skilled trade college diploma or university degree is required for a decent income and a just society. Today, 70% of jobs require some form of post-secondary education, and for the “precarious employment” category predominant in the remaining 30% of jobs, people want pathways to a better future.

Our system is failing young people. In 2011, 42% of Canadians between the ages of 20 and 29 lived in their parents' homes, up from 27% in 1981. In 2013 and 2014 more than 200,000 graduates couldn't make a single payment on their Canada student loans, and making this claim requires reporting pre-tax income of less than $20,000 a year.

In May 2016 Canada's parliamentary budget officer noted that post-secondary education is disproportionately accessed by higher-income Canadians, with 60% of students coming from the upper 40% of income earners. Those who are left behind include indigenous and racialized people, people with disabilities, young people from low-income families, and too many who are recently unemployed or folks working in minimum-wage jobs who simply want skills to improve their lives.

The income barriers that prevent highly qualified students from accessing public education interact with related forms of discrimination. For indigenous students it means broken promises. The federal government works to fulfill our treaty obligation to education for first nations and Inuit students through the post-secondary student support program, or PSSSP. In 1996 annual funding increases to the PSSSP were capped at 2%. For the past 20 years successive federal governments have continued this trend by choosing to maintain the 2% funding cap.

As a result of this restrictive cap, funding has fallen far behind the growing demand for post-secondary education, rising tuition fees, and increasing living costs. The Assembly of First Nations has estimated that last year more than 10,000 students were on a wait-list because of the backlog in funding.

In August 2015 Justin Trudeau and the Liberal Party made an explicit election promise to not only lift the 2% funding cap on the PSSSP but to invest an additional $50 million per year for the next four years. However, in its first federal budget, this government failed to deliver on the PSSSP funding promise to indigenous students.

The federation is calling on this committee to follow through on its recent and historic commitment to indigenous students. The Canadian Federation of Students supports the demand of the Assembly of First Nations to invest an additional $141 million per year into the PSSSP to fully fund all students. This student support must be tied in with reliable public spending. With federal spending on public services now lower than it was in the 1940s, it's time to reinvest in public education. The current lack of federal funding or provincial accountability has encouraged our colleges and universities to adopt exploitative labour practices and devastating tuition fees, treating international students as cash cows.

● (1610)

Recently, provincial governments in Ontario and New Brunswick have taken note of the barriers of high tuition fees and have taken steps to fully offset those costs for students from low-income families.

As the federal government, you can bring provinces together and enable access to post-secondary education through a dedicated federal transfer. By Statistics Canada's own numbers, our colleges and universities took in $10.2 billion in revenue from tuition fees last year. A return to a cost-sharing model of our past can split the spending between the provinces, eliminating tuition fees, ending precarious work on campus, and ensuring a well-functioning, high-quality post-secondary education system.

The federal government should ensure that standards are put in place to ensure that further investment in post-secondary education is not misused. A statute similar to the Canada Health Act would serve this purpose. To finance this shift, we support the proposal in our 2016 alternative federal budget to increase the federal corporate tax rate to 21%. This would restore our tax system back to where it was in 2006, and would raise $8 billion in revenue.

Canadians for Tax Fairness has also identified over $15 billion in funds for federal spending with the closure of tax loopholes and the creation of new mechanisms to generate revenue. We endorse all of these ideas, along with the additional proposal to cancel the federal tuition tax credit and the federal tax expenditures for RESPs.

Canadian businesses will benefit from a society where people are empowered to develop their capacities to the fullest extent possible. A skilled, curious, and vibrant public lies at the heart of any functioning economy. Maintaining the high-tuition, high-debt, diminished-funding model for post-secondary education does not serve the interests of our society or the entrepreneurs who create within it.

The Chair: Thank you, Jenna.

We will go to five-minute rounds, which tightens it up somewhat, but to get everyone in, we have to go to five minutes. We will start with Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being here today. I would like to ask each of you a question, but that's not going to be possible, because the chair is only giving me five minutes.

I will start off with the Retail Council of Canada. You spoke at length about *de minimis*. Recently the United States raised their *de minimis*. Then you spoke about the argument for keeping our *de minimis* amount at $20. Every increase from $20 to $40, from $40 to $60, would have negative effects on the Canadian economy—job losses, the closures of book stores and small businesses....

What happened in the United States when they raised the *de minimis*?

● (1615)

Mr. Karl Littler: First, the United States is a really poor analogue for Canada, because it has no federal sales tax. The principal issue does not apply in their case. They also do not collect state and local taxes at the border and, indeed, did not used to collect them on interstate shipments.

The big issue for us, even bigger than the duty issue, is the tax advantage that would be created. That does not exist in the U.S. because they don't have an inbound federal sales tax.

I think it's also worth noting what are loosely called “Amazon taxes” in the U.S. A lot of state authorities have starting imposing taxes on interstate shipments because their local merchants were being ground down, in effect, by certain merchants shipping interstate without collecting any taxes.

In many ways, they have gone in the opposite direction that eBay and Amazon and others are advocating here.

Mr. Raj Grewal: Is it correct to say that 94% or 95% of all sales are done at the retail level?

Mr. Karl Littler: Pardon me?

Mr. Raj Grewal: Are 94% of all transactions, retail transactions, done in-store in Canada?

Mr. Karl Littler: It's of that order. It's a little deceptive because, of course, when you look at retail numbers, which are a little over $500 billion in Canada, about $100 billion of that is auto, about $50 billion is gas, and it's hard not to do that in-store. With groceries, it is a similar situation. The numbers will be more inching into double digits on what you might call general merchandise.

Mr. Raj Grewal: Even in your humble opinion, even in your most objective opinion, don't you think a $20 de minimis should be revisited at a certain point?

Mr. Karl Littler: I don't, and I'll tell you why. The advocates will tell you that we're at Ugandan levels. Actually, we're the same level as the EU, which is 22 euros, or the U.K., which is 16 pounds. Just to be clear, in value-added tax jurisdictions, this is actually quite a standard level.

Second, when the *de minimis* level was introduced in 1985, there was no GST. At the time, the *de minimis* level was really about collecting duty on paper clips. In the intervening period, the HST came in. In a sense, yes, the level has been frozen, but the disadvantage is actually greater now than it was in 1985.

Mr. Raj Grewal: I'm sure we can continue our discussion off-line, but thank you for your comments.

To the Sport Matters Group, I could not agree with you guys more, not on the amounts but the fact that we should be supporting sports and athletes. I think the social benefits are tremendous. I think Canadian athletes are at a disadvantage, especially compared with our neighbours to the south.

I run a free drop-in clinic in my riding every Sunday that I pay for out of my personal pocket, and about 150 kids show up. I see the benefits of it on a weekly basis.

Thank you for your testimony today. I don't actually have a question for you, but I am a strong advocate for increasing funding in that area, and whatever I can do to help you out, please let me know.

To the Canadian Federation of Students, I was a recent graduate not too long ago. I like to mention that time and again to keep me young.

I couldn't agree with you more on some of your suggestions. While I was in school, I used to be a big advocate of eliminating tuition fees. I still have student debt, so I'm still a big advocate on managing tuition fees, but then I did some research. The argument goes that no Canadian child should be making the decision on whether they should go to school or whether they should go into the workforce based on the cost of tuition.

The resulting research actually indicates that the percentage is very low. Tuition and the size of tuition isn't dictating whether people are making the decision to go to university or not.

I would like your comments on that, because it kind of kills your argument.

Ms. Jenna Amirault: I'd like to read the research paper that you're citing, because I speak to students every day. I work as a teaching assistant at the university. I hear from students every day who come to me in tears talking about how they cannot afford education and how it's hindering them, or how they come from bigger families, who themselves have had the opportunity to get post-secondary education, but they are fearful that their siblings won't have the chance to do so. As well, our research certainly suggests otherwise.

● (1620)

Mr. Raj Grewal: Okay. We'll agree to disagree.

The Chair: Thank you, Raj. You're a little over time.

Mr. Deltell is next.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

It has been a long time since I graduated. I am very pleased to be here, *malgré tout*.

Ladies and gentlemen, welcome to your House of Commons.

I would like to make my first question to the spokesperson of Manufacturiers et exportateurs du Canada, M. Martin Lavoie.

[*Translation*]

Mr. Lavoie, thank you very much for your testimony and your expertise. In fact, I want to greet and thank all of you for your testimony and expertise.

From our perspective, as manufacturers and exporters, you are the creators of wealth in Canada. When you produce goods or services and sell them abroad, foreign money is paid to our country and fuels our economy, and truly creates wealth.

I went to Vancouver with another parliamentary committee, the Special Committee on Electoral Reform. I was in a hotel where I had an extraordinary view of the bay. I counted no less than 27 container ships, all headed for Asia.

When we sell our products, they are manufactured in Canada and leave the country to be sold abroad, and this brings back yens, euros, American dollars and pounds sterling to our country and creates wealth. That is what your association does. As a Canadian, I thank you for that.

I would like to know what you think the impact of maintaining the tax on production, the 11% tax enterprises have to pay, will be? It is being kept at 11%, although others had committed to lowering it to 9%.

Mr. Martin Lavoie: Are you talking about the corporate tax on small and medium businesses?

Mr. Gérard Deltell: Yes, that's it. I'm sorry.

Mr. Martin Lavoie: We had said we were in favour of reducing that tax.

Like other associations, we were a bit disappointed. In fact, on the topic of taxation revenues in general, Mr. Deltell, we were always in favour of cuts proposed in the past by other governments.

We think it is one way of lowering the employment rate and increasing corporate investments in Canada.

Mr. Gérard Deltell: Tax cuts mean more production, the sale of more products abroad, the creation of more jobs in Canada.

What do you think of Bill C-26, the government bill we are in fact debating in the House of Commons? It aims to increase the Canada Pension Plan by increasing the ratio from 9.9% to 11.9%, which is equivalent to an average $1,000 increase per year, per employee, for each enterprise. When you add the contribution of employers of approximately $1,000 per employee, and that of the employee of about $1,000 more per year, you get a total of $2,000 per worker, even though the increases will only begin in 40 years.

In your opinion, how will this impact our manufacturing businesses, which create jobs and wealth?

Mr. Martin Lavoie: We had a similar debate in Ontario recently. It is true that employer contributions represent a considerable tax on labour. On the other hand, everyone is entitled to a minimum pension. Basically, what we are saying is that we would like it to be recognized that companies already have pension funds. We would also like those companies to be entitled to certain deductions for the funds already invested in their own pension funds, rather than having universal contributions that apply in the same way to everyone.

Mr. Gérard Deltell: The impact this will have on a small businesses with 25 employees has been quantified at around $25,000. What can a business do with an additional $25,000 a year?

Mr. Martin Lavoie: As you know, our sector of the economy is probably the one that spends the most on capital assets. We could not manufacture much without machinery and equipment. With $25,000, for instance, you could buy an industrial-quality 3D printer. I would say that capital asset expenses are the most important after labour.

Mr. Gérard Deltell: As you know, there is a new tax on the way, the liberal tax on carbon, which will affect all entrepreneurs. We know that originally, this was supposed to be debated and approved by all of the provinces. When the announcement was made unilaterally three weeks ago, three provinces that were not at all happy with the news left the meeting and slammed the door.

What does a carbon tax mean to an entrepreneur?

● (1625)

Mr. Martin Lavoie: The carbon tax is one of those taxes that has repercussions because the companies we compete with on other markets do not have one. So this represents an additional cost for our companies, as compared to those they compete with elsewhere.

That said, in theory we are not against a carbon tax, if it is applied in most other countries. Moreover, if we must do so anyway in Canada, we would really like to see the revenues from that tax be reinvested in the companies to help them purchase greener machinery and equipment. We don't want this to become a regular tax that will be used for other purposes that have nothing to do with the environment.

Mr. Gérard Deltell: When you say that you—

[*English*]

The Chair: Sorry, Gérard.

Mr. Caron, you have the floor.

[*Translation*]

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

Thank you to all of you. I have seven minutes and there are eight witnesses. This is going to be rather difficult.

First, Mr. Lavoie, that you for your honest answers. It would have been easy for you to say that you were opposed to the increase in contributions for the pension plan, but in actual fact it is true that there will be more invested in premiums by individuals and companies. Ultimately, this will mean increased financial security for our retirees. And also, this money will be spent; in the medium or long term, it will come back to your members.

I will start with you. I have a specific question to ask you about the patent box, which in French is "le régime favorable au revenu de brevet". There is no French term for it.

I understand the concept. There were debates in the past on innovation and research and development. You can understand my support for this type of thing.

