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**Chair**

**Mr. Massimo Pacetti**

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Thursday, November 3, 2005

• (1410)

[English]

**The Chair (Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.)):** I'd like to get started, if possible.

I wouldn't worry too much about the members, because we just finished about half an hour ago in the last session. So some of them are still leaving and there are a few who have to return calls. But if we can get started at least we can get you guys to talk on the record.

We are here pursuant to Standing Order 83.1 on the pre-budget consultations for 2005.

Welcome. I guess you're welcoming me, but I feel like I'm already here—it's been a day and a half in Toronto. Coming from Montreal, Toronto is not a strange city to us. We have a good rivalry.

I just want to thank you for taking time out of your day. I know it's tough for some of the witnesses to come by, but we appreciate it.

The way it works, I'm going to allow you seven to eight minutes for an opening brief or your presentation. If some of the other witnesses don't show up it just gives us more time to ask you questions.

Perhaps we can get started with the Canadian Association for the Fifty-Plus, Mr. Gleberzon. Thank you.

**Mr. William Gleberzon (Director, Government and Media Relations, Canada's Association for the Fifty-Plus):** Thank you very much.

Thanks for the opportunity to address the committee. We appreciate that the chair wants those who testify to focus on how to increase productivity in Canada, so this is our prescription to achieve that goal as far as older Canadians are concerned. The details of the items I will raise are to be found in our brief.

Productivity is the result of an interconnected but interdependent cycle, the three elements of which are production, employment, and consumption. There's the cycle. I was going to ask the committee to fill in the arrows so that they can get a feel for what I'm saying.

To enhance seniors' contribution to employment, mandatory retirement at 65 must be abolished across Canada. It must be replaced by choice, so that people can retire with dignity before, at, and after 65. It must not be replaced by mandatory employment, as advocated by a number of individuals and groups.

The age at which public pensions can be accessed should not be changed from current policies. At the same time, a number of

reforms of policies regarding public pensions are necessary to effect a smooth continuation of working after 65.

In regard to CPP, an individual must retire from work one month before she or he can access this pension at 60; however, they can return to work after they receive the pension and they can continue to receive it if they return to the workplace. The obstacle of having to leave work must be reformed, and now is a good time to do it, because CPP is in a process of its triennial review. QPP has no such policy.

Also, the dropout provision of CPP enables parents to leave work in order to care for their new child or for children for up to seven years. These years out of the workforce are averaged into the parents' CPP entitlement, so they are not penalized because they did not contribute to the pension. This provision must be extended to caregivers' families, friends, and neighbours for reduced hours of work when they must leave the workforce to take care of loved ones, especially elders at home. Otherwise they will suffer a loss of CPP payments when they retire.

Currently, employment insurance can be accessed by family members, spouses, and children who have to reduce hours of work or leave work entirely to provide end-of-life palliative elder care at home. However, we believe it should be expanded to all family members, friends, and neighbours and be extended to cover family care as well. In this way, caregivers will not be penalized while they save the health care system an estimated \$5 billion because they are not paid for their services.

A major barrier for older Canadians to remain in the workforce is ageism. We recommend that ageism can be removed by a four-point national campaign. The first is a national campaign to combat age discrimination.

Secondly, the Department of Human Resources should develop specific programs and services to assist older workers with retraining, upgrading, and finding jobs.

Thirdly, governments must accept the new normal, that there will be not enough younger people to replace those who retire and therefore inducements will probably be given to older persons in the very near future. By the way, there are already many services and areas of the economy suffering from a lack of workers because there are not enough young people.

Fourthly, federal, provincial, and territorial human rights and labour codes should be reformed to provide protection for workers who are over 65 who remain in the workforce.

In regard to productivity, the working or retired seniors continue to contribute to the consumption of goods and services in a variety of important ways. As you know, consumption is the major engine of productivity, in that the more consumed, the more produced, and the more people employed. Economists estimate that 60% of domestic productivity is driven by domestic consumption.

Taxation assists consumption, as it enables governments to provide necessary programs and services. There is a myth that seniors are only receivers of government largesse without contributing to it, but that myth is false. Seniors continue to pay taxes on income from wages if they work after 65 and/or for most of their pensions. Indeed, it's been estimated that the taxes paid by seniors equal 90% of the OAS payment, plus more.

At least 5% of OAS recipients also have their OAS payment clawed back and they pay taxes on the balance.

As well, OAS policies must change if Canada truly wishes to encourage immigration in our country. The rules that individuals must be in Canada for 10 years after their 18th birthday before OAS can be accessed and that they must work in this country for a total of 40 years before they can receive the full amount of OAS must be repealed, or many immigrants will fall into poverty and become dependent on GIS when they retire.

Incomes from corporate and occupational pensions are also taxed; therefore it's incumbent on governments to ensure the pension funds are sound. Among other policies, this means preventing or moderating contribution holidays by companies and employees. Already in Ontario and New Brunswick, to cite two examples, pension funds have collapsed. A national strategy is necessary to ensure that pension funds will provide the financial support promised.

The only pension that is not taxed is the guaranteed income supplement. However, it is subject to a clawback of fifty cents for every dollar above the low-income cut-off line. GIS recipients who may wish to continue work after age 65 to supplement their low incomes will lose their GIS for both the year in which their additional earnings may push them over the low-income cut-off line and the subsequent year. Therefore CARP urges the committee to endorse the recommendation made by the Honourable Tony Ianno in his 2004 report creating a national seniors agenda. The minister recommended that a band of \$4,000 in income above the low-income cut-off line be permitted for GIS recipients without jeopardizing their GIS.

To enhance the ability of retirees to consume and be taxed more equitably, CARP recommends that pension income-splitting between high-income and low-income senior spouses be permitted. The

Ministry of Finance has suggested a tax cut of \$4 billion to \$5 billion or more may be in the offing. Therefore CARP recommends that about \$1 billion of that tax cut be earmarked for this tax reform, that being the estimated cost to the federal government for this program.

As well, Bill C-265 should be incorporated into the finance committee's agenda as soon as possible. This bill will restore the taxable rate for Canadians who receive U.S. social security back to 50% from its current 85%.

Many seniors invest in companies, thereby enabling those companies to increase their productivity. These seniors depend on returns from their investments, thereby enabling them to pay income taxes and to consume. Until September of this year, income trusts provided much higher yields of return for these investments, at 7% to 8% per year, compared with GICs or Canada savings bonds.

CARP has begun its dialogue with the Department of Finance on this issue, and CARP urges this committee to encourage the department to complete its review and announce its decision on income trusts as quickly as possible. That would calm the uncertainty that has reduced the value of this sector by 20% to 25% and has generated fear and panic among senior investors who see their standards of living and life savings threatened and in danger of disappearing. We urge you to remind the committee not to overlook, ignore, or demean the concerns of seniors as you determine your policies on these entities.

Finally, CARP believes that as more Canadians retire and receive pensions or withdrawal from RRIFs and LIFs after age 69, the amount of taxes paid and their ability to consume will increase exponentially.

CARP agrees with the Prime Minister that tax is a prerequisite for funding for the provinces and territories for national health care and other programs and services. Nevertheless, despite record monetary transfers in health care in the last three years, services and programs are still being delisted by provincial and territorial governments, and many essential new drugs are not being added to their formularies. This forces seniors to pay more for these services and medications out of their pockets.

