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Chair

Mr. James Rajotte

Standing Committee on Finance

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• (1530)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order. This is the 93rd meeting of the Standing Committee on Finance.

Welcome to all of you here this afternoon.

The orders of the day at this finance committee are pursuant to Standing Order 83.1, a continuation our pre-budget consultations for 2012.

We have two panels this afternoon and evening, colleagues. In the first panel we have six organizations represented.

[Translation]

First, we are going to hear from a representative of the Association des producteurs de films et de télévision du Québec.

[English]

Next we have the Canadian Bankers Association. We have the Canadian Medical Association.

[Translation]

We also have a representative from Skate Canada with us.

[English]

We have the Writers Guild of Canada.

By video conference from Toronto we have the University of Toronto. Ms. Wolfson, can you hear me in Toronto?

Ms. Judith Wolfson (Vice-President, University Relations, University of Toronto): Thank you for the opportunity of appearing here.

The Chair: Thank you very much.

Each of you has five minutes maximum for your opening statement.

[Translation]

We will start with Ms. Samson.

Please go ahead, madam.

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

I am the president and CEO of the Association des producteurs de films et de télévision du Québec, the APFTQ. The association has

been active for 40 years. It brings together some 140 independent film and television production companies. That is the majority of Quebec companies involved in production for all screens in both official languages.

The total volume of film and television production in Canada reached \$5.5 billion in 2010-2011. In that same period, the industry was the direct or indirect source of 128,000 full-time equivalent jobs.

Despite our success, the audiovisual industry requires stable funding that will allow it to meet the challenges of the new digital economy and to rebuild after the country's economic slowdown. But the budgetary restrictions on the audiovisual industry, present and future, are affecting and will continue to affect our industry ever more negatively. The federal government must continue to invest in audiovisual production.

We represent an industry that is fragile and fragmented, even at a time when the trend is to convergence. Without increased support from the government, the presence and diversity of Canadian content will be evermore in jeopardy, both on traditional broadcast platforms and new digital platforms. Support must continue for productions created and produced in Canada, by Canadians and for Canadians so that Canadians can have better access to the productions in which we see ourselves. Here are the measures that we feel are vital for us to reach that point.

First, investment in the audiovisual support programs that are run by Canadian Heritage must be increased, not decreased. I am specifically referring to the programs of Telefilm Canada and the Canada Media Fund.

Since its creation, Telefilm Canada's Canada Feature Film Fund has provided the industry in Canada with the means necessary to produce quality feature films. But, for a number of years, the funding has not kept up with the need. The success of the feature film sector, and of all the jobs it creates, depends on increased government support. In addition, the Canada Media Fund must remain permanent, because it succeeded in meeting government objectives very well. Maintaining the fund, including a return to a strong television component, will allow television production to benefit from full funding; those productions remain the most appreciated by Canadian viewers who can watch them on the screens of their choice.

A recent study by a Université de Montréal research group on youth and the media demonstrated the importance and value that Canadian families continue to place in television and the unwavering role that it continues to play in their homes. But funding must also be increased so that all content can be made available digitally. We will return to this a little later in the context of our fourth recommendation.

Second, the rules of the Canadian Film or Video Production Tax Credit must be changed to allow labour costs associated with the production of digital film or television content. It is still difficult to fund them adequately because few existing business models are viable and few funding programs are in tune with this new reality. This measure will encourage the production of content of even greater quality. It will thereby allow the government to meet its objective of being a world leader in the new digital economy.

Third, Canada's policy on international co-productions must be completed and implemented. Adequate investment must be made in the area. The creation of a fund specifically for co-production would allow the business model to start again and to reach the point where Canada is signing treaties with some countries and renegotiating them with others. The international co-production business model must be revived; because of it, foreign capital is injected into our homegrown productions and into Canada's economy, while enabling our culture to be showcased elsewhere in the world.

• (1535)

The Chair: You have one minute left.

Ms. Claire Samson: Thank you.

In order to interest foreign producers, we have to offer an attractive proposition matched by dedicated funds.

Fourth and last, buoyed by our experience with the Canada Media Fund, we believe that it is now time to establish a specific fund to finance Canadian cultural content that can be developed digitally. To do this, we see two major contributors to the fund, the government and the stakeholders.

Thank you, Mr. Chair.

The Chair: Thank you for your presentation.

[English]

Next we will have the Canadian Bankers Association.

Mr. Terry Campbell (President and Chief Executive Officer, Canadian Bankers Association): Thank you, Chairman.

The CBA is pleased to participate in the committee's pre-budget consultations in preparation for Budget 2013.

As many of you know, the CBA represents 54 banks in this country and their 274,000 employees across Canada.

[Translation]

Our banks are playing an important role in helping families, businesses and communities across Canada to weather the economic turbulence that still persists around the globe. The strength of our national banking system and the soundness of our banks are rooted in effective management, regulation and supervision.

[English]

This soundness has been recognized internationally. The World Economic Forum named Canadian banks number one in the world for safety and soundness for five years running, in large measure I think because the banks in this country are practical, prudent, and play by the rules.

I want to turn to our pre-budget submission to the committee that we made earlier this year. I'm going to provide a very brief overview. I look forward to our conversation afterwards.

The first point we make in our submission is that keeping taxes competitive is, in our view, a key tool for promoting economic growth by encouraging new investment. Higher taxes, by contrast, would discourage investment by reducing the return that entrepreneurs and businesses get on their capital. This is why we are pleased with the federal government's commitment to maintain a 15% corporate income tax rate.

While governments nowadays do face difficult decisions in their efforts to return to balanced budgets, we are concerned by proposals to postpone or reverse tax rate reductions. The reductions in the combined federal-provincial tax rate since 2000 have made Canada more competitive without reducing tax revenues. Overall, corporate income tax revenues increased by 44% from 2000 to 2010 and remained relatively stable as a percentage of GDP.

Provincial tax rates are an important part of this equation as well. That's why we are recommending that the federal government encourage the provinces to achieve and maintain a 10% targeted corporate income tax rate.

In our submission, we also have some commentary about capital taxes, but in the interests of time, Mr. Chairman, I think I'll suggest that if members have questions here, we can come back to it later.

Another point we raise in our submission is that despite the economic weaknesses we see in other countries, the Canadian economy has performed relatively well in comparison to its peers. We support efforts to continue to lay the groundwork for additional growth and job creation through the broadening of Canada's trade and investment relationships.

To that end, we agree with the federal government's initiatives to broaden Canada's trade profile around the world. Over the last several years, the federal government has actively negotiated, signed, and brought into force several free trade agreements, foreign investment promotion and protection agreements, and other international documents.

These initiatives provide for an increased level of predictability, certainty, and access for Canadian businesses, so the CBA is encouraging the federal government to consider including, while pursuing trade negotiations in the future, measures that would prevent the extraterritorial application of foreign laws to Canadian financial institutions and account holders. An example we have here, obviously, is the U.S. FATCA legislation.

Also, in our submission we note that the banking industry welcomed the passage in June of this year of Bill C-25, the Pooled Registered Pension Plans Act. PRPP would be I think particularly useful for people who do not now have access to a private sector pension plan, which we know is common among employees of small and medium-sized businesses and the self-employed. These groups have typically faced barriers to private pension schemes, given that other options are often too costly or administratively complex and contain risks that smaller employers are not prepared to take.

• (1540)

The Chair: You have one minute.

Mr. Terry Campbell: To make the PRPP successful, provincial governments must adopt companion legislation to enable the PRPP to cover provincially regulated businesses across the country. We encourage the federal government to continue working cooperatively with the provinces on the PRPP model.

Finally, Canada's productivity I think is closely tied to the efficiency and effectiveness of its financial system, including the importance of having a streamlined national regulatory regime applicable across the country.

With that, I'll make two points, very briefly. We have concerns about the tendency towards growing fragmentation in the regulatory system, which is why we strongly supported the federal government including in the Bank Act a preamble that would state the federal purpose and remind us of its exclusive federal jurisdiction. We're strong supporters of that. We also remain strong supporters of the federal government's efforts to create a national securities regulator and encourage Minister Flaherty to continue his efforts in that regard.

Mr. Chairman, thank you very much. I look forward to questions.

The Chair: Thank you very much for your presentation.

Now, the Canadian Medical Association, please.

Dr. Anna Reid (President, Canadian Medical Association): Thank you, Mr. Chair.

I'd like to thank the committee for having the CMA present before you as you prepare for next year's federal budget.

Canada's doctors focus every day on finding innovative ways to provide better care for our patients. Above all else, physicians want to provide patient-centred care within an efficient, high-quality, sustainable health care system. However, just like millions of other Canadians, we are frustrated with a health care system that provides quality care but is not efficient. According to the OECD, Canada ranks seventh highest of 34 OECD countries in per capita health care spending, but well down the list in terms of health care system performance.

There are a number of actions within federal jurisdiction that the Government of Canada could take to improve health outcomes and exercise a leadership role in transforming our health care system while recognizing that we are in a time of continued economic uncertainty.

First, we recommend that every major new federal policy initiative in which health could be implicated be put to the test of a health

impact assessment. Looking at new policies through the perspective of their potential costs and benefits to the health of Canadians would have a significant beneficial impact. Evidence shows that every action with a negative effect on health will incur heavier costs to society down the road.

Policies and regulations moved forward by elected officials today may well have consequences for future generations. That is why to ensure unintended consequences are avoided, the CMA is recommending that a health impact assessment be included in the cabinet decision-making process.

Second, the government's economic action plan, with its large infrastructure component, was effective in insulating Canadians from the global recession while providing communities with much-needed infrastructure. We recommend that the government build on this success by targeted investments in health infrastructure. Such an approach could begin to address the current lack of long-term care beds across the country, a shortage that prevents too many Canadians from accessing better, more efficient care in an appropriate and less costly care setting.

According to Finance Canada's recent report, the senior population is projected to increase to around 37% of the population by 2030. Assuming current residency rates, the Canadian Life and Health Insurance Association predicts that Canada will need over 800,000 long-term care beds by the year 2047—over two and a half times what we have now.

Third, doctors and other health care providers can only do so much when a patient lacks proper food or housing, adequate income, or the education needed to make informed decisions. Many of the health issues we physicians see downstream every day are the result of upstream circumstances that are almost guaranteed to cause illness. Therefore, we recommend that the federal government recognize the implications of the social determinants of health on the demands of the health care system.

These and other CMA recommendations reflect the evolution in health care over the last 30 years, an evolution marked by an aging population and ongoing fiscal pressures. The system needs to evolve from its emphasis on acute care for things like injuries and curable diseases to improving prevention and better managing the afflictions associated with aging. Our country needs to catch up with other nations and develop a pan-Canadian strategy for long-term care, home care, and palliative care. We badly need a dementia strategy, and we need a national pharmaceutical strategy. We should not accept that one in 10 Canadians cannot afford to buy the medicines they've been prescribed.

Finally, we recommend that the federal government introduce incentives, measurable goals, pan-Canadian metrics and measurements that would link health care spending to comparable health outcomes. This could be done through an agency such as the Canadian Institute for Health Information.