According to one argument we heard, this could in theory be good for innovation, but it could also be a a tax avoidance mechanism. Often, people talk about innovation, but these can also be measures to counter what is being done in Ireland.

In Ireland there are favourable rates for intellectual property. It's not that the Irish have become extremely innovative overnight; in fact, companies the world over are using Ireland to lower their taxes.

Isn't there a risk that the debate on the patent box might branch off in that direction?

Mr. Martin Lavoie: We have certainly noted that companies from several countries were registering their patents in these countries, precisely to reduce the taxes they pay on intellectual property.

I expect these countries feel that it is preferable to have a certain percentage of something rather than 100% of nothing. As you said, this could create a race to the bottom. There are two ways to fight this problem.

First, there could be a time limit on the patent box. A maximum limit could be placed on it, a certain number of years, for instance. We could say, for instance, that during the first three years a product is marketed, the tax rate would be at a certain percentage, and then after that period income would resume being taxed at the set rate. It would be harder for the company to change its production constantly. That is probably the best way of solving that problem.

You know, some countries like the Netherlands, rather than limiting this measure to patents, also apply it to products that were developed through research and development, without necessarily being patented. So a second way of solving the problem would be to broaden the measure's application.

For instance, in Canada, companies that invent a new product and ask for the scientific research and development credit for the two years during which workers and scientists developed the product could be eligible for the patent box.

Mr. Guy Caron: Thank you very much.

I would also like to talk about research and development, but I'd like to refer our listeners to the questions and answers that came up in the past, under the previous government. We discussed this matter often.

Mr. Littler, regarding the retail trade and the *de minimis* level you referred to, it is rare that people come to meet us without asking the government to do something. In general during the pre-budget consultations, people ask that something be done.

Is the risk of the government going in that direction real? Is the United States, or the American lobby, exerting pressure to have the additional sales tax exemption applied in Canada?

I agree with you; the idea is not to give an advantage to our retailers, but to maintain a level playing field.

[*English*]

Mr. Karl Littler: Significant pressure is being brought to bear, and some of it was brought up in the TPP discussion. I know that a number of members travelling in the U.S. would certainly have heard some of that pressure. It comes at a congressional level, but it also comes through trade emissaries. It is, frankly, a universal push, or maybe a near-universal push.

There's a concurrent push in Europe to raise the rate from 22 euros to 80 euros. It's a very well-coordinated and very well-funded effort. Part of that is private sector, but there was certainly U.S. government involvement in pushing this, because they would be the clear net beneficiaries of the change.

● (1630)

[*Translation*]

Mr. Guy Caron: Fine. Thank you very much.

I'm told I only have a minute left. I thought we had seven minutes, but it seems it is five.

[*English*]

The Chair: We'll give you a question. Go ahead.

[*Translation*]

Mr. Guy Caron: Thank you very much.

Ms. Eng and Mr. John, thank you for coming to meet with us.

You mentioned the amounts that were promised for home care, palliative care and mental health care. The government made that commitment during the election campaign, but nothing concrete has been done to date.

In fact, the ministers of Health met recently, but nothing seems to have come of that meeting as regards these issues. There was a lot of talk about transfer payments, but not necessarily about that commitment.

If the government decides to act eventually, what would the position of the provinces be regarding those needs?

Do the provinces agree that there is a need when it comes to home care, palliative care and mental health treatment?

[*English*]

Ms. Susan Eng: Yes, Mr. Caron, there is an absolute need now, immediately, for home care, palliative care, and mental health care.

Some $3 billion has already been promised to be spent in this category. None of it has been spent and none of it was proposed in the last budget. We surmise it was to be used as a bargaining chip for the current discussions with the health ministers of the provinces. Be that as it may, the money should flow as soon as possible.

However, it is important that the money not be sent out without conditions. Part of the problems with the sector at the moment has been that despite billions being sent out after the health accords in 2004, directly directed at post-acute home care and chronic care, the sector has not benefited very well, largely because the money was sopped up by administration, the hospitals, and the doctors. Unless you solve those structural problems beforehand, even $3 billion will not be enough. A complete package has to come forward, a proper strategy, specifically to deal with home care and targeted at seniors.

The Chair: Thank you very much.

Ms. O'Connell, you're next.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thank you, Mr. Chair.

Thank you all for coming.

Mr. Lavoie, you talked about investment in a green initiative fund, but I'm wondering if you have tangible goals for your industry that you'd like to achieve. For example, how much CO2 are manufacturers emitting currently and how much do you think it takes to get to *x* level? Do you have those tangible things that this government could consider if you're asking us to invest in this area?

Mr. Martin Lavoie: I have a couple of things.

Emissions in manufacturing have decreased significantly in the last 20 years, but half of that is as a result of huge investments made by manufacturers. As you know, manufacturing is highly dependent on energy, so there's a return on investment when you invest in new machinery and equipment that consumes less energy.

The other half is, of course, because we lost a lot of capacity during the financial downturn. A lot of pulp and paper mills, for example, shut down, so obviously the emissions went down as a result of the shutdowns.

The trick for our sector is that we want companies to export more, to produce more. By doing that, necessarily there will be more emissions. The way we look at it is the number of emissions per unit produced. We want to lower that intensity of emissions. At the end of the day, if we want to double exports by 2030, we can't do that by shutting down plants and machinery and equipment. We would prefer a direct investment in green machinery and equipment. If there's a carbon tax, as I said, at least if the revenues associated with this tax are reinvested in plants, that would be our favourite option.

Ms. Jennifer O'Connell: Thank you, but you don't have specific numbers in order to say....

You understand the Paris agreements and the numbers that are required in terms of reductions and the timelines. I would assume your industry has to reach those targets at a certain point, and you would require a systematic plan. You would have to say, "By this year we're going to cut emissions by this much, and this is what it takes."

Therefore, it would require more than a slowdown in economic conditions, because if you want to continue manufacturing and in fact expand, then you would have to find a way to be effective at reducing emissions so that you can actually grow your economy in the new green world that we're moving towards.

● (1635)

Mr. Martin Lavoie: Yes. We'll see what happens with the carbon tax and what other provinces will do.

Some of our members are being captured, as we speak, in the carbon trading system in Quebec, and I guess soon in Ontario. It's difficult to make a plan if you don't know exactly what the regulation will be. That's a bit of a tricky question for us to respond to now, but as soon as we know what the regulatory framework will be, both federally and provincially, we will definitely have a plan.

Ms. Jennifer O'Connell: Thank you.

To the National Pensioners Federation, you spoke about women facing greater poverty risks, but I didn't hear any specifics in terms of how you address the poverty amongst women specifically, because assuming we did all the things you've asked for, that would just invest and continue. The gap would just move along in that regard. Do you have specific policy recommendations to help shrink that gap? I understand your overall request for additional funds for pensioners, but specifically how do you shrink that gap?

Ms. Susan Eng: There are a number of issues.

Over the longer term, of course, increasing pension availability is going to help everybody. Women are now in the workforce, and their CPP is a major source of income. The OAS was considered the women's pension for the longest time, because it is true that women worked in the home and did not have contributions to CPP. Those things—increasing the OAS, the greater availability of work, and increasing workplace pensions—will go a long way, and in fact in the past went a great deal of the way toward reducing poverty rates among all Canadian seniors.

At this point there are a number of issues, such as the cost of drugs, the cost of housing, and access to work after a certain age. A lot of people are having to go back to work after their children are grown or after they've lost jobs. In those cases, those jobs are denied them, mostly because of workplace age discrimination. There's a need to ensure that workplaces are discrimination-free. Even the availability of health coverage has to extend beyond certain given ages. All of those things will go a long way to removing all of the elements that contribute to poverty.

Housing is one of the major issues now, especially for single people. As you can imagine, if you are in a couple you can share the cost of one dwelling.

Access to seniors housing is limited. There has been promise of some several billions being available for seniors housing over the next several years, but right now people are facing that stress, so there's a need for housing assistance to help them with that.

Women still are making less than men in the workplace, so workplace equity rules have to be enforced, and there has to be significant improvement in working wages for women. The lack of workplace pensions in workplaces where women tend to work is a concern, but I don't see how that's going to change, since the number of private pensions is decreasing dramatically and there's no turnaround in sight. This is why it's so important that the CPP come to fruition as soon as possible.

The Chair: Thank you both.

Mr. Albas is next.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair

Thank you to all of our witnesses today for your testimony. It's very helpful.

I obviously don't have time for everyone, but hopefully I can be succinct, and our presenters in return, so we can get as many people in as possible.

I want to start with Ms. Cianfarani. It was a very excellent presentation today. I appreciate your views.

I met with the Navy League today, and they emphasized some of the very same points. One was that when you set a long-term program—for example, the national shipbuilding strategy—it builds certainty for businesses to invest in their companies because they know there will be work on a continuous basis. Would you agree with that?

Ms. Christyn Cianfarani: Yes, absolutely. It comes back to our comment that it's not just the initial acquisition phase; we happen to like to keep our equipment for 20, 30, or 40 years in this country, which means that every evolution of that equipment and the servicing of it over time means labour and a value to the Canadian economy.

● (1640)

Mr. Dan Albas: It's those kinds of points where the current government has a mandate to change things, but I really hope that they keep the programs that previous governments have put forward that really do work and that those decisions aren't made ideologically. I appreciate your presentation today.

I'm going to move on to Sport Matters and Canadian Parks and Recreation.

First of all, I do appreciate what you do. I hope the government does take a look at the 24% increase you've been asking for. I've met many of the athletes, and they are excellent representatives. It's part of investing in our brand and in our excellence. I'm going to go specifically to the Canadian Parks and Recreation Association.

I believe that in 2014 we made changes to the gas tax, which allowed municipalities.... By the way, we indexed that, we doubled it, we put it into legislation, and then we allowed municipalities to look after recreational infrastructure with it. That's ongoing sustained funding.

The problem I have with your suggestion is that by designating a particular fund, you're going to have some municipalities that jump on it, whether their finances are there or not. Some will apply and some won't. By using that method, you're going to see that some areas receive the money and some don't.

To me, the fairest way to do it is through a gas tax. Do you still think that putting it in a particular fund is the best way to fund this?

Ms. Cathy Jo Noble: Thanks for the question.

What I'm basing it on is that CPRA represents the directors of recreation and parks across Canada in the municipalities. One of the challenges with being within the gas tax fund, and why I say a dedicated fund is needed—and the government recently included this as a category in the new Building Canada fund—is that we're competing in the gas tax against 16 other categories of infrastructure.

All I can speak to is from the experience that my members speak about. When a municipality needs to choose between roads, water, sewers, a new track, a new trail, or a new pool, often they tell me that we were trumped by those other categories. That's why we're seeking the dedicated fund.

I know the practice has been to allow municipalities and communities to set their own priorities, but what we are looking for here is federal leadership on healthy Canadians and active Canadians. To do that, we do need that federal direction.

Mr. Dan Albas: I realize there's competing interest or what not.

To me, local decision-makers get to say, “This is our priority, and we're going to put money into it.” To me that's the fairest, because everyone gets it, versus some people apply and some don't. Then it's all over the country. However, I do take your points. Thank you very much for that.

I'm going to go right now to Miss Amirault.

Thank you very much for your submission. Stephen Gordon has done a wonderful job of illustrating how a lot of the money goes to families who probably don't need it and how focusing it more on people with low incomes so that they can get a quality education is important.

I wanted to talk to you about another area, and that is about what students need to know ahead of time before they go down a path of student loans and working toward a degree or toward a certificate of some sort. We need to give them better labour market information so that they know if they take courses at this particular area and they want to stay within the region, then here are some job opportunities.

Have you seen what BCIT does in British Columbia, where they have a site where students can find out what the labour market demands are for particular programs and people with those skills?

Ms. Jenna Amirault: I'm not personally familiar with that, but I do want to make a comment. It's good to inform students about the labour market, but I think what we really need to do is make sure that low-income students have access to education in the first place, which ensures that they can enter into the labour market.

Mr. Dan Albas: I think that's agreed here. I appreciate that.

The Chair: Sorry, Dan, that's it.

Mr. Sorbara is next.

Mr. Dan Albas: Thank you.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

Welcome, everyone. I have a few questions for a number of you, and I will try to make them short.

Mr. Lavoie, on manufacturing, the United States came out a couple of years ago with a national strategic plan for advanced manufacturing, done under the president, and then one of the economic councils. I'm a big advocate of that. I'm a big advocate of the Fraunhofer model, the German model, and its U.S. mimic. I want you to comment on that within the patent box, because manufacturing is about 9% to 11% of our economy, depending on which month the data come out.