According to CIHI, about one-third of all health care payments are paid directly or via health insurance. For many people over 65 it's increasingly difficult and very expensive to purchase private health insurance, despite the Supreme Court's recent decision in the Chaoulli case. By the way, the deterioration of the health of older Canadians will generate many jobs in the health care sector, as well as in other programs and services across the country.

In conclusion, Canada is on the cusp of the most unprecedented change in its history, indeed in recorded world history. By 2030, one in four Canadians will be over the age of 65. Canadian governments and society must begin to prepare for this transformation now to avoid crisis management in the very near future, and this must happen by design rather than default.

• (1415)

Seniors must no longer be described only as recipients of private largesse or as a burden on the health care system. In reality, CIHI predicts that health care expenditures will rise by only about 2% in the future due to the aging of the population. Rather, governments at all levels must publicly acknowledge the ongoing contribution of seniors to the productivity of Canada—as they contributed in their pre-senior days—through the taxes they pay, through consumption, and, if mandatory retirement is abolished, through enabling those who want to work or must work to continue to do so.

Thank you.

**The Chair:** Thank you.

We'll skip the presentation from the Hepatitis C Society for now.

From the Multiple Sclerosis Society of Canada we have Ms. Murray.

**Ms. Susan Murray (Chair, National Government Relations Committee, Multiple Sclerosis Society of Canada):** Thank you. Bonjour. Good afternoon.

My name is Susan Murray. I am chair of the national government relations committee for the Multiple Sclerosis Society of Canada. With me is Deanna Groetzinger, vice-president of communications for the society. We are delighted to have this opportunity to speak to the standing committee as you consider your advice to the Minister of Finance for the 2006 budget.

The MS Society is a national voluntary organization that supports both multiple sclerosis research and services for people with MS as well as their families and caregivers. MS is a disease of the central nervous system that touches people across a wide spectrum in this country. In fact, studies indicate that Canada has one of the highest rates of MS in the world, affecting an estimated 50,000 Canadians.

I'd like to focus on the three areas most of concern to people with MS. The first priority area is the issue of income security and disability support. There are really two parts to this discussion. The issue of income and disability support comes from an important recommendation of the technical advisory committee in its "Disability Tax Fairness" report. It concluded that investing in the supply of disability supports is the most important action the federal government could take to assist persons with disabilities. The recommendation included giving priority to expenditure programs,

rather than simply tax measures, to target new funding where the need is greatest.

The MS Society agrees with the TAC's conclusion that there is a need to deliver enhanced support for people with disabilities, who are generally in the lowest income level of all Canadians. In addition, they have disability-related expenses that able-bodied members of this society can avoid.

The reason income security is so critically important to people with MS is because of the profound impact this illness has on their ability to work. MS usually strikes people who are between the ages of 15 and 40, and through research we are supporting at the Hospital for Sick Children in Toronto we are diagnosing children as young as three with multiple sclerosis. It is a young person's disease. Just as these young persons are finishing school, building careers, and starting families, they are struck down with MS.

The disease is characterized by unpredictable attacks followed by periods of remission. The reality is that nearly 80% of people with MS are eventually unable to work full time because of the severity and unpredictability of their symptoms. This often precludes people with MS not only from participating regularly in the workforce, but also from qualifying—and this is really critical—for disability benefits because the programs we have, like CPPD and the disability tax credit, are tied to earning an income.

The second part of the income supports discussion is people who are well enough to work. Current disability benefit programs do not recognize or accommodate the needs of people with episodic disabilities for flexible work options and income support. Nor do they recognize—and this is really quite staggering—the concept of part-time work. This is critical, and we're still collecting the data on this. As a result of some of the new breakthrough biotech drugs, people with remitting, episodic MS in their twenties and thirties are starting to be able to work longer, so acknowledgement of part-time work is even more critical. They may be able to work full time for two or three days, but they don't qualify for disability income, which, by the way, at its top dollar is about \$740 a month.

Through our work as part of the Episodic Disabilities Network, the MS Society is urging the federal government to take the lead in working with other levels of government to develop appropriate programs that would enable more people with episodic disabilities like MS, AIDS, and mental illnesses to re-enter and participate in the workforce. This goal, we believe, is a good fit both with the finance committee's agenda of increasing productivity growth within our labour force and with other national priorities of creating an equitable, inclusive society.

● (1420)

To help people gain their rightful place in the workforce, the following options might be considered: integrating part-time work and part-time disability benefits; making CPPD more flexible to allow for part-time work; possibly establishing a single disability income and related support program to replace the current CPPD and disability tax credit program, which can be problematic for those with little or no income.

We applaud the introduction of automatic reinstatement of CPPD benefits for people who are not successful in their attempt to return to work—that's something we've brought to you in the past—and we look forward to continuing to provide ideas and hopefully solutions. We urge the government to identify other new and innovative ways to encourage people with episodic disabilities to re-enter the workforce.

Our second priority echoes Mr. Gleberzon's, which is caregivers. The MS Society is recommending that EI benefits be extended to caregivers of people who are severely disabled, similar to what is now in place for caregivers who must leave their jobs to care for a gravely ill or dying family member.

We recommend that the CPP program provide drop-out provisions for caregivers that are the same as the precedent that the finance department adopted for child care drop-out provisions. This would address the inequality currently faced by caregivers who are penalized when they stop work to care for someone who is severely disabled. The caregiver obviously faces a loss of income when they leave the workforce, but they also compromise their future level of pension at retirement. This is rather unfair, in view of the fact that caregivers save the government hundreds of thousands of dollars in annual costs for hospitalization or long-term institutional care, and enables disabled family members to stay at home.

The MS Society also urges the government to extend the caregiver tax credit to spouses. It is my experience in my years as a volunteer with the society that the majority of caregivers for people severely disabled are spouses. Currently, should a son, daughter, father, mother, or niece elect to take on the task, there is a caregiver tax credit for them. Should a spouse elect to take on this responsibility, there is not.

I spoke in Regina recently to a family conference covering caregivers and people with MS, and I was inundated with complaints by spouses on this fact. In fact, I mentioned I would be presenting this to you today. These are people who are already living on pretty modest incomes, and they were thrilled that we would raise it with this committee today.

The third priority area I'd like to speak about is health research. We believe that investments in health research and innovation allow for the discovery of the important therapies and treatments that reduce health care costs and promote a healthy population. We're very proud of our important contribution annually to Canadian health research. We privately give \$6 million to \$7 million a year to health research in Canada, to universities, hospitals, and other groups, and we want to see continued support on the excellent health research CIHR program. I know my colleague, Dr. Hill, will be supportive of us on that.

Anyway, thank you for the opportunity. We look forward to your questions.

● (1425)

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

We'll go back to the Hepatitis C Society of Canada, Mr. McClemon. We've already had presentations from Hepatitis C in Montreal and B.C., simply to let you know.

**Mr. Tim McClemon (Executive Director, Hepatitis C Society of Canada):** Yes. Thank you.

My name is Tim McClemon and I'm the executive director of the Hepatitis C Society of Canada. Thank you for the opportunity to present to you today.

I understand the Canadian Hemophilia Society, which is a different organization, presented in Montreal yesterday. What we are presenting is a very similar presentation of the brief that we submitted several weeks ago, "Responding to the Epidemic—Recommendations for a Canadian Hepatitis C Strategy". I'll simply provide a brief summary of that report for you.

First of all, the Hepatitis C Society of Canada is a national voluntary organization. We were founded in 1994. Our mission is to fight hepatitis C through prevention, early diagnosis, support, appropriate treatment and comfort. Our organization is made up of people who have hepatitis C through a variety of transmission methods, as well as families and friends and people in the general public who are concerned about hepatitis C.