Jurisdiction for health care is shared among federal, provincial, and territorial governments. There is no reason why this should preclude the federal government from leveraging its spending power to help Canadians get better value for money spent and better patient care, or from working with the provinces and territories to ensure portability and equity for Canadians across the country.

Canadians deserve a health care system that meets their needs, and they expect leaders at all levels to ensure that they get one. As Canadians continue to rank health care as their number one priority, they clearly recognize the importance of a strong, efficient health care system to their lives, our communities, and our country's prosperity.

I would be pleased to answer any questions.

Thank you.

• (1545)

The Chair: Thank you for your presentation.

We'll now hear from the Writers Guild of Canada, please.

Ms. Kelly Lynne Ashton (Director, Policy, Writers Guild of Canada): Good afternoon, members of the finance committee. My name is Kelly Lynne Ashton, and I am the director of policy of the Writers Guild of Canada.

Thank you for inviting the Writers Guild to appear before you today. We are the national association representing more than 2,000 professional screenwriters working in English language film, television, radio, and digital production in Canada.

I am here today to share the Writers Guild's thoughts on how the government can strategically support the audio-visual sector as a way of creating highly skilled jobs across Canada. We understand that the government is still concerned about economic recovery, but properly targeted funding can stimulate recovery and insulate sectors from the impact of international economic failure.

The film, television, and digital media sectors are economic drivers and growth areas of the economy. The recession hit our sector as it did everywhere, but we have been able to quickly rebound and are almost at pre-recession levels of employment. In fiscal 2010-11, the film and television sector generated 128,000 direct and indirect full-time equivalent jobs and generated \$7.46 billion of GDP. The video game industry itself currently employs 16,000 people and is growing rapidly.

The bottom line is that the film, television, and digital media sectors are opportunities for highly skilled employment that is better positioned to weather recessionary storms than some other sectors. People will always want entertainment.

Screenwriters are the catalysts for those jobs. In film and television, it all starts with the screenwriter's blank page. The screenwriter expends the hours and hours of effort that result in the script that producers take to broadcasters to solicit investment. That script then generates dozens of jobs on the production crew, from entry-level production assistant jobs to highly skilled jobs as editor or director of photography. If a television series is successful and is renewed for multiple seasons, those scripts have generated hundreds and hundreds of jobs, allowing talented people to learn and be

promoted into more senior jobs, and will have ensured that those talented people stay in Canada.

The film, television, and digital media sectors currently benefit from government support through the Canada Media Fund. We are grateful for that support and for this government's making the CMF permanent. However, the CMF mandate has been expanded from just television to include convergent media, digital media such as video games, and third-language production, all without additional funding. There are calls for more support to be directed to digital media, but in the absence of additional funding for CMF, such support cannot be accomplished without sacrificing support for television production.

Television still captures a larger audience than digital media, by a large margin. A lot of viewing on digital platforms is of television programs. Funding television benefits the largest number of Canadians, providing them with high-quality domestic audio-visual entertainment. Enhanced funding to the CMF would support the production of more television programs and more digital media content, such as web series and video games. This would also mean more jobs for Canadians.

Another useful tool for job creation would be to extend the film or video production tax credit to digital distribution. To qualify for the tax credit currently, productions require a theatrical distributor or broadcaster. This excludes digital distribution, an important growth area of production.

Extending the tax credit would provide much-needed additional financing for web series, an increasingly popular form of entertainment created by both emerging and experienced talent as a way to reach audiences directly. As a labour-based tax credit, it supports a domestic talent pool and helps small, creator-owned businesses to flourish. Web series have low barriers to entry into international markets for Canadians, as there are no shipping costs or duties, and talented Canadians are taking advantage of these opportunities to reach global audiences.

Finally, we must address the government's cuts to Telefilm, the CBC, and the heritage department itself. We understand that each department must do its part to reduce government spending and pay down the debt. However, we have concerns about what repeated and escalating cuts to cultural institutions will mean for our industry.

Telefilm and the CBC have worked hard to cut infrastructure and staff and not just content, but if the budget cuts continue, there is no avoiding a serious negative impact on content. Telefilm's entire budget, for English and French, is \$104 million. That is the cost of one average Hollywood movie; yet in Canada it leverages financing for 50 or more movies. Further cuts to Telefilm's budget will put our domestic film industry at risk.

As for the CBC, its budget woes are well known. They have cut 650 jobs and sold off assets and have tried to protect Canadian programming on prime time. Further cuts to the CBC, the biggest broadcaster of Canadian drama, will undermine not just the CBC but the entire independent production sector.

● (1550)

Finally, cuts to the Department of Heritage will make it harder for its staff to conduct research, meet with stakeholders, and provide the kind of valuable insight into the industry—

The Chair: Okay, thank you. Just wrap up, please.

Ms. Kelly Lynne Ashton: —that we have come to rely on.

Thank you for your time. We look forward to answering any questions you have.

The Chair: Thank you for your presentation.

We will now go to Toronto, to the vice-president of the University of Toronto, Judith Wolfson.

We will hear your five-minute presentation, please.

Ms. Judith Wolfson: Thank you.

Good afternoon, Chair and members of the committee. I am pleased to appear in front of you again on behalf of the University of Toronto to speak about the important role of talent and innovation in Canada's economy.

Today I would like to highlight two initiatives established by the Government of Canada by which we might address these issues: the science and technology strategy and the international education strategy.

Let me begin with Canada's science and technology strategy. The backbone of tomorrow's economy will be the quality of our science and technology, our innovation, and our entrepreneurship.

Business innovation relies on basic research to create innovative products and services. Stable funding for basic research is a prerequisite to knowledge creation. In addition to the research itself, students are arguably the best carriers of knowledge from our labs to industry.

For example, the University of Toronto recently established the Master of Science and Applied Computing, a unique program aimed at innovators and entrepreneurs that involves an eight-month internship. Remarkably, 100% of the first graduating cohort were offered full-time jobs by their internship employers.

We believe the government would generate immense value by further investing in these types of internship industry opportunities. For example, Mitacs, with its accelerate, elevate, and enterprise programs, and NSERC have some very successful industrial fellowship programs, which should be expanded.

Innovation infrastructure is another important element of Canada's science and technology strategy. Major science and technology buildings, particularly at Canada's research-intensive universities, require continued investment to expand and modernize facilities in order to remain internationally competitive. Federal support for these large-scale capital projects is required to advance the science and technology strategy by complementing existing support provided by the Canada Foundation for Innovation.

Let me now turn to the need for Canada to sharpen its international focus. International trade is a top priority for our country. Canada, as we know, is a trading nation. Our economy depends on the flow of goods and services, and increasingly, it also depends on the flow of people and ideas.

The University of Toronto is helping to address the need for increased internationalization in our economy. We have 10,000 international students from more than 160 countries. In fact, our engineering faculty alone has 26% of its incoming undergraduates and 22% of graduate students as international students. This faculty is addressing some of the brightest young people from abroad, as reflected by the first-year entering average, which is 91.3%.

Our research enterprise is similarly internationalized; 43% of all research at the University of Toronto published by our professors is co-authored with international collaboration.

What is the return on investment for international students coming to study in Canada? International students often stay after completing their post-secondary degrees to become some of our most highly skilled immigrants.

Recently I participated in an event in Toronto at which Minister Kenney celebrated a young man named Gaurav Gore, a University of Toronto MBA student who became the 20,000th permanent resident accepted through the Canadian experience class program. This valuable program offers a path for Canadian residency for temporary foreign workers and international students graduating in Canada.

At U of T, more than 25% of Ph.D. students studying on a visa become permanent residents.

● (1555)

The Chair: One minute remains.

Ms. Judith Wolfson: Let me tell you about Nilesh Bansal, who chose U of T because of its reputation when he came from India to complete his master's degree in computer science. His studies included the development of a tool to analyze social media. The tool was spun out as a new company called Sysomos, which grew to employ dozens as it quickly attracted an impressive list of global clients, including Microsoft, Disney, and Coca-Cola. It was sold to a Canadian company for \$34 million, and this young man remains in Canada as the chief technology officer.

Students who return to their home country also benefit Canada by seeding new international networks based on life-long connections they have built here.

We recommend that the government encourage the international education market by investing in excellent scholarships, particularly at the graduate level. Not only will this invite the brightest students from abroad, but it has a potential to leverage existing funding for students from other jurisdictions.

In conclusion, universities are creating the most skilled members of Canada's workforce, and their discoveries will give our industries their competitive edge. We thoroughly appreciate the support provided by the federal government, and we are keen to expand those partnerships and welcome any comments from the chair.

Thank you very much.

The Chair: Thank you very much for your presentation.

We have our sixth organization here, Skate Canada.

[*Translation*]

Welcome, Ms. Rochette. You have five minutes for your presentation.

Ms. Joannie Rochette (Olympic Bronze Medalist, Skate Canada): Hello. My name is Joannie Rochette. I am here today to make a presentation on behalf of Skate Canada.

Mr. Chair, I want to thank the committee for their interest in hearing more about Skate Canada and the 100th anniversary of the first official Canadian figure skating championship, which will take place in 2014.

[*English*]

First, allow me to introduce the Skate Canada delegation here with me today, starting with our president, Benoit Lavoie; Mrs. Jackie Stell-Buckingham, director of events; Mrs. Debbi Wilkes, director of business development and a 1964 Olympic silver medallist; and my fellow teammates, Tessa Virtue and Scott Moir, Olympic champions and two-time world champions, as well as Patrick Chan, two-time world champion.

We're all here today because we're passionate about skating.

Skating in Canada is more than a sport. It's part of our nation's culture and a large part of our history. We Canadians learn to skate at a very young age, and sometimes when we can barely walk. Skating is the first activity we learn before our other Canadian sports, like hockey, lacrosse, or football. Skating is also something that new Canadians do at the first opportunity. New Canadians get their first

pair of skates and hit the ice because that's what you're supposed to do when you live in Canada.

• (1600)

[*Translation*]

It all starts at the ice rink in every local community where Skate Canada supports Canadians every step of the way and all the way to the top.

[*English*]

Whether you're from a small rural community, like Scott, a mid-sized city, like Tessa, or a large metropolitan area, like Patrick, skating is woven into the fabric of communities across our nation. It's truly part of our Canadian DNA.

[*Translation*]

Skating clubs and community rinks across the country are the gathering places of Canadians. The rink is the place where I went to learn to skate, the place I went to meet friends, to keep physically active and to socialize outside of school. It was a place where I developed both skating and life skills. And it was the centre of the community.

[*English*]

My father was a hockey coach and brought me to the ice when I was 22 months old, with two-bladed skates.

I was raised on an island, Île Dupas, in the middle of the St. Lawrence River. My family would go ice fishing in the winter. Around the holes, my father would create a surface where I could skate. I was the one on watch for the fish while my parents were warming up in the hut.

I was an only child. My mother thought it was a great idea to have me join the Berthierville figure skating club to make friends before I started school. I got really inspired when I saw the Olympics in 1994 in Lillehammer and I saw the performance of Olympic champion Oksana Baiul. She was athletic and graceful. It was the first time that I was so moved watching a skating competition, and that's when I decided I would do whatever it takes to get to the Olympics one day.

