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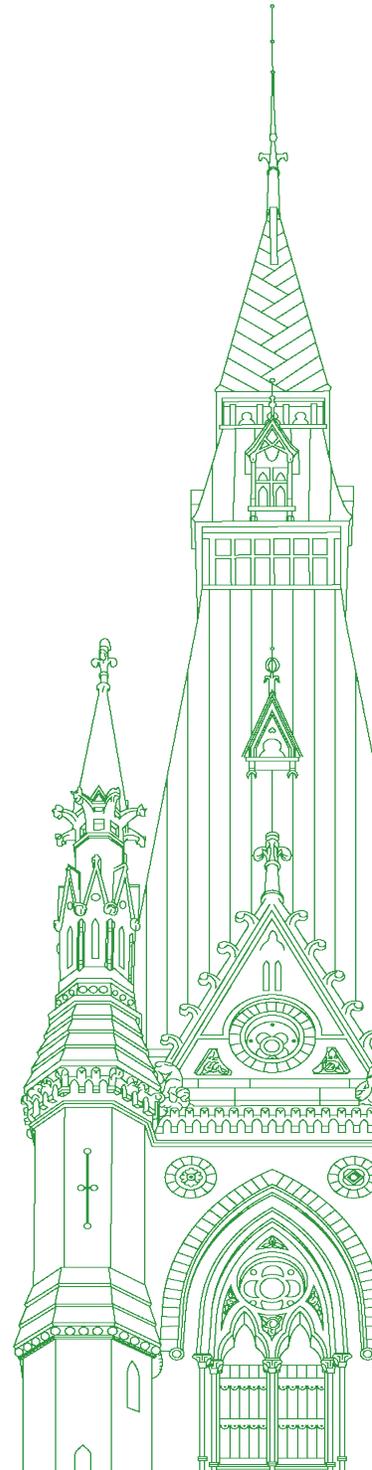
Standing Committee on Finance

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Friday, December 11, 2020

Chair: The Honourable Wayne Easter



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• (1300)

[English]

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

Welcome to meeting number 13 of the House of Commons Standing Committee on Finance. We are meeting, as everyone knows by now, for our pre-budget consultations in advance of the 2021 budget.

Today's meeting is taking place in a hybrid format, pursuant to the House order of September 23. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person speaking rather than the entire committee. Also, to make things smoother, if people could put their mike on mute when others are speaking, it's much easier for interpretation.

We do have a little bit of committee business to do before we start with our witnesses.

It is nice that Gabriel Ste-Marie is joining us after spending so long sitting in the big chair in the House of Commons. It's good to see him come down to earth with the rest of us. You did a very good job, Gabriel.

Members have seen a copy of the budget for pre-budget consultations in the amount of \$9,150. Could we have a motion to basically authorize the expenditure of \$9,150 for pre-budget consultations in advance of the 2021 budget?

Go ahead, Peter.

Mr. Peter Julian (New Westminster—Burnaby, NDP): I have a question. Is this for expenses that we have already undertaken?

The Chair: Yes, including for today.

Mr. Peter Julian: Okay. As we discussed, Mr. Chair, given the absence of an agreement, this is the last meeting of the finance committee this year, so I certainly move a motion for expenses that we've already undertaken.

The Chair: All right. It is so moved.

Is there any opposition to it?

(Motion agreed to)

The Chair: Now we'll turn to our first panel this afternoon. First of all, I want to thank all the witnesses for coming. We're in a different environment with virtual meetings. Keep your remarks to roughly five minutes, please.

On deck, as an individual, is Mr. Di Matteo. The floor is yours.

Mr. Livio Di Matteo (Professor of Economics, Department of Economics, Lakehead University, As an Individual): Thank you, Mr. Chair.

Good afternoon. Thank you for the invitation to speak at these pre-budget consultations in advance of the 2021 budget. I commend the committee for reaching out to the academic community of economists for public input on this important process.

It's been said many times that the COVID-19 pandemic is an unprecedented event in recent history, and this context frames my input into this process.

The fall 2020 economic statement documented the unprecedented effects of and response to the COVID-19 pandemic. For fiscal year 2020-21, real per capita revenues have declined by 20% from the previous year, while spending is up by 70%. In real terms, this is the highest per capita amount ever spent in Canadian fiscal history—nearly \$16,000. As a share of GDP, the projected deficits will be the second-largest in Canadian fiscal history, exceeded only by those during World War II.

The fall statement reveals that spending will eventually decline and the deficit approach 1% of GDP by 2025-26, but also a federal net debt that will rise to \$1.5 trillion and a net debt-to-GDP ratio remaining in excess of 50%. Despite current low interest rates making current debt management look manageable, it remains the case that any sudden future shocks to the economy or to interest rates could be more difficult to manage as debt burdens rise.

The size of the initial fiscal response to the onset of the pandemic in the February-to-April period of 2020 was appropriate. However, the continuing, unprecedented fiscal response generated results that have not paralleled the fiscal support provided. The fiscal assertiveness of the federal response to the pandemic was not matched by assertiveness in targeting the response as might have been afforded under federal spending power or the power of quarantine that exists under the Constitution. Moreover, much of the spending went toward individual income transfers in excess of the pandemic-generated income losses. After all of this unprecedented response, we are now in the midst of a more severe second wave that threatens the economic recovery that began over the summer.

The federal 2021 budget must learn from the past and better target any additional projected fiscal response with a view to long-term economic recovery and growth. The additional spending must be directed towards productivity-boosting investment. Even prior to the pandemic, the business investment-to-GDP ratio had been faltering. While the short-term income support provided at the peak of the pandemic was important, if we are to continue to spend at these record levels, there must be more to show for it.

Government spending priorities should be directed towards initiatives for boosting our long-term productivity via investment in physical and human infrastructure. Public infrastructure in roads and transport; bridges; communications; schools; health care; water, sewer and environmental systems all require investment. Education has taken a major blow during the pandemic, and we need to ensure that students at the elementary, secondary and post-secondary levels do not fall behind in educational achievement and opportunities and reduce future labour productivity growth.

Then there is the matter of our national defence and security in a more multipolar and unstable world that requires equipment and resources and vision.

There is also a need for private sector investment in sectors producing goods and services that we can export so that we can continue to earn our way in the world. If our export markets falter and our incomes drop, there will be no international emergency response benefit payments offered to us. The federal government, therefore, should work with the private sector in assessing its investment needs.

Historically, excessively large amounts of government spending are not well correlated with long-term economic growth. It's not that government cannot help the economy, but that effective government requires knowing when to spend and when not to spend and, more importantly, what to spend the money on.

If we are to embark on a program of infrastructure spending, we must ensure that projects with the best return are selected. Assorted public projects should be assessed by an arm's length panel of key leaders with expertise in business, accounting, engineering and economics who can make recommendations in areas of national interest. It would be extremely unfortunate if federal infrastructure money flowed to community or sports centres rather than, say, roads and sewers, simply because shovel-ready plans exist for the former and not the latter.

Thank you very much for the opportunity to speak to you all, and I look forward to the discussion.

• (1305)

The Chair: Thank you very much, Mr. Di Matteo.

We're turning now to the Canadian Chamber of Commerce.

Mr. Stratton, the floor is yours.

Dr. Trevin Stratton (Chief Economist and Vice-President, Policy, Canadian Chamber of Commerce): Thank you, Mr. Chair and members of the committee. It's a pleasure to be here virtually today.

In the middle of a once-in-a-century pandemic and a second wave, it is difficult to think beyond confronting the immediate effects of COVID-19. However, even as we continue supporting each other today, we must also begin looking over the horizon to the post-COVID-19 world. We need to start planning how our country and our economy can emerge stronger.

Full recovery is a long way off, but recovery starts with resilience. The emergency supports provided have spared many Canadian businesses from economic disaster, and will help many Canadians through a challenging winter. Measures like the Canada emergency wage subsidy and the Canada emergency business account have provided urgently needed assistance to Canadian workers and businesses, helping to ensure that they will be there to propel our economic recovery. However, these pandemic-related fiscal supports have come at an enormous cost that's estimated at over a quarter of a trillion dollars so far. Their cost will continue to mount for the coming months and beyond. The burden of carrying the cost will be borne by an economic infrastructure that has been badly damaged.

As we prepare for a significant majority of Canadians to be vaccinated, Canada must also prepare for a transition away from a subsidy-based crisis response toward economic stimulus and getting Canadians back to work while ensuring their health and safety. All Canadians understand the need for one-time emergency spending to support people and businesses through the crisis, but now is not the time to add permanent new spending programs that will mortgage the future of the next generation of Canadians by creating structural deficits. We will need to encourage investment and business activities that will create jobs and generate the revenue needed to offset the extraordinarily high levels of public spending during the emergency.

This will be no easy task. Over the coming months and years, our international competitors will be fixated on attracting investment and creating jobs. For Canada's recovery plan to succeed, our policy-makers will need a singular focus on economic fundamentals and promoting growth. Governments must be as agile and determined in pursuing economic growth as they have been in responding to the virus.

The recommendations in our pre-budget submission were developed in partnership with our vast network of over 450 chambers of commerce and boards of trade and more than 100 of Canada's business associations. The submission lays out eight policy areas and specific measures that our political leaders must consider to ensure a sharp and lasting recovery.

Almost 600,000 Canadians are still unemployed due to the pandemic. Priority number one needs to be to get them back to work to drive our recovery. This will require getting local labour market data on what skills employers are demanding and developing talent pipelines with educational institutions at the community level to fill these needs.

At the same time, the latest data show that there are also 70,000 fewer businesses in Canada than there were pre-pandemic. Creating the significant amount of business openings and reopenings that will be necessary for recovery will also require a focus on harnessing our tax system for growth—for example, a temporary consumption tax holiday to spur local purchases, or pausing the alcohol escalator tax. It will also require adopting technology and innovation, strengthening supply chain resiliency, reducing regulatory burdens, ensuring a resilient resource sector, planning for small business continuity and strengthening public health infrastructure.

We ask the government to work closely with the business community in developing a road map for a business-led recovery. A growth-focused plan with a clear fiscal anchor based on broad consultation will unlock economic capacity, fuel job creation and promote new business investment. By working together, we can forge a path to recovery that is inclusive, environmentally responsible and innovative.

Just as every downturn is first felt on main street when the lights begin to go out, every recovery starts when the open signs begin to reappear. For all the uncertainty about what to do, we know one thing for sure: The true measure of every recovery is job growth, and everyone recovers when business recovers.

Thank you for the opportunity to meet with you this afternoon. I look forward to our discussion.

• (1310)

The Chair: Thank you very much. Thank you as well for your submission prior to the middle of August. All of those recommendations will be considered as well.

We'll turn now to the Fitness Industry Council of Canada and Mr. Wildeman, president.

Thank you, Mr. Wildeman, for coming before the committee on very, very, very short notice.

The floor is yours.

Mr. Scott Wildeman (President, Fitness Industry Council of Canada): Thank you. I really appreciate the opportunity. This is definitely something that I would make time for.

The fitness industry has been decimated by the COVID-19 closures and restrictions. Just to give context, currently facilities that are open are operating at approximately 50% of pre-COVID revenue. Facilities that are closed are operating at less than 10% revenues, yet we still have significant fixed-cost spaces.

On behalf of our members, we appreciate the CEWS and the rent support. Many of the caps that were in place have been lifted. Companies are still experiencing hardships with remaining rent, wages, small business loans and property taxes, along with the debts in-

curred from securing PPE and enhanced cleaning and safety measures.

However, our operators across the country are looking to the future. We're looking to do our part for the collective health and wellness of Canadians. Today, I am here to speak to you about how our industry can be part of the solution to help Canadians be well and thus be productive.

We know that exercise has many health benefits, which are well documented and researched through organizations such as Exercise is Medicine Canada. We know that physical activity and exercise will reduce hypertension by 33% to 60%, reduce incidence of diabetes by 25% to 58%, reduce incidence of cardiovascular disease by 33% to 50%, reduce risk of stroke by 31% to 45%, reduce risk of some cancers by 30% to 60%, reduce mortality and risk of recurrent breast cancer by 25% to 50%, reduce the risk of developing Alzheimer's by 40% and reduce premature death by 31% to 65%. It can reduce the risk of anxiety and depression, and can actually treat anxiety and depression as effectively as medication or cognitive behavioural therapy.

We know that COVID-19 complications have been largely associated with folks who have one or more chronic condition. We know there's a coming tsunami of anxiety and depression, especially as the recent lockdowns are occurring during the shortest and darkest days and effectively cancelling the holiday season for many households.

How can we part of the solution?

As an industry, we would like to partner with government and provide the following.