We are very concerned at this point with the upcoming costs we believe are going to be associated with hepatitis C in the coming decades, because of delayed diagnoses of many people who have hepatitis C. Out of the 300,000 that we estimate have hepatitis C, at least one-third are unaware they have it. So our concern and the concern of our colleagues in other organizations who work on similar issues is that in the coming decade there will be a peak of diagnoses. That has been estimated to be at 2010. The potential cost for treatment will be quite formidable, we believe, and we're recommending, through this strategy, that some investments be made now, especially in the areas of treatment for hepatitis C to defray future costs to the health care system.

Of the 300,000 people who have hepatitis C, about 20% will advance to the worst stage, which will involve some form of liver cancer, cirrhosis or fibrosis. There is treatment available, but only 50% of people who go on treatment, mostly in North America, will respond to that treatment, and the treatment itself can have severe side effects. So it's a very daunting prospect for people to go on treatment. The treatment is also highly expensive, although it is now covered under most provincial drug programs.

If treatment fails for an individual with hepatitis C, they're basically on a waiting list game for their liver as it slowly becomes further destroyed. The next step for them will be a transplant, and that will involve further costs to the system, including the cost of drugs for anti-rejection after a transplant. As well, the person will still have hepatitis C. The virus will remain with them and will infect the new liver. So we will have, if we do not already, a severe shortage of livers in the coming years.

We believe there should be a multi-pronged strategy to approach hepatitis C in the coming years. There has been a program in place for the past five years—in fact, the past two years. It has been extended year by year and there's no future commitment to funding at this point for basic care and treatment, for community support or for research.

A lot of work has gone into the program over the last few years, from both the community and the medical point of view, but we're not sure where it will go in the future. We think that investment needs to be made clearly and it needs to be made now.

So our recommendations are contained in our brief: for disease prevention, community engagement, care and treatment support and interdisciplinary research, that the federal government invest \$42.5 million a year toward a Canadian hepatitis C strategy. That would be \$212 million over five years. We feel that if that investment is made now, it will defray future costs in the coming decades from the expected surge of diagnoses and people who will need care and treatment as well as liver transplants.

I will end it there. I look forward to your questions. I know that the brief has been submitted. More copies are available to people who may need them.

Thank you.

● (1430)

**The Chair:** Thank you.

From Research Canada: An Alliance for Health Discovery, Mr. Hill.

**Mr. David Hill (Director, Research Canada: An Alliance for Health Discovery):** Thank you.

Good afternoon. My name is David Hill. I'm chair of Research Canada: An Alliance for Health Discovery. I'm also the scientific director of the Lawson Health Research Institute in London, Ontario, and I'm a researcher, studying diabetes, with a laboratory.

Thanks for the opportunity to present to you today. It's a great pleasure to be here. It would be even nicer if we were out in the courtyard with a few Heinekens, umbrellas, etc.

Let me begin by telling you briefly about Research Canada. Formerly we were the Council for Health Research in Canada. Research Canada now is a national not-for-profit voluntary organization. Its mission is to help Canadians maintain and improve their health by ensuring Canada is a world leader in health research.

Research Canada's membership—working for Canadians—comes from every sector with an investment in health research. That includes our research institutes, our national health charities, our hospitals, regional health authorities, universities, private industry, and others. Research Canada recognizes that health research improves the health of Canadians. It offers a real opportunity to contain health care costs and contributes to the creation of knowledge-based jobs and economic growth.

I'd like to turn now to why we're here today.

Research Canada, like this government, believes that innovation is a key driver to productivity growth. In today's knowledge-based economy, productivity gains will be not so much from working harder, but by working smarter through innovation. Research drives innovation. Health research uniquely lays the foundation for the more innovative and productive society by improving health, training the next generation of health researchers, and building an evidence-based, sustainable system that delivers state-of-the-art health care and drives the development of new products and services, tracks investment, and creates jobs for Canada's highly trained workforce.

Health research contributes to the development of the entrepreneurial climate. It generates new employment capacity, higher incomes, growing wealth, and a robust tax base. It supports a whole range of social programs, including the health care system. In the past several years, the government has demonstrated its commitment to health research through a series of significant investments, especially the Canadian Institutes of Health Research, the Canada Foundation for Innovation, the Canada research chairs, Genome Canada, the networks of centres of excellence, and the indirect costs program. Research Canada has been encouraged by the federal government's increased investment of the full costs of health research.

National health charities have also continued to play a vital role in raising contributions, as demonstrated by our colleagues from the MS Society. They fund research. They think strategically about health research priorities. And for every dollar contributed through CIHR, the health charities put in another fifty cents to health research in this country.

With these exceptional investments, Canada is competitive with a number of other developed countries. But smaller than expected budget increases in 2004 and 2005 are already threatening to undermine some of the positive investment that's gone before, since investment must meet the test of sustainability to be effective. If Canada is to realize its potential in productivity growth, it must invest in the research that will result in innovation and that will be our competitive edge in a fast-paced world economy.

Despite the scientific advancement Canada has made through its increased commitment to health research, it would be a serious error to become complacent and conclude that our current investment is sufficient to equip us to compete in today's local economy. With its current base budget, it will be a challenge for CIHR to continue to fund critical foundational research that improves health, alleviates the human and financial burden of disease, builds an effective and cost-effective health system, and develops innovative products and services.

What's required is sustained multi-year growth in CIHR's base budget. The very nature of research requires investment over time if we are to reap the full health and economic benefits in the future. Research is not a short-term fix; it's the long-term solution to our problems. While the Government of Canada has wisely invested across the full research spectrum—in ideas, human capital infrastructure, knowledge translation and commercialization—it will become increasingly important for the government to balance its investments across the health research spectrum and develop an integrated view of health research.

Investments in research infrastructure through the Canadian Foundation for Innovation and investments in programs to recruit the best minds in science, such as the Canada research chairs program, are critical investments in our health research enterprise. We all welcome them with open arms; we've benefitted greatly from them. However, these investments coupled with CIHR's expanding mandate have put a huge pressure on CIHR to meet the rapidly increasing demand for operating grants.

● (1435)

There has been a 20% increase in operating grant applications to CIHR over the past two years, and Dr. Bernstein told us there's a 15% increase in the present competition this year alone.

While CIHR has thus been successful in funding a broader range of health research applications, due to increases in its base budget it has not been able to keep pace with the increased demand created by the infrastructure funded by CFI and the new recruitment that was achieved through the Canada research chairs program. As a result, 1,100 very good or excellent operating grants submitted to CIHR in 2004 could not be funded. That's almost a 300% increase since 1999, when only 400 could not be funded. That's a pointless waste of innovative ideas.

If CIHR is to keep pace with this demand, and more importantly, if Canada is going to be able to fund the research that improves health and productivity growth, then it's going to be important to the federal government to harmonize and balance its investment in health research across the full health research spectrum.

Therefore, Research Canada strongly recommends that a multi-year commitment be made in Budget 2006-07 to increase CIHR's base budget by \$300 million over the next three years, if Canada is to derive maximum benefit from its investment in health research.

Apart from the increase in basic and applied health research, investments in health research infrastructure through CFI have greatly strengthened the capacities of Canadian universities, colleges, hospitals, etc., to carry out world-class research and technology development that is relevant to all Canadians.