Skate Canada is the largest figure skating governing body in the world, with over 182,000 registered members in more than 1,250 clubs in communities from St. John's to Victoria, from Yellowknife to Kuujuaq. Skate Canada provides everyone the opportunity to skate, from toddlers to seniors of all ages and in all parts of Canada. Some will go on to play hockey, or continue both figure skating and hockey careers, as did Jeffrey Skinner of the Carolina Hurricanes. Some will speed skate. Some will just learn for fun. Some will skate seasonally in places such as the Rideau Canal. And being Canadian, some will continue on the path of figure skating and might just live a dream like I did and earn the honour of representing our nation on the world stage.

We have had a great history and legacy of skating success. Many Canadians have changed and elevated the sport and art of skating over the years.

[Translation]

We can think, for example, of the recently departed 1948 Olympic champion, Barbara Ann Scott, 1960 Olympic champions Barbara Wagner and Robert Paul, 1962 World Champion, Donald Jackson, 1988 silver medallist Brian Orser, 1988 Olympic bronze medallists Tracy Wilson and Rob McCall, of Elvis Stojko, Kurt Browning, David Pelletier and Jamie Salé.

[English]

The list goes on.

[Translation]

All those champions were pushing the technical limits of the sport and making history with new firsts for Canada. With only a few major national sport Canadian sports celebrating the hundred-year mark, like the 100th Grey Cup this weekend, I feel that recognizing 100 years of Canadian figure skating championships is important to our national pride.

[English]

The first Canadian figure skating championships were held right here in the nation's capital in 1914.

[Translation]

The 100th anniversary will give us a chance to reflect on our past, where we have come from, as well as to celebrate and hopefully inspire another generation of young boys and girls to skate. I am sure that it will also be an extra boost to our Canadian team heading to Sochi, Russia for the Olympic Games.

[English]

We ask for your support, and we ask you to partner with us at Skate Canada to work together to prepare for this very special celebration in 2014, the hundredth anniversary of the first Canadian figure skating championships.

Thank you. Merci.

The Chair: Thank you very much for your presentation. I will say hello on behalf of my figure skating teacher, my mother. I hope my mom is watching this program.

We will start members' questions with a five-minute round for Ms. Nash, please.

• (1605)

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

Welcome to all of you. It's so unfair that we each get only five minutes to ask all of your questions, so I'll get right to it.

I'd like to start with Dr. Reid. I see you've made numerous recommendations in your presentation, Dr. Reid, and so many of them really hit home. I applaud the work you're doing in putting a focus on the social determinants of health.

I'm curious about the health impact assessment. I understand that is applied now not only in some countries around the world but also in the province of Quebec. Is that a tool that would help governments make better budget decisions because they would then have a fuller understanding of the true costs and benefits of spending or not spending when it comes to health?

Dr. Anna Reid: We know that actually health outcomes are determined only 25% by the health care system itself, 15% by genetics and biology, and 10% by the physical environment. A full 50% is actually determined by what we call the socio-economic determinants of health. Knowing this, we feel strongly that we do need to take a look upstream at those factors that actually cause people to become ill in the first place, things such as poor housing, inadequate food supply, inadequate access to proper early childhood development, and education.

A health impact assessment would enable governments to actually view every policy decision through a health lens so that they could look at upstream things such as housing and see how policy decisions regarding this would impact health down the road. It has been used around the world in a number of areas. A large study done in the United Kingdom actually showed the cost benefits of using a health impact assessment tool, and that it will—

Ms. Peggy Nash: Is that the Wilkinson work?

Dr. Anna Reid: I forget the name of the author, if you can excuse me for that. We can get that for you afterwards, if you like.

It has been shown that if we put money into a health impact assessment tool, we actually save money for the economy downstream.

Ms. Peggy Nash: Okay. Thank you very much. I have many other questions I would like to ask you.

[Translation]

I am going to ask Ms. Samson and then Ms. Ashton a question. It has to do with statistics from the cultural sector. If cuts are made to culture and jobs are eliminated, that will have an effect on the economic impact.

From an economic point of view, does it really make sense to eliminate those statistics that affect jobs in a sector that is very important both in Quebec and in Canada?

[English]

Is it important to keep these statistics and gather the impact on job creation and spinoff jobs in the cultural sector?

[Translation]

Ms. Claire Samson: Of course, it is essential to keep statistics as well as to analyze and follow the evolution of the industry. We must remember that these are excellent, creative and well-paying jobs for Canadians. They are also jobs that allow us to show what we can do outside Canada, which is no small factor these days from an economic perspective.

For all those reasons, we think that it is essential that the resources provided to the television, film and new media industry be improved. Absolutely.

[English]

Ms. Peggy Nash: Merci.

Ms. Ashton.

Ms. Kelly Lynne Ashton: I do believe it's very important to maintain an industry. We have to have our own domestic industry and not evolve into branch plants so that we only have service work. It requires a certain level of funding to be able to keep the domestic talent here; otherwise they'll just go to L.A.

Ms. Peggy Nash: Writing seems to me the research and development, a key part of the innovative work in a society. Sometimes the net result can take some months or years down the road to bear fruit. Is that right?

Ms. Kelly Lynne Ashton: A feature film can take six to 10 years before you can get it off the ground. Some of that's financing, but it's also just the creative work it takes. That's where it starts, and we can't get anywhere else.

•(1610)

The Chair: Thank you, Ms. Nash.

We'll go to Ms. McLeod, please.

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

Hopefully I have time to get to a number of presenters today. I would like to start with Mr. Campbell.

I want to pick up on your comment regarding having a competitive tax rate. The opposition has suggested that it's not important, that we need to raise taxes, that the money is just sitting on the sidelines. Could you talk a little about why you believe it's important to have that competitive tax rate and what is happening with the money?

Mr. Terry Campbell: I think it's a couple of things. I'll be very brief.

When we talk about a competitive tax rate, it's very important to recognize that when I say that and when the government says that, it's for businesses across the country. We are in a very competitive world in which people scan the competitive environment and make decisions as to where to invest. Taxation is not the only thing, but it's an important thing. The figures I quoted show the importance, that if you can keep tax rates competitive, they will attract investment; they will attract businesses.

The fact that over an extended period of time the percentage of GDP has been stable shows that there's been no lessening of revenue. At the same time, you are making it more competitive. I know a lot of attention has been paid nowadays to non-financial corporations and the extent to which they're making investments. I think it's recognized that investments are robust. The question is, could they be more so? This is a question that is best addressed on an individual company basis because they know their clients. They know the marketplace. They know where their investments have to be made.

I would say, quite frankly, that in uncertain times, one can understand why a company would wish not to have excess debt on its books and would wish to have a strong balance sheet. This is what kept Canada relatively strong going into the recession. Small businesses had strong balance sheets.

Having said that, we all want more investment for productivity. I think, quite frankly, a competitive tax regime helps that.

Mrs. Cathy McLeod: Is it accurate that there has been some of that by the shareholders, who perhaps have pension plans? Some of the investors are gaining some opportunity there, which is to their benefit.

Mr. Terry Campbell: There's no question that every company will make its own decision. Every board will make its own decision. Some pay them back in dividends. We've seen that happening. Some will give it back to shareholders, which then goes into pension funds. Some of that will be decisions to invest. Some of those decisions are on the books now, but the plans are for six months or a year down the road. That's a company-by-company decision.

Mrs. Cathy McLeod: Thank you.

I'd like to go next to Dr. Reid. You talked about infrastructure, and you talked about the need to build infrastructure. A piece of infrastructure that I think is absolutely critical is our focus on technology and electronic health records. I note that governments have provided over \$2 billion to try to move that forward through Canada Health Infoway. We also know from physicians that the use of electronic health records in managing chronic diseases is absolutely critical. Are we getting anywhere? You hear the bad stories. I notice you weren't specific about this in your request. To me, it's one of the foundations in terms of some of the ways we're going to move forward.

Dr. Anna Reid: We are starting to get places. We're not as far ahead as we'd like to be. There are areas around the country where a lot of innovation is going on. For example, in the Northwest Territories, where I live, we're leaders in the country in electronic medical records. We've managed to connect all of our 33 communities, most of them fly-in communities, to electronic medical records, thereby decreasing transport times for patients, etc.

A lot of innovative work is going on; there are a lot of physician champions. Certainly that's what the CMA is doing a lot of work on. There have been problems along the way with systems not talking to each other and different vendors in different areas around the country. There is a huge push.

We've just spent some time with the Canadian Pharmacists Association, and we've made a mandate of having e-prescribing available to Canadians as one of the main things we want to see happen over the next two years. We feel if we can get e-prescribing on everyone's agenda, the EMR will obviously need to be part of that. So that's one of the key initiatives we've been working toward with the CMA.

•(1615)

The Chair: Thank you.

Thank you, Ms. McLeod.

Mr. Brison, please.

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

[Translation]

Ms. Samson, I really like Quebec films like *Crazy*, *La Grande Séduction* and *Le Vendeur* and TV shows like *Tout le monde en parle* or *Les Parent* from time to time.

Do our investments in the production of Quebec films increase our ability to attract Hollywood North investments, in the sense of having Hollywood films produced here?

Ms. Claire Samson: Are you asking me whether the investments we make in film stimulate Hollywood productions?

Hon. Scott Brison: Yes, exactly.

Ms. Claire Samson: In one specific way, they do in the sense that, in Quebec—specifically in Quebec, but elsewhere in Canada, of course—we can pride ourselves in having a tremendously skilled and experienced workforce working with all the new technologies. Naturally, that attracts American producers. However, the critical mass of productions that a country must keep up is also a measure of success in the sense of co-productions that also bring a lot of foreign capital to a country. Co-production is an area that should not be overlooked. Hollywood productions are fine: they are new dollars that come into the economy that would not have come in otherwise. Co-production does the same. But to be successful with international productions, you have to have a strong workforce and production infrastructures and those things are built by local productions.

[English]

Hon. Scott Brison: We're seeing a multiplier effect in films, for instance, where the Nova Scotia government offers a fairly generous tax credit, as an example, and we're seeing a multiplier effect in terms of the Hollywood north activities in Nova Scotia.

In the industry that you represent, Ms. Ashton, do you see as well some multiplier-type effects of domestic investments here by governments in Canada through tax benefits and that sort of thing as potentially augmenting our capacity to attract activities from, say, the U.S. and other countries?

Ms. Kelly Lynne Ashton: I have to agree with Madam Samson that really our investment in Canadian production develops our industry, which means the crews. We have world-class crews. So yes, people will come here. We've got the studios. We've got all of that infrastructure for the foreign investment, but it's important to invest in our industry first.

Hon. Scott Brison: Yes, but one of the arguments for that investment can be the multiplier effect and the capacity to attract other investment, so that actually strengthens your argument.

Ms. Kelly Lynne Ashton: Yes, it does.

Hon. Scott Brison: To Dr. Reid, I'd like to ask a question about the Alzheimer's strategy. You mentioned a dementia strategy.

Speaking of that, I've been told that Canada is one of the few industrialized countries that has yet to implement a national Alzheimer's and dementia strategy. When you Google national Alzheimer's strategy you come up with the website for the UK. You come up with the news that the U.S. launched a national strategy in May of 2012. You get the private member's bill from Motion 574 of the hon. member for Edmonton-Leduc, but you don't get a Canadian government Alzheimer's strategy.