First, include fitness memberships and fitness services such as personal training as a health care expense. We have the ability as an industry to provide attendance reports upon request for audit purposes and also show attendance for remote services. Professionals across the country are ready, willing and able to provide both in-person or remote services focusing on long-lasting behaviour change.

We would also like to request that PHAC back funding to expand the Prescription to Get Active program across Canada. This program is unique in that it links prescribers from the medical community to fitness professionals.

We would also like to encourage government messaging that encourages Canadians to seek out professional assistance to create lasting behavioural change with their physical activity.

We believe that we can provide the government with a 500% return on investment by reducing the overall health care burden by motivating and inspiring Canadians to take proactive steps towards their own health and wellness.

I really appreciate your time today. Thank you.

• (1315)

The Chair: Thank you very much and thanks again for coming. There are a lot of good points there.

Now we'll turn to the Northwest Territories Association of Communities. We have Lynn Napier, mayor of Fort Smith.

Welcome, Madam Mayor. The floor is yours.

Ms. Lynn Napier (Mayor of Fort Smith, Northwest Territories Association of Communities): Thank you, Mr. Chair.

Thank you so much for the opportunity to present to all of you as part of the pre-consultation for budget 2021.

I am Lynn Napier, mayor of the town of Fort Smith and president of the Northwest Territories Association of Communities. We proudly represent all 33 communities in the Northwest Territories, which vary in size from 52 to 21,000 residents. Our members are both indigenous communities and traditional municipalities, but all are northern and remote to varying degrees.

As you know, local governments are relied upon to keep essential services running. We are the level of government that most immediately impacts on residents' lives, and I would like to remind you that municipalities cannot legally carry a deficit.

We have really appreciated the first round of safe restart funds. To get this funding out the door as quickly as possible, we worked with the territorial government to have it distributed on an allocation base-plus basis.

With respect to planning for the critical economic stimulus recovery phase, I am pleased to let you know that local governments are agile enough to be important partners. Further, these funds could serve to make headway on the four pillars that I would like to highlight for you as priorities for NWT communities.

Being a jurisdiction, where the lack of infrastructure is readily acknowledged, our first pillar is infrastructure funding. It has been very heartening to see additional funding being allocated to municipal infrastructure in the last few federal budgets. The doubling of the gas tax fund was particularly welcome. We would strongly encourage this to continue and to become permanent and to be enhanced.

The gas tax fund works very well in the territorial north, because of its flexibility and predictability, and because it does not require cost-sharing. Getting funds to community governments is one of the most efficient ways to stimulate the economy in a timely and effective manner and thus make the most effective impact on the recovery from COVID-19. Further, it serves to address long-standing challenges and gaps.

As well, programs that encourage the development of territorial projects that will facilitate trade and resource development, such as the Mackenzie Valley Highway, will have significant impacts on

economic development, as well as increasing the resilience of communities to climate change that are on the route, which nicely segues into our second pillar—climate change.

In the Northwest Territories, climate change isn't a distant, abstract problem. It's here now, and Northwest Territories communities are at the forefront of the climate change challenge.

The rapid warming, at two to four times the rate of the rest of Canada, is causing significant changes in the natural environment, including to ice, permafrost, water, vegetation and wildlife. The frequency and severity of extreme weather events is also increasing.

Although there are some funds for climate change adaptation that are available in the Northwest Territories, they are chronically over-subscribed and are at a scale to only support studies and/or design. We need to see funding at levels to support construction now.

Our third pillar is actually not a community government responsibility but impacts greatly on the wellness of our communities. With well in excess of 50% of housing overcrowded and insufficient, the likelihood of a rapid spread of COVID-19 in our communities is high.

The Northwest Territories Housing Corporation routinely reports waiting lists for housing units in excess of 400 applicants. Although some progress has been made on this front with the rapid housing initiative, increased investments are still required. Making inroads on the housing deficit in the territory represents a huge economic stimulus, as it has potential to leave more of the benefit and create employment within the communities.

Our final pillar is telecommunications. The many months of COVID-19 have really highlighted the inadequate broadband connectivity in our communities and proven to be a barrier for governance, education, work from home, telehealth and participation in the digital economy on an unprecedented level.

Access to broadband Internet has become essential to living in the modern world, and the lack of access or bandwidth limitations in the north has long been identified as an impediment to the growth of our communities and the Northwest Territories as a whole. Having all telecommunication systems offline for days at a time is unacceptable today, and yet it is a fairly common occurrence in the north.

• (1320)

We were very pleased to hear of significant funding through the CRTC to improve Internet service through the use of fibre and low-earth orbit satellites, but we still have a ways to go.

While considerable improvements have been made to ensure there is cell service for all Northwest Territories communities, there is still considerable vulnerability for the driving public, as there is no cell service between communities—distances of hundreds of kilometres. This too needs to be addressed.

We wish to thank you for the invitation to present to you this afternoon. We appreciate your continued interest in the communities of the Northwest Territories.

Thank you.

The Chair: Thanks very much, Madam Mayor.

We will now go to six-minute rounds of questions, and my apologies for not giving people a heads-up.

Mr. Kelly and Ms. Jansen will split the first six minutes; Mr. McLeod and Ms. Dzerowicz will split the next six minutes; and then we will go to Mr. Ste-Marie and Mr. Julian.

Mr. Kelly, the floor is yours.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

My first question is for the Canadian Chamber of Commerce.

You talked about a lot of different things that are going to be necessary for economic recovery. I want you to comment on some of the tax increases that are going to be felt especially by small and medium-sized businesses.

Perhaps you can start with the excise escalator in particular, which automatically kicks in. Would you perhaps recommend to this committee that things such as the excise escalator, the increases to the carbon tax and increases to payroll deductions that are borne by businesses be suspended in the name of economic recovery?

Dr. Trevin Stratton: Thanks for the question.

I'll start with the alcohol escalator tax, which we do believe should be paused. I'm not sure that I know too many policy experts out there who think it's good tax policy to have a tax that goes up every year in perpetuity without any end in sight, or without a motivation for it, particularly in the middle of the largest economic downturn in almost a century.

That places a significant onerous burden on a number of different businesses, but in particular on some of the hardest hit businesses or the ones in the hardest hit sectors, such as restaurants and bars, or even the arts, for that matter. That is definitely something we have been advocating for very strongly. We believe this should be put on pause before it comes into place I believe next April.

Within this context, we are certainly calling for a number of different tax changes. I know that a number of different business associations have been calling for a comprehensive review for quite a while. I'm not sure if the middle of the pandemic is the best time for a structural review of the tax system. We've been putting that off ourselves.

When it comes to short-term things that governments can do with the tax system to help get us out of this, there are a lot of different options.

In terms of helping individual Canadians, there is simplifying tax filing, so that every Canadian can access their tax benefits, for instance, by automatically filing simple tax returns. As well, enhancing the GST and the HST or low-income credit for all Canadians would be very useful. We certainly appreciated the elimination of the T2200 form for people working from home, as was announced in the fall economic statement. It was a form that employers had to fill out. As well, looking at simplifying the tax on split income rules would be very useful for small businesses within this current context.

We've actually brought together some of the best tax experts in the country to come up with a list of 30 recommendations for what we can do immediately for the tax system. I'd be happy to share that with the clerk of the committee.

• (1325)

Mr. Pat Kelly: Thank you.

The Chair: Make it a very quick one, Pat.

Mr. Pat Kelly: I'll turn it over to Tamara in a moment, but I think the witness makes a really good point on the extraordinary power of the escalator tax. I think King John himself would blush at having the power to give himself additional revenue each year without a vote in Parliament.

With that, I'll yield to Ms. Jansen.

The Chair: Ms. Jansen, the floor is yours.

Mrs. Tamara Jansen (Cloverdale—Langley City, CPC): Thank you.

Thank you, everybody, for your presentations.

I'd like to ask Professor Di Matteo a question. It seems clear that the Liberals' plan to build back better by investing heavily in their green agenda is not necessarily going to be the magic bullet that they claim.

I know that infrastructure worked in 2008 and 2009 because the Conservative government at the time invested in shovel-ready projects that got money circulating immediately, as opposed to the current plan, which looks to take years to implement, and those are years we don't have to waste.

Wouldn't a made-in-Canada approach focusing on manufacturing goods locally so that Canadians can buy from Canadians, rather than purchase offshore goods, be a wiser approach for instant impact?

Mr. Livio Di Matteo: That's an interesting point.

I think if you're going to have federal policies targeted at the manufacturing sector or a specific business sector to produce domestically like that, it's very important to work with firms in that sector when designing those policies.

I think if there's going to be potential there, it's important that you find out what potential manufacturers need, what they can do to create the jobs locally and follow through on the plans. You have to consult with the sector first. I'm not saying it can't be done, but a lot of our manufacturing now is already integrated with facilities in the United States in the cross-border relationship. It won't be easily turned on a dime, but there's certainly potential there.

Mrs. Tamara Jansen: I have a second question. Well before the pandemic, economic growth was mediocre. Do you think that a recovery plan that focuses on increasing productivity while also aggressively reducing the cost of regulation would be the best path to recovery for Canada rather than the current path we seem to be planning?

Mr. Livio Di Matteo: I think in the long-term, productivity is everything. That's been said by other economists. You have to be able to boost the ability of your factors of production. I know it sounds like such a cold term, but labour and business productivity have to rise. If they don't, in the long run we're going to have increasing difficulty maintaining our standard of living.

A close eye should be kept on the productivity agenda to make sure that investments enhance that type of productivity.

Mrs. Tamara Jansen: Thank you.

What are your thoughts regarding the current plan, which seems to focus only on domestic issues and does not pay serious attention to possible pressures that will come from our global neighbours?

Mr. Livio Di Matteo: Could you specify what you mean by the current plan and global neighbours? Do you mean the economic plan or the...?

Mrs. Tamara Jansen: I'm concerned that the finance minister is only looking inward rather than recognizing the outward pressures that will arise.

Mr. Livio Di Matteo: I can't read the mind of the finance minister, but essentially 30% of our output is exports—30% of our national income is exports—so whatever we do, we have to pay attention to our competitors, and it's probably very important that we be as nimble as possible in assisting our firms to take advantage of economic opportunities wherever they may be in the world.

It's important to focus on the domestic agenda, but it's also very important to keep an eye on what everybody else is doing.

• (1330)

The Chair: Okay, we will have to end it there. We are a little over the time.

Mr. Stratton, this committee has also called for a comprehensive review of the tax system a couple of times.

We will turn to Mr. McLeod and Ms. Dzerowicz who are splitting six minutes.

Michael.

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair.

I'll try to be quick.

Mayor Napier, I want you to speak a little about infrastructure. You mentioned it as your first pillar. While we know that a lot of progress has been made on infrastructure in the north over the last five years, we know there's still a long way to go.

Could you speak on the importance of having infrastructure funding programs that are able not only to address the costs of construction in the north but also flexible enough to be effective?

Ms. Lynn Napier: The unique conditions of the north greatly affect how municipal infrastructure is built and maintained. We face extreme isolation and a shorter and highly variable construction season. We have limited resources and capacity available, limited access to funding. We have growing demands from aging and existing infrastructure and unique project needs.

Because of all of those factors, we find that the gas tax fund works very well in the Northwest Territories because of its flexibility, predictability, and it doesn't require cost sharing. This also helps the communities be flexible so they can manage their projects based on their own priorities. This keeps the focus on our asset management, which has been encouraged by all levels of government.

Mr. Michael McLeod: My second question if I've got time—

The Chair: Yes, you do.

Mr. Michael McLeod: —is about connectivity. You know that the Prime Minister last month announced \$750 million in new funding to get 98% of Canadians connected to high-speed Internet by 2026.

What recommendations would you have to make sure that northern communities are able to benefit as much as possible from this funding?

Ms. Lynn Napier: Is this for me as well?

The Chair: We've got you. Go ahead.

Ms. Lynn Napier: Thank you.

As the MP is probably well aware, broadband connectivity in northern and remote communities is, I would say, ghastly. We do not even have fibre optic to a lot of communities. As very remote communities, we can't really even connect video. We face challenges all across the north. Connecting our governments is a challenge. In these times especially with COVID, we try to connect, just as we are here today, electronically, by Zoom meetings and we are not able to do that. We don't have consistent, basic, reliable and affordable service across the territory in all of the communities.

I cannot consistently schedule meetings with people and know that I am going to be able to connect with them. We have the same problem with schools, where schools are trying to do education remotely, but it is unaffordable for a lot of families. It is unreliable. And to that end, a lot of families face economic difficulties where they don't have their own equipment to be able to connect.

Affordability, I would say, is number one, and then getting the fibre optic or access to lower orbit satellites, whatever we need to do to get connectivity to the north so that we can even get on par with what is available to the south right now.

• (1335)

The Chair: Okay. We will have to end it there.

