

# Canadians call for tax cuts to curb the 'brain drain'...

[MONTREAL] Several influential business groups are urging Canada's federal government to cut income taxes in an attempt to dissuade Canadian scientists and technologists from emigrating to greener pastures, notably the United States.

The groups argue that action is needed urgently. Nick Cercone, chairman of the University of Waterloo's computer sciences department, says about 100 of spring's 240 graduates would be taking jobs in the United States. It has also been reported that about half of this year's 80 computer-graphics graduates from Sheridan College near Toronto have already moved across the border.

The business groups are supporting the Liberal government's controversial policy of financing tax cuts from a billion-dollar surplus in the national unemployment benefit scheme (UI).

The UI has produced annual surpluses for the past five years that currently total about Can\$20 billion (US\$13 billion). Legislation requires that such surpluses are used to reduce premiums or increase benefits.

In recent years, however, the government has cut benefits and increased premiums, and has dipped into the surplus to reduce its overall budget deficit. It has also proposed changing the UI legislation to avoid having to reduce premiums or increase benefits.

This has provoked an unusual display of unity among opposition parties, which say they will resort to extreme tactics to block the Liberals' plans. They are proposing a commission made up of labour and business representatives to run the UI plan, and want the government to be prohibited by law from

using the funds for any other purpose.

But the Business Council on National Issues (BCNI), made up of the chief executive officers of 150 companies, said last week that UI premiums should be left basically intact, and surplus money should be used to help lower taxes next year.

According to Thomas d'Aquino, the group's president, the size of the UI premium cut sought by some other groups and political parties is so big — about Can\$7 billion — that it would wipe out the surplus next year.

In contrast, argues d'Aquino, cutting income tax would both encourage economic competition and help persuade Canada's best graduates to stay at home.

Support for the government also comes from Sharon Glover, vice-president of the Canadian Chamber of Commerce (COC), which represents 170,000 businesses. She agrees with the BCNI that tax cuts are a greater priority, and that her organization's members are increasingly worried about a 'brain drain' from Canada.

The extent of the exodus is expected to be revealed in a publication to be produced soon by the C. D. Howe Institute, a think tank.

Finance minister Paul Martin said recently that, although tax reduction is a government priority, it would not completely stem the flow of skilled workers out of the country.

Canada has to compete not only with higher pre-tax salary packages in the United States, but also with greater opportunities for premiums and stock options. Once Canadian tax levels are reduced, the government will turn its attention to these other issues, said Martin.

David Spurgeon

## ... as skilled workers head for the United States

[MONTREAL] Canada is increasingly becoming the target of recruitment drives by US companies. In 1995, representatives of 30 US companies visited the University of Waterloo, but this number rose to 100 the following year and 170 in 1997.

Canada's Software Human Resources Council estimates a shortfall of about 20,000 information technology specialists, partly as a result of the emigration of graduates.

Since May 1997, the government has admitted more than 830 such

specialists from foreign countries under a pilot programme co-sponsored by the council. The programme speeds up applications for work visas for specific categories of worker deemed in short supply.

The specialists, from countries including the United States, France, India, China, Singapore and Russia, earn average salaries of Can\$49,500 (US\$32,000).

Another government pilot project recently announced also allows the spouses of such workers to find jobs.

The situation is slightly

different for medical staff.

The *Canadian Medical Association Journal* reports that the number of physicians moving abroad fell from 731 in 1996 to 659 in 1997, the lowest level since 1993.

Of those moving, 60 per cent were aged 40 or younger and male. Of the specialists, 63 per cent worked in clinical medicine or laboratory fields. Taking into account physicians returning from abroad, the net loss fell from 513 in 1996 to 452 in 1997, still more than twice the 1990 net loss of just 207 physicians.

D.S.

## France abandons plan to reform national biomedical agency

[PARIS] A controversial proposed reform of the French national biomedical agency INSERM has been quietly shelved. The government is reported to be drafting a new plan that takes greater account of the general need to improve the coordination of life sciences research in France.

The reform plan was intended to modify the statutes of the agency and streamline its internal decision-making (see *Nature* 391, 110 & 392, 9; 1998). A final text of the reform decree was adopted by INSERM's board of directors in the spring after a series of concessions to trade unions.

The decree had been challenged by many scientists who claimed it was poorly thought through and likely to have little impact. It was also seen as threatening to damage INSERM's capacity to carry out fundamental research.

Françoise Cavaillé, the national secretary of the trade union of scientific researchers at INSERM, this week criticized what she described as the enormous time and effort that had been wasted by scientists at the agency in the long negotiations over the now aborted reform decree.

Cavaillé argues that much of this could have been avoided if the Ministry of National Education, Research and Technology had decided to carry out broader consultation on the reform before pressing forward unilaterally.

The unions complained that the decree would transfer considerable control over strategic decisions on research directions and funding from the agency's scientific bodies to boards made up largely of officials appointed by the ministry (see *Nature* 393, 506; 1998). The decree had already been emptied of its most controversial elements, such as the plan to split INSERM into five departments.

A spokesperson for INSERM says it is unclear what will happen next. But, according to one observer, the ministry now intends to review the structure of INSERM within a broader reform of the life sciences. Last month it set up a national coordinating committee for research in the life sciences, made up of representatives of the nine public research organizations with interests in the life sciences, and leading scientists (see *Nature* 395, 315; 1998).

The committee's task will be to propose and evaluate programmes coordinated between the different research agencies, and to advise the ministry on strategy. The ministry could not be reached for comment this week on its current thinking about INSERM's future.

Declan Butler