My mother is 84 and has Alzheimer's and has access to resources to help her, but an awful lot of families out there and a lot of people with Alzheimer's don't have the benefits to track the support they need.

What do you see as a national Alzheimer's strategy, and which country is doing the best job of it and what should we be following as best practice?

Dr. Anna Reid: We know we are the only one of the G-7 countries that does not have a national dementia strategy. We see that we need a pan-Canadian strategy. As I said before, it is suggested that by the year 2047 we're going to have 800,000 people in long-term care beds. That is the dimension of the problem. Most of those people will suffer from dementia.

We would like to see a pan-Canadian strategy involving all levels of government that actually looks at everything from home-based care, long-term care, home support, a national pharmaceutical strategy, that would help address some of these issues, and also help for caregivers in the home with actually more tax relief for people who are creating—

• (1620)

The Chair: Thank you.

You're out of time, unfortunately, but I will come back to that topic.

Thank you, Mr. Brison.

Mr. Van Kesteren, please.

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

Thank you all for being here.

Mr. Lavoie, that was a very clever bait and switch. In all seriousness, we're very pleased to see you here. We're pleased to see Tessa and Scott here as well. We're so very proud of what you've accomplished as an organization and what you've accomplished on the world scene. I think you've certainly done remarkable work, and Canadians thank you for that.

I want to ask you to elaborate on the funding you're seeking. First of all, how long would celebrations last, and what is the total predicted cost? Are you looking for more funding from other areas, such as the private sector? Will there be contributions from other levels of government and industry partners? What can we expect to see from the \$10 million funding?

Mr. Benoit Lavoie (President, Skate Canada): One of the things I have to tell you is that we gave ourselves a mission statement, with the objective of making sure that every Canadian has an experience with skating, with fitness, fun, and achievement. You have to understand that we are totally a non-profit organization run solely by volunteers.

The reason we're here today is really because we need the help. We cannot ask our members, our clubs, because we do have more than 1,200 clubs that are now paying their fees to be able to participate in all of the activities. What we want to do is put everything around the national championships, the Canadian championships that will be held in 2014. There will be a full year of preparation and activities that are going to be held across the country—the cultural aspect of being involved, of being part of skating, and so on.

As far as partnerships, we already have many partners. For example, 40% of our budget income right now comes from the membership itself. We have 15%, approximately, from government funding and maybe 30% from the events we're trying to organize. We want to make it a huge celebration, where we reach out and make sure that everybody will have this experience, helping the younger ones, the kids, to bring them back to activities so that something like this can help make sure they have that experience.

As far as partners, it's very difficult for us right now. You probably know that from the Olympic Games we had in 2010. We had a lot of support from sponsors. Now it's really difficult, looking at the private sector. We're trying. We've had a lot of activities. We are well known internationally. We are leaders in our sport. When you look at all the other federations, we're trying our best, but that's the reason we're here.

We're looking to have some partners. We're talking about hockey. We want to make sure that's the foundation, that people can learn how to skate, have the younger kids go back outside, with activities, and making sure that all the people who are already involved, including our clubs and volunteers.... If we're asking for money, it is not to give it to other people so that they can organize a big show. We want to do it ourselves, with our own volunteers. When I talk about volunteers, if we do put an event together—for example, for the national Canadian championships, we have over 200 people who are giving their free time. We want to keep investing in this manpower. As you know, people are changing their priorities. Because it's such a passionate sport, we think we can achieve it somehow.

Mr. Dave Van Kesteren: Mr. Campbell, very quickly, we know that the housing crisis in the United States was brought on by the mortgage bubble. Our government has made some changes to the mortgage rules. Could you comment on that, what position that's put us in as far as banking is concerned in this country?

Mr. Terry Campbell: I'll be very quick.

You mentioned the United States. The housing situation, the residential mortgage market situation in Canada, is very different than in the United States, very structurally different. I think comparisons between the two have to be very careful.

We're all concerned that we achieve a soft landing, not a hard landing. I would say that the government's incremental steps over the last four years have been very targeted. They have been very precise, very surgical. I think they are having the desired effect of slowing the market down and helping us to a soft landing. That's part of it, but we are a very different market than the United States.

•(1625)

[Translation]

The Chair: Mr. Caron, the floor is yours.

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

My thanks to the witnesses for being here today.

My first question goes to Ms. Reid.

As you probably know, the government has announced that it is going to unilaterally reduce the rate of growth in health transfers,

dropping it from 6% to 3% in three years. In terms of the previous level of health funding transferred to the provinces and territories, that represents a reduction of about \$31 billion. The government is now telling us that it is because the provinces and territories have reduced their costs by the same amount.

I have two questions for you. First, I would like to know if the provinces and territories have reduced their costs through efficiencies or because they are beginning to cut into bone—meaning reducing essential services by changing the services that provincial health care insurance programs cover. There may be other reasons too.

Then, I would like to know what you think about the fact that the government has made those changes to the transfers unilaterally.

[English]

Dr. Anna Reid: I believe the decrease in spending is due to the cuts rather than to efficiencies. Generally, when we find efficiencies in the health care system, there are so many other areas in need that we actually end up using the money there to improve services in another area. That is how I would respond to your first question.

To the second question, with respect to the cuts, the one-way unilateral cuts, we would actually have preferred that the health care transfers be connected to some sort of accountability measures that are federally driven. We would like perhaps to see an organization like CIHI, the Canadian Institute for Health Information, be an organization that's able to look at metrics, measurements, and accountability measures so that we can match the spending with actual health outcomes. We think this is something that could be driven a little bit more federally. That's what we would like to have seen happen with that money, although we are aware of the fiscal reality of the actual amount of money given.

[Translation]

Mr. Guy Caron: Thank you. I would like to ask you another question.

Next week will be the tenth anniversary of the tabling of the Romanow Commission's report, a historic report for its evaluation of the status of our health care. If I recall correctly, the report attached a lot of significance to the social determinants of health.

In your view, what course have we charted in that respect over the last 10 years? Given that this is an area of provincial jurisdiction, could you talk to us about the roles that the federal government could play in incorporating the social determinants into the way we look at health?

[English]

Dr. Anna Reid: As I talked about earlier, I think one of the best things we can do is to use our health impact assessment tool, which we've suggested. Actually, Canada is a leader in having developed this tool, and the Public Health Agency of Canada would actually be very well placed to be the holder of such a health impact assessment tool. I think if we actually use such a tool, we would go a long way towards addressing the social determinants of health. I think we've had a lost opportunity to do that in many aspects. It has been done to some degree provincially. Quebec, actually, as you probably know, uses that tool, and certain provinces use it in more specific areas of their policy, but not in a mandated way such as Quebec.

[Translation]

Mr. Guy Caron: Thank you.

My last question goes to Mr. Campbell.

In terms of household debt, we hear a lot about the mortgage component. The government has introduced changes to tighten access to mortgages, changes that were not opposed. But the consumer debt problem is still a problem. But we do not hear it mentioned as often. I am talking about credit cards, lines of credit, consumer loans, car loans and so on.

How can we tackle that component? We always hear about mortgages, but the government is going to have to deal with consumer debt. Do you have any recommendations to make on the matter?

•(1630)

[English]

Mr. Terry Campbell: It's important to remember that....

[Translation]

I am sorry, but I am going to have to answer in English.

[English]

It's important to remember, when you look at household debt, that the majority of that debt is mortgages. Credit cards are really only about 5% or 6%. Auto loans are growing, but I think that was probably a function of the demand for auto being suppressed over the recession, and we're probably seeing people just trying to fulfill that demand.

It's important to recognize, for instance, that the industry itself has been taking steps for greater disclosure, for clarity. The government has put in additional rules for clarity, for instance, on credit cards, making sure people know exactly what they're getting into. I think all of these are very, very useful steps.

Financial literacy, quite frankly, is an important part too. We play a large role in financial literacy. We know that the government and other parts of the community are emphasizing the importance of having well-informed consumers.

There's no one magic solution, but I perceive a lot of focus on this across the board these days.

The Chair: Thank you very much. Merci, Monsieur Caron.

We'll go to Mr. Adler, please.

Mr. Mark Adler (York Centre, CPC): Thank you very much, Mr. Chair. I want to thank all of the participants for being with us here today.

I want to begin my questioning with Mr. Campbell, from the Canadian Bankers Association. I want to talk a bit about Basel II and Basel III and OSFI and where we are in terms of that.

Under Basel II, the banks were required to maintain a 4% Tier 1 ratio and a total capital ratio of 8%. Basel III boosted it up to, I think, 7% and 10%. OSFI exceeds that standard.

You mentioned during the course of your remarks that the World Economic Forum has said that Canada has had the strongest financial institutions for five years in a row now. That's how we were largely able to withstand the economic storm that engulfed the world and why we were one of only two countries, I think, that didn't have any bank failures.

Could you speak a bit about how the banks feel about the more stringent OSFI standards vis-à-vis the Basel III standards? The banks are so competitive with each other globally now, not just within Canada but around the world. How do the banks view the more stringent standards they have to abide by under OSFI as opposed to Basel III, where their competitors are?

Mr. Terry Campbell: That's a very big topic, and it's a really good question. I thank you for that.

First of all, it's important to remember what capital is there for. Banks have to have capital, because capital supports lending, but capital also allows you to manage your risk. It acts as a shock absorber. Mr. Adler is absolutely right. Going into the financial crisis, we were capitalized well in advance of what international standards required. That was partly the role of OSFI, but it was partly a role investors and the street required of us.

One of the most important things about putting Basel III in place is the importance of international consistency. It is important that we have around the world a strong commitment to putting the rules in place, and to putting them in place in a consistent manner. We know that this is what Governor Carney is focused on in the FSB.

We see, unfortunately, some slippage. In the United States of America, many of the banks have not even put in Basel II yet, let alone Basel III. We notice that. We see, I think, probably some slippage in Europe. We think consistency of application is very, very important. We call for that.

I think the big thing with Basel III is that we all recognize the importance of prudential standards. It's one of the things we live by. Nobody should underestimate, however, what an enormous exercise this is for the industry in this country.

Mr. Mark Adler: As you know, last week, in Fredericton, the minister brought down the economic and fiscal outlook. As the minister and the Prime Minister have been saying all along, Canada is not an island. We are not isolated from possible contingencies that happen in other parts of the world.

I'd like you to comment a bit on the possibility that we get sideswiped on two fronts. One is the European sovereign debt crisis, although we seem to be seeing some indications that it is improving. The other is the fiscal cliff in the U.S., which we're hearing a lot about right now. Now that the election is over, we are seeing some movement on that front.

We're now about 40 days away from the deadline on the fiscal cliff. If, in fact, the President and Congress do not reach a deal, what would be the consequences for Canada?

• (1635)

Mr. Terry Campbell: Minister Flaherty is absolutely right; we are not an island. There's probably no other country in the world better placed to resist or deal with pressures we see elsewhere in the world, but we will not be immune.

You asked specifically about the fiscal cliff. I remain an optimist. I hope they will deal with that. I think it remains to be seen what the nature of the solution would be before we can assess what kind of impact it would have on GDP going forward. If the fiscal cliff is not addressed, and as I say, I hope it will be, then there will be an impact on GDP. There are varying degrees of estimates.