Madam Dzerowicz.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair.

Thanks to everyone for the interesting presentations.

My questions are for Mr. Stratton with the Canadian Chamber of Commerce.

I'm particularly interested in your recommendations under the "Get Canadians Back to Work" section of your written remarks. You talk about labour market strategies and real-time data. One of the things we've heard is that we actually don't collect local and regional skills and labour data.

Could you just confirm that's correct and that it's important for us to do so?

Dr. Trevin Stratton: Absolutely, I confirm that's correct. It would be very important for any economic recovery plan to have that data.

Ms. Julie Dzerowicz: Okay. I have a second question for you. This is odd to say, but there's often a huge disconnect between the jobs that are out there and the employers, that is, with matching the employers with the employees.

How can the federal government be helpful on this moving forward?

Dr. Trevin Stratton: I think what's going to be very important is creating collaboratives of employers at the local, community level, because there are different.... When it comes to what skills are being supplied in the labour market, we generally know and have information on that. We don't necessarily know what skills are being demanded by employers.

If we can bring together employers at the local community level to be able to talk about what skills they are going to need, looking forward, and to be able to create labour pipelines or talent pipelines with educational institutions in those communities to fill those needs, then that could be a really key program to help bring Canadians back to work.

Ms. Julie Dzerowicz: Is that something you see the federal government being able to do?

Dr. Trevin Stratton: Absolutely. We have been looking at a model that's been done by the U.S. Chamber of Commerce down south, which has been piloted in 30 different states very successful-

ly. We're looking at bringing that up to Canada with potentially 150 different pilot projects across the country.

The Chair: We will have to end it there. We were already a little over a minute over the time.

Could you send us that information, Mr. Stratton, on those pilot projects? I think it would be helpful if you could send it just so that we know where to connect on that for the future.

Okay. We turn then to Mr. Ste-Marie.

The floor is yours.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

First, I would like to say good afternoon to the witnesses and thank them for their presentations, which were all very interesting.

My first questions are for Ms. Napier, the mayor of Fort Smith and the president of the association representing the communities of the Northwest Territories.

Ms. Napier, I found your presentation and your answers to Mr. McLeod's questions very moving. So I'm going to pick up where you left off.

In 2020, and even in 2000, Internet access was supposed to be considered an essential service, and it is even more so during the pandemic. You have provided examples demonstrating its importance, such as being able to hold meetings via Zoom or webcast. My understanding is that the communities you represent do not have access to fibre optic Internet services because fibre optics do not reach them.

Is that correct?

[*English*]

Ms. Lynn Napier: That is correct. Not all communities in the Northwest Territories have fibre optic service.

[*Translation*]

Mr. Gabriel Ste-Marie: How do communities connect to the Internet? Is it through cable or is it old-school satellite?

• (1340)

[*English*]

Ms. Lynn Napier: Many communities still connect through satellite, which is not very reliable. As a personal reference, my parents live in Rankin Inlet, and they have satellite service. I am completely unable to connect with them through video. Their cell service is extremely spotty. I cannot always get through to them on their cellphones. Their community in Rankin Inlet is quite similar to many communities across the north that do not have fibre optic.

When we are looking at health appointments in the Northwest Territories, our major medical service centre would be in Yellowknife. If we are unable to get services in Yellowknife, we go south to Edmonton. Because of COVID, many medical appointments are postponed. In our community, we go to video appointments, but if you are in a northern or extremely remote community, those services are unavailable to you.

[*Translation*]

Mr. Gabriel Ste-Marie: It's really sad to hear that. It should be considered an essential service.

To your knowledge, have any concrete projects been proposed? You talked about the possibility of connecting communities to the Internet through fibre optics. That's what it should be. Otherwise, it could be done using the new technology being announced with low earth orbit satellites, which are more numerous than conventional satellites.

To your knowledge, are there any such projects in the works, with the potential of changing things quickly over the next few months?

[*English*]

Ms. Lynn Napier: I want to clarify what I said earlier. Ten of our communities are satellite communities. I believe Northwestel is working on service to some communities, but I'm not sure that those would affect the current satellite communities. I'm not sure what is to be done in the next couple of months. I don't have that information with me right now.

Additionally, we have the two parts of telecommunications. One would be the Internet fibre optics, and the other is cell service. Both are in need of upgrades. We require accessibility in the north. Just when travelling, there are long distances where there's no cell service between communities, and that has a negative impact. In the past three weeks, I've seen medical incidents or accidents on the highways that could have had a quicker response had there been cell service available for those people.

The Chair: This is your last question, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

Thank you for your answer. Hopefully, this will be resolved as soon as possible. I also clearly heard your request to raise gas taxes. The advantage is that it can be implemented immediately for infrastructure. That model works.

Could you give us a few concrete examples of another issue you mentioned, climate change? You said that you are already seeing it where you live. You have named categories, but can you give us some concrete examples?

[*English*]

Ms. Lynn Napier: I can talk about the riverbank in my own community. It has been sliding, and we had a major slide 50 years ago. Because of the impacts of climate change, with permafrost across the north and rising water levels, we are seeing, in communities like Tuktoyaktuk, the water advance into the community. Buildings have had to be pulled back from the shoreline.

This year, the water levels have been “unprecedented”, which is the word for 2020. I think the Great Slave Lake, which is one of the largest lakes in Canada, was five feet higher than normal. The Mackenzie River and the Slave River were high too. A lot of our communities are on the rivers—the Hay River, the Mackenzie River and the Slave River—and on the lakes, and these levels are affecting our community infrastructure, our water intake and our sewer systems. I think there's not any community that is unaffected by climate change in the Northwest Territories.

● (1345)

The Chair: Thank you very much, Madam Mayor.

We will now go to Mr. Julian, who will be followed by Mr. Poilievre.

Mr. Peter Julian: Thank very much, Mr. Chair, and thanks to all of our witnesses for being here today. We certainly hope that you and your loved ones have been safe and healthy during this pandemic.

I'd like to start with you, Mayor Napier. I'd love to give a shout-out to two residents of Fort Smith: my former roommate Dennis Bevington and Joan Bevington. Next time you see them in Fort Smith, if you could say hi, I'd appreciate it.

You've spoken very eloquently about climate change, the lack of connectivity and the lack of housing. This week, of course, the Parliamentary Budget Officer revised his estimate of the cost of the Trans Mountain pipeline. Construction costs, now revised, will most probably be \$14 billion. Of course, we know that Canadian taxpayers will lose a lot of money on that, which is another conclusion of the PBO report. This is the choice the government can make: to invest in Trans Mountain or make the investments that are actually going to resolve many of the issues you're raising.

I'd like to get a sense from you, with the Northwest Territories Association of Communities, of how much you think it would cost to meet the response on clean energy to make sure the Northwest Territories and northern communities are actually part of the clean energy grid and have those options available to them. How much would it cost to meet housing requirements and address the housing shortage in the north, particularly in the NWT? For telecommunications to get communities interconnected, are there any costs?

I'd like to get a sense of what it would take to resolve those issues in the north.

Ms. Lynn Napier: Thank you, Mr. Julian.

I will certainly say hi to Mr. Bevington. He comes to our “lunch with the mayor” meetings every month.

I'm sorry that I don't have the costs of what that would be. Certainly it is far less than \$14 billion.

We know that housing across the territory is dire. We have a lot of what we call “hidden homeless”, where people are not homeless in the same circumstances as you would see in the south. We have overcrowding of housing units at an extreme level.

Just as we've seen in Nunavut in the past month, if we have an outbreak of COVID, it will spread because of the interconnectedness of the communities. We don't have the same medical services you have down south—which, again, are already over-taxed for the people who are being serviced.

The dire state of housing inadequacy and the deficit of housing supply in the Northwest Territories will require an extraordinary allocation of federal funds to overcome. A long-term federal funding commitment is critical to address the unmet housing needs.

I am very sorry that I don't have numbers for you today. We can certainly look into that and get something to the committee as best we can.

Mr. Peter Julian: Thank you so much for your response.

I'm going to move to Mr. Wildeman. I'm very intrigued by your proposal around having fitness training as part of health care. You're certainly making a very strong argument for the positive impacts that would come from that.

Has the Fitness Industry Council done any statistical analysis to know how many Canadians might benefit in that kind of situation? How much would we save the health care system if Canadians were healthier?

• (1350)

Mr. Scott Wildeman: That's a great question. We have done modelling. We've looked at, for example, expanding the Prescription to Get Active program over 10 years, leveraging not only federal government investment, but also the facilities. The Fitness Industry Council of Canada is made up of facilities from coast to coast, and those facilities would also fund the initiative.

We believe we can—in the long term, over the course of 10 years—provide savings to our health care system of well over \$100 million. In terms of people getting started and continuing with their physical activity, we could get well over 250,000 Canadians who are not currently exercising and being active onto that path. That's where you'll see the health care savings.

The Chair: This is your last question, Peter.

Mr. Peter Julian: Thank you very much.

I have to move on to Mr. Stratton. I'm a long-time member of the New Westminster Chamber of Commerce and a proud member of the Burnaby Board of Trade.

What small business people raise consistently is that web giants and companies outside Canada are not paying any corporate tax at all. Is the Canadian Chamber of Commerce in favour of levelling the playing field and forcing the web giants to actually pay corporate taxation and pay their fair share in Canada?

Dr. Trevin Stratton: We are certainly in favour of the digital sales tax that was just announced.

When it comes to corporate taxes, I think it's very important to understand that there is also an international conversation taking place at the OECD as part of the larger BEPS process for taxation where they're discussing this very issue of corporate taxation for digital technology companies.

Our position has always been that we need to defer to what is decided multilaterally and internationally, instead of going on our own and making a made-in-Canada approach and then having another international system that becomes the standard that we have to adapt to later on.

The Chair: We'll go on to Mr. Poilievre, who will be followed on a split between Mr. Fraser and Mr. Fragiskatos.

Mr. Poilievre, welcome. You're in a different room again. I'm going to invite you to P.E.I. where you have to stay in the same room for 14 days.

Go ahead.

Hon. Pierre Poilievre (Carleton, CPC): I think you'd like to lock me up and throw away the key, Mr. Chair.

The Chair: Not me.

Mr. Di Matteo, you're one of Canada's leading fiscal historians. The Bank of Canada has expanded its balance sheet by \$400 billion [*Technical difficulty—Editor*] 400%. Has this ever happened before?

Mr. Livio Di Matteo: That's a very good question. I guess my first answer is that I actually don't do monetary economic history.

The size of the increase is certainly outside of my living memory and my recollection of similar types of events, even during times of increases in public spending. The last time there was a major ramp-up of this nature—during World War II, for example—most of it was standard deficit financing in terms of Victory Bonds and actual purchases, as opposed to money creation and monetization.

Hon. Pierre Poilievre: Right. So even in defending western civilization against Hitler and Mussolini, our government actually raised its money by borrowing real dollars from real people rather than credit creation at the central bank.

Mr. Livio Di Matteo: Well, at that time, that was the approach they used. I mean, with World War II, the debt was contracted at, I guess, what you would term “patriotically low” interest rates, given that it was the fight to save democracy. That, in a sense, assisted the process of borrowing, because the rates were quite low at that time.

Hon. Pierre Poilievre: Your research shows that the biggest deficits as a share of GDP in Canadian history happened in the mid part of the war, and those are the only deficits, as a share of the economy, that are bigger than those today. But your research also demonstrates that in 1946-47, we ran the biggest surpluses as a share of GDP in Canadian history, rapidly paying back that debt.

Do you see the current government on track to doing that after this crisis is over?

Mr. Livio Di Matteo: Well, that's a function of two things. In terms of the rapid paydown, first, there was a large demobilization after the war effort, so expenditures, of course, came down very quickly. There was also, in the immediate period right after the war, essentially a very large economic boom. I mean, in terms of the demographic factors at the time, there was the baby boom. There was a natural resource boom with natural resource exports.

The growth rate of the economy, moving into the end of the 1940s and into the 1950s, saw economic growth, in real terms annually, in easily the 4% to 5% to 6% range some years. You have—

• (1355)

Hon. Pierre Poilievre: Do you see that kind of growth repeating itself to pay for all of this new spending?

Mr. Livio Di Matteo: You're asking me to conduct a forecast, and I don't really want to make weather forecasters look good.

Essentially, the factors for that type of rebound don't seem to be there. However, the one thing I would offer is that in the wake of the pandemic, if you want to think about human psychology, there might be a lot of consumer spending to make up for lost time, given the restrictions that have been faced. Again, I don't see the signs there—

Hon. Pierre Poilievre: Consumer spending is interesting. It increases demand, but in the absence of supply, in fact with a possible supply reduction that has occurred over the last year while supply chains have been downed, there could be faster growth in consumption than there is in production. We know that historically this has led to inflation. None of the experts believe that's going to happen, but the experts are often wrong. In 1978 there was high unemployment and high inflation at the same time, leading interest rates to move from 8% to 22% in 24 months, with no prediction of that from the experts and without the Bank of Canada ever anticipating it.