But by mid-2006, other than the research hospital fund, CFI will have dispersed all of its resources. There are going to be no additional infrastructure projects that can move forward unless the federal government commits to additional funding of CFI. If Canada is to remain competitive in world-class research, the ratio of infrastructure support through CFI to funding agency support, through agencies like CIHR, should be about 20%. That's not plucked out of the air; it's the formula that has been shown to be effective in the U.K. and Australia, which are our direct competitors.

Therefore, Research Canada recommends that the Government of Canada renew its investment in CFI and ensure that the ratio of CFI infrastructure support to funding agency support be at least 20%. That would require another billion dollars to CFI between now and 2010.



Finally, mapping the human genome, as well as the genomes of other organisms, has opened up an incredible opportunity to better understand disease and the individuals affected particularly by disease. It also helps us to grow our food and to get a better imagination of how technology can deliver to us in the future. World-class genomics and proteomics research investments through Genome Canada have led to significant innovative research projects in this country. Therefore, Research Canada recommends that the Government of Canada continue to renew its investment in Genome Canada.

In summary, Mr. Chair, increased investments in the health research enterprise in Canada will result in productivity growth and contribute to Canadians' well-being, aligning economic and social policy objectives, as well as achieving better health, a stronger health system, and a vibrant economy that is leading-edge and can take on the challenges of the 21st century.

Research talent is very mobile. I know that because part of my job is to keep that talent in Canada. We stopped the brain drain. You don't hear about that any more. But if we don't continue to provide the opportunities, that talent will not stay in Canada.

Thank you.

• (1440)

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

From Smartrisk, Mr. Conn.

**Mr. Robert Conn (President, Smartrisk):** Thanks very much, Mr. Chairman and members of the panel. Thank you very much for the opportunity to come and spend some time with you this afternoon.

My prepared text has been circulated, but with apologies to the translators, I'm going to deviate from the text because of a telephone call that I had just before I came here. I spoke with a father who had recently lost his 15-year old son in a motor vehicle crash. And until that happened to him personally, he, like most Canadians, was unaware of the number one killer of youth in this country. Most Canadians don't know that we have more children between the ages of one and twenty dying of injury than every other cause of death combined. In fact, seven out of every ten teenagers who died in Canada last year died as a result of a predictable, preventable injury. In fact, up to age 48, injury is the leading cause of death.

When we talk about productivity, we have to think about our human capital and what we're doing to try to preserve that human capital. At Smartrisk, which is a national not-for-profit organization focused on injury prevention, we looked at what injuries actually cost our society, and we determined that we're spending just over \$14 billion a year in health care costs and productivity costs associated with injury. What's astounding is that this accounts for the fourth highest economic burden in our entire health care system, and yet when we look at the amount of money that we're spending as a country on research, we're spending less than 1% of all of our medical health research dollars on injury prevention. So we have this huge disparity between the magnitude and burden of the problem and what we're actually investing in trying to do something about the problem.

I want to leave you with three compelling statistics that I think underscore the magnitude of the problem. One is that when we look at seniors and we look at the number one cause of injury in seniors, we can determine that in fact it's people falling: 40% of all of our economic burden is as a result of older people falling. We spent about \$2.8 billion in Canada in direct health care costs treating people over the age of 65 who fell last year. And that becomes very alarming when you appreciate that in seven years the number of people 80 years and older in our country will have doubled. So if we don't change the rate at which seniors are falling, the sustainability of our health care system really becomes one of trying to manage falls. If we just look at the province of Ontario, if we don't change the rate at which people are falling in Ontario, in 12 years we're going to have to have eleven 200-bed hospitals just to house the women over 65 who fall.

The second key thing is that, as we know, most Canadians are concerned about the health care system, and we hear a lot of discussion about waiting time and we've seen governments respond by investing more money into the health care system to try to expedite and get people through the lines quicker. Recently we've seen our health ministers come together and actually talk about measuring waiting times.

There's another solution that could be entertained, and that is to keep people from getting in line in the first place. Recent data that's come out from the Institute for Clinical Evaluative Sciences has shown that every 30 seconds somebody in Canada goes into an emergency department because they've been hurt, and every 10 minutes one of those individuals gets admitted to hospital. So our emergency rooms and our hospitals are actually clogged with people who are there because of predictable and preventable injury.

Every orthopedic surgeon who is in the emergency room treating somebody who's been hurt is an orthopedic surgeon who could be in the operating room replacing a hip. Every operating room that's being used to treat an individual who's been hurt is an operating room that could be being used to treat somebody with breast cancer.

The other key element that I'd like to leave you with is to think about Canada's productivity in terms of human capital. As has been mentioned by a number of the other witnesses today, we have an aging of our population. In fact, as I mentioned, the number of 80-year-olds and older will have doubled in seven years. We're at an all-time low birth rate in this country at 1.5. We've been trying to use immigration as a way to maintain our human capital, but in the last decade 70% of all of the people who have immigrated to our country have gone into three major Canadian cities.

If we're truly interested in trying to build our human capital, then at the very least, we should be doing something to try to preserve that human capital. And as I mentioned, the number one reason that our human capital between the ages of 15 and 48 is decreasing is because of injury. It's the number one threat. So if for no other reason than to try to keep the people who we need around to keep our country viable from a productivity perspective, then we should be investing in injury prevention.

We've had incredible support and funding from the Insurance Bureau of Canada and support from a number of national organizations, including Safe Kids Canada, the Safe Communities Foundation, ThinkFirst, and literally hundreds of national NGOs, and over the last two and a half years we have held an exhaustive consultative process among researchers, programmers, and surveillance experts to develop a road map for the Canadian government to follow to invest in the issue of injury prevention.

• (1445)

I'll be tabling with the clerk a report that has just been released that talks about this invisible epidemic and lays out a road map the government can follow that will see a significant reduction in the number of people who are being hurt.

The report calls for a \$50-million-a-year investment, which may sound like a large number, but if we were to reduce the number of injuries in this country by 1%, it would more than pay for itself three times over. What's astounding is that with the \$2.8 billion we're spending on people falling, the evidence exists that shows that with minimal effort we could actually reduce the number of people falling by 20% to 25%. And yet there is no national strategy and no support to actually implement the knowledge that exists, which could be put in play to reduce many of these injuries.

I think the stage has been set, the work has been done, and it really is time for action. The opportunity presents itself, and I encourage the committee to consider this in preparation and recommendations toward the next federal budget.

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

From the National Round Table on the Environment and the Economy, Mr. Murray.

**Mr. Glen Murray (Chairperson, National Round Table on the Environment and the Economy):** Thank you very much.

Good afternoon, Mr. Chair and members of the committee. It is a pleasure to be here. It's the first time I've reported to a committee of Parliament on behalf of the round table.

I would like to introduce a colleague of mine, Mr. Alexander Wood, who is a senior policy adviser with the National Round Table on the Environment and the Economy.

Very briefly, for those of you who may not be familiar with us, we're an independent federal agency that has really two component parts: a secretariat, headed by Gene Nyberg, that manages research and research programs for the round table, and somewhat uniquely, a plenary group that reviews and comments on that research from the perspectives of numbers of Canadians.

The round table advises the Prime Minister directly, and the composition of the round table plenary is chief executive officers, community leaders, scientists, and people with expertise and experience from different walks of life.

The national round table currently is undertaking work on climate change, the boreal forest, capital markets, and sustainability.

In the 2005 federal budget, the national round table was asked to develop options and provide advice on the feasibility and viability of a vehicle feebate. A feebate is a mechanism or a tax credit and rebate on vehicles in which higher-energy-using vehicles would have a premium fee attached to them, and a rebate would be given to Canadians who bought a lower greenhouse gas emissions vehicle, a more fuel-efficient vehicle.