Mr. Egan, on the Canadian Gas Association, that's an innovation story, in my view. I think Canada has a huge role to play in both the North American and global markets on gas, whether it's LNG or domestic production. Could you comment on the potential we have to displace diesel with natural gas, specifically in northern communities, and the role it can play in reducing our emissions, even though it does produce CO2 but at a lesser degree than other fuels?

● (1645)

The Chair: Go ahead, Mr. Egan and Mr. Lavoie, or whoever wants to start.

Mr. Tim Egan: On diesel replacement, in our submission we're clear on the opportunity that's represented. There are already examples of diesel replacement by gas utilities in various provinces. We cite three in our submission. I'd be happy to talk in more detail about those at some point.

The fact is that a diesel replacement strategy is fundamentally about replacing a reliable fuel and a reliable technology with another reliable fuel and reliable technology. We would argue that LNG offers both of those as a more affordable alternative. We are very interested in participating in the off-diesel strategy that the federal government is announcing, and several of our utilities are active in conversations about that.

On the opportunity for overall reduction of emissions that natural gas presents, we released a report commissioned by us from ICF Kaiser a few weeks ago. This report detailed specific emission reduction opportunities in our sector. We identified how we could reduce as much as 30% against our current baseline by 2030, highlighting specific areas where that could be done. We noted that our diesel replacement strategy in the north is one possibility, connecting communities is another, and natural gas for transportation is a third renewable option.

Mr. Francesco Sorbara: Let's switch it over to Martin now, so that I can ask another one.

Mr. Martin Lavoie: The last budget had $800 million for national clusters. We just submitted a brief to the Department of Innovation, Science and Economic Development for its innovation agenda consultations, in which we said that we would like these clusters to reflect the U.S. national advanced manufacturing initiatives you made reference to.

Mr. Francesco Sorbara: Mr. Littler, on the issues you raised—interchange, tariff reduction, and *de minimis*—I can tell you that a few years ago we increased the duty-free limits to $750, I believe, when Canadians leave. We were told that the sky was going to fall out, and it didn't fall out.

I'm a huge supporter of retail and a huge supporter of retail in my riding, the mom-and-pop shops. After reading a couple of the non-partisan reports, non-political reports that have come out from C.D. Howe and a few others on *de minimis*, there does seem to be an argument for raising it from, say, $20 to an $80 level, or from $20 to a $50 level. I want you to comment on that.

Before you do, though, I want to ask about the defence industry, though I have to admit that I am not an expert in defence or procurement. Could you briefly comment on the opportunity for recapitalization and a made-in-Canada strategy, without running amok to any WTO issues or anything like that?

I'd like to hear from Mr. Littler and then from Christyn.

Mr. Karl Littler: We have done some estimates on the value of shippable goods under $80. Obviously, it's constrained to some degree by price at the top, by bulk, by weight, and so on. There are some things that fit under that threshold that would not fall into it, and by our estimate $55 billion's worth of goods fall into that category. It is not a minor category. It includes the bulk of apparel and a significant amount of consumer electronics. These are pretty significant areas, and they're very hotly contested areas at the retail level.

The implications of being able to operate at a tax advantage of 12.3% on average across the country are potentially devastating in that sector.

It is not the same thing as crossing the border periodically. We are looking at a situation in which you have a tax incentive from the comfort of your living room for pushing a button, and a very significant number of Canadians will take that opportunity and will choose to buy the tax-free option. That is going to affect the members in your ridings, the stores in your ridings, the workers in your ridings. We don't know with certainty what the sensitivity to that will be, but understand that it's $55 billion's worth of goods at risk, so any significant contraction in that is going to have a real impact at the ground level in your communities.

● (1650)

The Chair: Thank you, Mr. Littler.

We'll come back to you, Christyn, following Mr. Liepert's questioning. I have a question to tie into what Francesco asked.

Go ahead, Ron.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thank you.

Welcome, everybody.

Mr. Egan, I am sure it's no surprise that as an Alberta representative I'm going to ask you a few questions about natural gas.

It seems as if somehow natural gas gets missed out in this whole discussion about the environment and carbon. It seems that the option that is always discussed is whether it is oil or highly expensive renewables. Gas is somewhere in the middle, and we don't seem to ever focus on that. It's the same thing with automobile manufacturing. It seems as if we've gone from trying to move from oil to electricity. We all know in Ontario what green electricity has done to the cost of electricity.

I recall that a few years ago in Alberta, Encana launched a fairly aggressive refuelling operation. It seems that hasn't gone anywhere. I'd just like your sense as to why that hasn't. Is there something that could be done to speed that up? We all know that tailpipe carbon is probably more excessive than just about any other carbon source. I would like you to comment on that.

Mr. Tim Egan: Sure. Thank you for the question.

Issue number one is transportation infrastructure. Building out new transportation infrastructure is expensive, no matter what. I think what happened with the opportunity for natural gas transportation infrastructure was that the reality of that cost came to bear on the market advocates. Then oil prices started to drop and the comparative advantage wasn't as evident.

Issue number two is that when you're building out any new transportation infrastructure, you need to think about it in a broader context. If we're going to build natural gas refuelling infrastructure, we need to think about the four or five potential uses of it. We should have a coordinated plan to address that, not just for heavy duty trucking, but its application for remote communities, its application for rail, its application for marine. You need to think about the strategic location of refuelling centres in order to address those aspects and reduce the cost per unit, thereby making the opportunity more economically viable.

I think if we were to proceed on that basis going forward, we would see much more pickup of the opportunity for natural gas for transportation.

Mr. Ron Liepert: Yes, I would certainly agree with you.

Mr. Lavoie, not much has been made over the past couple years of the repercussions of the downturn on the oil and gas industry in Alberta, and other provinces as well.

Have you done any research as to the impact on the manufacturing sector in other parts of the country relative to the downturn and on the scale-back of purchases for the oil industry?

Mr. Martin Lavoie: It's huge. We did a study. I can't remember exactly the numbers, but there were millions of dollars just in Ontario manufacturers selling to the oil sands in Alberta. I visit plants pretty much every two weeks in southern Ontario and the Windsor area. I can tell that a lot of these companies are just looking for other sectors now because they're running out of business. It had a huge impact on a lot of small and medium-sized enterprises.

Mr. Ron Liepert: Is there anything else picking up the slack?

Mr. Martin Lavoie: Not too much. We're back to a pre-recession level in terms of production. A lot of companies, either in aerospace or others, are just making it the way they were back in 2006 and 2007. We need a strong recovery from the United States. We need a strong recovery in Canada. It's just not there now, as we speak.

Mr. Ron Liepert: Is the dollar helping, or has it really not been that much of a factor?

Mr. Martin Lavoie: We were hoping it would have a bigger effect. It doesn't have the effect that it used to have before.

Mr. Ron Liepert: Okay.

The Chair: Thank you.

Thank you, Ron.

Ms. Cianfarani, in addition to—

Voices: Oh, oh!

The Chair: They're laughing at how I pronounce your name

● (1655)

Ms. Christyn Cianfarani: It was very close.

The Chair: That's right. They always do.

In any event, in addition to the questions that Mr. Sorbara asked, you did say in your brief that a defence industrial policy doesn't necessarily require additional funding or even new programming. It does require the government to set goals and priorities for defence sector growth in areas of key industrial capabilities.

Could you expand on that a little more? I think it ties in with what Francesco asked as well. Where do you suggest the federal government should be going?

Ms. Christyn Cianfarani: The simplest way of characterizing the industrial policy is that we're challenged as a nation to send signals to other nations, in particular in terms of our allies, about what we care about in this country and what we want to develop and, to use a term that gets everyone highly agitated, what we want to protect as a strategic asset, a technological asset for the country.

Our failure to signal those priorities means that effectively other countries do that for us. They decide what they'd like to keep and what they'd like to sell us, and we are the fair traders for the rest of the world in terms of defence, which is largely not subject to international trade agreements.

A crazy example that can put it into context for many people in this room is that over the last few years we bought a whole bunch of different American airplanes—C-130s, CH-47s, C-17 Globemasters—that the Canadian Armed Forces needed, but if we'd had a strategy going into it and had said to the Americans that in exchange for purchasing billions of dollars worth of their platforms we wanted to make sure they would buy certain technologies from Canada, this might have been to our great economic benefit.

That's the kind of thing we're talking about when we say we need to be signalling to the rest of the world where our strategic priorities are in terms of the nation.

Another example is that the Prime Minister was visited by France this past week. If I were a betting woman, I'd put money that the French were talking about the Canadian Surface Combatant and their desire to provide a warship design for that Canadian Surface Combatant, which, by the way, represents about $64 billion's worth of spend over the next 15 to 20 years. That is major capital and major investment that can be transformed into valuable jobs for Canadians if we incentivize those foreign primes to look deeper into the Canadian value chain and pick up companies and bring them into that platform design.

Those are a few examples of what an industrial strategy would do. In terms of the actual opportunity, as I said, it is an opportunity of a generation. We haven't had a recapitalization spend of this size in this country in the last 40 years. It's approximately $200 billion. It's bigger than your infrastructure spend, so it's substantial. In just the future fighter aircraft and the Canadian Surface Combatant, for which a RFP is about to be released, we're talking about over half of that expenditure in two programs alone. This could provide tremendous opportunities to drive Canadians into global supply chains and to set apart specific Canadian technologies that we want to have in this country for the long term and that perhaps exist already.

Finally, in terms of the specific Canadian capabilities, we've been participating with ISED in a study on key industrial capabilities in Canada, which I believe is actually circulating with parliamentarians and with upper levels of the public service right now. I would call members' attention to that study, because I do believe it heavily isolates many capabilities we have currently and capabilities we may want in this country.

The Chair: Mr. MacKinnon, you have time for one question.

Mr. Steven MacKinnon (Gatineau, Lib.): One question?

The Chair: One or two.

[*Translation*]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

The decisions this committee and the Minister of Finance will be making will be a big step. We have here a seniors' representative, as well as representatives from sectors like defence, oil pipelines, manufacturers, infrastructures, retail, and also students. I think this is a very representative group of witnesses.

My question is for Mr. Lavoie.

The government is going to have to make important decisions on innovation in the next budget, and perhaps in the next few weeks. You recommend a whole series of measures that are largely fiscal in nature.

Have you costed these out?

● (1700)

Mr. Martin Lavoie: We have calculated the cost of some of them.

Some of these measures recommend that some amounts previous governments had eliminated be reinvested. This is the case for the R and D tax credit, which had been cut by several hundred million dollars. As for the machinery and equipment tax credit, we think that should be set at around $200 million per year. We suggest that the green investment fund it be set at about $100 million. Our suggestion is based on the Ontario Green Investment Fund, which is of $25 million at this time. So we are talking about $80 million to $100 million, approximately.

Mr. Steven MacKinnon: You would like to see a review process for the scientific research and experimental development program.

Mr. Martin Lavoie: Yes.

Mr. Steven MacKinnon: And what would the guidelines be for such a review?

Mr. Martin Lavoie: I don't think there should be any. The last review of that tax credit was done by a panel of experts chaired by Tom Jenkins, in 2011. I appreciate the work that was done, but it certainly did not have unanimous support.

In my opinion, it should not be up to three or four people to review the largest R and D federal investment program, worth more than $3 billion a year. It is the work of parliamentarians.

The tax credit is framed by an act and it goes back several decades. It should be subject to a legislative review every five or ten years. That would seem logical to me.

Mr. Steven MacKinnon: Thank you.

My question is for Ms. Amirault.

Thank you, Ms. Amirault, for being here today. Ms. Cianfarani described herself as a betting woman. If I had to bet, I would bet that the Minister of Finance will not be granting us an additional $7-billion transfer payment for education.

Keeping in mind that we want to make post-secondary education more accessible to Canadians, besides making higher education free, would you have any recommendations to make to the committee?

[*English*]

Ms. Jenna Amirault: We are advocating for free education. I think that is our priority now. In the past we have advocated for reduced fees. We have not been successful with that. The time is dire; students are not only unable to attend post-secondary education, but they're also having trouble in the job market afterwards. We don't want another solution. We want free education, and we want it now.

The Chair: Thank you. We will have to cut it there. Sorry, Mr. MacKinnon.

I would like to thank the witnesses.

As always, we run out of time, especially when we have a lot of panellists. Thank you for your presentations and also to those who previously sent in briefs.

We will suspend for 10 minutes so the next panel can come forward.

● (1700)

(Pause)

● (1710)

The Vice-Chair (Mr. Ron Liepert): Okay, folks, please take your seats. That goes for committee members as well. Put away your telephones, and we'll get going.