Is it possible that interest rates could rise faster than all of the experts are predicting, based on your knowledge of history?

Mr. Livio Di Matteo: Let me answer that in two ways. Unpredicted changes can happen. No one predicted the pandemic and its effect on the economy. The other thing you have to keep in mind is what's happened over the last 20 years. Inflation has been low. Part of that has to do with internationally integrated supply chains.

Basically, the aggregate supply curve, if you want to think of it that way, has stayed flat in response to demand. There's been disruption to that process. There's been a lot more protectionism. If that aggregate supply curve, because of all these disruptions in productions internationally, starts to go upward, at some point, with increased demand, prices will go up. Once prices start to go up, you're going to have to see a response in terms of interest rates if there seems to be any possibility of inflation taking off.

I mean, ninety—

Hon. Pierre Poilievre: Right. So if—

The Chair: We are—

Hon. Pierre Poilievre: I have one last question, Mr. Chair.

The Chair: I'm sorry, Pierre. We're over a little bit.

Hon. Pierre Poilievre: Thank you, Chair.

The Chair: Mr. Fraser, splitting time with Mr. Fragiskatos, will complete the round.

Mr. Sean Fraser (Central Nova, Lib.): I expect I'll have fairly limited time, so I'll start with one question and see if we get beyond that.

Mr. Stratton, thank you for being here. One thing you mentioned during your testimony was that the success of our response in the long term may depend on ensuring that some of the emergency measures we put in place are temporary. Though they may be necessary now, we don't want to create a structural deficit more than is essential to float households and businesses through this pandemic.

While in many respects I think that's sensible, I have some questions about certain programs we're taking on that I'm supportive of. In particular, I'm thinking of something that will set the stage for long-term productivity growth, such as an early learning and national child care strategy. Would you consider a measure or investment of that nature—one that has the potential to pay for itself, or at least make a significant contribution to it, and set the stage for greater labour force participation, particularly by women—worthwhile, though it may create a permanent expense, given the productivity gains that it could set the stage for?

Dr. Trevin Stratton: I think it would depend on what it looks like. If we're talking about child care, for instance, I know we've certainly been advocating for the funding, if there is funding, going directly to day cares or going directly to families, as opposed to creating some sort of national child care program.

We certainly appreciate what the government has done in the last fall economic statement in approaching these issues. I think one of the important things is the urgency of it as well. Creating a plan to create a plan.... There are a lot of women in the workforce who need this support right now, so being able to do that as quickly as possible, I think, is maybe what's important. That's why I think it's very important about the details as opposed to.... We're certainly on board when it comes to the larger issue that needs to be resolved.

• (1400)

Mr. Sean Fraser: I think there are certain measures we've adopted over the past few years, and even as recently as the fall economic statement, to give a boost to the Canada child benefit to get cash directly to the people who are going to be using it for child care.

When you're dealing with a supply problem, it's not as though you can simply create one more space when it's needed. Do you not think an umbrella approach that brings the provinces together to set some sort of a national strategy to ensure that we actually have both the supply that will meet the demand and the financial resources for families so they can afford that care at the end of the day is really what's important?

Dr. Trevin Stratton: A national strategy is very good because we need to have all the provinces on board when it comes to this. Obviously, there are jurisdictional issues when it comes to that. I would certainly advocate that, when we're putting together that national strategy, it very much focuses on any funding going directly to child care providers and also that it is not creating a federal program for it but looking at jurisdictional issues and implementing it in that way.

The Chair: Thank you.

Mr. Fragiskatos, you'll wrap it up.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, Chair.

Thank you to the witnesses.

Mr. Wildeman, there are a lot of interesting things put on the table, and as these pre-budget deliberations will continue over the next few weeks we will hear many recommendations from a variety of stakeholders across the country.

If you were to go back to your testimony, what is the key insight, the key recommendation, that you want to give to the federal government?

Mr. Scott Wildeman: Messaging supporting Canadians to be proactive with their health care and rewarding their initiatives with allowing them to write off or deduct their expenses against their income tax would be the number one priority.

Mr. Peter Fragiskatos: Point taken there.

How does supporting fitness businesses fit into that? I'll tell you why I'm asking. I have a number of your members in the community here in London, Ontario, including GoodLife, that have reached out to me to make the case for federal funding. There are different ways to look at an ask like that. I have constituents who would, I think, rightly say—maybe critically but still it's a fair question to ask—why would a company like GoodLife, which is an enormous Canadian company and is very successful, with deep pockets it would seem, need federal support? What does your industry council have to say about that? I'm not speaking specifically about GoodLife, but about fitness businesses in that general vein.

Mr. Scott Wildeman: That's a great question.

If you look at the rent subsidy, it's been really well received with the amendments by many of the smaller players, the unique boutique studios. A company the size of GoodLife would be capped at \$300,000 for that rent support. They have well over 500 locations. The scope of the rent subsidy really doesn't help a company that size. There are other regional players, like Movati or GYMVMT, that are too small to be big and too big to be small, almost.

As an association, we have been lobbying for amendments to the rent support. Many of those amendments were actually completed, and we're very appreciative of that, but for the mid-sized to larger companies, it still misses the mark to an extent.

Having said that, as an industry association we're focused on the recovery and how we can help. The tax incentives, as well as the positive messaging, will get more people started, which will obviously impact facilities in the long term and impact professionals across the country.

The Chair: I'm sorry. We'll have to end it there.

On behalf of the committee, I certainly want to thank all the witnesses, some of you for coming on short notice today. Thank you to those who submitted submissions prior to mid-August. All those submissions will be considered in terms of the pre-budget consultations, as well as the evidence presented today.

With that, thank you very much for your presentations. We wish everyone a merry Christmas, a happy new year, and stay healthy.

The meeting is suspended.

- (1400) _____ (Pause) _____
- (1405)

The Chair: We will reconvene the meeting.

This is meeting number 13 of the House of Commons Standing Committee on Finance. As everyone here knows, we are doing pre-budget consultations in advance of the 2021 budget.

As a reminder, folks, when you're not speaking, just make sure your mike is on mute. It makes life a lot easier for those trying to translate into other languages.

We'll start with you, Jeff.

Mr. Morrison is the executive director of the Canadian Housing and Renewal Association.

Go ahead.

Mr. Jeff Morrison (Executive Director, Canadian Housing and Renewal Association): Thank you, esteemed Chair, and good afternoon to you and the committee members. Thank you for the invitation to appear today.

For those of you who are unfamiliar with our organization, CHRA represents the social, non-profit and affordable housing sector throughout Canada. Our sector manages approximately 600,000 units of affordable housing, which collectively house approximately over a million people in Canada.

As this committee deliberates on the contents of the next federal budget, which of course will be heavily influenced by the COVID pandemic, I want to remind committee members of the very first public health directive issued to Canadians when COVID hit, which was to stay home.

Mr. Chair, staying home isn't possible if you don't have a home, or if you don't have a home that you can afford or that meets your needs. This year has proven that housing is health care. That's why, as your committee examines the question of how we can build back better through the next budget, we would urge you to put housing at the core of a pandemic and post-pandemic recovery package.

• (1410)

[*Translation*]

In recent years, a number of programs have been launched under the national housing strategy to strengthen the social and non-profit housing sector. Those programs have provided a solid foundation to build on. In addition to the existing programs, CHRA would recommend expanding the national housing strategy in four key areas.

[*English*]

First, the most obvious gap in the national housing strategy is the absence of a dedicated urban, rural and northern indigenous housing strategy. With 80% of indigenous people living in these settings, and with indigenous people facing much higher rates of core housing need and homelessness, a dedicated urban, rural and northern strategy is a must. A commitment to develop this urban, rural and northern strategy that is developed and governed by indigenous peoples themselves was actually contained in several ministerial mandate letters. We would urge the federal government and this committee to make that commitment a reality in budget 2021.

Second, in September, the government announced \$1 billion for a new rapid housing initiative, which, I should add, was a recommendation that we put in our original pre-budget submission issued this summer, so we thank the government for acknowledging our advice in their announcement. We know from CMHC officials and from speaking to our members that this program is receiving a significant number of applications; therefore, \$1 billion is simply not enough. We would call for a minimum of \$5 billion in additional funding to meet the demand and increase housing supply, and also that the federal government enter into discussions with provinces and territories to provide the necessary social supports that are required for people who will be housed in these new units.

Third, a program within the national housing strategy with significant untapped potential is the federal lands initiative. This is currently a \$20-million-a-year program that transfers surplus federal lands to housing providers to build affordable housing. This program could be significantly expanded to allow federal acquisition of provincial, territorial, municipal and even private sector lands, so that they too can be transferred to affordable housing providers. All housing projects start with land, so this would be a significant shot in the arm to accelerating affordable housing development.

[*Translation*]

Finally, the national housing co-investment fund is one of the tools CMHC has at its disposal to increase the supply of affordable housing. The fund has \$13 billion over 10 years and provides grants and loans to renovate existing housing units and build new affordable ones.

Access to this program is very challenging in terms of administration and timeliness, and the grant-to-loan ratio is very low. We think enhancing the program would help increase the overall sup-

ply, but only if administrative and operational improvements are made to the fund.

We know that CMHC has begun the work, and we hope to see a streamlined and simplified process, especially if the fund can be expanded.

[*English*]

Mr. Chair, to conclude, in 2019, Parliament—all of you—recognized housing as a human right through legislation. This year has underscored the importance of housing to health and, of course, to well-being. The question isn't "Should we put housing at the core of a post-pandemic recovery package?" The question is "Can we, as a country, afford not to?"

Thank you, Mr. Chair.

I look forward to your questions.

• (1415)

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

We'll turn now to the Canadian Mental Health Association and Ms. Eaton, national CEO.

The floor is yours.

Ms. Margaret Eaton (National Chief Executive Officer, Canadian Mental Health Association): Good afternoon. Thank you so much for having me here to speak with you today.

I'm Margaret Eaton. I'm the national CEO of the CMHA. We are a nationwide federation of 87 community mental health providers that deliver critical mental health promotion, prevention and care to over one million Canadians across 330 locations annually.

As you know, Canadians have been living through an unprecedented time of extreme national anxiety. A CMHA and UBC survey found that the pandemic has widened persistent mental health inequities, especially among those who were already vulnerable. The most recent wave of these results showed alarming levels of despair, suicidal thoughts and hopelessness in the Canadian population.

In an average year, for example, 2.5% of Canadians experience suicidal thoughts. Our research shows that, this September, 10% of Canadians reported thoughts or feelings of suicide. That means that if you have a bubble of 10 people, that's you or one of your loved ones in crisis. Forty per cent of Canadians say that their health has deteriorated since March, with many more people in certain groups saying that their mental health has deteriorated, especially those who are unemployed, those with pre-existing mental health conditions, younger people, indigenous people and people who identify as LGBTQ2S+. Their mental health has worsened dramatically.

Based on evidence from other pandemics and disasters, we know that mental health issues will persist potentially for years after a vaccine is widely deployed. Further, good mental health is key to economic recovery. To ensure a mentally healthy workforce, we must put mental health supports in place for those who are returning to work or who have been working through stressful and hazardous circumstances.

The government should be commended for its Wellness Together portal, for its funding for mental health and substance use programs and research, for its investments in indigenous mental health, and for the new funds announced in the fall economic statement.

However, we already know that this won't be enough. Even before the pandemic, an estimated 1.6 million Canadians had mental health issues go untreated every year, and 87% of Canadians have told us that they don't have access to the mental health supports they need. However, with proper funding from the government and the right system of supports in place, CMHA believes that we can meet the overwhelming need for care, help Canadians recover, and ultimately save lives.

In our pre-budget submission, we make four recommendations.

First, we need a national mental health recovery plan in order to ensure a mentally and physically healthy population, ready to work and contribute to the national recovery. This plan should be long-term, well funded and focused on mental health promotion, prevention and care efforts at the community level. It must be implemented in a way that reaches out to our most vulnerable, especially in remote communities.

Second, we are asking for a \$13.5-million investment to expand our evidence-based cognitive behavioural therapy program, BounceBack, to serve more people experiencing mild to moderate worry, stress and depression. With more funding, we could deliver this cost-effective program to many more Canadians. The program is evidence-based, and it works.

Third, we recommend that the government invest \$9 million in CMHA's Resilient Minds peer support program to expand the initiative to provide support to front-line workers. Our health care workers are experiencing unbelievable strain, and CMHA can provide the resources to help them to respond to trauma, deal with psychological stress, and build healthier front-line teams.