We are a trading nation. The United States is our biggest trading partner. I know we're trying to diversify, but we cannot escape if there is a slowdown or a lessening in economic growth in the U.S.

In Europe, I think the biggest transmission belt is if a slowdown has the effect of dragging the economy down. They are customers for Chinese products, and if they slow down, China slows down. It will just have that slowing effect. I remain an optimist, and I think the fiscal cliff will be solved.

The Chair: Thank you.

Thank you, Mr. Adler.

Mr. Marston, go ahead please.

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

I want to continue on just a little bit with Mr. Campbell.

Fiscal cliff or fiscal wall, it's still looming. As we say, it's early next year, very early. The EU continues to live with very serious economic problems. If we're honest with ourselves, there's no end in sight. This is something that's going to take years for adjustment.

China's GDP is half what it's been in the last few years. If we look at the ripple effect of these things around the world, we see that we certainly aren't an island, as the saying goes. It would be lovely if we had that dream reality. Our record has been comparatively good. It's hard to dispute that, but many witnesses coming before our committee have advised us of the volatility in this global economy and the potential risk to Canada's future economic growth. Beyond the safeguards in Basel III, what suggestions would you have for the government for further protection?

Remember, oh gosh it must be about 10 years ago, there was talk of liberalizing—no offence here—the banking rules. There was a time, too, when mergers of banks were considered, and all kinds of things. Liberalizing is a good word in my books, but it is not when it takes away the safeguards for Canadians. So I think we were

fortunate at the time that decisions were made not to proceed with that.

As I said, beyond Basel III, what would you recommend that this government do for further safeguards?

Mr. Terry Campbell: First, let's put these things into a little bit of context. There are a lot of dangers out there, and of course, probably the poster child for real problems that will take a long time to solve is Europe; you're absolutely right. Remember, even if China is slower, it's still growing at about 7.5%. I think the United States will solve the fiscal cliff, and it is still growing. Canada is still growing. There is still growth out there. If you look at the emerging markets outside of China, there is growth.

Now, this is not to sort of turn a blind eye to issues, but I think it's important to put it into perspective. It's low growth. It's not the robust growth we might have seen 10 or 20 years ago, but it is growing. So I think this does give a trading nation like Canada some manoeuvrability.

My own recommendation is this. What makes for a strong country? You want to be attractive to investment, you want to be attractive to start-up jobs, and you want to have the most conducive trade environment. We already have a very strong banking system, well regulated. There's much glory to be shared around all parties for the regulation of the banks over the years, but the system is well regulated. I think it's a bedrock of the economy. We're in good shape there. I think we have good fiscal room.

I would say the government should just continue to focus on what makes Canada competitive, and that will help. But always be vigilant.

• (1640)

Mr. Wayne Marston: Dr. Reid, you were quite clear in your presentation when you talked about the government having a responsibility relative to the Canada Health Act. In the past, there have been debates as to whether or not the act had been enforced in a way that would have been helpful relative to investment and outcomes. We believe, and we said all along, that the government has to enforce the Canada Health Act and ensure the outcomes are there.

You talk about our system. How would you describe us relative to encroachment on the public system by the private system?

The Chair: You have one minute.

Dr. Anna Reid: Certainly, as you probably know, in Canada much of health care is actually privately delivered but publicly funded. In this way we're no different from most European countries, and the United States, for that matter. That's not anything different. This is something that the Canadian public actually is not aware of. Certainly, we feel it should be a very strong publicly administered and publicly funded universal health care system, so that your ability to access the system is not based on your ability to pay, but rather on your need.

There has been some encroachment of privately funded, privately delivered health care in this country. The reason that's happening is that our public system has not actually had the infrastructure available to be able to deliver what Canadians need, so the funding and the efficiencies and the accountability measures are not there, for example, to provide enough operating room space. We feel we can make improvements in the present system so that we don't have to look outside the system that way.

The Chair: Thank you.

Mr. Marston, you are well over time. I'm sorry about that.

We'll go to Mr. Miller.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Thank you very much, Mr. Chairman, and my thanks to all the witnesses for being here today, particularly our athletes. No offence, Mr. Lavoie, but Ms. Rochette represented your organization very well today.

I want to make a comment first, Mr. Chairman.

Mr. Campbell, you made a comment in your presentation that there should be no tax increases, and if there is one thing that this committee should print in bold, it is that statement. I was very happy, as a Canadian taxpayer, to hear that.

Mr. Lavoie, leading up to the 2010 Olympics, the “go for the gold” program instilled a lot of pride in Canadians. What effect did this program have? Be as brief as possible, because I have a couple of other questions.

Mr. Benoit Lavoie: As with any situation related to sports, we need as much financial support as we can get, especially from the government. Own the Podium is an example of where we were able to provide our athletes with the fine details they needed to be a little more ready than the other nations. Of course, we had this Canadian advantage of being at home and there was a lot of support. That's why I referred to having a huge experience with this anniversary—we know that Canadians relate to figure skating, or to skating itself.

I can tell you that the medals we got at the Olympics probably were the result of all this help—not only financial but all the resources. They all came together for one goal: helping those athletes who without that help would not have produced the medals they did. We would like to give back to the community, to give back to everyone across Canada through the clubs. We have 1,200 clubs where all of the volunteers can keep the trend going and get people more involved.

We were talking about partners. We have a long-term contract with CTV. There was great visibility for the government, through the money we received, and visibility with the alumni—all those champions want to give back. It brings back this passion to be able to share what we have learned and make it part of the culture.

•(1645)

Mr. Larry Miller: Thank you very much. We wish you well in your 2014 centenary celebrations.

Ms. Samson and Ms. Ashton, you both referred to stable and increased funding. Governments, just like businesses, have to make tough business decisions. It's obvious that we have to get our spending under control. So if your funding were to stay stable or

increase, where do we cut that from? Do we cut that from foreign aid? Do we cut it from health care? I'd like some comments on that.

Ms. Ashton, you seem to know a fair bit about the CBC, to judge by some of the figures you presented. Would the 600 jobs you talked about have happened if CBC had the mindset to go out and look for other funding opportunities, in the same way that CTV, Global, and other stations do?

Ms. Kelly Lynne Ashton: I'll start with the CBC. It does have a hybrid funding model. It has to find other resources. That's why it needs ad revenue—it has to get large audiences for its programs to get that ad revenue.

It has the same need for audiences that the private broadcasters have, so I'm not really sure what your point is. It is doing the best it can with reduced funding. It's in front of the CRTC right now. They are having conversations about the licence and how they can do the best they can as a public broadcaster.

Mr. Larry Miller: Maybe you'd like to comment on how the other stations do without...

Am I out of time?

The Chair: You have 30 seconds. Ms. Samson wanted to comment, so perhaps I'll let her.

Ms. Claire Samson: The easy answer on where to get the money would be to say “Get it from the banks”. They have a lot of money, I read.

Voices: Oh, oh!

The Chair: Apparently they're sitting on it.

Ms. Claire Samson: Unfortunately, your role is to decide who's going to end up with fewer resources than they had in the past. We simply have to remember that the expression of culture to Canadians is very important, and that cultural productions such as television and feature films are a leverage for new money coming into the country, through Hollywood productions or co-productions, and it should be considered in a very serious manner.

The Chair: Merci.

Thank you, Mr. Miller.

Monsieur Mai, s'il vous plaît.

[Translation]

You have the floor.

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

I agree with what Mr. Van Kesteren and Mr. Miller said about Skate Canada. We are very proud of what the athletes have accomplished. It really is something extraordinary. As a member of Parliament, I have had the good fortune to see young people in my riding participating, just as you say.

In terms of your plan, can you quickly tell us how the funds that you are asking for can stimulate participation and help skating outreach in other ridings and communities?

Mr. Benoit Lavoie: First of all, I would like to mention that Skate Canada actually has 182,000 active members. That means that our 1,200 clubs prove that we are reaching all levels in all provinces, whether in British Columbia or Prince Edward Island.

What we are trying to do is to keep going, in a way. There is the issue of retention too. You know that when the Olympic Games come around, we have role models, the athletes who represent us so well. We must not forget that the sport has a wholesomeness about it. We are fortunate that our sport is very, very clean at the moment.

But what we are trying to do, with our partners, is to keep recruitment going through this event that we will be planning for about a year. We also want to go and seek out new people arriving in our communities. We want to give them a chance to experience skating and, as I said when I introduced our mission, to convince them that we are not here just for the elite. Elite skaters participate too and they all came through a club and a development program.

That, in a word, is how we are going about it, I would say.

• (1650)

Mr. Hoang Mai: Thank you very much for that answer.

Ms. Reid, in one of the recommendations in your brief, you wanted every cabinet decision-making process to be put to the test of a health impact assessment.

Could you elaborate on that?

[English]

Dr. Anna Reid: We know that 50% of health outcomes are determined by the socio-economic determinants of health, and we think that if we actually take a look at health policy through a health impact lens...when we look at it that way, it's best to start thinking about what might happen downstream to health outcomes if we get involved very early on in the policy development process, rather than trying to fix problems downstream later on.

We would like to see all cabinet policy go through this particular assessment. There are tools that have been developed in certain areas of the world to look at health impact assessment, and, as I mentioned, the Public Health Agency of Canada is well placed to do this.

The Canadian Medical Association itself is actually developing a tool to look at how to do health impact assessments and would be more than willing to work with the federal government on this at any time. But the key thing is that if we're going to try to look at the downstream effects of policy, if we're going to improve the downstream effects, we need to look upstream when we're first developing policy by using this particular tool. It has to be brought in very early in the decision-making process.

Mr. Hoang Mai: Do you feel it's being done now, or is it not really taken into consideration?

Dr. Anna Reid: It's not being done in a mandated way federally, or in most provinces, except in Quebec. It actually is mandated in Quebec that all cabinet decisions go through this particular policy, and I think it's been quite effective in that way.

Mr. Hoang Mai: Thank you very much.

[Translation]

Ms. Samson and Ms. Ashton, Mr. Miller mentioned Radio-Canada.

When ACTRA people came to see us, they said that, for every dollar invested, three dollars go back into the economy. It is a way to get the economy working. We know that it is important for artists to make the economy work and to create jobs.

Can you talk to us a little about the cuts to Radio-Canada? What negative impact could they have?

Ms. Claire Samson: The moment Radio-Canada reduces its volume of production, there will clearly be a direct impact on the production company community. We feel, and we have always believed, that Radio-Canada should have stable funding that is known far enough in advance so that it is able to plan its costs, like every good manager, since we want them to be good managers. Unfortunately, that has never happened. But it is certainly something that the government should consider.

To go back to the question about where the money would come from, you have to remember that the federal government is getting ready to auction off some broadcast frequencies in the 700 MHz band. That should generate a lot of revenue for the government. A significant part of that revenue could go back to the culture industry.

[English]

The Chair: Merci, Monsieur Mai.

Please be very brief. We're over time and we're bumping up against our five o'clock.

Ms. Kelly Lynne Ashton: Just briefly, they've already had to cut 175 hours of programming in English CBC for this year's budget. They're going to have to cut more hours of programming going forward. Most of that is independently produced, so those are clear-cut jobs that aren't going to be there.