The terms of reference from the finance department for our feebate study were to identify and develop options for a national feebate model. The analysis would be clear about the advantages and disadvantages implied in each approach. The basic criteria for assessing the feebate as requested by the finance department were that it be revenue neutral—specifically, that it would balance revenue from fees with expenditures from rebates over time; that the application would be to all classes of passenger vehicles, including trucks, vans, and SUVs; and that there be flexibility in the structure to adapt to changing circumstances, for example, to allow adjustments in fees over time in response to different changes in the market and in the technology of vehicles.

The analysis that was used for the framework for the evaluation of environmental tax proposals released by Finance Canada in their budget of 2005 had five specific elements that we were asked to use in the evaluation. One was environmental effectiveness. The second was fiscal impact. Third was economic efficiency of a feebate. Fourth was issues of fairness, and finally, issues of simplicity.

The ultimate deliverables that emerged from this program as identified by Finance Canada were reports summarizing the findings and analysis, input from consultations, and policy advice and recommendations on vehicle feebate options to the government.

These deliverables are in the form of a briefing note, which has been, I think, circulated to you. Further information is available on our website, and my colleague Alex Wood has copies of the document of the larger report if you wish them.

Quickly, I'd just like to go through the recommendations to the government; there were three. I'll add just a few comments on some of the additional reasoning behind them.

The first recommendation was not to implement a vehicle feebate at this time. The national round table does not believe that a feebate would be the optimal instrument for shifting consumer purchasing to more fuel-efficient vehicles, especially in light of the government's criterion of revenue neutrality.

There are significant unknown factors with the introduction of a vehicle feebate, including issues external to the modelling exercise. We constructed a model and ran all of this through, which I think was a very useful part of the exercise.

A number of factors in the model actually could lead to an increase in vehicle GHG emissions. Some of the examples of this are a risk of vehicle arbitrage, which is the import and export of vehicles from other countries, specifically from the United States, and cross-border trading in vehicles could create some problems.

• (1450)

In effect, price differentials in the markets would induce movement and sales to the lower-priced market, most likely the used car market. Fifty percent of all vehicles sold in Canada right now are used cars, and a push into that market would make a higher level of emissions likely over time, rather than a lower one.

Another example is the risk of not raising sufficient revenue on the fee to cover the rebate side and thus jeopardize the revenue-neutral criterion. These issues would need to be addressed through a more integrated and comprehensive strategy. There's a strong feeling about that.

There were two other views that came up at the plenary session. When the plenary reviewed this, one of the issues that created a large amount of discussion by members of the round table was the issue of the MOU, of the voluntary agreement that exists with the vehicle manufacturers, which was projected to save 5.3 megatons annually by 2010. The model we used for the vehicle feebate suggested that the upward limit by 2010 was three megatons annually. There was a sense from the industry and labour and other observers that there was some conflict in the message that was being sent between the MOU to establish a reduction in GHG emissions at the same time we were pursuing a tax credit mechanism for that.

Our second recommendation is that the government develop a comprehensive integrated strategy aimed at reducing GHG emissions in the transportation sector within the strategy of vehicle feebate. This could be given further consideration. And I'd just like to say that there was pretty much unanimity from all quarters in the consultations we had about the need for a larger strategy. As you maybe know, the national round table is charged with giving the Prime Minister and the government advice on a long-term climate change strategy that delves largely into economic and energy issues.

So when we report on that in April of next year, we'll be further considering some of these issues, and we'll hopefully give the government further advice on that.

Our third and final recommendation is quite critical, because I think there was buy-in by the members of the plenary specifically on the voluntary agreement with the vehicle manufacturers. But we felt that there was a need for the Government of Canada, the Canadian Vehicle Manufacturers' Association, and the Association of International Automobile Manufacturers of Canada, the signatories to the agreement...there was a need for a detailed plan for the implementation of the memorandum of understanding committing the Canadian automotive industry to achieving a reduction of 5.3 megatons of greenhouse gas emissions of carbon dioxide from cars and light trucks in 2010.

This plan should be released to the public no later than November 1, 2006. The national round table believes that the MOU between the vehicle manufacturers and the Government of Canada is worth pursuing. However, the manufacturers have not shared with the public how they plan on reaching their emission reduction targets. The release of such a plan will serve to engage Canadians and to build further confidence in the memorandum of understanding.

In conclusion, there is a very positive response from all quarters of the round table—business, academics, researchers, and others—about the use of economic fiscal tools and tax tools in a sophisticated engagement with the private sector to find solutions and to shift consumer behaviours to meet our GHG emissions reduction targets without compromising the prosperity of our economy. There is also a strong belief in voluntary agreements as long as they're followed through with thoughtful plans and some transparency.

Mr. Chairman, thank you so much for your patience in listening to us today, and I look forward to questions that follow.

• (1455)

**The Chair:** Mr. Murray, did you make a presentation on this to the environment committee?

**Mr. Glen Murray:** No, you're the very first committee I've appeared before to make a presentation.

**The Chair:** Thank you. That's what I like to hear.

Okay, to the witnesses a little reminder. I'm going to allow the members six minutes, but I'm going to keep them to the six minutes so we can finish on time. They have six minutes for questions and answers, so you have to keep your answers to a small intervention, to a brief intervention, so they can ask more than one question.

Mr. Penson.

**Mr. Charlie Penson (Peace River, CPC):** Thank you, Mr. Chairman.

I have questions of two groups—CARP and the MS Society—in six minutes, so we'll try to get it all in.

Mr. Gleberzon, I I know all your recommendations. I think there are some pretty solid ones there. I also note that you want to extend the age limit for converting RSPs to 71. The reason for that is what? Seniors are working longer, is that the idea?

**Mr. William Gleberzon:** Well, the idea is that because of the nature of the markets and interest rates in the past couple of years or the last decade, people have not really been able to build up sufficient funds in their RRSPs. Until 1996 or 1997, they were able to convert to a RRIF at 71. What we're suggesting is that we go back to that age—and some have suggested 73—to make up for the fact that there is declining income for contributions to RRSPs.

**Mr. Charlie Penson:** Okay.

So that leads into the next side, where you introduced the idea that income trusts need some certainty. I know that a lot of seniors—and even people before their senior years—have been using that vehicle to build up their retirement income. You noted that there's been a fairly large loss in market capitalization. Is that a pretty popular method of trying to build a retirement income for a number of people involved in your organization?

**Mr. William Gleberzon:** Well, the estimates we've seen are that anywhere between one and two million Canadians, many of whom are seniors, have their funds invested in income trusts. So it is a large number of people.

I can tell you that in our office we have received more e-mails and other forms of correspondence on this one issue than we have on any other financial issue since the government proposed changing it, or introduced the seniors benefit. People are fearful, outraged, or beside themselves, because they've invested in these vehicles and then suddenly that investment seems to be shrivelling up.

• (1500)

**Mr. Charlie Penson:** Yes, I agree. We certainly received a lot of mail on this as well. I hope the finance minister has, because this is an important issue.

Thank you for your answers.

I want to go to the MS Society next. I note that you've said there have been improvements in some of the things you have asked for, or that we've been working hard on a number of those areas, but you still have concerns with the lack of flexibility in the Canada Pension Plan, and you are also concerned about the tax credit side.