Welcome, everyone. As we outlined at the beginning of these sessions, these are our pre-budget consultations. We have eight presenters this afternoon for our final session, so we will try to be as brief as possible. We've asked you to keep your presentations to five minutes, and we may have to hold you to that, or very close to it.

Also, we like to let everyone know that all of the submissions are on our iPads, so if members of the committee are busy looking at their iPads, they're not checking the baseball scores but looking at submissions.

We will start with Ms. Freeland.

Professor Erin Freeland (Dean of Land Based Academics, Research and Innovation, Dechinta Bush University): Good evening, everybody. My name is Dr. Erin Freeland Ballantyne. I'm from Yellowknife, Northwest Territories, and today is my 35th birthday. There's no place I'd rather spend it than with all of you talking about how we spend well for the future of our country.

I'm a mom of three. I'm a born and raised northerner, and I'm the dean of land-based education at Dechinta. We're a land-based university, rooted in indigenous knowledge and values. I'm going to take our five minutes to share with you how we think Canada can make impact investments that can result in closing the education gap while growing an indigenous innovation and knowledge economy in the north.

Canada is the only circumpolar country that does not have a circumpolar university, and while we're all very aware at this point—

The Vice-Chair (Mr. Ron Liepert): Excuse me; could I just have you slow down a little bit? Our interpreters are having difficulty.

Prof. Erin Freeland: I'm sorry.

The Vice-Chair (Mr. Ron Liepert): Thank you.

[*Translation*]

Prof. Erin Freeland: I apologize to the interpreters.

[*English*]

We're all aware of the impacts of residential schools, but across the north, including in my home territory, in most of our communities our high school students have to leave to attend high school or get post-secondary education. This means travelling anywhere between 3,000 o to 10,000 kilometres to go and stay in a residence at a different kind of residential school. When most of our kids leave, if they do, they drop out. Most don't finish, and many never come home. Every year, more and more of our youth are coming home in caskets.

We know that we need systems changed in Canada if we're to meet any of the TRC recommendations, let alone all of them. We need to close the education gap, but this does not mean funding more of what's not working. It means redesigning the education system to meet the needs of the students it serves, and this is a national responsibility.

Seven years ago, we started with a design-build for a land-based education program that was rooted in indigenous knowledge and values. We now have a full major and minor program accredited by McGill, UBC, and U of A, and we designed it to remove the barriers to post-secondary education.

The number one barrier to post-secondary success, especially for indigenous women, was a lack of affordable child care, so there's a preschool-grade 12 outdoor school where kids learn with elders, and often parents get to hang out with their kids during the day and do activities together.

How does this relate to finance? We now have seven years of data, over 300 program completions, and zero dropouts. This has been an excellent return on investment for all of our public and private partners. The majority of our students would be deemed higher risk and not granted entrance into regular university, but 100% of them are either working or continuing on in post-secondary; 49% of our students have pursued further post-secondary education, 57% are employed, and 90% of those are in the NWT labour force.

Our fundamental job as a country is to ensure that every single citizen has the opportunity to maximize their potential. This means that people need choice. Across the north right now, especially in indigenous communities, our youth do not have choice about what kind of job they want or what kind of career they want.

Closing the education gap is critical, because we're missing innovation and brainpower that will make our country stronger, but it doesn't mean just putting more funding into the current system. We need creative financial mechanisms and social impact investing and social finance so we can collaborate with public and private partners to make an education system that reflects the strengths that our communities have, not just our weaknesses.

We are asking the federal government for $5 million a year so we can scale Dechinta programs to meet current student needs. We currently get three to four times as many indigenous youth applying to attend post-secondary as there's funding for. With $5 million a year, we could create 158 new jobs in the N.W.T., but 156 of these jobs would be for cultural teachers, language holders, and elders, people who generally fall outside of the labour market. Instead of trying to train people for jobs in the historically unstable resource extraction economy, we're leveraging the skills that we have in our community to support mental health, wellness, and cultural strengths for indigenous youth.

When we see elders and older adults, many of whom who haven't worked in a long time, working with youth, we see the survivors of residential schools in meaningful employment, where they're proud and training a new generation.

These outcomes are really hard to turn into metrics, but through long-term tracking, we know that our students and our faculty and our elders are healthier, visit doctors and hospitals less, are not returning to jail or unemployment, and are not accessing social services, but they are becoming community leaders.

We know that university degrees are directly tied to GDP growth, poverty alleviation, and a rise in real income. Between May of 2008 and 2014, twice as many new jobs were created for university graduates than for college graduates, and by 2030, 80% of all jobs in the Northwest Territories will require a university degree. However, only 4% of our young people have one. When indigenous women have degrees, unemployment drops to 1.9%, compared to 14% for those without a degree. They earn 50% more over their lifetimes, and children rise out of poverty.

What we're looking for in this government is leadership for creative finance, not just to fund programs in the short term but to make impact investments in closing the gap in education using evidence-based best practices in education innovation so that our country can be the lead when it comes to indigenous education. Then we can build on the strengths we have in our communities to educate our future.

We're urging you to take a good look at the business proposal that the federal government has in front of them and to ask questions of us so you can make great decisions about where we're spending our money for the future.

Mahsi cho.

● (1715)

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

Mr. Phelps is next.

Mr. Fred Phelps (Executive Director, Canadian Association of Social Workers): Good evening.

On behalf of the board, federation partners, and our president, Jan Christianson-Wood, it is my privilege to have the opportunity tonight to share with this committee the priorities and hopes of the social work profession for Budget 2017 and beyond.

The Canadian Association of Social Workers was deeply encouraged by the 2016 budget focus on indigenous people, seniors, and children. Our submission today urges the Government of Canada to continue making accountable investments in building a stronger and more equitable Canada.

Accountable health and social investments have been a central focus of advocacy for CASW in recent years. We support the Government of Canada in now seeking greater accountability for future investments in health, and we urge that this same accountability be expected when it comes to social investments.

That is why CASW continues to advocate for the adoption of our proposed social care act—national legislation that, if adopted by government, would set a framework of principles to guide the Canada social transfer and other needed investments.

It is now undeniable that the investments in the social determinants of health have the greatest impact on the health of Canadians, and in turn on the nation's health care costs.

Demanding accountability for federal social investments is not unreasonable: it is responsible government that charts a course for developing, implementing, and evaluating shared performance indicators and outcomes across Canada.

This would in turn support the promise and delivery of a national poverty reduction strategy with the potential of realizing the reduction in the financial burden of primary health care sought by each province and territory.

Budget 2016 enhanced the guaranteed income supplement, which, combined with old age security, moves forward a basic income for seniors. CASW welcomed the enhancement of the GIS as well as the redirecting of the Canada child tax benefit to maximize support for low-income families and their children.

We encourage the federal government to continue progressively moving forward with a targeted affordable basic income for both these highly vulnerable and marginalized populations.

Basic income has the potential to become Canada's next great public policy legacy.

Supporting the social determinants of health through a basic income is vital, but housing is also integral to creating a Canada that is not only compassionate but cost-effective. Research has proven that when people do not have access to a stable income or housing, they are much more likely to experience health challenges. Indeed, the experience of emergency room and front-line social workers is that people without access to secure housing often fall victim to the revolving door of acute care.

With the knowledge that one acute care bed costs the health care system about $1,100 per day, the time is now to comprehensively address the basic supports required for all people to live in Canada with dignity and health.

As a proud member of the Canadian Housing and Renewal Association, CASW agrees that Canada needs a national housing strategy with a robust implementation plan, coordinated among provinces, territories, municipalities, and indigenous governments to ensure effectiveness and accountability. Again, a social care act could be a key piece in the development of accountability for such an initiative.

Another priority for social workers is addressing access to mental health services across Canada.

As an active member of the Canadian Alliance on Mental Illness and Mental Health, we have helped develop and fully support the coalition's recommendations found in Mental Health Now!, calling for increasing mental health spending from 7% to 9% of total public health spending. Increasing the federal share to 25% would translate into an increased annual federal investment of $777.5 million.

While such dollars could flow to the provinces and territories via the Canada health and social transfer, we strongly recommend that the funds be earmarked through a mental health transfer or a dedicated envelope to maximize accountability.

Further, CASW supports the Mental Health Now! recommendations that the federal government establish a five-year $100-million mental health innovation fund, a targeted and time-limited fund to spread innovation and lead sustainable change in addressing the mental health needs of all Canadians.

Finally, CASW shares the expressed concerns of the First Nations Child & Family Caring Society of Canada that over half the dollars earmarked in Budget 2016 for children on reserve will not be spent until the final year of this government's mandate or after the next election. CASW urges that this government live up to its promise of ending the long history of discrimination against first nations children and take immediate action to bring equity of services to all Canadians both on- and off-reserve.

Thank you, and I'll be happy to address any questions this committee may have.

● (1720)

The Chair: Thank you very much, Fred.

Turning to the Canadian Energy Pipeline Association, we have Mr. Bloomer.

Mr. Chris Bloomer (President and Chief Executive Officer, Canadian Energy Pipeline Association): Thank you very much, Mr. Chairman. It's a pleasure to be here with this committee on behalf of the Canadian Energy Pipeline Association to present some short thoughts here.

As a reminder, CEPA represents the 12 major transmission pipeline companies across Canada, which operate 119,000 kilometres of pipeline infrastructure that move about 1.2 billion barrels of oil every year and about 5.4 trillion cubic feet of natural gas every year. The industry, over the next five years, has the potential to invest about $50 billion in pipeline projects. That's $50 billion that would come from the private sector. Existing operations in 2015 alone added $11.5 billion in GDP, 34,000 full-time-equivalent jobs, and $2.9 billion in labour income.

To enable the development of this critical infrastructure going forward, to provide investors and lenders the confidence they need, and because of the wealth that it can generate, we ask the Government of Canada, in its 2017 budget, to make a clear and bold statement about the importance of pipelines and the resource sector's contribution to Canadian employment, government revenues, and business investment. No single document is more carefully scrutinized by the economists in the investment community than the budget, and a strong message from the government would be most welcome.

Another essential component of mobilizing this investment is building public confidence in the regulatory process. This means that we must ensure that Canada has an effective and efficient process predicated on science, meaningful consultation, deep regard for the environment, and action on climate change. No federal process will be more significant in achieving this than the Government of Canada's regulatory review, which aims to continue to bring about confidence in the responsible development of Canadian resources.

CEPA supports and will be a full participant in this process. You've heard the rhetoric about why we may not need pipelines and new pipeline capacity; however, transmission pipelines are the safest way to move our natural gas and oil resources to market and have a 99.99% safety record. They are critical to the Canadian economy and to the future energy mix, domestically and across the globe.

Even as we enter a period of energy transition, there are three key points that are missing from the current debate around pipelines that I would like to stress.

First, global energy demand is going to increase, and Canadian oil and gas products have the potential to play an important role in that energy portfolio and to have an impact on global energy poverty.

Second, oil and gas production and exploration, especially exportation to new markets, contributes significantly to the Canadian economy and the capacity to fund social and infrastructure projects.

Finally, sufficient pipeline capacity is critically needed to ensure Canadians get the full value for their natural resources. We agree with the government that Canadians need to have confidence in the regulatory process that governs how pipelines are built and operated. These are shared goals of government, industry, and Canadians at large. What we cannot afford, however, is to miss the market opportunity and the economic benefits the industry brings. To do so would be a detriment to all Canadians.

Thank you once again for the opportunity to give a presentation as a supplement to our formal submission. I look forward to your questions.

● (1725)

The Chair: Thank you very much, Mr. Bloomer. We do have the other submission on our iPads.

Next we have Mr. Saillant with the Front d'action populaire en réaménagement urbain. I believe the English translation is, “action group on urban redevelopment”.

[*Translation*]

Mr. François Saillant (Coordinator, Front d'action populaire en réaménagement urbain): Good afternoon. I am here on behalf of the Front d'action populaire en réaménagement urbain, the FRAPRU. It is a provincial organization made up of 160 groups that advocate for housing rights and fight against poverty.

As you know, in Canada and in Quebec, an alarming number of people and families are experiencing serious problems due to poverty and the lack of housing. I won't overload you with statistics, but I will present a few to substantiate what I am saying.

There are more than 700,074 tenant households in Canada who use more than 50% of their income to pay for housing, whereas 30% is the generally agreed upon norm. They are mostly women. Of this group, close to 383,000 tenant households use more than 80% of their income for housing, which of course leaves virtually nothing for other essential needs.