Last, we recommend that the government substantially increase funding for indigenous-led mental health care to continue closing gaps in health outcomes between indigenous and non-indigenous communities. Indigenous people have historically high rates of suicide and are a particularly vulnerable population. Their mental

health is further compromised by racism. We encourage the government to take the first nations mental wellness continuum framework as its guide and substantially increase funding to the many indigenous-led mental health care organizations.

● (1420)

Let's not wait until our mental health system is in the ICU on a ventilator. Let's invest now. People are struggling, and they can't afford to wait. If we fund community interventions, this will alleviate the pressure on an acute care system already hit hard by COVID-19 and it will get people the help they need sooner.

Full economic recovery requires a mentally healthy populace. We urge you to provide the long-term recovery strategy that will ensure all of our success as a nation.

Thank you. I look forward to your questions.

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

There was a motion in the House today on mental health, and I believe a number for the country. I wasn't there, but you might want to check that as well.

Before I go to the next witness, in the round of questioning for this panel Cathy McLeod will be up first for six minutes, followed by a split between Ms. Koutrakis and Mr. Fragiskatos.

We now turn to Équiterre and Mr. Viau, director of government relations.

The floor is yours.

[*Translation*]

Mr. Marc-André Viau (Director, Government Relations, Équiterre): Thank you, Mr. Chair.

Distinguished members of the Standing Committee on Finance, thank you for welcoming me today.

Before diving into the details of our recommendations, I would like to thank all the lawmakers here today for two things: first, for their efforts to ensure the safety of Canadians and for the economic support measures for workers and businesses; and second, for their support for the principle of zero emissions legislation, whether through a government bill or a private member's bill.

Much work remains to be done to ensure results and increased accountability, particularly in 2025, but with goodwill, it will be done. It must be done because the economic challenges of today and tomorrow are linked to environmental issues.

I am here today on behalf of Équiterre, an organization with more than 156,000 members and supporters. For more than 25 years, we have participated in debates related to agriculture, food, transportation and mobility, as well as to climate and energy policies in Quebec and in the rest of Canada.

With respect to the transportation sector, we are delighted to see that the electrification of personal vehicles is a priority for the government and for the Standing Committee on Environment and Sustainable Development.

To achieve the objective of 100% zero-emission vehicles by 2040, incentives for buyers are a good starting point. However, as mentioned in our written submission, in order to increase the supply of zero-emission vehicles, we recommend that the federal government also implement a zero-cost measure that has been proven effective in Quebec, British Columbia and internationally, namely a Canada-wide standard for zero-emission vehicles.

On the demand side, incentives and charging infrastructure are not enough. We need an incremental combination of effective regulatory and fiscal approaches to accelerate the transition. In addition to the ZEV standard, we suggest reforming and integrating the iZEV and green levy programs, which should be administered by a single jurisdiction, to implement a true feebate system, another tax-neutral measure for government.

Still in terms of transportation, the COVID-19 pandemic has accelerated the shift to e-commerce. This is affecting urban delivery services, increasingly causing negative externalities such as air pollution, GHGs, noise, or safety problems for the most vulnerable users.

If e-commerce continues to grow and no structured plan to decarbonize delivery services is launched, the consequences I have just mentioned will intensify, prompting additional societal costs for public health.

Yesterday, the City of Montreal introduced its climate action plan, with the flagship measure of creating a zero-emission zone in the downtown core by 2030. As a result, in addition to cars, electric trucks and cargo bikes will be needed to transport people and goods. We therefore recommend working with Canadian municipalities to develop, implement and fund a strategy to decarbonize urban freight transportation.

In terms of agriculture, it is important to put our main recommendation into context with the ongoing discussions on the reform of risk management programs and the renewal of the Canadian agricultural partnership.

Let me quote from the news release issued by the Department of Agriculture and Agri-Food following the recent meeting of the country's agriculture ministers:

FPT governments are listening to farmers and stakeholder groups, who have been asking for meaningful changes and alternatives to the current risk management approach. Ministers agreed that programs need to improve to better target emerging risks that threaten the viability of the farm...

To this end, we propose that the government create and fund a new AgriResilience program to support farmers in the transition to farming practices that promote healthy soil and use less carbon, thereby reducing the growing climate risk in this sector.

Farmers are among the first to feel the ever-growing impacts of climate change, such as crop losses, impacts on the GDP, profitability, the viability of rural communities, mental health, and government insurance programs, for which spending is bound to increase.

In the fall economic statement, we applauded the announcement of \$98 million over 10 years to establish a new natural climate solutions fund. We have just learned that the government has announced new investments of \$165.7 million over seven years for the new environmental plan. We applaud the news, but this will not be enough to cover the needs of the sector, nor will it cover all solutions. By comparison, the Farmers for Climate Solutions coalition, of which we are a member, is calling for \$300 million for environmental programs in the 2021 budget alone.

● (1425)

In conclusion, I would like to remind you of a traditional request from Équiterre about fossil fuel subsidies. I hope that this is the last groundhog day for this request. We ask that the federal government publish, in Budget 2021, a roadmap to eliminate ineffective fossil fuel subsidies by 2025 to meet Canada's G20 commitment in this area. Canada must recognize that asset managers are increasingly reluctant to take on the risks associated with the Canadian fossil fuel industry.

It would be more beneficial to keep pace with the transition and create jobs in sectors of the future, rather than to continue to pay the bill for resisting the ongoing transition. We need to be proactive, not simply reactive, in supporting workers in industrial sectors affected by the transition.

I would like to thank you for taking the time to listen to me. I am available to answer your questions.

[English]

The Chair: Thank you, Mr. Viau.

Our last witness on this panel will be Mr. Jules, chief commissioner of the First Nations Tax Commission.

Mr. C.T. (Manny) Jules (Chief Commissioner, First Nations Tax Commission): Thank you very much.

Honourable members, good afternoon. My name is Manny Jules, and I am the chief commissioner of the First Nations Tax Commission, one of three institutions created by the First Nations Fiscal Management Act, or FMA. I was also chief of the Tk'emlúps Indian Band from 1984 to 2000.

Thank you for this opportunity to address this committee. I have previously appeared before this committee to promote the FMA as a model for legislating first nations back into the federation and the Canadian economy.

The FMA model has worked. Today there are more than 300 first nations successfully using the FMA. They are developing their economies; providing improved services and infrastructure, including clean water; and building better relations with neighbouring governments.

Today I wish to discuss how we can build on this by expanding the first nations management act. Our plan will be to help indigenous economies recover. It will bring services and infrastructure up to Canadian standards. It will demonstrate the commitment to real reconciliation.

Past pandemics became opportunities for colonization and to legislate indigenous peoples out of the economy and federation. They were used as justification to take away our title and fiscal powers. They reduced us to dependents and wards of the state. But we are resilient. We have learned from our history. This time we were ready.

On March 24, the FMA institutions wrote to warn the federal government of the impending health and economic crisis facing our communities. On April 9, we followed up with a second letter, providing an estimate of the value of these impacts and proposing a recovery strategy. We advised that the impact on our economies would be devastating. We estimated that our governments and businesses could lose billions of dollars and thousands of jobs. Sadly, so far, we have been right.

We presented the government with an economic strategy to save emerging first nation economies that included practical proposals to help maintain services when revenues collapse. The government's economic response to our proposal was mixed. As measures were rolled out over the spring and summer, some of our proposals were supported and others were not.

An indigenous recovery strategy based on the proven success of the FMA framework will enhance the overall Canadian economic recovery. In that regard, we recommend the following measures for budget 2021.

First, expand the First Nations Fiscal Management Act to include our proposed first nations infrastructure institute, which, once operational, will speed up the development of our infrastructure and ensure that we get more bang for the buck. We estimate that, by building a legislative base and standards, we can start building first nations infrastructure up to five times faster than under the current regulatory framework.

Second, monetize existing federal infrastructure transfers so that more infrastructure can be built sooner. This is the most cost-effective way to provide stimulus. At the current interest rates, \$150 million over 10 years can provide \$1.3 billion in shovel-ready infrastructure now instead of over the next 10 years.

Third, expand indigenous fiscal powers to include sales, resources, tobacco, cannabis, excise and income, or *taksis*. We are the most transfer-dependent governments in Canada. Less than 5% of

our government revenues come from our taxes. This is why most first nations have poor infrastructure and services, and why this infrastructure deteriorates more quickly.

Fourth, expand the mandates of the FMA institutions so they can provide more support to all interested indigenous governments and organizations.

Fifth, practically implement article 28(1) of UNDRIP and close the \$172 billion indigenous credit gap with an indigenous land title registry.

The incredible success of the FMA has proven that optional, first nation-led legislation works and that first nation institutions are key to this success. First nations want to know that their institutional support will always be there no matter what economic path they choose going forward.

• (1430)

This indigenous recovery strategy as proposed will provide the foundation for a stronger indigenous investment climate. It will mean that we will have the same opportunities to participate in the national recovery strategy as all other Canadians.

I know that this committee in the past has strongly supported the fiscal management act and the work of the FMA institutions. I hope we can again count on the support of the members of this committee for these modest recommendations to expand the FMA, strengthen the institutions and provide first nations with the fiscal tools they will need to recover from COVID-19.

However, hope alone is not enough. We cannot let this pandemic leave another generation behind. Our chance to deliver change is now. Thank you.

The Chair: Thank you very much, Chief Commissioner Jules.

We will turn to our first round of questions, which is six minutes.

We have two McLeods today at the committee, so Cathy McLeod, the floor is yours.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you so much, and thank you to all the panellists.

I am from Kamloops and would especially like to welcome Manny to the panel today. I certainly will start with you.

I have witnessed the success there. One and a half months ago, Manny and I were at a historic opening. It was a new water reservoir funded primarily through development cost charges. That means \$5 million of a \$6.2 million project was funded by the band.

Then, of course, last week we had the current government acknowledging that they were going to fail in terms of delivering clean water to first nations. That was after five or six years and billions of dollars of commitment and it's going to be a failure. I think we have to recognize the system is broken in terms of delivery of infrastructure products.

I would first of all like to hear a little bit more about your first recommendation, because we have a system that's failing in spite of billions of dollars and I've witnessed success of having a different way to do things.

• (1435)

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

Mr. C.T. (Manny) Jules: It's very clear that the institutional framework we've developed through optional legislation absolutely works. It was proven by the example that MP Cathy McLeod just raised.

The band was able to utilize the tools under the FMA to get development cost charges, put aside "x" amount of dollars on an annual basis and create an incredible water system that will expand the industrial and commercial development lands on our reserve and provide better water quality.

What you see happening right across the country is that the federal government, through its regulatory regime, has tried to deal with water quality and potable water, but hasn't been able to meet its own measuring yardstick, if you will.

We're proposing the creation, through legislation, of a first nations infrastructure institute, so the federal government could monetize its own expenditures in capital development and infrastructure. At the same time it would be giving and harnessing the potential of the fiscal transfers that we should be getting.

As an example, right now we're collecting about \$110 million in real property tax right across the country on first nations lands. Over those same properties, the federal and provincial governments are collecting \$700 million.

We're asking for a change to that policy, so that those monies that are generated within our communities can remain with us and so that we can build ourselves better, business-ready infrastructure and create the business climate that Canada needs and first nations need for pandemic recovery.

Mrs. Cathy McLeod: I know that sometimes people say that some communities are better positioned, because they're near urban settings or have traffic and development opportunities.

I perceive that the institute would also service rural and remote communities. Could you talk a little bit more about whether that will play any role for the communities that perhaps would be hardest hit?

Mr. C.T. (Manny) Jules: One of our advisory committee members is from the far north of Ontario in a fly-in community. They see the need for a national infrastructure institute to be able to work with them to do planning, have training and ultimately have the fiscal resources to manage such projects. One community on its own just doesn't have the resources nor the capacity to be able to operate complex projects such as this. If we can begin to monetize federal

expenditures, particularly in far northern communities and remote communities, we will all be better off because we're going to be able to coordinate those projects on a national basis, working with individual first nations.

Right now we're working with the Mi'kmaq water authority, which is made up of about 25 different communities in Nova Scotia. We're also working with the British Columbia health authority. Post pandemic, we will be in a position to be able to build not one health care centre but 20. That's the kind of imagination that we must have. If there's a problem, we should be able to go in with a first nation institution and create the climate where we can have true third party partnerships. Right now the only private-public partnership we have in the country—irony of ironies—is building a provincial jail on the Osoyoos reserve.

One of the priorities that we have is definitely to work with remote communities, to ensure that they have potable water and services that are equivalent to the Canadian standard.

The Chair: It's your last question, Ms. McLeod.