Can you forward something to us to show what kind of model you would like? It's often assumed that we know the problem and we know the answer, but I think the people who know the problem the best often have the best solution. So maybe you can forward something to us, and we can see if we can have a go at getting it into the report this year.

**Mrs. Deanna Groetzinger (National Vice-President, Communications, Multiple Sclerosis Society of Canada):** First, the compliments: I would certainly put in the success column the implementation of the majority of the recommendations from the technical advisory committee. Those changes were very much appreciated and will make a difference.

In terms of the flexibility of the Canada Pension Plan disability benefits, there are actually some very concrete things that we would be very pleased to forward to you, and others, including government officials. We're currently working with a group of other organizations under the Episodic Disabilities Network. There is a project under way studying what factors would be helpful to keep people in the workplace, either people with episodic disabilities or those with more permanent disabilities—if I can use that phrase. It is examining programs that work successfully in other jurisdictions and it is also putting some economic costing to those programs. There will be some data on all of that work early in the spring, around February or March. So we are definitely going to be sharing that with as many people as possible. We think it will be a model.

**Mr. Charlie Penson:** Yes, thank you very much.

I think we all know people with MS who haven't had a problem with it at some point in their lives—they go into remission and are able to work. So the flexibility you require, I certainly understand.

Thanks for your time.

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

Monsieur Loubier.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Thank you, Mr. Chairman. I have a question for Mr. Gleberzon.

Earlier, you spoke of income trusts. You noted that a particular tax regime applies to income trusts, unlike other businesses that are subject to the regular provisions of the Income Tax Act. Businesses with ties to an income trust may, if they are operating at full capacity, take their profits and transfer the full amount directly to an income trust. This explains the higher rate of return in the case of pension plans.

However, a business with no such ties to an income trust is taxed on profits earned, and shareholders who receive dividends must also pay tax on these dividends. Therefore, two substantially different tax regimes apply.

In recent years, we've seen a growing trend toward the establishment of income trusts. Large corporations are even talking about setting themselves up as an income trust.

Can you appreciate that the situation is confusing? I can understand that holders of retirement funds may be pleased with this type of regime in place. However, surely you can see that the tax system is somewhat inequitable when it comes to businesses and investors.

[English]

**Mr. William Gleberzon:** Yes, we agree. I mean, we agree that there is inequity. We certainly are not arguing that income trusts do not need to be reformed and that there does not have to be a study of income trusts, for the reasons you mentioned.

On the other hand, we feel and we hear from our members whom we have to represent, because they have a great deal of their funds tied up in income trusts, that the way in which it was done came very suddenly. In fact, many of them are recommending things such as grandfathering income trusts or using some other techniques—perhaps limiting them to the original purpose for the extraction industries, for metals, gas, oil, minerals, and for REITs, and not allowing them to extend beyond that. People are not being unreasonable, but the fact that this came suddenly and unexpectedly and is apparently going to linger until December before some kind of final decision is made is really what concerns them.

They recognize the sorts of things you're talking about as something that cannot be dismissed, but it has to be done with a sense of balance, and the balance has to be, from our point of view, between the government, industry, and consumer investors. And it's that piece of it that we are fearful is being ignored, the consumer investor.

• (1505)

[Translation]

**Mr. Yvan Loubier:** I understand. Thank you.

Ms. Groetzinger, could you also send me the documentation on pension plans that you will be forwarding to Mr. Penson? I'm interested in this subject.

[English]

**The Chair:** You'll be sending the information you're going to send Mr. Penson through the clerk, so all committee members will receive it.

Merci, Monsieur Loubier.

Ms. Wasylycia-Leis.

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Thank you.

Let me start with Tim on hepatitis C. This was a very good paper, with lots of recommendations. I'm wondering, though, about the outstanding issue of compensation, if you want to address that. Parliament passed a motion based on the recommendations of the standing committee to actually apply full compensation. Have you heard anything? And what do you advise us to do on that front?

**Mr. Tim McClelland:** Thank you very much for raising that issue. We didn't directly address it in this particular presentation, because this presentation is concerned with health care for all people with hepatitis C.

The specific compensation issue has been ongoing, as we know, for many years, and despite the recommendation and the motion that was made in April of this year, there is still not a complete compensation plan for people who contracted hepatitis C through the blood system. We understand there have been meetings going on between the class action lawyers representing the timeframe that has been left out, the Joint Fund Council—the people who have the

federal plan that was set up for the other timeframe—and government lawyers. Those negotiations apparently have been going on now for at least the last six months, possibly even up to a year, and we don't know if they're any further ahead in resolving how that future compensation will be structured.

We know there's enough money in the current fund to adequately compensate everybody, but there seems to be some delay in how to structure the plan. There are already several plans out there, both provincially and federally, so we are obviously very concerned about the length of time it has taken for this to be resolved.

**Ms. Judy Wasylycia-Leis:** Thanks for that.

We'll keep watching the situation and trying to keep pressure on.

Susan, you've made some recommendations about CPP disability. We've got such a mess with that program, shouldn't we almost throw it out the window and start again? Any thoughts on that?

**Ms. Susan Murray:** Again, we didn't chronicle them all today, but through the work this committee has done in the past... Mr. Goodale's budget in February did address some of the most egregious parts of it.

We do have some models we can get, Monsieur Loubier and Mr. Penson. We can get some stuff before the budget to the committee on models on how to make it work. We do have harmonization on a lot of this now that we did not have a few years ago. We are told it has made a big difference.

Deanna, you might want to add something.

**Mrs. Deanna Groetzinger:** I'm tempted to say absolutely, I think it would be good to go back to the start. In the meantime, we'll work with what we have.

I think a major issue is the multitudinous layers of disability supports and incomes in terms of CPP disability, the disability supports that come from the provinces. I think that is where we really are looking for leadership from this committee, from the federal government, so we can move on with this stuff. It's high time to do so.

**Ms. Judy Wasylycia-Leis:** Thanks, and we'd really appreciate any information you've got in terms of different models. That would be very helpful.

To Glen Murray... Nice to see you again, Glen. It seems, in the latest reports out on greenhouse gas emissions, Canada is not doing very well. In fact, it sounds like we're worse than the United States at present. I'm wondering why your round table isn't recommending something more definitive around vehicles in terms of mandatory vehicle emission standards.

•(1510)

**Mr. Glen Murray:** You're quite correct; we're at 26% and climbing above 1990 levels. With the Kyoto Protocol we are as a country supposed to be at 6% below those levels, so the gap is widening and our intensity levels are increasing.

We think that climate change is such an overwhelmingly important issue that it should be the single largest national priority. We think it's the emerging largest threat to our economy, to the ecology, and to the health of Canadians. I think that most of us on the round table are taking it very seriously.

We were asked by the Department of Finance, because of the budget cycle, to report on this as a yes or no: was this feasible and was it the optimal tool? I think it was the considered opinion, and it was unanimous, that this came up wanting a lot, both in its efficacy and in actually achieving the objective, which is shifting and creating a real climate in which Canadians would move to lower-emission vehicles. We didn't have confidence in the modelling that it could do that.

What was useful was that we looked around the world at other tools that might likely be more effective and were in practice more effective than a feebate program, and we're incorporating that work into our recommendations coming out in a few months.

In the report we're giving today, unfortunately, given this basic yes or no answer on the feebate, we had to say no. We hope that you and your colleagues will embrace our recommendations, because they will, I think, be quite dramatic and quite substantive.