A recent report indicated that about 235,000 people are homeless at some point or other during the year. To this picture must be added the problems of indigenous communities, both in the North — Inuit communities — and those of first nations. I am thinking in particular of overcrowding and the poor quality of dwellings.

I should also mention persons with disabilities, who have particular problems. All of these people and families are to varying degrees experiencing issues of survival and exclusion. This means that their fundamental rights are trampled, and they are unable to contribute fully to the economy and to Canadian society.

In our opinion, the Government of Canada can and must intervene in the next budget to improve the living and housing conditions of these households by announcing, without delay, its national housing strategy; by ensuring, as recommended by the UN Committee on Economic, Social and Cultural Rights, that that strategy takes human rights into account and is informed by them; and finally, by allocating major investments to this sector. Such investments would at the same time contribute to revitalizing the communities in which persons or families who do not have adequate housing or are homeless live, and there would be considerable positive economic spinoffs.

According to Quebec Housing Corporation calculations, based on its own experience with its social housing program entitled “AccèsLogis”, every subsidy dollar granted by the government generates $2.30 in the economy. These are investments that have impacts.

I will now list our more concrete proposals.

We would like to see an additional long-term investment of at least $2 billion per year in housing, allocated specifically to social housing.

It is noteworthy that the current budget of the Canada Mortgage and Housing Corporation — aside from three exceptions due to particular circumstances — has not been indexed since 1993. It has remained at $2 billion. We feel it needs $2 billion more and that those funds need to be injected directly into social housing.

First, it is important that the investments the government has promised not be dispersed on all sorts of initiatives that do not meet the real needs. We must focus on the only way of financing truly affordable and sustainable housing, which is social housing, public or cooperative housing, or housing managed by non-profit organizations.

Second, the government must immediately renew subsidies for the entire social housing sector at the conclusion of the current funding agreements. This is very important, as financial access to this housing depends on it. We have built this collective legacy, but it may not serve the people who need it most if those subsidies are allowed to expire. Things are moving very, very quickly. In 2015 alone, 22,600 social housing units in Canada lost their subsidy.

This was recognized in the last federal budget, which allocated $30 million over two years to help cooperatives and non-profit organizations to maintain the financial aid they provide to low-income households. That is a first step, but it is temporary, a two-year measure, and only affects a very small part of the social housing stock. Although the provinces are always looking for federal funding, the entire provincial social housing stock, for instance, is not covered by this announcement.

Thirdly, we need massive and recurring investments in the construction and renovation of housing in first nations and Inuit communities, including that of Nunavik, where there have been no investments for a number of years; the people concerned should participate, both in the design and building of these homes.

● (1730)

Finally, as recently recommended by the Big City Mayors' Caucus, overall investments in the Homelessness Partnering Strategy, known as the HPS, should be doubled until 2025 to bring them up to $350 million per year, while respecting the variety of approaches necessary for both prevention and the fight against homelessness.

Thank you, and I remain available to answer questions.

[*English*]

The Chair: Thank you very much.

From the Rick Hansen Institute, we have Mr. Barrable, and from the Rick Hansen Foundation, Mr. Brohman.

You're together, I believe. Go ahead.

Mr. Bill Barrable (Chief Executive Officer, Rick Hansen Institute): Yes, I think we're consecutive.

I'm Bill Barrable, the CEO of the Rick Hansen Institute. Thank you very much for the opportunity to speak to you today.

The Rick Hansen Institute operates independently of the Rick Hansen Foundation. Brad will be speaking to their plans subsequent to mine.

Both organizations were founded by Rick Hansen, but they have distinctly different mandates. We are very supportive of the foundation's complementary mission.

The Rick Hansen Institute is a transformational network for scientific research and implementation of improved health care treatments unique in the world. Our focus is spinal cord injury, but our innovative model can be applied to a wide range of other health conditions.

There are 86,000 Canadians who live with spinal cord injuries. The annual economic burden exceeds $2.7 billion in health care costs and lost productivity. This will only increase with the aging of the population.

Permanent paralysis is the most visible outcome of spinal cord injury, but individuals with SCI, spinal cord injury, also experience a wide range of potentially life-threatening health complications for the remainder of their lives. Every year, one in four Canadians with SCI is hospitalized for an average of 23 days due to health complications that were often preventable.

The average cost of a single readmission to hospital exceeds $20,000. For example, one of these complications is a pressure ulcer, or non-healing wound, which is the number one most costly preventable medical error in the health care system. Ongoing health complications make it extremely difficult for individuals to maintain employment.

It is now well recognized in all fields of medical research that only 14% of health-related scientific discoveries are ever implemented into health care practice. Even this very modest accomplishment, for those 14%, takes an average of 17 years. This inability to efficiently and effectively implement health care innovation negatively impacts health outcomes and drastically limits the economic benefits from the life sciences sector.

What makes the Rick Hansen Institute unique is that we have created a model to bridge that 17-year gap between health care innovation and implementation. We are accelerating the development and implementation of scientific discoveries, innovations, and best health care practices, resulting in measurably improved health outcomes, reduced health costs, more innovations brought to market, and economic growth in our life sciences sector.

Due to the success of our model, we have been approached by start-up companies in the life sciences sector across Canada—and, I should add, from outside Canada as well—to assist them with proof of concept and commercialization of Canadian technologies. Our institute has invested in research in clinical trials that have led to commercialization of successful health care products nationally.

Our network includes 31 acute and rehabilitation hospitals throughout Canada, as well as hospitals in China, Australia, New Zealand, the United States, and Israel. In August, New Zealand adopted our research infrastructure as its national platform. In addition, we have been working to implement spinal cord injury acute and rehab standards with our partners at Peking University Third Hospital in Beijing. This is the pre-eminent trauma hospital in China. We have research collaborations in more than 25 countries worldwide.

The institute has had the generous support of the Government of Canada since its inception in 2009. We are currently requesting renewal funding of $48.5 million over five years to focus on the goals that are critical to our mission.

These include continuing to expand our national and international network of researchers, health care professionals, individuals with spinal cord injury, innovators, investors, and policy-makers; supporting the development of promising therapies for repair of the spinal cord and prevention of treatment of secondary health complications, resulting in better outcomes and hundreds of millions of dollars in savings to the Canadian health care system; working in partnership with Accreditation Canada to standardize care in hospitals across the country to ensure Canadians with spinal cord injuries receive the best care possible, no matter where in the country they live; and supporting the commercialization of innovations that directly benefit people with SCI and contribute to economic growth in Canada.

The Rick Hansen Institute is committed to demonstrating value and return on that investment. The institute applies significant leverage to the funds entrusted to us by the Government of Canada, securing diversified revenues to ensure long-term sustainability and impact.

Thank you very much for your interest in the Rick Hansen Institute. I would be happy to address any questions.

● (1735)

The Chair: Thank you.

Mr. Brohman is next.

Mr. Brad Brohman (Vice-President, Strategic Partnerships, Rick Hansen Foundation): Thank you. My name is Brad Brohman, and I work with the Rick Hansen Foundation.

For 30 years, the Rick Hansen Foundation and many others have been dedicated to raising awareness, changing attitudes, and breaking down barriers for people living with disabilities. We're grateful that the Government of Canada has been a generous supporter of our journey and mission.

To date, by leveraging the donations from the Man in Motion world tour, along with government and corporate support, over $325 million has been generated to support initiatives that promote awareness, improve accessibility, and facilitate spinal cord research through national and global partnerships. This work is now largely administered through the Rick Hansen Institute, which is independent from the foundation, with separate governance structures and missions. That said, we fully support their attendance here today. Their work is critical in supporting quality of life for all Canadians with spinal cord injuries and continues to position Canada as a leader in the world.

I'll go back to the mission of Rick Hansen and the foundation. A lot has been done, but so much more is needed to make Canada truly accessible and inclusive. According to StatsCan, approximately one in seven Canadians aged 15 or older reported having a disability that limited them in their daily activities, and with aging baby boomers that number is expected to rise to one in five within 20 years. As well, there are over 400,000 working-age Canadians with disabilities who are not working but whose disability does not prevent them from doing so.

How will we unleash the social and economic power of all people with disabilities, along with their extended families and communities?

One, increase awareness that disability and accessibility are big issues.

Two, work to change attitudes about the potential of people with disabilities.

Three, remove those barriers that prevent people with disabilities from fully participating in society, beginning with accessibility of the built environment, which is the places and spaces where we live, work, and play.

Finally, we need to measure progress and celebrate success along the way.

The funding proposal will drive Rick's vision, while clearly complementing the Government of Canada's stated objectives to build a more inclusive society, including supporting the efforts of Minister Qualtrough as she embarks on the development of accessibility legislation.

However, we know the Government of Canada can't do it alone. Minister Qualtrough talks about the need for complementary initiatives to raise awareness about the importance of removing barriers and seeing accessibility differently, not simply checking boxes but as an integral part of everything we do. That's exactly the right orientation.

Minister Sohi talks about applying a social inclusion lens to infrastructure investments and that the time to act is now, and we couldn't agree more. With phase two of the infrastructure plan, we have a once-in-a-generation opportunity to build an accessible Canada in which no one is left behind. For three decades, the foundation has been a trusted and effective partner with the Government of Canada, delivering tangible results, and we're well positioned to continue being a catalyst for social innovation and change.

Here are our recommendations and solutions.

Overall, we recommend that the government fund the Rick Hansen accessibility innovation strategy, a $37.6-million, five-year multi-initiative plan that will work in partnership with provinces, municipalities, the community of people with disabilities, and the business community to accelerate the shift to a fully accessible society. We ask that 10% of the overall infrastructure fund be set aside to help finance innovation, accessibility, and inclusivity in the design of the built environment. We ask for support to launch our accessibility program, anchored by a LEED-style certification program designed to rate the accessibility of the built environment and promote and recognize adoption of inclusive design principles.

We ask that the government use the Rick Hansen certification program to determine eligibility of projects seeking funding under the infrastructure fund set-aside that I just previously mentioned. Overall, our goal is that the Rick Hansen certification program will be self-financing within the five-year window of this strategy, and it has the potential to become globally relevant, portable, and scalable as a made-in-Canada solution.

Finally, we're looking for support to activate or expand several awareness-driven initiatives, starting with our Canada 150 signature event—which will coincide with the 30th anniversary of the Rick Hansen Man in Motion world tour—and extending into the reinvigoration of National Access Awareness Week and expansion of programs within the foundation.

● (1740)

All these initiatives are intended to inspire—

The Chair: We need you to wrap it up, Mr. Brohman.

Mr. Brad Brohman: —and engage communities and youth and be a national call to action to build, measure, and celebrate an accessible Canada.

This is the moment for Prime Minister Trudeau and the Government of Canada to join Rick Hansen and the foundation in aiming for a large goal that the world will notice: to make every building in Canada accessible by 2050.

Thank you.

The Chair: Thank you.

We turn to Veterans Canada and Mr. Bruyea.

Mr. Sean Bruyea (Captain (Retired), Special Advisor, Veterans Canada): Thank you, Chair, and members of the committee.

Veterans Canada is Canada's largest dedicated veterans' organization, with over 8,000 members. It uses innovative software to shrink the vast geography of Canada so that veterans can come together in a virtual real-time community. However, such innovation is lost on Veterans Affairs Canada.

The department tenaciously clings to its version of stakeholders, individuals, or organizations whose members have little or no stake in VAC programs or will not meaningfully or publicly question a policy path that has been so damaging to veterans and their families over the past decade under the new Veterans Charter. Advisory groups operating clandestinely, while imposing *fait accompli* recommendations upon the veteran community, do not meet any standard of openness and transparency.

How do we get this right and fix the problems fuelling the unabated cry for help from veterans and their families? Parliament and Canadians endlessly profess that we owe our veterans a debt. It goes without saying that delaying Minister Hehr's mandate letter promises is a moral forfeiture of this debt. Of the 23 or so specific promises, only two have been fully implemented, and another partially. The promises are not enough.

The mandate letter requires the minister to be open to other priorities as they arise, but first and foremost to ensure a seamless transition of those releasing from the Canadian Forces. Seamless transitions require government and Canadians to make a tangible, innovative rehabilitation and re-establishment investment in our veterans and their families. Canada can lead the world in veteran rehabilitation. Mostly unemployed but not expendable, our most disabled veterans want a new-found sense of belonging and to make a contribution to Canada and Canadians. Let us help them do that through assertive community treatment, supported employment, and gradual work re-entry programs.