Mrs. Cathy McLeod: On the land registry, these are not expensive asks, but I think they're very important systemic and structural asks. Can you talk about the land registry, which of course was your fifth recommendation?

Mr. C.T. (Manny) Jules: Right now, because of COVID, the Department of Crown-Indigenous Relations and Northern Affairs hasn't been able to keep up with the business of registering land transfers, particularly with band leases and what are called "locatee leases". That's had a direct impact on the business line of individuals as well as band communities.

What I said in my presentation is that there's a \$172-billion shortfall in the potential that first nations have. One of the panellists was talking about housing. One of the reasons first nations can't keep up with the housing demand is that the federal government looks at housing as a liability.

We want to turn that on its head so that individuals are able to monetize and go to the credit markets to build their own home, have equity in their own home and be able to retain the underlying title of our own land. We're not asking that these lands be given up, but that the federal government put in place a mechanism that our ancestors asked for in 1910 to have our own land title system so that we can compete on better terms with the whites, so that we have our own land registry and so that all governments would know that these are our lands.

The biggest problem is that the federal government owns these lands as a result of section 91(24) of the Constitution Act, so the interest is vested in Queen Elizabeth.

• (1440)

The Chair: Okay, thank you.

Next we have a six-minute split between Ms. Koutrakis and Mr. Fragiskatos, who will be followed by Mr. Ste-Marie.

Annie, the floor is yours for three minutes.

[*Translation*]

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair.

To save a little time, I will ask Mr. Viau both my questions.

One of the recommendations in your brief is that Canada implement a national standard for zero-emission vehicles.

In your opinion, what regulatory measures and incentives should the government implement to achieve your objective of 100% electric vehicle sales by 2040?

In addition, the Quebec government recently announced that it will ban the sale of gas-powered cars by the beginning of the next decade. Should the federal government consider implementing this nationally? Is this a sustainable measure?

Mr. Marc-André Viau: Thank you for your questions, Ms. Koutrakis.

On the first question, I think it takes a combination of measures to set up a proper zero-emission vehicle strategy that will reduce not only the emissions of our transportation sector, but also all vehicles in general.

In terms of the electrification of transportation, we can replace gas-powered cars with electric cars, but that doesn't solve the traffic problems. So there needs to be a modal shift to public transit and active transportation. There needs to be infrastructure for active transportation, whether for conventional or electric bicycles. We are not really exploiting this huge potential right now, and we should.

To go back a little, let's say that the new plan announced this morning by the government addresses this issue somewhat. The ZEV standard is part of a regulatory approach that requires manufacturers to make zero-emission vehicles available to consumers under a fairly complex scoring system. I won't go into details. We are seeing that the highest sales of zero-emission vehicles are in British Columbia and Quebec, where this standard is in place. This regulatory part is intended to address the supply issue.

The financial incentives for purchase have been reconfirmed in today's plan. On our end, we are proposing a system of fees or rebates, also known as a "bonus-malus" system, to ensure that the market itself, not the government, pays the fee. Under this system, buyers of more polluting vehicles pay for buyers of less polluting vehicles. That's a principle that we advocate.

So we are talking about a regulatory aspect, a financial incentive and the policies that accompany a modal shift.

Your second question was about the Quebec government, I believe.

• (1445)

[*English*]

The Chair: We'll have to wrap it up there, Mr. Viau, and go to Mr. Fragiskatos.

Mr. Peter Fragiskatos: Thank you, Mr. Chair.

Ms. Eaton, first of all, thank you for the extraordinary work that you and the organization are doing. I note that the CMHA website

says that the goal the organization and you have is to work "with key partners across Canada to reimagine the mental health system in Canada." That's a direct quote from the vision statement of the group, which is a laudable goal.

How can the federal government help to do that and what does a reimagined mental health care system in Canada look like?

Ms. Margaret Eaton: It's a big goal, and I think one of the ways we've started to think about it is that we have universal health care but not universal mental health care. What you would find in other G7 nations, with the exception of the United States, is a fully funded mental health care system that includes everything, from the basic sorts of treatments we described in BounceBack for depression and anxiety, all the way to the treatment of major mental illness.

Right now, what we have in Canada is a system that is funded for clinical care. We fund hospitals and psychiatrists, but we don't fund psychologists, psychotherapists, and depression and anxiety care and treatment. We want to see funding for a full cycle of care, the full-step care model, as it's called. The piece that's missing is early intervention for community mental health care.

In the United Kingdom right now, if you're experiencing depression or anxiety, you can go to a community centre and get in-person or virtual care. It's been fantastically successful. It's inexpensive and it takes pressure off the critical care system. That is the kind of investment we would like to see in the longer term.

Where does the federal government come in? We believe there would probably have to be changes to the Canada Health Act, as one step, and there needs to be mechanisms so the federal government can fund the provinces to ensure there is allocation for these other aspects of step care for mental health.

The Chair: I'm sorry, but we'll have to end it there. Six minutes go fast.

Go ahead, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, you talked about a unanimous motion passed this morning in the House. Before I move to questions, I would like to clarify that it seeks to create a three-digit telephone number, 988, as in the United States, for people who are in psychological distress or who have suicidal thoughts. The motion received the unanimous support of the House.

Unfortunately, this afternoon, we failed to pass a motion that could have received unanimous support. It was an adjournment motion that would have allowed us to continue the work of this committee next week. The Liberal Party and the Conservative Party were unable to agree on a short motion that would have allowed the committees to meet next week and allowed us, the Standing Committee on Finance, to continue our pre-budget consultations. Yesterday, we were told that they were prepared to continue if the House moved forward, but that was not the case, so the committee will not sit until the end of January. That is unfortunate.

However, we still have a very good panel of witnesses to wrap up these pre-budget consultations. So thank you to all the witnesses who are here. Their presentations and answers are very valuable to all of us.

My questions are for you, Mr. Viau. I would like to start with your first recommendation on zero-emission vehicles, which is to have 100% zero-emission vehicle sales by 2040.

How does this recommendation compare to what is being implemented in other countries?

Mr. Marc-André Viau: I don't have the comparative table in front of me, but I would say that it's around the average. Some countries are much more advanced, such as Norway, which is aiming for 2025. Your colleague Ms. Koutrakis mentioned that Quebec is aiming for 2035. What we particularly like about the Quebec government's announcement of its 2035 target, made after Canada announced its 2040 target, is the healthy competition created between the different jurisdictions, which allows them to raise the bar. If we have the opportunity to see the bar raised in Canada, it will be good news for us.

In my presentation, I also mentioned the City of Montreal's climate action plan, which calls for the creation of a zero-emission area in downtown Montreal in 2030. So we are seeing another administration raise its bar, once again. It's not for its entire territory, but it will force higher levels of government to act.

• (1450)

Mr. Gabriel Ste-Marie: I found this announcement particularly good.

In terms of climate change, will the creation of this type of area have an impact, or will it be more symbolic? Is the goal to show that this can be done in a contained area and then to expand the area? In other words, is the goal to show that this can be done, or is this type of measure enough to have a concrete impact?

Mr. Marc-André Viau: This will have a concrete impact in downtown Montreal and on the lives of Montrealers. If this can also be done elsewhere, so much the better. There won't be a global impact. However, each government and each administration must implement increasingly ambitious measures.

Mr. Gabriel Ste-Marie: In your second recommendation for this area, you said that electric trucks and cargo bicycles, ideally electric, would be needed. Does the technology currently exist, or does it need to keep developing in order to meet these standards by 2030? Where do things stand?

What can the federal government do to support these types of initiatives?

Mr. Marc-André Viau: The technology will continue to develop. The existing technology is enough to begin the transition. There are several manufacturers, including the Quebec company Lion Electric, which makes trucks for long-distance transportation.

The technology required for electric cargo bicycles already exists as well. However, companies that want to develop zero-emission fleets would need financial assistance. Senior levels of government can step in to help municipalities reduce their carbon footprint in the transportation of goods in urban areas.

Let's also remember the long-distance transportation of goods, which must be addressed. The technology already exists, as I said when I spoke about Lion Electric.

Mr. Gabriel Ste-Marie: In your fifth recommendation—

[*English*]

The Chair: Be very quick, Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Okay. I'll be very quick.

Thank you for all your answers, Mr. Viau.

In terms of your fifth recommendation, which you often talk about, do you have an example of an inefficient fossil fuel subsidy that should be eliminated by 2025?

If not, thank you.

Mr. Marc-André Viau: In 2019, there was \$600 million in subsidies in Canada.

[*English*]

The Chair: We'll go to Mr. Julian for a six-minute round, followed by Mr. Poilievre, for a five-minute round.

[*Translation*]

Mr. Peter Julian: Thank you, Mr. Chair.

Like Mr. Ste-Marie, I find it unfortunate that we couldn't reach an agreement this week to continue the committee meetings over the holidays. As a result, all pre-budget consultations will wrap up in a few minutes. In early fall, the government filibustered the committee. It has now rejected the agreement.

That said, I want to thank all the witnesses here today. I hope that their loved ones remain safe and sound during this pandemic.

I'll start with you, Mr. Viau. This week, the Parliamentary Budget Officer released an important report on the financial and economic considerations of the Trans Mountain pipeline. You spoke about the investments that the government should make, including investments to help the environment and fight climate change.

For Équiterre, does it make sense for the government to invest \$14 billion to build the Trans Mountain pipeline instead of focusing on all these environmental priorities?

• (1455)

Mr. Marc-André Viau: I can easily answer your question. No.

As I said at the end of my presentation, we must start the transition and pick up the pace. We must find other solutions for workers instead of waiting and always having to compensate for the fund managers' increasing withdrawals from certain investments, as we've seen in several cases.

As long as we're headed in this direction, and investors continue to withdraw, we must bridge the gap. In this specific case, Canada has only expenses. There's no revenue, which is an issue.

Mr. Peter Julian: Thank you.

[*English*]

I'm going to go to Ms. Eaton.

Thank you very much for being here.

I come from British Columbia. The B.C. government has put in place the first provincial ministry for mental health and addictions, and I want to ask whether you and the Canadian Mental Health Association believe that the federal government should be setting up a ministry that is devoted to mental health and addiction issues so that it gets a higher priority in the health care system?

Ms. Margaret Eaton: I think that would be extraordinary. As we know, depression was at epidemic levels prior to the pandemic, and we know this issue is top of mind for Canadians.

I think seeing the federal government play a stronger role in this area, calling it out and putting a minister in charge and a department, highlights and spotlights the important role that the federal government has, and that could lead to real change. Thank you for that idea.

Mr. Peter Julian: Thank you very much for your answer. Of course, that would stimulate other provincial governments to follow the lead of the B.C. NDP government as well, so thank you for that.

I'd like to go to Mr. Morrison now.

We have seen unprecedented levels of what the government and federal agencies call "liquidity supports" for the banking sector. Some \$750 billion was provided.

In the banking industry, we've seen profits so far during this pandemic of \$29 billion among Canada's big banks. A big part of that was as a result of the CMHC, which put in place the IMPP program. The \$150 billion that could have been provided in liquidity for co-operative housing, for public housing, and for the affordable housing that your organization is such a strong advocate for, went instead basically to pad Canada's big banks and their bottom line.

You've talked about an important investment of \$5 billion. Do you feel that the government's priorities, rather than bailing out the big banks, should really be focused on using all of the incredible resources of the federal government—\$14 billion thrown at Trans Mountain, \$750 billion in liquidity supports—to be tackling priori-

ties such as housing and providing the \$5 billion that you feel is vital as a first step in meeting housing needs in this country?

Second, I want to ask how you felt about the refusal of Parliament to pass the indigenous-led housing strategy that the NDP brought to the floor of the House of Commons a couple of weeks ago.

Mr. Jeff Morrison: The \$5 billion I was referencing was only in regard to an expansion of the rapid housing initiative that was just announced in September. We believe and think that there can be considerably more—although a great amount of that could be in the form of loans rather than strictly grants.

As I said in my opening statement, housing is health care. Housing is, as reflected by Parliament in 2019, a human right. Therefore, ensuring that every Canadian has housing that is affordable and meets their needs, which is the goal of CMHC to enact by 2030, absolutely has to be a priority.

With respect to indigenous housing, your colleagues at the House of Commons committee on human resources are currently undertaking a study on this very issue of urban, rural and northern indigenous housing. We really hope that this committee will review their report once it's completed and that the report will feed into your recommendations and ultimately into the budget, because, absolutely, as I said, an urban, rural and northern indigenous housing strategy in particular was the massive missing piece in the national housing strategy.

We hope that both of your committees will intersect and that we will ultimately get a strategy that has proper amounts of funding for supports, for capital, and it is also governed and overseen by indigenous people themselves, because that's really key—not just for housing but for reconciliation as well.