We also realize that there are some fundamentals in the Canadian economy that need to be addressed first before one looks at modifying the price of vehicles in the marketplace. There are some fundamentals, and we spend a lot of time considering and have heard great concern about, not just from the vehicle manufacturers but from the CAW, what the implications would be to the Canadian automobile manufacturing industry, whose product is mostly exported.

**Ms. Judy Wasylycia-Leis:** Thanks.

I have one more question, for Mr. Gleberzon. Some of the recommendations in your paper I certainly support. I've got some difficulty, though, with the issue of pension income splitting. It seems to me it would go against a lot we've tried to fight for over the years, to get people recognized as individuals and as equal in their own right. I'm not sure this would be beneficial to women by any stretch of the imagination, and I'm wondering if you're firmly committed to this notion or if you're prepared to think about other options.

**Mr. William Gleberzon:** The problem is that older seniors, say those 70 and older, often had what we regard as the traditional 1950s type family, where the male went out to work and the woman stayed home. That meant the male was the one who accumulated the pension, the money, etc.

When it comes to payment, the big concern is that because of their current financial situations—lack of interest, etc., and income, and it gets back to the income trusts kind of thing—a lot of these people are finding there's an imbalance in their income tax payments, because you have one person paying a great deal and the other

person not paying that much. The hope is that by allowing them to split their income it would equalize their payments. It's not that they wouldn't pay tax; they would just pay something that would be easier for them to deal with. There have been studies, and I think in our submission we've shown you how the tax rates these people pay really are unbalanced.

It's primarily because this generation did not have the opportunity to invest or contribute to RRSPs, and that kind of thing. Pension regimes were quite different. So it's to try to balance the inequity of a generational situation that exists among many of these older people.

**The Chair:** Thank you, Ms. Wasylycia-Leis .

Ms. Minna.

**Hon. Maria Minna (Beaches—East York, Lib.):** Thank you, Mr. Chairman.

I want to go to CARP as well on a couple of things. I agree with you with respect to extending the RSP to 71 years of age. That's something my colleagues and I have been discussing as well, and it's important to do that.

I want to talk a little bit about splitting from a different angle. You're discussing it in terms of income. I've had discussions with some people who've asked about a different type of split, because in most cases, even today, men accumulate a lot of RSPs, as opposed to women, who have had to take time out, and so on. The reality still exists.

One of the suggestions is that the RSP and the CPP—because both of them are higher—should be split immediately between the husband and the wife, so regardless of whether they stay together or not, they would each carry that income to retirement. If they stay together, great, the woman has reasonable income. If they don't stay together she takes it with her, up to a point, of course.

Has your group done any studies or looked into that at all? There's been some presentation to me in the last year or so on that discussion.

•(1515)

**Mr. William Gleberzon:** Our understanding is that in case of divorce, the CPP and the RRSP can be split.

**Hon. Maria Minna:** But it's not mandatory.

**Mr. William Gleberzon:** It's not mandatory, but they can be split. The income-splitting we're talking about, as you say, is from a different perspective.

On splitting the RRSP and CPP, we would have no objection to making that mandatory, because, as you mentioned, there is often unequal income between the two spouses, especially when they get older. We hear from our members that when older women become divorced they are truly the losers. They are the ones who really pay the burden, and many of them have to become dependent on the GIS.

So from an equity point of view, there's certainly no problem with splitting either one of those in times of divorce.

**Hon. Maria Minna:** The suggestion was that the two be split regardless of whether there's a divorce or not. If there happens to be a divorce, all the better, but they'd be split down the line nonetheless.

**Mr. William Gleberzon:** Well, I have to say that's an idea we have not heard.

We've heard it in the case of divorce, we've heard it in the case of income-splitting, but we haven't heard it from anyone in the case that I believe you're talking about.

**Hon. Maria Minna:** It was raised by my Liberal women's caucus.

**Mr. William Gleberzon:** Okay.

**Hon. Maria Minna:** Some of the members have been bringing it up. We've been discussing it recently. I just wanted to see what you thought.

**Mr. William Gleberzon:** We would be interested in receiving any information you have on it, actually.

**Hon. Maria Minna:** Okay.

**Mr. William Gleberzon:** If you could send us that, it would be very good. Thank you.

**Hon. Maria Minna:** We'd be glad to do that for you.

I want to go to the environment, but I still have two more things on pensions. Here is one, very quickly. I have to say I have some difficulty with your suggestion of increasing the RRSP's limit at the top, because it costs the government, through lack of revenue, a great deal of money, when we still have a lot of people in poverty who are seniors.

I would sooner increase the GIS further and maybe restructure somewhat the OAS before I would increase the RRSP's upper limit, and initiate, as you have suggested here, a new plan of some kind for middle-income to low-income Canadians who wish to save some money, because the RRSP doesn't work for the average Canadian; it only works for wealthy Canadians. Am I right?

**Mr. William Gleberzon:** Yes, you're right.

Efforts have been made to create a vehicle. I know that a couple of years ago the Department of Finance brought together a group of people to give some suggestions, but nothing has come of it.

**Hon. Maria Minna:** I'm working on that too—a number of things—but I wanted to see whether you were comfortable with that direction.

• (1520)

**Mr. William Gleberzon:** Yes, we are.

**Hon. Maria Minna:** Okay.

The last thing I had for you is the issue with immigrants. I have no problem with people receiving full OAS who've been working in Canada, and 40 years is a long time. You will get some resistance from some community, I think, if seniors who arrived in Canada already at the age of retirement automatically started collecting OAS without having to wait the 10 years.

I'm not saying they should, because when we bring people here we shouldn't force them to be poor and let their families take the responsibility for them for 10 years, but I'm suggesting to you that for that particular piece, there would be some resistance, I would

think, in the community. I know I've received some letters to that effect.

I want to know if you've had any real discussion about that piece, as opposed to the other.

**Mr. William Gleberzon:** We have, in the sense that there's an e-mail that seems to be going around and that comes back all the time comparing what refugees receive with what seniors receive in income. It's based, actually, on false or erroneous information, though it appeared in a letter in the *Toronto Star*, which people take to mean the *Toronto Star* endorsed it. It's really kind of scary.

The point we're trying to make really is that if we are serious about encouraging immigration, many immigrants we want to have come to the country are people who are younger and who therefore will be here for a longer period of time to contribute, because the reality is a large percentage of our population will be over 65. We don't have enough young people to replace them. We want immigrants here; therefore, we should not have policies that are in any way going to penalize them.

Those are the ones we're thinking about: those who come younger and aren't here, say, for 40 years or so.

**Hon. Maria Minna:** I agree with you.

Do I have one minute or one second?

**The Chair:** No, that's it, thank you. Thank you for asking.

Mr. Solberg.

**Mr. Monte Solberg (Medicine Hat, CPC):** Thanks very much, Mr. Chairman.

I apologize to all the witnesses for not being here to hear your outstanding presentations. I'm sure they were.

I'll limit my questions, because I don't think it would be fair for me to wade in to ask a bunch of questions.

I'll ask one, first of all, to Mr. Murray with respect to the scope of your study. You seem to have concluded that feebates aren't necessarily a great idea. We had the automobile dealers association here the other day, and they came to the same conclusion. But have you weighed in on the issue of what would work? They talked in glowing terms about the idea of tax incentives for fuel-efficient vehicles. Have you opined on that yet?

**Mr. Glen Murray:** It's a very good question. Thank you for it.

Certainly if revenue neutrality had not been built into it, the restrictions that were placed on the round table as to how we could consider this have almost, in some sense, determined what our recommendation would be. So that's a very good observation. If it wasn't revenue neutral, then I think you could have come up with a scenario. We are just looking at fiscal instruments more broadly and a national strategy. I think there would be some hesitation—as someone who comes from a background in local government—about a highly interventionist action by the Government of Canada to tinker with the tax system to achieve a public policy outcome as a first resort.