Neither should the most severely disabled and their families be relegated to the lowest income levels of a private, nor should they have their potential for income earning and productivity frozen for the rest of their lives. Canada must not accept this humiliating lifelong incarceration of veterans' potential. Meanwhile, the new Veterans Charter is a disincentive to work. It suppresses productivity and does little to encourage community belonging. If the most disabled veterans attempt to work, they will lose their earnings dollar for dollar through deduction to their income-loss program.

Furthermore, Veterans Affairs will not support educational upgrading for the most disabled, even though such lifelong self-improvement has been shown to enhance health outcomes and longevity and to reduce access to costly provincial health care programs, as well as other treatment programming.

These are not extraordinary requests. CPP disability allows recipients to earn up to $5,400 without deduction or declaration. The disability and rehabilitation plan that covers parliamentarians and other public servants allows recipients to work part time, pay into their pension, and not have any income offset up to 100% of previous full-time salary. Disabled veterans deserve to either continue paying into their retirement pension up until age 60, if necessary, whereupon they can collect a full pension, or have their income-loss program continue for life.

We do not have a universal post-secondary education plan for our veterans, even though just 17% of our regular force veteran population has a university degree and 43% only have high school equivalency.

Government professes the importance of family to serving and retired CF members, yet after more than 20 years of public appeals, government can't even give family members their own identification card, let alone a picture identification card to veterans. We have to wait another two years for a pilot project to end, in order for government to realize that all veterans' family members, not just those of recent release, need access to DND's grossly underfunded military families resource centres, an unsupportable situation in spite of the unprecedented appointment of a minister of veterans affairs as assistant deputy minister of national defence.

We invest hundreds of thousands of dollars, and even millions, to indoctrinate and train citizens to become a military member, but there has never been a single dollar put into a program to de-indoctrinate military members from the often harmful counter-productive effects of military culture.

The World War II Liberal government created what is widely considered the most successful and comprehensive rehabilitation and re-establishment program in the world. For the one million returning veterans, this was a true veterans' charter.

● (1745)

It was put together through truly comprehensive consultation. It was not constructed only by those who had a stake in the outcome, but involved the best expertise in rehabilitation, business, education, disability, and other fields. It is time for this government's promise of change to bring Veterans Affairs into the 21st century. Only then will we begin to repay the veterans in some more meaningful way than rhetoric, so that veterans can prosper alongside the Canadians whom they defend.

Thank you.

The Chair: Thank you, Mr. Bruyea. You have attached 15 recommendations, I think, to your submission, which the committee has.

Mr. Sean Bruyea: That's correct.

The Chair: Next is Equitas Disabled Soldiers Funding Society. Mr. Scott is president and Mr. McKenna is a veterans council representative.

Welcome.

Mr. Jim Scott (President, Equitas Disabled Soldiers Funding Society): Well, thank you for letting us speak tonight.

My name is Jim Scott, and I am the president of the Equitas Disabled Soldiers Funding Society, referred to as Equitas, which is a non-partisan organization supporting a lawsuit going through the Supreme Court of British Columbia by returning veterans of the Afghan war who claim that they have disproportionately low benefits under the new Veterans Charter compared to those under the Pension Act or their counterparts in the province under the workers compensation program.

The main issue is a true disability pension for soldiers with claims under the new Veterans Charter.

Over a lifetime, disabled soldiers are financially disadvantaged when you compare them to those served by the previous Pension Act or their counterparts with provincial claims. To make this determination, we have looked at approximately 200 files provided to the law firm of Miller Thomson, which works on this case pro bono. We see their actual benefits, not the benefits that are promised often to committees by Veterans Affairs Canada, and we see that many of these veterans are denied the benefits that are promised to politicians from Veterans Affairs Canada.

Now, to go back in time into these halls here, disability pensions in Canada started in 1914 provincially. By 1919 they were extended to the military. Disability pensions ensure income. They are not taxable, they are not subject to clawback, and they equal the gap between what individuals would have made if they were healthy and what they are going to make with their disability. This had been a Canadian tradition for 100 years, up until 2006. In return, the Canadian worker and the military are not allowed to sue for greater benefits, so soldiers are not allowed to sue under the Crown Liability and Proceedings Act. That has been a tradition of Canada for 100 years; however, that tradition has changed, or an attempt has been made to change it.

The main difference between the provincial programs and the federal programs is that the provincial programs are funded. The federal program isn't, and that's why I'm here asking for money.

There is no program to pay for the disabled soldiers when they return from Afghanistan, because we don't have a fund. It comes out of a budget. Therefore, there's tremendous pressure on Veterans Affairs Canada to trim, to deny, to reduce the amount of money in each budget, and they do a good job.

The position is that there is no pension and that we have to reduce the cost, but Canadians do not agree. In fact, great promises were made during the last election to restore pensions. The problem for the new government is the cost. It's also the fact that a lot of these pensions are based on post-traumatic stress, which many people don't believe is real. There's also a need to keep civil servants working in Charlottetown, administering complex programs instead of a one-off pension that needs little administration. There's a mistaken belief that if you give young 20-year-olds a bunch of money, you're helping them. This has proven not to be correct.

Given that the new veterans benefits are not the same as a true disability, the soldiers took the Government of Canada to court. The power of the government was backed by specific legislations saying they can't sue.

The courts saw a different version. They awarded for the soldiers, saying that things have changed so much that they have a case that can be argued. What they said is that this action is about promises that the Canadian government made to men and women injured in service to their country, and about whether it is obligated to fill those promises.

Immediately, the Canadian government appealed that decision, stating that the Canadian government has no duty of care to soldiers. There is about to be a ruling, but as a signal to where that ruling may go, recently the appellate court has allowed new evidence to be entered into its decision. That new evidence is the promises, made during the last election, of pensions for all disabled soldiers. We expect this appellate court ruling within weeks.

● (1750)

In closing, disabled soldiers and men and women injured serving their country should have pensions by tradition. It's a fundamental value. I'm asking this committee to restore the funding that's required to restore that value to our armed forces. If we need cost savings, let's look at how we're administering our programs and the billions of dollars of administration costs. We cannot have cost savings at the expense of actual pensions.

Thank you.

● (1755)

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

We'll turn to the Heart and Stroke Foundation of Canada and Mr. Arango.

Did you have anything to add, Brian?

Mr. Brian McKenna (Veterans Council Representative, Equitas Disabled Soldiers Funding Society): Yes.

The Chair: Okay, go ahead.

Mr. Brian McKenna: How much time do I have, Chair?

The Chair: We're way, way over time. Can you do it in two minutes?

Mr. Brian McKenna: I can. I'll cut down to halfway, because that's where the good stuff is.

The Chair: That sounds good.

Mr. Brian McKenna: Okay, I'll skip the salutation, and I'll go right here.

Don't try to repackage already failing policy as new policy. Don't try another series of expensive half measures. We've already seen the Department of Veterans Affairs try to sell their plan to us at the stakeholders meeting, but we aren't naive, we do talk to each other, and we have communication coast to coast. When you deny my friend in P.E.I., I hear about it in Vancouver. We know what's going on with each other.

While some benefits are being delivered, the constant reality of a negative opinion on a reassessment essentially requires veterans to remain sick to receive care. It disincentivizes recovery. It is the opposite of what's claimed, which is a wellness model.

As soldiers, we weren't perfect, but we always saw missions through to the end. There is no break until it's done. You taught us that, the Government of Canada taught us that, that we needed to do that for you to accomplish the security tasks of the nation. Now I move forward with that same tenacity to make sure my brothers in uniform are cared for, to make sure that they can count on the oath of allegiance that they swore to having meaning from the nation they swore it to.

We're not going away until this unjust compensation is fixed. I do believe you will fix it. I also believe the day will come when a financial assessment will be done, and the result will, of course, be the realization that by far the cheapest course of action would have been to fix this years ago, which of course you can't do.

Please fix it now. The finance department should endeavour to produce the funding in 2017's budget to once and for all fix the discrepancy in care and compensation between the different benefit schemes for Canada's wounded sons and daughters.

I'll close with this point.

This is Canada, and we do big things here. There is currently a robotic arm with a maple leaf on it. It is moving hand over hand in space, and it assembled the space station. Insulin was developed here. More recently, in two months you found the funding, the planning capacity, and the ability to conduct a mass migration of 25,000 war-ravaged refugees to this country—I support you in that, by the way—and that effort had the support of the Canadian Forces. You used Canadian service personnel to do that.

You must be able to see the cruel irony, then, when we suggest that it takes 11 years of consultation to provide those same Canadian Forces members with the benefits originally promised to them when you've already done it before, and you continue to do it now with our brothers injured pre-2006. For it to have taken this long, let alone continue, means the Department of Veterans Affairs has had to actively work at not finding the proper solution. That needs to end.

Thank you for your time and consideration.

The Chair: Thank you, Mr. McKenna.

Last, we have the Heart and Stroke Foundation of Canada, and Mr. Arango.

Mr. Manuel Arango (Director, Health Policy and Advocacy, Heart and Stroke Foundation of Canada): Thank you, Mr. Chair and honourable members.

The Heart and Stroke Foundation is a national volunteer-based charity led and supported by more than 125,000 volunteers across the country and close to two million donors. We have a presence in every community across the country from coast to coast to coast. The aim of the foundation is to create healthy lives free of heart disease and stroke.

Despite an impressive 75% reduction in the death rate from heart disease and stroke over the last 60 years, every seven minutes someone in Canada still dies from heart disease or stroke. That's more than 66,000 deaths per year. Heart disease and stroke are the leading cause of hospitalizations in Canada. We clearly have much more work to do.

The foundation is seeking to partner with the federal government to do three things.

Number one is to protect Canada's children and others by supporting healthy living initiatives funded through a manufacturer's levy on sugary drinks.

Number two is to invest $10 million to empower indigenous youth through CPR and AED defibrillator training and $5 million to improve indigenous people's capacity to access nutritious food and safe drinking water.

Finally, number three is to invest in science by providing $30 million annually to support heart disease and stroke research in Canada.

To help protect Canadian children, we are recommending that the federal government support healthy living initiatives funded through a manufacturer's levy on sugary drinks. Ideally, the levy should be an excise tax, increased according to the amount of sugar in the drinks; should be robust, achieving a 20% minimum price increase; and should include a broad range of sugary drinks. This includes fruit juices, which have just as much as or more sugar than soda pop.

This is important, because during the time period from 2004 to 2015 in Canada we've seen tremendous increases in the sales of many sugary drinks: a 627% increase in ready-made coffees, a 383% increase in drinkable yogurts, a 4% increase in sports drinks, and a whopping 738% increase in energy drinks. Last year, in 2015, the average Canadian consumed over half a litre of sugary drinks per day. That's almost 200 litres per Canadian in a year.

A federal levy of 5¢ per 100 millilitres on just soda pop alone would raise almost $2 billion annually in revenue. This figure would be much higher if the levy were applied to other sugary drinks. A portion of this new revenue stream could be redirected towards subsidizing healthy living initiatives, such as a national school lunch program, safe drinking water, and safe nutrition for indigenous communities.

There is strong and growing evidence that sugary drink taxation is working. In Mexico, for example, a 10% excise tax on sugary drinks was associated with a reduction as high as 12% in sugary drink purchases, and as high as a 17% reduction amongst low-income people. This can work in Canada too to improve health and raise much-needed revenue.

In Mexico, the imposition of the levy had no impact on Mexico's overall employment rate, no impact on the employment rate in the beverage manufacturing sector, and no impact on employment in commercial stores selling beverages.

A levy is a win-win, raising revenue for much-needed programs for Canadians and improving health by reducing excess consumption of sugary drinks.

Second, in Canada we're facing a health crisis among indigenous peoples. Heart disease rates are two times higher amongst indigenous people when compared with the non-indigenous population, mostly because of inequities. With the leadership of indigenous organizations, the Heart and Stroke Foundation is proposing to empower indigenous youth through a grade 8 AED-CPR training program in indigenous communities. This will provide grade 8 students with a concrete skill and a broader knowledge of heart health, contributing to the development of individual capacity and empowerment. It will contribute to community capacity through the training of local CPR instructors, using a train-the-trainer approach. It would also promote economic sustainability through instructor small business development and would provide defibrillators in those communities that do not have them.

Also, with the leadership of indigenous organizations, Heart and Stroke proposes to improve indigenous food security and access to safe drinking water. This would entail developing greenhouses and new technologies to grow fruits and vegetables in a sustainable manner. It would also support indigenous capacity to help implement the federal government's safe drinking water commitments from Budget 2016.