• (1500)

The Chair: Thank you, both.

We'll go to Mr. Poilievre for a five-minute round, after which Ms. Dzerowicz and Mr. McLeod will split their time.

Pierre, the floor is yours.

Hon. Pierre Poilievre: Yes.

My question is for Chief Jules, who I am a great admirer of. I'll read a wonderful quote he published in a book recently: "Let me be a free man, free to travel, free to stop, free to work, free to trade where I choose, free to choose my own teachers, free to follow the religion of my fathers, free to talk, think and act for myself".

Unfortunately, Chief Jules, you and your people have been deprived of these basic freedoms for far too long in a system that imposes paternalistic and colonial powers from Ottawa, powers that remain to this day. You've just given an example of whereby the federal government in Ottawa is taking \$700 million of taxes from your reserves...sorry, from your communities across the country, not just reserves, and then requiring that you come to Ottawa and ask for permission to have some of it back.

Can you comment on this nonsensical idea that politicians and bureaucrats in Ottawa believe they can take your money away and then tell you how, and under what conditions, you can have it back?

Mr. C.T. (Manny) Jules: I think this goes to the heart of not only talking about UNDRIP but actually the whole colonial era under which Canada still operates. You need look no further for systemic racism than the Indian Act. It's one of the earliest pieces of Canadian legislation. It governs the majority of communities right across the country. In 1927, because here in British Columbia we were struggling to have a fair and just settlement to the land question, the federal and provincial governments took away our ability to raise money through *taksis*. That's the fundamental way in which all governments in this country provide services.

When you look at the fiscal relationship that we have, we're beggars in our own land. What we want to be able to do is share in the bounty of this land so that we can be major contributors, and not only to deal with all of the issues that have been outlined. COVID has exposed the fact that we're the most dependent people in this land. That's led to mental health care issues. That's led to the shortage of housing, health care and all of those aspects.

The only way to change that is through the work of your committee. The finance committee has to give recommendations to the federal government on fixing this imbalance. First nations shouldn't be funded on the basis of programs but should be part of the fiscal makeup, therefore getting the tax revenues that are collected on our lands and within our traditional territories.

Hon. Pierre Poilievre: Right. The bounty you seek to have is your own. This is not a gift from the government in Ottawa that you're seeking. You're seeking the power to benefit from the bounty that is on your land and produced by your people. Yet all of these years later, we've learned so little that we require your people to come here to Ottawa to ask for what is already yours and what was always yours before the arrival of Europeans.

You had another amazing quote where you were talking about the achievements of indigenous people in the Americas prior to European arrival. You wrote, "Do you think this was all achieved through divine intervention from the gods? Or was it because we somehow evolved into a 'natural' socialist system that lasted thousands of years? Both of these ideas are nonsense." You also explained how the first peoples of this continent had marvellous systems of free trade and commerce that allowed pipestone to be discovered by later archeologists in places it had never existed. Clearly, your people were engaged in trade well before trade was introduced to the continent by Europeans.

Do you think part of the challenge here is to empower first peoples to have the kinds of economic freedoms that will allow them to

prosper without the paternalistic powers of the government in Ottawa?

• (1505)

The Chair: That will have to be the last question, Pierre.

Mr. Jules.

Mr. C.T. (Manny) Jules: Well, it's obvious that when people say, "Well, I'll pass legislation recognizing first nations people as a result of implementing UNDRIP", UNDRIP is just one piece of legislation. We have to look at a myriad of legislative changes that have to take place. We have to be a fundamental partner in the fiscal make-up of Canada, not only from an economic standpoint, but a political one.

What COVID has exposed, again, is the dearth of jurisdiction within our communities. We're so dependent on the federal and provincial governments for the provision of services that we have to be beggars.

What we need is not a program, but we need the jurisdiction to be able to look after ourselves. The more we're able to look after ourselves, the less liability the federal and provincial governments will have over this notion of looking after us. We're the best caretakers of ourselves.

The Chair: Thank you both for that round.

Yes, Mrs. Jansen.

Mrs. Tamara Jansen: I have a point of order.

It's probably not quite a point of order, but what is the name of that book that Chief Jules wrote? I'd like to put that on my Christmas list.

Hon. Pierre Poilievre: Yes, it's called *Beyond the Indian Act*, and Chief Jules wrote the forward to the book.

It is absolutely a must-read for everybody—*Beyond the Indian Act: Restoring Aboriginal Property Rights*.

Mrs. Tamara Jansen: Super. Thank you.

The Chair: That was really not a point of order, but it was a good point of information, Tamara.

Hon. Pierre Poilievre: Mr. Chairman, now you know what to get Mrs. Jansen for Christmas. There is still time.

The Chair: That's true.

Okay. We'll turn to Ms. Dzerowicz and then Mr. McLeod.

Ms. Dzerowicz, the floor is yours.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I only have 2.5 minutes and two questions, so I am going to be cutting people off right away.

Mr. Viau, you have my first question.

It is extraordinarily important to the residents in my riding of Davenport that we eliminate fossil fuel subsidies as quickly as possible. I agree with them on that. You have asked, in one of your recommendations, for a road map to eliminate ineffective fossil fuel subsidies.

Ignoring any supports for diesel in the north, and any dollars that might go to the oil and gas sector for any innovations or for reducing carbon emissions, would you be able to provide this committee with recommendations of which fossil fuel subsidies you think we should be eliminating as soon as possible?

I'll get you to comment. I don't expect you to have that list right now, but would you be willing to do that and submit that to the committee?

[*Translation*]

Mr. Marc-André Viau: Yes, certainly. We and our partners have these lists. We'll be happy to send them to you.

[*English*]

Ms. Julie Dzerowicz: Okay. Thank you so much.

My second question is for Ms. Eaton. Thank you so much for your presentation today.

One of the hardest things for me to address is at the doors in the riding, when I go door-to-door in my riding of Davenport and hear about the great need right across the spectrum. It is about the mental health needs for our children, for our youth, as well as for adults. The need is extraordinary and it's huge.

A couple of years ago, we gave an additional \$2 billion at the federal level down to the provinces. I've not been able to find it translated into anything within my Davenport riding. My sense is that we will be providing far more dollars in the future. Assuming that we keep with the current structure, we're going to be providing additional dollars federally to the provinces.

What advice would you have for us when we're sending down the next tranche of federal dollars to the provinces to ensure that it gets to where it needs to go?

• (1510)

Ms. Margaret Eaton: That is a huge issue. We are unsure where that funding went as well.

In the last mandate letter for the Minister of Health, the minister was urged to set standards in mental health. In doing that, I believe the government was trying to get a handle on what actually was sent out specifically for mental health and trying to ask whether it could set some level—in which case, it would know that the funding would be going to help create that standard so that there would be consistency of care and access across the country.

I believe that urging the government to fulfill that aspect of the mandate letter would be very important.

There is also opportunity, I believe, for the federal government—

Ms. Julie Dzerowicz: Sorry, I'm just going to cut you off, but I'd be grateful if you could send those recommendations to us. They're very important.

Ms. Margaret Eaton: Sure. Thank you.

Ms. Julie Dzerowicz: Now I'll pass the baton to Mr. McLeod. Thank you.

The Chair: Mr. McLeod.

Mr. Michael McLeod: Thank you, Mr. Chair.

My question is for Jeff from CHRA.

First of all, I really appreciated hearing his comments on housing and the piece on urban, rural and northern housing.

I was involved in making a request to the HUMA committee to study the issue of urban and rural indigenous housing in northern communities. I represent the Northwest Territories, and over half the people I represent are indigenous. However, the indigenous housing announcements don't apply to us in the Northwest Territories for the most part because we don't have national indigenous organizations that represent us, so we don't fit anywhere. It was certainly a missing piece, as you stated.

Even though we are looking at urban, rural and northern funding, we're still a little bit nervous because we're packaged up with a lot of the big municipalities or a lot of the big cities. We think we probably would still need a carve-out to ensure that we get a share of the money.

Mr. Morrison, I want you to talk about the urban, rural and northern program we need, and I also want you to talk a bit about the SGIGs, the self-governing indigenous governments, that also didn't fit anywhere in the funding for indigenous housing.

Mr. Jeff Morrison: Of course, as you know, in the national housing strategy there was money set aside for what is called “on reserve”, which was essentially agreements made between the Assembly of First Nations, ITK and the Métis National Council. In that respect, there was some solid governance and input from those three groups. However, what was left out, as you point out correctly, were the roughly 80% of indigenous peoples living in urban, rural and, of course, as you know, northern settings.

We have within our organization an indigenous caucus made up of approximately 100 indigenous housing providers. They have decades of expertise in delivering housing to indigenous peoples in those settings. We've developed a framework, which we call “for indigenous by indigenous strategy”, or FIBI strategy. We've talked to your colleagues on the HUMA committee about that. It is absolutely crucial that there be a component, a set-aside, for northern indigenous communities and housing providers, because, Mr. McLeod, as you know much better than I do, housing in the north is in an absolutely deplorable state.

I heard in your last panel a mayor from, I believe, Nunavut or the NWT talk about housing in her communities. I can tell you that today I learned the board member from the Northwest Territories on my board, who lives in Arviat, just came down with COVID, and sadly, because she lives in a very overcrowded housing unit in Arviat, most of the members of her family have also come down with COVID.

It's a very sad situation, and we hope that through a dedicated urban-rural northern strategy, indigenous peoples in these regions not only will have access to the funding and supports, but can play a key role in the governance and oversight of those funds.

The Chair: Okay, we will have to end it at that.

I ask committee members to hang around for a few minutes after we release the witnesses, because we have to figure out the path forward for the committee so we can table a report in early February.

On behalf of the committee, I want to sincerely thank all the witnesses for bringing forward their presentations today, for their remarks and for answering our questions. To those who submitted briefs earlier for the August deadline, thank you for that as well.

We wish you a merry Christmas and a happy new year. Stay healthy, and all the best moving forward.

The witnesses are released.

● (1515)

[*Translation*]

Mr. Marc-André Viau: Mr. Chair, I also want to thank all the members.

[*English*]

The Chair: If I could come back to committee members for a minute, as both Gabriel and Peter mentioned, there was no agreement reached. There was no agreement on the motion in the House for this committee, or other committees, to meet next week in a virtual Parliament.

Basically, we had to figure out how to finalize a report for early February.

Normally we have a motion with briefing instructions, which basically sets out the instructions for the analysts, deadlines for recommendations and how they go out to members, and dissenting reports, etc.

As well, I should also mention that we had already invited witnesses for Monday. The clerk had a number of witnesses on an agenda for Monday. We will have to call them. A number of them—I'm not sure if it's all of them—have already sent in speaking points on what they would have said when appearing before the committee. We may want to consider if those remarks can still be taken in and be translated and forwarded to committee members.

I will basically ask people where they think we should go. My suggestion would be that we basically ask the analysts to pull up the documentation along the lines that we talked about before, from the submissions prior to August 15, from the COVID-19 witnesses whom we've heard from—a lot of them—and from the witnesses who appeared before committee, and put that in a report along the lines we talked about earlier and feed it out to committee members.

I believe the House meets on January 25, and we could meet as early as possible then and get to recommendations and come to some conclusions on that, and table a report.

In any event, we'll go to Mr. Julian, first. For whomever wants to be on the list, I'll go to the “participants” section of Zoom and you

can either raise your hand or raise it like this. There aren't many of us here.

Mr. Julian.

Mr. Peter Julian: Mr. Chair, I would like to propose that we direct our excellent analysts to start preparing the pre-budget report using the testimony on COVID-19, the briefings that we received over the course of the last few months, the submissions—I think there were 800—as well as testimony received during the pre-budget hearings, and any speaking notes or additional information that was provided, including speaking notes from cancelled witnesses.

It's a little inelegant, how I phrased it, but I would like to move that.

The Chair: Do we need to move it, or can we just go to an agreement? I think we can just go to an agreement on that.

● (1520)

Mr. Peter Julian: In speaking to it, it is what it is. It's unfortunate. I assume that we'll be able to meet virtually once we get past the week of January 25, but there's no mechanism in place, now that the House has adjourned, to do it prior to that. We certainly can't meet physically, because we would have to fall back to the old physical meetings. We can't have 12 people in any room on Parliament Hill with the appropriate social distancing.

Directing the analysts to do that, and coming back to this in the week of January 25 would mean that we would already have a report, and potentially even be able to provide feedback so that when we get together, hopefully, we can submit our dissenting or complementary opinions as well, and hopefully get it to the House in a pretty forthright way.

The Chair: I would suggest that maybe in the meantime, once they get the report, the various parties think about what kind of recommendations they might want to get in writing fairly rapidly. We really do need to have this report tabled prior to February 15, I would think, for it to have input.