Our view philosophically on the round table is that would be a last resort, because those kinds of things in modern Canadian history have come with more problems than that. I'll give you my own personal view: I don't think we've started yet as Canadians, at any order of government, to fully come to terms with the seriousness of the threat that climate change poses to the planet and uniquely to Canada. I hope you'll invite me and other members of the round table back to chat with you about that, because I think that dialogue is important. I think the finance department is absolutely critical in what the federal government's response and leadership is on it.

Second, I would say there are many models around the world, including some cases where they've just set a threshold that all vehicles must perform at a certain level of fuel efficiency and GHG emissions over time or they cannot be on the road, which is a less bureaucratic and simpler response. And with a proper strategy and tools and assistance for research and development and technology change and giving consumers enough lead, things like that are probably more feasible, more efficacious, and easier to administer over time.

Before I comment further, I'd like you to allow us to finish our research in the next few months and come back to you with a more thoughtful piece, Mr. Solberg.

Thank you very much, sir.

• (1525)

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

Just quickly, Mr. Gleberzon, for your information, the consultation on the trust funds didn't come out of nowhere; it was announced in the budget that they were going to consult Canadians. It's a regular happening. Unfortunately, the Department of Finance probably didn't do a good job of advertising it, but it's a regular happening. I think if you look on the Finance Canada website, they're in the process of conducting two or three other studies as well.

I have a quick question for Mr. Hill. We've had, from what I recall, one other group that's not supportive of funding the Canadian Foundation for Innovation. I think there was only one group, or maybe two. What are your comments on that?

**Mr. David Hill:** That was not supportive of it?

**The Chair:** That was not supportive of it. I think it was a student group. It was one of the graduate student groups.

**Mr. David Hill:** That I find strange, because using the example of my own institute, we've been able to basically cover off 15 to 20 years of deficiency, in terms of being at the right level of technology, in about five years because of the CFI. And the direct recipients of

those are the graduate students and the trainees who are using that state-of-the-art equipment every day. That gives them quality—

**The Chair:** Who is it? The students are using it? Are there...?

**Mr. David Hill:** Absolutely. With any research laboratory, the workforce are the graduate students and the post-doctoral trainees and the medical residents. That's the workforce in research. The best-quality equipment, as provided through CFI, gives them good-quality data right at the cutting edge of technology and makes their career prospects dramatically more impressive.

**The Chair:** Mr. Conn, just quickly, in terms of preventable injuries, I don't want to be facetious, but how do you stop somebody from falling?

**Mr. Robert Conn:** It's a very good question. I can tell you exactly what the four risk factors are that make older women more likely to fall.

The first is, if they're osteoporotic. If you've got brittle bones and you fall, you're going to break them. And yet most family doctors don't know what the bone mass index is of their patients and most people don't know that you can take medication that will make your bones stronger.

Second, there's excellent research out of Australia that shows that if we were to put women into a 12-week tai chi program—probably any program that strengthens their core muscles and gives them a sense of balance—we can reduce their fall rate by 30%.

Third, we know that slip and trip hazards at home put people at risk of falling. We don't call them scatter rugs for no good reason. And there are all sorts of things in people's homes that make them more likely to fall.

And then fourth, and probably most significant, is medication. Probably the biggest offending medication is high blood pressure pills. The classic story is that an older woman gets up in the middle of the night to go to the bathroom, does that day in and day out, sees her family doctor, who puts her on a high blood pressure pill because she has a touch of high blood pressure. No medical schools or no pharmacy schools, except for U of T, because I teach there, teach their students that this now puts that person at risk of falling. So, classically, three days after being on the medication she gets out of bed, goes to walk to the bathroom like she always has, gets light-headed, falls over, and breaks her hip. All the person needs to be told is that when she wakes up in the middle of the night she sits on the edge of the bed, counts to ten, stands up and counts to ten, and then walks to the bathroom.

So you can take \$2.8 billion and, with very minimal investment, save easily 30% to 40% of that.

**The Chair:** And this would be done through public health?



**Mr. Robert Conn:** Well, there's a combination of things. One is through traditional health promotion, where you let people understand the risks. If we live in a world where people don't see the risks, we can't expect them to manage them.

Secondly, it can be through innovative research. For example, we found a young researcher in Kitchener-Waterloo who doesn't think he has anything to do with injury prevention, but he's a specialist looking at what are called pacinian corpuscles, which are a particular type of nerve receptor in the soles of our feet. He's found that in older women they become less efficient. So what tends to happen is that when the women stumble, the pacinian corpuscles don't work as well, so the messages don't go up to the spinal cord and come back down in a way that gets them to recover from the stumble, so they fall. He's discovered that if we put an insole in their shoe with little nubbies on it that increase the sensation and pressure on their nerve receptors, we can take a woman who stumbles and falls and turn her into a woman who stumbles and recovers.

What's fascinating about this issue—and I think you've illustrated it so well—is that we live in a society where we all call these things accidents, which is a word that is defined as an “unavoidable act of fate”. So we all tend to believe that these things happen and they happen to somebody else and we can't do anything about it.

• (1530)

**The Chair:** We have to get going here, but how about sports injuries? We had somebody who was complaining, I think it was out in B.C., about helmets. Those are preventable injuries, but apparently there are no standards. There are for hockey helmets, but I think for ski and other types of helmets, there are no standards.

**Mr. Robert Conn:** That's correct. There is no standard for ski helmets. Most parents are really challenged with knowing what kind of helmet they should put on their kid for any particular activity.

**The Chair:** Would that help your cause as well?

**Mr. Robert Conn:** Absolutely.

What's really fascinating about this is that about 85% of all the people we see come into an emergency room are there because they have been hurt through a preventable injury.

My own background is in cardiac surgery. That's what I'm trained as. I had the opportunity to go down to the States to learn how to do

my transplant work—I trained with a guy who was the father of cardiac surgery in North America—and I had to spend three months on what's called the harvest team. So every day I went out and I got the donor hearts. I quickly began to appreciate that all of our donors are people who are very vibrant one moment and brain dead the next. As a result of that, I actually stopped practising in order to focus on this issue.

I was raised in an environment where you don't ask people to do something unless you're prepared to do it yourself. I certainly stepped up to the plate. And I think the opportunity is really for the government to recognize that this is an issue that affects young people, affects children, affects seniors, and through default it affects the baby boomers, because they're the parents of the children and the children of the parents.

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

Just quickly, Mr. Murray, what is the mandate for your national round table? This report was prepared for the Minister of Finance, and then you said you'd come back to the finance committee. Are you going to be reporting to our committee or the environment committee?

**Mr. Glen Murray:** I'm sorry, Mr. Chairman, you're quite right: we report to the Prime Minister.

I apologize; I don't have the exact name of the committee. I think it's the parliamentary Standing Committee on the Environment.

**The Chair:** I think it's the environment committee, yes.

**Mr. Glen Murray:** We would like to develop a much closer working relationship with them, as well, but our advice is to the Prime Minister. Different ministries and departments can mandate us to research or make a request to do that, which the finance department has, and we've been very pleased with the relationship we've had with the finance department.

**The Chair:** Great. Thanks.

Thanks to all the witnesses for taking time out of their day. It was interesting.

The meeting is adjourned.

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