The Chair: Thank you.

Go ahead, Ms. Glover, please.

Mrs. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chair.

I too want to say that I'm a bit star-struck by all of the talent in the room. I see Patrick Chan at the back.

I want to give you an opportunity, Mr. Lavoie. I see this wonderful document that you've provided to us. Is there a fundraising effort for the 100th anniversary that you might want to convey to people who might be listening today?

Mr. Benoit Lavoie: For every activity we have with the organization, we try to find ways to fundraise or to have our partners involved. The reason why we are here is because we have already asked for a lot of money from our members. We still want to keep this low cost for people to participate. But as for—

Mrs. Shelly Glover: I just thought that if there was a way they could donate, if there was somewhere you wanted to tell them to donate, it would be a good opportunity, if there are people listening. If you don't have a place, then that's fine, but I'm going to encourage Canadians to make sure they think about donating, because I think it's a worthwhile cause.

• (1655)

Mr. Benoit Lavoie: Yes. We need your help. I think it's pretty clear.

Mrs. Shelly Glover: I want to ask Dr. Reid a couple of questions.

I was so thrilled to see in your document, your opening remarks, about the lack of efficiency and how frustrating it is to work in a system that gives quality care but that is inefficient.

I want to bring to your attention that we did have St. Boniface Hospital appear here, and we had a wonderful suggestion about creating what they would call a centre for health care innovation, because they see a need to try to partner with business to try to address some of these inefficiencies.

Not only did they suggest that, in an effort to solve these inefficiencies, like partnering and producing seniors' care homes on hospital grounds, which makes entirely good sense to many of us because of our aging population, who have health care needs, but they also suggested a lean management system that would allow inefficiencies to be addressed, by really addressing those through the grassroots people in hospitals. Through this lean management system, they were actually able to save, in the first year, \$3 million. They expect to save double that in the second year, so they've asked that the government consider putting some money towards this centre to do that.

Would you be able to perhaps review that and tell us whether or not you think that's a good idea? Did you hear about this suggestion from St. Boniface Hospital before coming here?

Dr. Anna Reid: I'm not familiar with that particular example of lean management and efficiency, but the lean management system has been used in health care in many jurisdictions across Canada. Actually, Saskatchewan has been a leader in that, and the government—actually, through Dan Florizone, the deputy minister—works very closely with the physicians of Saskatchewan. They've worked together to put the lean management system in place. The CMA has been very interested in this, and it's something we're looking at trying to promote in other areas across the country.

Mrs. Shelly Glover: After today, if you have an opportunity to actually review—

Dr. Anna Reid: I will, yes.

Mrs. Shelly Glover: If you want to send some comments in, we would be really happy to receive them, Doctor. As I say, Dr. Tétrault was one of the leaders in the lean management system in Manitoba, and he travels all over teaching this, not only in Canada, but the world, because he's been in such demand.

We did do some things in Budget 2012 to address cost effectiveness, such as promoting cost-effective health care through the McMaster University studies. Hopefully, that will reduce some of the inefficiencies. Of course, we did some other things with regard to

mental health research and that kind of thing, and we continue to look at ways to help improve in our own way.

Ms. Wolfson, you did not get a question yet. I would love to have your feedback on something you had in your submission, the federal skilled workers program. There are some changes coming, and you've indicated that you believe this will help recent graduates stay here in Canada. I'm just wondering if you can explain what you mean by that.

Ms. Judith Wolfson: The new program Minister Kenney announced has been hugely helpful for our Ph.D. students and our graduate students who are here doing research. Instead of having to leave the country at the end of their program, they can apply to stay here in the country, and that's just a tremendous retention strategy for the best and the brightest.

I will say that we've had wonderful skating stars here; we do have the Olympics of these kinds of graduate students, and we want to make sure that they can stay in the country. It's a huge opportunity for Canada.

Mrs. Shelly Glover: I have to tell you that I agree.

The Jenkins panel also made some recommendations with regard to evolving National Research Council institutes. Very briefly, did you want to comment on that?

Ms. Judith Wolfson: I think the bottom line is—as opposed to my taking the time here to speak about a specific program, there are two areas. Research has to be supported, and infrastructure has to be supported because you can't do it without that kind of expensive investment. It's really not about the NRC. The Jenkins report spoke to the NRC. It had a whole slew of recommendations that we were highly supportive of. It's a trend that goes from A to Z of the kind of infrastructure support that's very important to get that innovation out the door and into products and services.

The Chair: We are bumping right against the 5 p.m. time to change panels.

I will put three questions on the table and then have the organizations perhaps respond to me as the chair.

Ms. Wolfson, that was an outstanding submission to the committee. Is there anything further, for instance, on CFI—that was in your response to question 5 in your submission—that you want the committee to consider in terms of background funding for the Canada Foundation for Innovation?

My second one is with respect to Alzheimer's, the motion that Mr. Brison mentioned. Dr. Reid, is there anything further that you want us to consider in terms of substance, as to what would involve an Alzheimer's society? There are two organizations, the Alzheimer's Society and neurological organizations that actually work on.... If there's anything substantive you want us to consider for this report, please submit that to me as well.

Mr. Campbell, the third one is with respect to the foreign investment protection agreements. You mentioned them in your opening presentation. Again, I'm sorry I'm running out of time, but if you could submit any further comments on that to the committee—obviously it's very topical with the recent one with China—we'd appreciate them very much.

As you can see, it was a very interesting panel and a very interesting discussion. I'm sorry it has to end here. We do want to thank you for your responses to our questions. If you have anything further, please do submit it to the committee.

Thank you so much.

• (1655) _____ (Pause) _____

• (1705)

The Vice-Chair (Ms. Peggy Nash): We're resuming the 93rd meeting of the Standing Committee on Finance.

We have with us this afternoon the Canadian Arts Coalition; the Child Care Advocacy Association of Canada; Fair Pensions for All; Food Secure Canada; Medicine Hat and District Chamber of Commerce; and finally, by video conference, Réseau québécois d'action pour la santé des femmes.

With that, I would like to welcome the witnesses. You each have five minutes. I'll let you know when you have about a minute left.

We'll begin with the Canadian Arts Coalition.

Ms. Shannon Litzenberger (Artist, Arts Policy Fellow and Steering Committee Member, Canadian Arts Coalition): Thank you so much.

My name is Shannon Litzenberger, and I am a Toronto-based dance artist and an innovation fellow with the Metcalf Foundation in arts policy.

I'm here today actually as a volunteer for the Canadian Arts Coalition. We are Canada's largest group of arts, culture, and heritage supporters. We're non-partisan, pan-Canadian, 100% volunteer-led, and we don't receive any government funding.

In response to the government's framework for Budget 2013, we're proposing some specific measures to address economic recovery, job creation, skills development, and enhanced productivity.

First, we're recommending that the government renew investments in the Canada funds that it announced in 2009. These include the arts training fund, the arts presentation fund, the cultural spaces fund, and the cultural investment fund. Of the \$120 million in that fund currently, \$80 million is up for renewal, so we'd like to see that investment renewed.

This suite of programs plays a very critical role in supporting the arts and culture ecology, and it represents investments that are not in the scope of what the Canada Council for the Arts supports.

Our second recommendation is to maintain levels of funding to the Canada Council for the Arts and, as circumstances permit, to begin increasing investment towards the target of \$300 million annually.

I'd like to acknowledge that in Budget 2012 the government did maintain investment to the Canada Council, and we are very thankful for this in the sector. Last year that enabled the council to support activities in 1,900 Canadian communities. The council is regarded by government and the arts sector as the most effective deliverer of public funds in the arts.

I often hear government say that it is investing in arts and culture at record levels, so at this table today I'd like to give you some perspective on how the Canada Council for the Arts, more specifically, has been funded over time.

The council, as you know, was created in 1957 by the Massey-Lévesque commission, and 30 years after that there was a federal cultural policy review committee that looked at all of the federal programs of investment in the arts. When that report was published in 1982—that's 30 years ago—it called for a significant increase in funds to the Canada Council at that time, and they actually asked for a doubling of the budget.

In the years that followed that, the recommendations for new investment for the council were never implemented, and in fact the budget was cut quite dramatically in the nineties. That caused a major downsizing for the institution. Since that time, we've had modest incremental growth, particularly by this current government, and we thank you for that. But the fact remains that today, in 2012, the per capita investment in the Canada Council for the Arts is actually lower than it was in 1990.

The impact of that long-term investment trend has resulted in the council having less capacity than it did 20 years ago relative to the growing and changing demographics of Canada's population, as well as relative to the available talent and potential of the sector itself. As a practitioner in the field, I can tell you that for my generation, life as an artist is a constant struggle.

But we are still a booming sector, growing faster than financial services, faster than the food and beverage industry, and faster than the biomedical industry. And we are capable of producing great returns for Canada, both economic and social.

I know you've heard all of these stats: over 600,000 jobs; \$46 billion into the economy; and we return \$25 billion in taxes to all levels of government, which is more than three times what the investment is from government.

We are also a sector that's undergoing unprecedented transformation at this time. New technology is challenging traditional modes of presentation, and changing patterns of audience engagement in cultural experiences has broadened the scope and nature of artistic offerings and public demand.

While maintaining investment through a challenging financial climate has allowed the cultural sector to avoid major downsizing, as we've seen in other countries, there is still an entire generation of diverse and talented creative innovators waiting in the wings. These new generations and the work they produce represent today's Canada, one that speaks over 200 languages; that embodies values of equality, tolerance, social responsibility, and civic pride; and one that is poised to lead the world in creativity and innovation. So we are foolish to hold back the relatively modest investment that will be required to leverage this talent.

We are so proud that our government understands the value of the arts to our economy and to our society, and as Canada sees positive economic growth, now it's time to make some investments that are commensurate with this value.

•(1710)

I can't stress enough that when the government makes decisions regarding arts and culture, its decisions directly impact the jobs of hundreds of thousands of Canadians like me, and it does touch the lives of families and communities throughout the country.

New generations of Canadians want to see their experiences reflected in the contemporary cultural expression of our nation, and new investment is needed to nurture the future development of our artists, the creative work they produce, and the communities they serve.

What is the cultural legacy we are building? How will we know ourselves, and how will the world know us?

Thank you.

The Vice-Chair (Ms. Peggy Nash): Next is the Child Care Advocacy Association of Canada. You have five minutes, please.

Ms. Shellie Bird (Member, Board of Directors, Child Care Advocacy Association of Canada): I'm Shellie Bird from the Child Care Advocacy Association of Canada, and I thank you for the opportunity to present today.

I've worked in child care for over 30 years, caring for and educating hundreds of young children and being a support to their parents as they struggle to balance the needs of their children with the demands of their paid work or studies.

I know firsthand the increasing pressures on young parents as they face growing job insecurity, stagnating wages, increased student debt, and higher costs for the basics—food, housing, and utilities. At the same time, these families face sky-high child care fees, typically the second highest cost in most family budgets today.

Child care in Canada is in a state of crisis. It is a fragmented patchwork that demonstrates the failure of a market-based approach to meeting the needs of young children and their families. Evidence of this crisis can be seen across the country in unaffordable fees for parents, shortage of child care spaces, poor wages and working conditions for child care providers, and a growth in large corporate child care interests in Canada.