● (1800)

Lack of access to clean, potable, and affordable drinking water continues to be a challenge for many indigenous communities. It also facilitates the consumption of sugary drinks. We know that sugary drinks are associated with a range of health issues, yet they are affordable, easily accessible, and seen by many as the best option to replace fruits and water, especially in remote and northern communities.

Finally, Canada has been an international leader in heart disease and stroke research. We appreciate the investment in budget 2016 of $5 million over five years for women's heart health research. However, more recently we have not been keeping up in heart disease and stroke research in Canada. Without further increased investments, we will continue to lag, with negative consequences for the health of Canadians. There are five research areas requiring investment: heart failure, indigenous health, stroke and dementia, creating capacity amongst early career researchers, and nutrition.

Canada has not been keeping up with high-impact heart disease and stroke research. Applications to CIHR in all fields of research have increased by 110% in the last decade, but in cardiovascular research they have increased only by 22%. In addition, the number of early career investigators in cardiovascular research decreased by 50% between 2002 and 2010. We need more investment to attract and retain young researchers.

What's the opportunity here? In addition to saving lives and improving Canadians' quality of life, this investment would create high-value jobs. It would also help to attract and retain young researchers in the field. Finally, it would lead to as high as 39% annual return on investment. This investment could be fully recouped in two years.

Mr. Chair and honourable members, thank you for your time.

● (1805)

The Chair: Thank you, all.

Due to circumstances of time and meetings next door, we'll have to go to two six-minute rounds with each of the parties, and one six-minute round for the NDP, if we could.

My apologies for there being so many witnesses. We thought we had eight. We normally have six. Circumstances led us to that. Everybody has valid points, and we do have your full presentations in our documentation.

We are turning first to Mr. Ouellette, for six minutes.

If you want to give a little of your time to a colleague, you're welcome to do it.

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Thank you very much, Mr. Chair.

I really appreciate all your presentations here today.

This is for Dr. Freeland, from Dechinta Bush University.

It's incredible that you had zero dropouts in that period of education that you were offering. Some universities I've worked at have had just a 13% retention rate in some of their programs with indigenous youth.

I was just wondering what barriers indigenous programs in education face with the federal government when trying to create opportunity and innovative programs that are based on an indigenous world view.

Prof. Erin Freeland: I think one of the biggest barriers we face is that we come from a solution that's interdisciplinary. We have mental health work support, elders, and professors all working together, as well as child care. Trying to find funding for this, we are working with up to seven different departments, so we are looking at over 14 different agreements in a year of funding at just one level of government.

We are really trying to work towards comprehensive solutions to funding for innovative ideas. I think this takes a systems change approach, whereby we don't fund things just from a departmental level, but the government as a whole takes leadership over changing education systems for youth. I think that's one of the biggest barriers we face—trying to find funding from all different pockets, instead of the government saying, “Hey, this initiative is working; let's give it funding so that we can build an indigenous institution that's really responsive, that can create policy, and that is scalable across the country.”

Mr. Robert-Falcon Ouellette: Thank you very much.

My next question is for the Heart and Stroke Foundation of Canada.

We see people in indigenous communities literally dying from the unhealthy foods they are forced to eat in this country, because often there aren't a lot of choices. You propose a number of solutions. You are proposing a sugar tax. What impact would that have on traditional foods and what beneficial impact would it have on a community?

Mr. Manuel Arango: A sugary drink levy could be used, as I mentioned, for a number of initiatives. It could create an indigenous health fund, for example, which could promote traditional foods. Also, as I indicated in my presentation, it could help with greenhouse technologies and other innovative technologies to help with the growth of fruits and vegetables in northern and remote communities. It's very difficult, obviously, to grow those products in those communities.

We also know, from programs such as the food mail program and Nutrition North, that to provide these kinds of improved food in these communities is very difficult and very complex. I think a levy could be used to support nutrition in these communities to great effect.

Mr. Robert-Falcon Ouellette: Thank you very much. I very much appreciate that.

This is for Brian McKenna and Jim Scott; it's very short.

As a still-serving member of the naval reserves, as a Petty Officer 1st class at HMCS *Chippawa*, this issue is really close to my heart.

We've had this discussion on this committee about guaranteed annual income. It seems that if we just gave a pension every year to these veterans that they would manage their own affairs and do probably better than if we created a whole plethora of programs and bureaucracy around trying to find out what it is they're doing. Just allow people to create their own lives for themselves.

● (1810)

Mr. Jim Scott: Go ahead, Brian.

Mr. Brian McKenna: I'll take that one.

I agree with you. One of the things that we've encountered, sir, is that giving hundreds of thousands of dollars to a 21-year-old who may have severe depression or perhaps is missing a limb.... Think back to when you were 21. What did young people do with money?

I don't mean to say that they'd all be irresponsible with it, but let's be reasonable here. None of us would hand that sum of money to our kids, or particularly hand it to soldiers who are going through operational stress injuries. What helps them is a steady, slower, small, predictable source of funding.

It also helps them in other ways. You cannot take the Veterans Affairs benefits to a bank and secure a loan against them, or a mortgage, because they're all revokable. As soon as you get a medical assessment, they can disappear. My brothers pre-2006 could take a government pension literally to the bank. There's more than just the dollar figure that we have to look at with the soldiers. We have to look at the characteristics of those benefits as well.

I hope that answers your question.

The Chair: Thank you, Mr. McKenna.

Mr. McKinnon is next.

[*Translation*]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

Thank you, Mr. Ouellette.

My question is for Mr. Saillant. I want to welcome FRAPRU to the committee.

You will agree that we have turned something of a corner in the fight against homelessness. Consultations on the issue are ongoing.

What does FRAPRU think of our first actions in the area of housing, our emerging infrastructure program and the new consultations undertaken by Minister Jean-Yves Duclos?

Mr. François Saillant: Our expectations are high. We have already praised the announcements made in the budget, while pointing out their limitations, especially when it comes to the continuation of funding for existing social housing.

We have shown that $30 million for co-operatives and NPOs is a first step, but that only covers a two-year period. We cannot say that it's very reassuring for low-income people living in co-operative housing or not-for-profit housing. Two years go by fast, and only about a year remains at this point. Moreover, the entire affordable housing stock, which is managed by the provinces, has been completely left behind.

Some steps have indeed been taken, but much more will have to be done. That is why we are counting a great deal on the national strategy the government is currently discussing. We want that strategy to actually be a strategy and to be based on human rights, and that includes explicitly recognizing the right to housing in a piece of legislation, such as the Canadian Human Rights Act. In addition, that strategy must be coupled with significant and recurring investments.

[*English*]

The Chair: Thank you.

We'll turn now to Mr. Liepert, who is splitting with Mr. Albas.

Mr. Ron Liepert: Yes, thank you, Mr. Chair. I'm going to split my time with Mr. Albas.

Mr. Bloomer, when this committee sent out the request for submissions, it outlined three areas. I'd like to read them to you.

> 1. What federal measures would help Canadians generally—and such specific groups as the unemployed, Indigenous peoples, those with a disability and senior—maximize, in the manner of their choosing, their contributions to the country's economic growth?
>
> 2. What federal actions would assist Canada's businesses—in all regions and sectors—meet their expansion, innovation and prosperity goals, and thereby contribute to economic growth in the country?
>
> 3. What federal measures would ensure that urban, rural and remote communities throughout Canada enable residents to make their desired contribution to the country's economic growth?

Mr. Bloomer, if the government were to get off the couch tomorrow and approve a pipeline such as Kinder Morgan, which is sitting there waiting to be approved, would that go to meeting all three of these requests without costing the treasury a red nickel, yes or no?

Mr. Chris Bloomer: Yes.

Mr. Ron Liepert: Thank you.

That was for my colleagues across the way, Mr. Bloomer. If you'd like elaborate on that, please do so.

● (1815)

Mr. Chris Bloomer: The submission reflects the potential capital investment from third parties. It reflects the GDP growth and so on. It is an engine of growth for Canada and it will fund a lot of the things that have been talked about today in terms of the tax revenue, royalty revenue, and so on. It is an engine of growth, and we desperately need it.

Where we are now, capital is not coming to the country to invest in these things; it is leaving. We need to be very clear, and that's the recommendation. In this budget we need to be very clear that we're in this business and we need to move it forward.

Mr. Ron Liepert: Thank you. I hope somebody was listening.

The Chair: Go ahead, Mr. Albas.

Mr. Dan Albas: I think he was looking at me when he said that.

On that point, the IPCC has said that countries that basically generate the most wealth are able to have the best outcomes when it comes to dealing with climate change because they have more options and more room, so I certainly appreciate your point, sir, and I hope that the government is listening.

Changing gears, though, I would like to first of all thank Mr. McKenna, Mr. Scott, and Mr. Bruyea. Mr. Scott, thank you for your service, and also it reminds me to thank Mr. Ouellette for his service as well. We should be mindful that veterans play a meaningful role in a variety of ways outside of their career service.

I would like to ask you this as a parliamentarian.

This is my second term. In the last Parliament we basically put in a change that would allow for Veterans Affairs to have a more liberal interpretation when they were inclined to not give a benefit because there was a doubt whether that particular benefit was owed, or a doubt as to the amount. I mean that, of course, just in terms of the amount, not the political philosophy.

From your experience, Mr. McKenna and Mr. Scott, in speaking to veterans, has there been any material change in the way that Veterans Affairs Canada conducts itself with people on that marginal line? Mr. Bruyea, you can also jump in there.

Mr. Jim Scott: I'll take this one.

At the end of the last term with the last government, with Erin O'Toole as the minister, great strides were made to close the gap between veterans and Veterans Affairs Canada. With the new government in place, it's been a huge step backwards.

The civil service is back in control. The Department of Justice has convinced the government to go back to court. I think it's just an evolutionary process of new governments. They have to take command; they can't let the courts be the moral compass. We see a backwards motion, but it took the previous government years and years to get to the same place. I'm not blaming one or the other; it's just a process. New governments listen to the civil service until the civil service bites them, and then they start to direct civil service.

Mr. Dan Albas: One of the challenges we have as parliamentarians is that oftentimes we will have hearings such as this, and then we'll ask for solutions. Sometimes it's passing another law, sometimes it's revoking an old program, sometimes it's adding more money to the budget, and we want to be supportive of it. I think one of the key points you've laid out today in both of your testimonies is that even though elected officials such as parliamentarians may want to see these things happen, ultimately their execution of those goals is paramount.

Is there anything else you would add, Mr. McKenna?

Mr. Brian McKenna: In regard to your question, sir, we're very distinctly aware of one thing. Take, for example, how many times I've had to listen to "there's $5 billion of new spending in the budget", and that just keeps getting flogged back and forth, but when you study it, you realize it's spread over many years. I can do the math.

On top of that, when we don't adjust the goal posts, it doesn't matter what's behind it. If you can't get through that doorway, if you can't get through the goal posts, all you do is increase the size of the pot that's unattainable on the other side, which then gets returned to the national treasury. When you have $5.4 billion or $5.6 billion over five years, that doesn't mean it's going to be delivered to veterans: it means it goes into the pot that is still as unattainable as it was in a previous administration.

I've heard about the culture change that keeps being talked of, so I'll tell you what I said when I was asked this by the department. I told them that one of two things is going to be true here. If you've changed the culture so much that things are being seen in a new light, then all my brothers who have been previously denied should get a new shot. If they've been denied under the previous culture, then they should get another crack if it's different with this new, more liberal culture, for lack of a better term.

That's what we're dealing with here, but the department is silent on that. I asked that in May, and then the senior ADM who said he would answer it at the last stakeholder meeting didn't attend. That's what we're up against here.

Does that answer...?

● (1820)

Mr. Dan Albas: I think all parliamentarians want to see good things happen, but it's just a question of how we do it. You've raised a number of points, and Mr. Bruyea has made a number of points. Thank you.

The Chair: I have to cut it off there and turn to Mr. Caron.

[*Translation*]

Mr. Guy Caron: Thank you very much, Mr. Chair.

I will begin with Mr. Saillant.

Thank you for talking about FRAPRU's expectations. We have actually met with the representatives of the Canadian Housing and Renewal Association, the CHRA, and that meeting has helped us see that some proposals, including Permaloge, are quite worthwhile. I learned a lot at that meeting.

There are a lot of expectations with respect to the National Housing Strategy. We are waiting to see what will come of it.

Investments were already announced in the latest budget—$200 million out of the planned $2.5 billion. However, one element has been overlooked, and I would like to hear your comments on it.

In past discussions on affordable housing, it was a matter of ensuring affordability over a period of 35 years or 40 years. With these investments, the government seems to be announcing a change in direction, with affordability being guaranteed only for a period of about 10 years.