National and international studies show that child care grows the economy. A recent study commissioned by the Child Care Human Resources Sector Council found that investing in child care provides the greatest benefit of all sectors in the Canadian economy. Child care is a strong economic stimulus. For every dollar invested, the GDP is increased by \$2.30, producing one of the highest GDP impacts of all major sectors.

If the federal government is serious about ensuring sustained economic recovery and growth, it must take action now to support provinces and territories to build systems of early learning and care that allow parents to work and/or study and assist in children's healthy development.

If the federal government is serious about investing in job creation and a knowledge-based economy, then it must make investment in child care a priority. Building systems of affordable, accessible public child care not only creates jobs, it also increases families' purchasing power and provides additional tax revenue.

Research has found that child care is one of the biggest job creators, both in the jobs it creates in the child care sector itself and by allowing more parents to enter and remain in the workforce or to train and retrain for better jobs. In Quebec, where half of all children under the age of five have access to affordable child care, 70,000 women have entered the labour force, a 4% increase in women's employment overall.

Child care should factor into any national strategy to ensure the training of skilled workers who will replace Canada's retiring workforce. A universal, affordable, quality child care system will increase access to the kind of care and education we know best supports children while their parents are at work or study. It will help to alleviate the financial burden of the high cost of child care for young families, allowing them to get ahead of the increasing living costs and the stagnating wages.

Every parent hopes to make a better life for their children. Every generation hopes to leave behind a better world. The federal government does have a key role to play in providing the conditions that foster this hope and optimism. You do have a choice in the 2013 federal budget to support young parents to meet the demands of a 21st century economic system that requires their participation. You do have an obligation to support families to be hopeful for themselves, for their children, and for their grandchildren.

Thank you.

•(1715)

The Vice-Chair (Ms. Peggy Nash): Mr. Tufts, you have five minutes, please.

Mr. William Tufts (Founder and Executive Director, Fair Pensions for All): Thank you.

It's a pleasure to be here with you and to share in the very valuable work that you do for this country. It's important to see all of the dedicated people around this table who are committing their lives to making Canada a better place.

It's also exciting to see the fellow panellists here, who have a very wide-ranging and diverse group of interests in the country. I thank you for allowing me to be here.

I'm here with Fair Pensions for All. We're an organization dedicated to looking at reform in the Canadian pension system. There are various aspects we need to look at in order to bring the system back into balance and to make the system fairer for all Canadians. I'd like to address some of those issues for you today, to go through some of the facts and figures that represent the imbalances that exist in the pension system today, and to outline some of the unfairness in the system that we feel is important to address and bring back to a level of fairness for all Canadians.

I'd like to congratulate the government for the recent moves it's taken, the bold and courageous steps toward making reforms in the pension system: the reform of MP pensions, and also the reform of public sector pensions. It is a start toward the journey that we need to begin in order to make these pensions, as I say, more fair for all Canadians.

It's a good start, but I'd like to point out to you today some of the areas in which we need to take further steps to address some of the unfairness that exists.

From our point of view, we see unfairness at basically two different levels. We see one level of unfairness between the public sector and the private sector, the huge gap that we point out, the inequality between the seniors who are retiring today, those who have access to public sector pensions, those who have access to private pensions, and those who have no access to pensions at all.

There is also intergenerational unfairness. We have a group of baby boomers, myself included, who have made very large promises to themselves in terms of the entitlements they are going to be giving themselves. Unfortunately, with the current economic situation in Canada and around the world, those promises are starting to come into question. The question is whether or not they are sustainable over the long term.

As we try to shore up and maintain those promises, we see a generation behind us that is forced to fund them. That generation is making very large contributions to their pension plans mainly to fund the shortfall that exists in those pension plans. They are putting, in some situations, up to 15% of their wages as contributions into these pension plans, and a lot of that's going into the shortfalls that exist.

A large part of the imbalance that's occurred has occurred over the past two decades. One of the things I'd like to point out in our report is the level of contributions that are going into the plan. You can see back in 2001, \$28 billion went into RRSPs and \$11.6 billion went into the pensions of public sector employees.

We move that ahead to 2011 and look at the contributions that occurred last year, where 80% of the population outside of the public sector contributed \$33.8 billion into their RRSPs and another \$22 billion into private sector pension plans, but the public sector pension plans accumulated \$31.3 billion. That's a substantial increase from \$11.6 billion a decade ago to \$31 billion today. We're told that there are still very large public sector pension shortfalls that need to be funded.

Those are the issues I would like you to look at today in terms of determining the next steps as you continue your reforms of the public pension system. We'd like to be able to assist you with some guidance.

Thank you.

• (1720)

The Vice-Chair (Ms. Peggy Nash): Thank you very much.

Now we'll hear from Ms. Bronson from Food Secure Canada.

[*Translation*]

Ms. Diana Bronson (Executive Director, Food Secure Canada): Good afternoon. Thank you for inviting us here. It is an honour to appear before our elected representatives from all political parties.

[*English*]

I speak today on behalf of Food Secure Canada, which is a coalition of organizations and individuals concerned about our food system in Canada. We have three overarching goals: zero hunger, healthy and safe food for all, and a sustainable food system.

We have quite a large menu of options we'd like to see in terms of federal policy. Notably, we're calling for a national food strategy, something that all political parties agreed with in the last election, and which we've elaborated in "Resetting the Table: A People's Food Policy for Canada". I've submitted copies of that on the table and also more detailed comments than what I'll be able to say in the five minutes I have before me.

I really want to concentrate my comments on one big recommendation, even though there are many other things we'd like to see in the budget.

We've just come out of our biennial conference in Edmonton. Some 300 people from across the country gathered and came out with a resounding consensus that the most important policy reform we could undertake immediately would be the institution of a visionary national student nutrition program. That's what I'm here to argue for today.

Perhaps Dr. David Butler-Jones, Chief Public Health Officer of Canada, said it well. Over half of students go to school without breakfast in the morning. The consequences of that are quite severe. As he says:

When children go to school hungry or poorly nourished, their energy levels, memory, problem-solving skills, creativity, concentration and behaviour are all negatively impacted.

In fact, what we're calling for today is investment in the better health, the better learning, the higher grades, and better economic returns that will come from a healthy, nutritious snack for all primary and secondary schools in Canada. I'm not calling for some big, heavy, bureaucratic top-down program by the federal government. What I'm asking you to do is to contribute to the amazing array of grassroots community initiatives already going on in breakfast programs and snack programs across this country.

In fact, what we're calling for is for the federal government to assume 20% of the costs of what's already going on. The other 80% of the expenses of this program are assumed by parents and community organizations, by the private sector, and by the municipalities, the provinces, and the territories across this country.

I know this is the finance committee and this is the pre-budget consultation. To cut to the chase: what will it cost? We figure that 20% of the contribution would cost roughly \$540 million if we were to institute the full program right away. We're suggesting that we phase it in, that it be bottom up, and that we target the support in those communities where there's the most capacity and the greatest need. We'd argue that this would represent a very wise investment in our future, in our children. It will reduce long-term health care costs. It will improve learning.

I know it's a tight fiscal environment, and it's tough for everybody to think of making these new programs, but Canada is one of the very few developed countries in the world that has no federal nutrition program. There are innovative ways we could finance such a program as well. Annually in this country we consume 3.5 billion litres of sugar-sweetened beverages. A five-cent tax on every litre consumed would adequately cover the first year of such a program, a little bit under \$200 million.

My plea to you today, on this International Day of the Child, is to think very carefully about the consequences of kids not learning properly because they're going to school hungry or they're being badly fed. We can support local economies, we can improve their health, we can reduce chronic diseases. It just makes sense. It's a smart thing to do, and I'd ask you to consider that when you identify the priorities for this government as it goes towards the 2013 budget.

Thank you very much for your attention. We're very pleased to have this opportunity to suggest this to you.

• (1725)

Ms. Peggy Nash: Thank you, Ms. Bronson.

Next is Mr. Melhoff from the Medicine Hat and District Chamber of Commerce. You have five minutes, please.

Mr. Jason Melhoff (Chair, Medicine Hat and District Chamber of Commerce): Thank you, Madam Chair and members of the Standing Committee on Finance. On behalf of the Medicine Hat and District Chamber of Commerce, I extend our sincere gratitude for the opportunity to present to you today.

Our primary concerns related to our pre-budget submission of July 2012 are as follows.

Commercial border services. It would be beneficial for the Canadian government to invest in border initiatives, ensuring there is a financial capacity to guarantee the hours and services of ports of entry, consistently matching the U.S. border standards on both traveller and commercial services. Additionally, the Canadian government needs to invest in border services in Alberta and implement budgetary resources and a plan for an extension of hours at the Wild Horse port of entry to ensure there is a second 24-hour commercial border crossing in Alberta. With a population of close to four million and the fastest growing GDP in the country, Alberta remains the only province with one 24-hour port of entry.

Investment in citizenship and immigration. The federal government's temporary foreign worker program and Canada's provincial nominee program are important components of Canada's labour strategy. However, changes in how the programs are implemented and integrated federally are urgently needed. Change is needed to reform processes to increase Canadian businesses' ability to compete

domestically and globally. In Canada, employment is projected to reach 35.2 million in 2055. The labour force is projected to reach 22.8 million in the same year. Therefore, the demand for labour would exceed the supply of labour by 13.9 million workers. As a chamber of commerce, we ask for investment and consideration toward the foreign worker program to assist in alleviating the increasing labour gap.

Tax indexing. The value on new housing rebates has not changed since 1991, and we are requesting that the government evaluate and look at increasing the value on GST and HST particularly on new housing rebates or index the values of inflationary rates.

Charitable tax credits. In order to provide a greater focus on fundraising and individual donations, the Government of Canada should establish higher tax credits for donations and provide less direct funding to charities. This will provide a greater incentive for individuals and businesses to provide donations to charities of their choice.

HST exemption from managed assets. On July 1, 2010, the federal government facilitated the implementation of harmonization of the GST with provincial sales tax in Ontario and B.C. While providing streamlined reporting and numerous cost savings for business, the implementation of the harmonization has resulted in Canadian investors paying the price on their retirement assets. Investors are paying GST on management fees for mutual funds, segregated funds, exchange traded funds, hedge funds, and managed pension plans. With the harmonized sales tax, asset management services are now subject to the combined tax rate. Therefore, we request that the federal government continue to assist Canadians to save for the future by exempting asset management services from the goods and services tax.

Red tape reduction. We commend the Government of Canada on its red tape reduction action plan, and we encourage continued investment in reducing unnecessary regulations and bureaucracy through the recommendations provided by the red tape reduction commission. The disproportionate impact on small firms is especially important given that the SMEs are a critical driver of the Canadian economy, and firms with fewer than 50 employees account for 97% of companies in Canada. Businesses feel that much of the regulatory requirements are unneeded and provide no further benefit or added value. Instead, the regulatory burdens are increasing the cost to taxpayers and to business.

Support to ranchers in the removal of specified risk material. Since 2007, increased costs associated with the removal of specified risk material from cattle has caused significant cost disadvantages for Canadian cattle producers, processors, and veterinarians. In order to maintain slaughter capacity and restore competitiveness in the Canadian cattle industry, the federal government should work to implement regulatory reform and policies to offset the costs and harmonize regulations with the United States. We would ask the federal government to invest in working with the cattle industry to determine a cost-effective solution to the removal of specified risk material.