What will be the repercussions of that change in direction?

Mr. François Saillant: The change in direction you are talking about is very real. It happened on January 1, 1994, when the federal government withdrew from long-term funding for new social housing. Afterwards, in 2001, there was a turning point in affordable housing.

I am talking about so-called financially accessible housing, but my big question, in addition to the length, is about for whom the housing will be accessible. What is accessible for you may not be accessible for someone, for example, with a retirement pension or the guaranteed income supplement. What is accessible for you or me is not necessarily accessible for someone working for minimum wage.

The notions of accessibility and affordability are extremely vague. In the past, it was clear that social housing was not for profit, and low-income people would have to pay a set percentage of their revenue—for example, 25%. Now the rules are much more vague. We hope that the National Housing Strategy will put an end to that vagueness and will get back to using much more clear concepts of what housing assistance is.

Mr. Guy Caron: You are probably familiar with Jacques Métras, who was part of the Comité logement Rimouski-Neigette. We had long discussions on the issue of affordability with regard to social housing.

[*English*]

Mr. McKenna, Mr. Scott, and Mr. Bruyea, thank you for your service. It's hard to know where to begin. What you're saying—and it's probably the most powerful phrase that I've heard during these pre-budget consultations—is “civil service has taken over.”

One of the key commitments that Liberals made during the campaign was to ensure that no veteran has to fight the government. That is exactly what is happening right now. That is a key commitment that has been broken. It is not for lack of trying on behalf of the veterans who have been injured.

I was reading an article back in May about the decision to go back to court. It said that the lawyer representing the six Afghan war veterans who initiated the class action lawsuit was ready to drop the lawsuit if there was a clear timetable given by the government. When the government and the minister refused to do that, then it went back to court.

What you're saying is that it's not necessarily the minister who is at fault directly, but the civil service that decided to go forward, and come hell or high water, they'll go to the end on this.

Mr. Jim Scott: I'll respond, and then turn it over to Sean.

We noticed with the previous government that they were fed information from the civil service and they believed it right up until the point where they took action to research it themselves, and then great strides were made.

I don't fault the new government. I just believe it's a process whereby you go and seek advice from experts, and then the experts will give you data and tell you a legal position. It has failed to work in the past.

I just think that from the lessons learned, we know that we must move on from this. If we were to give two commitments to the soldiers, the first would be a social covenant, so that they know they're wanted and respected. We've already had it in the House, and every member stood for it when the NDP made that motion here in the end days of the last House. The second would be a proper pension, and then I think everything would just disappear.

I will leave it over to Sean to maybe add some words to that.

● (1825)

Mr. Sean Bruyea: As Jim said, we have a situation of successive governments coming in and immediately running to the bureaucrats. I use the word “bureaucrats” in not the most pleasant of meanings, the definition of “bureaucrat” being someone who puts process over people. Unfortunately, what we have in Veterans Affairs, by their own admission, their own research, is a department of 3,000 employees, fo whom just over 100 had military service.

On top of that, how many of those bureaucrats have actually had any experience whatsoever in disability or rehabilitation? How many program managers or policy advisers have actually worked in those fields to understand what they are creating?

They are creating programs for fiscal convenience and not for addressing the needs of veterans. That's why we see a continual battle over successive governments. The only way we're going to do that is if we have a massive cultural change at Veterans Affairs such that we employ expertise, we employ veterans, and we actually go to the veterans in need and ask them to design a program in concert with government.

The Chair: Thank you, all. I will assure you that all of this discussion, these sections—I've noted them on my pad, in terms of the minutes as the discussion took place—will be hand-delivered to the Minister of Veterans Affairs. You can be assured of that.

Mr. Sean Bruyea: Thank you.

The Chair: I do have to squeeze in a question here for Mr. Bloomer.

You, in an exchange with Mr. Liepert, talked about Kinder Morgan. What about Energy East? What would that pipeline do, from your perspective, in terms economic growth in New Brunswick, both in the production area and in the refinery area?

Mr. Chris Bloomer: Thank you, Mr. Chairman.

Obviously, we need these pipelines. We need access to markets on the Pacific basin and the Atlantic basin. We can use Canadian crude to back out imports. We can create jobs, sustainable jobs, for the long term, so it's critically important. We don't need just one pipeline: we need pipelines. We need those projects.

The Chair: Thank you.

Turning to Ms. O'Connell, and if there are others....

Fred, I know some of this discussion related to you. If you have a point you want to add, raise your hand and we'll let you in.

Go ahead, Ms. O'Connell.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

I actually have a question for the Rick Hansen Foundation. I'm very intrigued with your discussion about the accessibility of spaces. I come from a municipal background previously.

I just have a couple of questions. I really like this idea, so I have more technical questions to just wrap my own mind around it.

How much specifically would you require for the fund? The certification is what I'm interested in. Obviously it's just like the LEED program. From your description, that's what it sounds like. Then how would you work with provinces?

I'm from Ontario. The Planning Act is very specific, so how do you actually work with the provinces to ensure that these standards, or whatever the certification program is, are actually upheld? I've seen municipalities try to put in their own scoring, and at the end of the day, if someone building the project doesn't want to do it, there are no real teeth unless it's in the Planning Act. Are you relying on mainly public spaces through municipalities? If that's the case, at least in Ontario, there is already legislation for that. We're already required to do that, and it's the larger public-yet-private spaces that I found were always the ones with the biggest barriers: malls, doctors' offices, plazas, those types of things.

Could you just highlight a little bit of that program for me?

Mr. Brad Brohman: Yes, we understand there's obviously a building code, and it varies across the country.

The certification program is designed to guide developers, building owners, and landlords to move beyond the code, beyond the minimums, and provide guidance in a uniform manner across the country above the code. In fact, we would look to use the existing world-class accessibility standard that has been prepared by the Canadian Standards Association as the minimum standard, and move beyond that into a tiered system of recognition for greater and greater innovation against inclusive design principles. It would be moving into things that we take for granted but that don't exist in a lot of places.

The idea is that you provide tiers above the code, but that we don't act as the enforcers of the code. That's a provincial responsibility, and they have people who do that Ontario, as you say. We work hand-in-hand with government, and we are working with the Government of Ontario and the Government of B.C. to pilot this. The intention is to work with the federal government to pilot it on a bigger scale across the country and establish the uniform standards.

● (1830)

Ms. Jennifer O'Connell: Thank you.

Just for clarification, would the design be similar to the LEED program, in the sense that it's the applicant who pays for the certification process?

Mr. Brad Brohman: Exactly. We're modelling it the same way.

Ms. Jennifer O'Connell: That's how it would be funded in the future, but you would need this pilot funding. I get it.

Mr. Brad Brohman: That's exactly right.

Ms. Jennifer O'Connell: I would love if this actually happens because, having been in municipal government, I remember how frustrating and awful it was to try to push private developers to do anything for accessibility that wasn't at a cost to the consumer, and those with disabilities are already at a disadvantage for home ownership.

Mr. Brad Brohman: Yes.

Ms. Jennifer O'Connell: I truly hope this pilot goes forward, notwithstanding any funding obligations, but I think that the intent is great.

I had a question for both veterans associations. I don't know who can answer this. You talked about pensions. This was probably one of the clearest presentations I've heard on veterans' issues, so thank you for that first of all.

You mentioned pensions in comparison to the private sector, and the clawback for disability payments. It's something that bothers me too, when someone who has a disability tries to get employment and he or she is at a disadvantage.

Someone mentioned it in comparison to the public service. Is that the model you'd look to, or do you have an idea, or do you just want something fixed, and you consulted with veterans themselves to create that?

Mr. Jim Scott: Thank you. I'll take half of this and Sean will take the other half.

In the provincial workers compensation program in 2012 in, say, British Columbia, you insure a person's income up to $72,000 a year. That's $6,000 a month. If they're totally disabled, they will get $6,000 reduced to 75% of that, to $4,000. That is non-taxable and not subject to clawback. If they can go out, get a law degree, and work after that, the $4,000 is their base. Nothing ever happens to it.

Under the new Veterans Charter, they're given earnings loss benefits. The new Veterans Charter says that they can sue the claimant if the claimant becomes healthy again and doesn't declare it. The government now is toying with a pension of $1,400 a month for disabled soldiers, almost one-third of what the provinces give. The question is, why?

These are the issues that we deal with.

Mr. Sean Bruyea: When I look at developing a model and doing the research in my academic work, as well as my advocacy, I look first at what's available out there. When we say that military service is the highest form of public service, then it better be a higher form of compensation than the public service.

We have to also separate the two types of pensions. There are the pensions, which shouldn't be called pensions, but are really monthly gratuities paid for pain and suffering. That's the lifelong pension that the Liberal government has promised to return to. That recognizes that a disability is lifelong, the suffering is lifelong, and the payment should be lifelong too.

The other ones we're talking about are simply offsets to income replacement programs.

Ms. Jennifer O'Connell: Thank you very much.

The Chair: You're out of time, Jen.

Go ahead, Mr. Deltell.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

Ladies and gentlemen, welcome to your House of Commons.

I would like to extend special greetings to Mr. Saillant, a gentleman from Quebec City I have known forever. We started our careers at the same time.

When I was a journalist, in 1989, Mr. Saillant, I clearly remember going to see you in the Saint-Roch neighbourhood.

● (1835)

[*English*]

My question will be for Chris Bloomer.

Mr. Bloomer, welcome to the House of Commons. Maybe you have recognized that I'm from Quebec, thanks to my accent. I can tell you that all of my colleagues from Quebec on the Conservative side are strong and very proud supporters of pipelines and the Energy East project. I can assure you of that.

We consider the fact, as you are considering, that as far as the environment, the economy, and safety are concerned, this is the best way to transport oil. Nothing can beat what you're doing as a pipeline builder. We also recognize that those of us in Quebec have had good experience. We have 2,000 kilometres of pipeline in Quebec. We constructed a very good pipeline network of 250 kilometres from Saint-Nicolas, on the south shore of Quebec City, to Montreal only five years ago. There has been 0% tragedy or malfunction. Everything is all right in Quebec.

People are afraid to see a pipeline under the St. Lawrence River. We are all concerned with environmental issues, but I can assure the House that in Quebec there are nine pipelines under the St. Lawrence River, and the one to be built by Energy East will be not three feet under the St. Lawrence River, but 300 feet. More than that, just between the pipeline and the St. Lawrence River there are 40 metres of hard rock—so yes, it's a safe way to transport oil.

As you can see, I'm a strong supporter of that. We are all, on our side, supporters of this project. I want to be sure everyone understands that.

You are not the ones who produce petroleum. You are the ones who transport it, and many other businesses are involved in this project. How will business be affected by the new Liberal carbon tax that will apply to every business that is involved in any production?

Mr. Chris Bloomer: You mean the carbon tax overall?

Mr. Gérard Deltell: Yes.

Mr. Chris Bloomer: Well, it's going to have an impact. It is another tax. I think everybody's going to pay for that. We haven't quantified at this point what that's going to be, because we're also working in Alberta with a CO2 tax and so on, but it's going to be a burden on everyone.

The fact of the matter is that if you collect $1 of tax, even if you're going to recycle it back to the provinces and so on, there's going to be a pretty significant percentage of that tax that gets caught up in administrating it. You're not going to get $1 back for the $1 in, so there's a drag right there that is not effective.

Mr. Gérard Deltell: What about the new PPC that will be imposed by the government? The pension plan will cost business $1,000 per employee, and for each employee $1,000 more. The new PPC plan will cost $2,000 for every working person in Canada . How do you think it will affect your business?

Mr. Chris Bloomer: You're talking about the additional pension plan.

Well, again, it's an additional burden on individuals, and it takes away from disposable income, and that's an impact.

Mr. Gérard Deltell: I just want to make a correction.

Mr. Chair, you're right; it's the Canada Pension Plan. In French it's the *plan pension du Canada*. I'm sorry for the mistake.

Thank you so much.

The Chair: Thank you.

Mr. Phelps, you weren't asked any questions. Maybe it was because your brief was so perfect. I'm not sure. Do you want to add anything to close the panel?

Mr. Fred Phelps: I would encourage, in moving forward with the national affordable housing plan, that we look at accountability measures with the provinces and territories so we are actually investing in the right locations so that the social determinants of health are being addressed and the primary health care costs are being reduced.

The Chair: Okay. With that, I thank all of the witnesses for their presentations and the committee members for a fairly long afternoon with our second panel of the day.

I remind members that we have the budget implementation act, Bill C-29, to be reviewed.

With that, thank you all.

This meeting is adjourned.