Investing in the Canadian Forces and training. The Canadian Forces bases invest heavily in their surrounding communities....

Yes?

• (1730)

The Vice-Chair (Ms. Peggy Nash): I'm sorry to interrupt you. You will have the balance of your time. You've got about a minute left. But I need to interrupt you because the bells have started calling us to a vote and I'd like to ask consent from the committee members, under Standing Order 115(5), to sit through the bells for a bit so we can hear the rest of the testimony and get some questions in.

For the committee members, the buses have been called and they'll be waiting for us at 5:45 sharp, if we can sit that long. I've had some members advise me that they are unable to return. Unfortunately, it means we're going to have our time cut a bit short. So with that, again I apologize for the interruption.

Mr. Melhoff, you have a minute left.

Mr. Jason Melhoff: Thank you, Madam Chair.

Canadian Forces bases invests heavily into their surrounding communities, not only in base procurement opportunities, but also with military families investing in goods, services, and entertainment. There are Canadian Forces bases within Canada that provide military training to other countries, bringing global investment to our country. With many countries experiencing difficult economic conditions, there is discussion regarding removing some training from Canadian soil.

We would encourage the federal government to investigate these conditions further and ensure there is adequate support and influence for Canadian Forces bases to directly support the retention of overseas military training operations on Canadian soil, and particularly focus on the British Army and other Commonwealth countries.

Thank you very much for the opportunity to present to you today.

The Vice-Chair (Ms. Peggy Nash): Thank you very much.

[*Translation*]

We are now going to go by teleconference to a presentation from the Réseau québécois d'action pour la santé des femmes.

Go ahead, Ms. Assayag.

Ms. Lydya Assayag (Director, Réseau québécois d'action pour la santé des femmes): Good afternoon. I would first like to thank the committee for inviting us.

I would quickly like to emphasize that the issues of women and health are really related. Across Canada and around the world, women take care of health issues, providing it both in the public sector and in the family as caregivers. Any steps taken in this area, therefore, target not only the women they seek to help, but also the whole family and society as a whole.

I would also like to say that we are aware of the difficult economic times the world is going through—I am thinking of Europe in particular—of the constraints required in austerity budgeting and of the cuts imposed in order to achieve a balanced budget. But they have a social impact that costs much more later. We have three recommendations for you, all principally based on prevention.

The first deals with demographic change. As you know, we live in an aging society and women live longer. That is to say that they die later than men and, more specifically, in worse health. They have more chronic diseases and, in the final years of their lives, they consume more medications and use more services. They are not in good health.

Given that situation, we feel that an ounce of prevention is worth a pound of cure. We must therefore invest in prevention to provide those women with information and to improve their living conditions before they get into situations of vulnerability. The result will automatically be the same for men. As we mention in our brief, this is a position that the Public Health Agency of Canada has taken on a number of occasions. In economic terms, we know that \$1 in prevention represents \$10 in savings in social and health costs and in absenteeism. I can provide examples later if there are any questions.

How do we move forward on prevention? We have been in existence for 15 years and we have a good deal of experience in the area. We do research, we produce information, brochures, conferences and videos in order to provide women with information on their health and the health of their loved ones. For example, we deal with cancer prevention and menopause, among other subjects. That allows them to make decisions and to practise prevention.

Our first recommendation is that a permanent funding mechanism is necessary. The women's health contribution program, now abolished and whose activities will come to an end on March 31 next year, provided \$2.8 million in funding annually to centres of excellence in women's health. We are part of that program and we want a permanent mechanism to provide \$4 million for research. That is the amount needed currently. Why? Because research provides information focused on women that they can use in order to practise prevention, thereby reducing costs.

Our second recommendation asks for \$100 million to be invested into improved living conditions. While we have to provide people with information, we also have to improve their living conditions. Food Secure Canada has talked to you about nutrition. That is a living condition. Others have talked to you about old age pensions and affordable social housing. Those are living conditions too.

That brings me to our third recommendation. In order to achieve sound international governance, the optimal use of resources and the modernization of public services, budget analysis must be based on the equality of men and women. The tools used to manage budgets must be tailored to the needs of the target population. The impacts on men and on women are not the same. There is a lot of research on this.

As economic inequality between men and women persists and is manifested in health problems and a loss of social and economic productivity, it is important, when drawing up budgets, to use tools that recognize these differences. This allows us to assess the impact of the measures being taken. We therefore recommend that Budget 2013 use gender budgeting as is done in other countries such as Morocco and some countries in Europe and Latin America.

We also recommend that the budget respond to differences. For example, a person living in a remote region does not have the same impact and does not need the same measures. The budget analysis must therefore also be intersectional and take into account factors like age, place of residence, family situation, life path and disabilities.

• (1735)

So, to optimize the budgetary impact, the tools must be refined so that they can truly be tailored to all Canadians.

The Vice-Chair (Ms. Peggy Nash): Thank you very much for your testimony. We have a little time for questions.

I will start with Mr. Caron.

Mr. Guy Caron: Thank you. I am going to share my time with Mr. Mai and Mr. Marston, if we have time. We work as a team.

I just have one quick question.

Mr. Melhoff, one element of your brief intrigued me. Point 6 of the document that you submitted as part of the pre-budget consultations reads as follows:

Retain the Scientific Research and Experimental Development Tax Credit program under the current guidelines and structure. It would be unconstitutional to implement a government selection process and deny eligibility for some businesses to take advantage of the tax credit program, possibly putting one industry or province at a disadvantage over another.

Could you elaborate on that? After all, the word “unconstitutional” has major repercussions.

[*English*]

Mr. Jason Melhoff: I wouldn't be able to comment on that right now. I apologize, I missed some of the translation there. But I would be happy to put together our exact policy that we have formulated on that, if I could submit that.

[*Translation*]

Mr. Guy Caron: Okay.

Let us talk quickly about the tax credit. Is it your perception that it gives the government the power to pick winners and losers?

• (1740)

[*English*]

Mr. Jason Melhoff: Again, I would probably just have to defer that to our policy.

[*Translation*]

Mr. Guy Caron: Thank you.

Mr. Hoang Mai: My thanks to Mr. Caron for kindly agreeing to share his time.

Ms. Litzenberger, in your brief, you mentioned that the arts industry contributed \$46 billion to the GDP in 2007. You also mentioned about 616,000 workers in 2003. You said that this number is still increasing. Perhaps you could share your opinion with us on this. Accepting that the funding investments currently being made by the government are insufficient, why do artists still live in reduced circumstances?

[*English*]

Ms. Shannon Litzenberger: As I was trying to explain, 30 years ago it was identified that the funds were insufficient to the council, and after that time the funds were further cut. From 1990 onwards we've been making progress towards recouping where we left off at the time that we said that the funds weren't enough. Of course, also during that time the field has exploded.

So we've done an amazing job in building a cultural infrastructure for Canada over 50 years, but without increased investment, it's a trade-off between whether we just sustain the traditions we've built or we invest in the future generations and a contemporary cultural expression for Canada.

I think this is a really pressing issue today, and the federal government has a role to play. I just want to say that this sector is very cognizant that it's not only the responsibility of the government, but it's a partnership between all of the new ways that we're thinking of working, the ways that we've been able to significantly leverage private sector...and we have. You'll see significant growth in terms of private investment in the arts, way more than governments in the last 20 years. I just want to say that government is part of the solution, and we need to step up because we are approaching a point where there's a whole generation of artists who are much more culturally diverse who don't have a voice.

Thank you.

Mr. Hoang Mai: Mr. Marston.

Mr. Wayne Marston: First of all, Ms. Bronson and Ms. Bird, your two predominant asks have reminded me of my time as a school board trustee in Hamilton. Children without food don't learn, and children without adequate day care are in the same position because they don't access early learning. So we are on the same page on this one.

Beyond that, if you can find the time here, do you have other measures that you might suggest? There's a growing income gap or inequality in our communities right now. Do you have suggestions beyond what you are already asking for, as to how the government could begin to address that?

Ms. Diana Bronson: Yes. Obviously there's a variety of measures that should be adopted in order to bring Canadians out of poverty, for lack of opportunity. There are many things I could talk about that are very much summarized in here, such as a guaranteed minimum annual revenue.

We also have somewhat of a crisis in the farming sector, and particularly for young farmers, older farmers, small farmers, organic farmers. It's very difficult to make a living, and those people need increased income supports.

We have found at Food Secure Canada some of the innovative types of distributing food, not only through a classical charitable model, as valuable as that may be, but engaging citizens through food, using food as a way to bring communities together, to bring different cultural communities together, to offer people employment in their communities, through organizations like the Stop Community Food Centre in Toronto—incredibly innovative policies that we're happy to support.

The Vice-Chair (Ms. Peggy Nash): Thank you, Ms. Bronson.

We have maybe two minutes left. Mr. Miller, would you like to use those two minutes?

Mr. Larry Miller: Thank you.

Ms. Bronson, as a farmer, I'm certainly going to read your points. But agriculture has been pretty good in the last two or three years. I just want to point that out. There are problems in certain sectors.

Mr. Melhoff, I want to hear a little more about the hours of operation at the Wild Horse border crossing and why that is so important to your area. I guess it's not just Medicine Hat. I presume that it is a larger area in Alberta.

Mr. Jason Melhoff: That's correct. That would be for the province. What we're finding is that the Americans have invested in enhancing their border crossing there. We're finding that the big issue is that it's a crucial trade corridor that's not being utilized the way it should be. Truckers are finding other paths, through the Coutts border crossing. In turn, it's kind of pushing production back. We're not getting the traffic we could get through that area. We're

missing out on a lot of trade, which has become a big issue for the area.

Looking at other provinces, they have multiple borders. In the event that we have a crisis and we lose the border crossing, which has happened twice this year, it really backs up the amount of trade going across.

● (1745)

Mr. Larry Miller: Thank you.

Ms. Bird, on your comments about child care and what have you, one word you used more than once was “obligation”.

I have two granddaughters, aged seven and four. My son and daughter-in-law have a business that keeps them very busy. My wife and I, along with my son and his wife, feel that we have an obligation to help out. Even though we lead busy lives, we try to take the girls as often as not, not just to help them out but because it's always nice to see them too, you know, and that kind of thing.

Would you not agree that parents have an obligation as well? Government does some things. We have the child tax credit, which allows my son and his wife to help ease the burden of child care costs. As far as that obligation, do you agree with that?

The Vice-Chair (Ms. Peggy Nash): Mr. Miller, we're really out of time, so it must be a very brief answer.

Ms. Shellie Bird: We believe that all of society has obligations to young children. Yes, parents have obligations to young children.

In the province of B.C., the cost for a toddler space, for a two-year-old, is \$1,900 a month. In the province of Ontario, the cost of a toddler space is \$1,600 a month. One hundred dollars a month doesn't go very far in supporting families to pay for child care.

The Vice-Chair (Ms. Peggy Nash): Thank you very much.

I apologize to the witnesses.

I remind the committee members that the buses will be waiting outside. Thank you very much.

The meeting is adjourned.

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