Do any others want to speak or agree or disagree?

We'll go to Mr. Poilievre and then Ms. Jansen.

Hon. Pierre Poilievre: As part of the budget process, we need as much information as humanly possible, including the sources of funding the government is receiving.

I have therefore proposed a motion that I know will not be controversial because, in fact, the finance minister asked me to bring it forward. When I asked her about the bond purchases of the Bank of Canada, she said that I should direct those questions to the Bank of Canada. That's why I am bringing forward this motion, which I have given appropriate notice for. The committee has had it in its possession now for 72 hours.

It simply asks for information on the costs of the purchases and sales of government bonds to bring transparency to that. This is a \$400-billion program and we have very few details. When I asked the minister, she told me to ask the Bank of Canada, so this motion does exactly that.

I know I will get unanimous support for this motion from Liberals, given that I am doing precisely what the minister asked.

I wonder if I can move that motion now?

The Chair: We don't have a motion on the floor. We're working on an agreement, so you do have the right to move a motion.

Hon. Pierre Poilievre: I so move it.

The Chair: I'm told Gabriel Ste-Marie was on our original speaking list for the agreement discussion.

Your motion has been given notice. It is on the floor.

Mr. Ste-Marie are wanting to talk on this motion or on the agreement?

[*Translation*]

Mr. Gabriel Ste-Marie: I just want to say that I agree with both your proposals and with Mr. Julian's proposals.

If there's a debate on the motion, I'll speak later.

[*English*]

The Chair: Okay.

I have on my list Ms. Jansen and then Mr. Fraser.

Mrs. Jansen, is this on the motion?

Mrs. Tamara Jansen: No, I wasn't speaking to the motion.

The Chair: Okay, we'll come back to you.

Mr. Fraser, you're on.

Mr. Sean Fraser: First, generally, on the agreement that Peter has proposed, I think we can work with that.

On Pierre's motion, I'd be opposed to adopting it. There are a number of reasons. A lot of the information that has been asked for is actually publicly available already. I do think there would be some sensitivities potentially about details of any commercial arrangements involving the bank itself.

If committee members, when we return, want to invite the bank back to ask what questions they may have of this nature, I'm not confident that the motion, as it's been put, would not interfere with the ability of the bank to do its work.

For that reason, I'd be inclined to vote against the motion, but I'm happy to discuss what options for the pre-budget consultations other members may want to entertain.

• (1525)

The Chair: Is there anybody else on the motion?

Ms. Dzerowicz.

Ms. Julie Dzerowicz: I'll just add a couple of quick comments to Mr. Fraser's.

One is that there's nothing stopping Mr. Poilievre from actually going directly to the Bank of Canada and asking these questions. I don't think there's anyone stopping him from doing that. I also think that any time we're putting something forward at this point it's going to further delay any other prebudget consultations we might be engaging in.

I'm particularly sad that we're not having some additional sessions between now and the end of January. That's the reason I don't support this motion as well.

Thank you.

The Chair: Next I have Mr. Poilievre.

Mr. Poilievre, I'd ask you a question myself.

In preparing the motion and deciding what to include in it, have you already checked with your sources? I'm supposed to be neutral, but I am worried about.... The Bank of Canada is our central bank. It is recognized as one of the best in the world. Is there anything in your motion that could undermine the credibility of our banking system and the central bank if we go too far at committee?

Hon. Pierre Poilievre: The only way that this motion could undermine the credibility of the Bank of Canada is if the bank has done something wrong. If it has acted above board, then these transactions, being, I might add, in public markets, should be unspectacular. We should find that there's nothing unusual about them, that nobody has been improperly enriched and that Canadian taxpayers and holders of Canadian legal tender have been protected. If, on the other hand, those things are not true, then you're right: It could impact the credibility of the bank, and rightly so. I find the objections from my Liberal colleagues bizarre and rather surprising.

First of all, it was the finance minister who told me to make this request of the Bank of Canada, so I did. To Ms. Julie Dzerowicz' point, I actually contacted the bank and asked these questions. They did not provide answers and did not give me the information. The minister has said that the committee should ask the Bank of Canada. I am honouring the minister's request. If she actually meant it, then the Liberals who are representing her here today will vote in favour of this motion.

Mr. Fraser's objections are self-defeating. On the one hand, he says, "Well, all of this information is public" and then seconds later, he said, "No, all of this information is so sensitive it can't be made public". You've got to wonder which it is. If it's too sensitive to be made public, then how is it that it's all public? Well, the answer is neither. It's not too sensitive to be made public for any legitimate reason, and yet it's not being made public because I suspect the Bank of Canada doesn't want any scrutiny for the way it has deployed \$400 billion of our money.

I note that the Federal Reserve south of the border, which is not known for its transparency, has provided more detail, according to the CBC, than our own central bank has. The CBC was able to get more information on the corporate bonds that the Federal Reserve has purchased than it was able to get on the corporate bonds that the Bank of Canada has purchased. When I asked the minister which companies got this money, she said to ask the Bank of Canada, which is what I have done in this motion. This is exactly as she asked.

Let me just talk about the magnitude of this. This is an unprecedented action by the Bank of Canada. It is not some run-of-the-mill, normal activity that we expect from a central bank.

Mr. Sean Fraser: Mr. Chair, I have a point of order.

The Chair: There is a point of order. Just hold on, Mr. Poilievre.

Mr. Fraser, do you have a point of order?

Mr. Sean Fraser: Yes, it's just a technical issue.

I think my colleague Mr. Fragiskatos was disconnected. I see him here now.

Peter, are you back and able to hear and take part in the meeting?

• (1530)

Mr. Peter Fragiskatos: I am back, Mr. Chair. I think you can all see me. I can see all of you.

I am not sure what happened. I was frozen out. It could be a tech issue, or it could be connectivity challenges on my end. I know that IT can check to see how well my computer is running, but I have logged back in.

I have been here long enough to hear how Mr. Poilievre continues to politicize the role of the Bank of Canada—

The Chair: We will go back to—

Mr. Peter Fragiskatos: —to the detriment of the public interest, but I appreciate Mr. Fraser for reaching out to ask.

The Chair: Okay. Mr. Poilievre, the floor is yours.

Hon. Pierre Poilievre: It is, in fact, the Liberals who are politicizing the Bank of Canada by using the bank as an ATM to fund government spending.

I would note that the Minister of Finance and the Governor of the Bank of Canada went out on the same day to say mutually supporting things on the actions of the bank. On the one hand, the minister said she wants to borrow for the long run by selling long-term bonds. Within hours, the central bank governor went out and said that he wants to lend by purchasing long-term bonds, effectively fulfilling the borrowing demands of the government. The central bank is now on track to owning half of the government's debt with almost no scrutiny.

The bank admits that its actions are inflating asset prices and has admitted that the people who are at the top of the economic ladder, the very rich, are going to benefit from that. The bank has also admitted that, if this action, which is to print money, leads to inflation, as has been the case in the past, it would be especially painful for the poorest among us. The poorest people in the country will pay the most for inflation, because their wages will be devalued, and

the cash that they use as a larger share of their source of transactions will be devalued with it.

There is a very serious chance of a major wealth transfer from the working poor to the wealthiest 1%, something that runs opposite to the government's purported claim that it wants to redistribute money back down to the poor and middle class. Remember the middle class and those working hard to join it? How quickly they forgot about those folks. They're bragging in this fall economic update that they're going to bring in a \$50 million tax on stock options, supposedly to redistribute wealth. Fifty million dollars is not even a rounding error for the massive sum of money they are pumping into financial markets through this quantitative easing program.

According to Bloomberg News, in Canada the wealthiest 15 billionaires have seen their net worth raise 32% since the pandemic began. That is even the case for those who are in sectors that have not done well in the pandemic. Why is that? It is because their assets are being inflated by the central bank's actions, actions that it proposes to continue indefinitely without limit.

We're told that we're not even allowed to ask questions about this. When I asked the minister, "To whom is the central bank accountable?", she said, "The people." Well, we are the people's representatives, so why is it that we, the people, cannot see the data on this massive movement of currency? This is our money. It doesn't belong to the governor of the central bank. It doesn't belong to any one person. It belongs to every single Canadian.

The idea that it's somehow an intrusion into the independence of the bank to ask it to publish information about its transactions in public markets is insane. That would be like saying that it's an intrusion for government to publish details of how it spends tax dollars. Of course it's not. The money belongs to the people, and the people deserve to know the facts.

What I'm asking for is the same kind of detail that corporations would publish in their quarterly reports. These transactions have all happened in public markets, but they're very difficult to track, because they're so large in scale and it's very difficult to match up what bonds the central bank sold with the ones it purchased. The bank has the expertise to perform these calculations and transactions, and if it chooses not to, then the Parliamentary Budget Officer could do so instead.

There are reasonable people who support the central bank interventions. I happen to have my criticisms, but I respect those who have told me that they believe the bank is doing the right thing. You're entitled to your opinion, and a reasonable, thoughtful person could arrive at that perspective.

• (1535)

I am not proposing a motion to condemn the central bank or to disagree with the decisions it has made. I will do that in another forum. I'm also not asking committee members to render a judgment for or against what the bank has done. I'm simply asking for the information about what its done to be public so that Canadians can judge for themselves.

You can support a program while simultaneously believing that the details and numbers of that program should be transparent to all. I supported the Harper government's decision to increase funding for the armed forces, but I also supported publishing all of the details of where that money went, how it was used and what we got for it. I supported infrastructure investments when we were in government, and I believe that all of those investments should be published and that Canadian taxpayers should be able to decide whether the money was well spent.

As the Prime Minister said, sunlight is the best disinfectant, so let's shine the light on this and let Canadians judge for themselves. Maybe we will get the information back and it will show that everything was above board and perfectly executed and that the bankers deserve a pat on the back. Maybe not, though. There's only way to find out, and that's to get the data.

If the government has nothing to hide, then its committee members here will do as the minister suggested and vote to ask the Bank of Canada for this information.

The Chair: Mr. Julian, are you speaking to this motion or are we back to discussing the agreement. Do I go to a vote on the former?

Mr. Julian, the floor is yours.

Mr. Peter Julian: Mr. Chair, I disagree with Mr. Poilievre on many things, as you well know, but I support this motion for the simple reason that it is our responsibility, as mandated by the House of Commons, to look at all aspects of the COVID-19 relief supports that were put into place. The finance committee was given that job by the House of Commons when we rose on March 13, so we have a responsibility to get to the bottom of this.

I do note something that has come up many times and has also been very present on social media: the incredible amount of liquidity supports to the banks, and the Bank of Canada's role in that. It is very controversial.

We saw, under the former Harper government in 2008, about \$116 billion in liquidity supports coming through a variety of mechanisms, including the Bank of Canada, CMHC and other institutions. Current supports are six times as big.

Getting that information is vitally important for Canadians. The issue of transparency is extremely important as well, and it is arising more and more as an issue among the public. Certainly journalists are asking questions that are not being answered.

I think we owe it to Parliament, and to the mandate we were given on March 13 for this pandemic, to get these answers. We certainly owe it to Canadians. This is our responsibility as a finance committee.

I don't see why there would be any controversy around adopting this motion. It is common sense, and it is very much in the logic of what we were given as a mandate by the House of Commons back in March. I am therefore supporting the motion.

The Chair: I will ask the clerk to poll committee members and we will go to a vote.

The Clerk of the Committee (Ms. Evelyn Lukyniuk): Mr. Ste-Marie has his hand up.

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, I want to speak about the motion. I'd like to take a few minutes before we vote on the motion, because there was a debate on the matter.

[*English*]

The Chair: I'm sorry, Gabriel, but I couldn't see you. The floor is yours.

[*Translation*]

Mr. Gabriel Ste-Marie: I don't understand the purpose of the motion. I'm not convinced of its relevance.

The Bank of Canada produces its monetary policy reports and releases the information. All the financial markets around the world look at this with great interest.

We're living through an unprecedented pandemic, which has led to fiscal policies with unprecedented deficits. This was necessary. That's what the leader of the Conservative Party thinks.

To back that up, I'll add that the Bank of Canada's role was to provide the necessary liquidity and credit to ensure that we don't fall into a liquidity trap or into financial crises such as the ones experienced in recent decades around the world. The central bank had an important role to play. I applaud its work.

At the end of his term, Mr. Poloz came to explain the Bank of Canada's role. He reiterated the importance of credit. He emphasized that, even with an injection of liquidity or an increase in credit in difficult times, there isn't any inflationary goal. We've seen this in recent months. The markets haven't damaged the value of the Canadian dollar because of this monetary policy. Interest rates haven't increased, and so on. There isn't any inflationary pressure at all, because liquidity was necessary.

When the Bank of Canada buys and sells government bonds, two things can happen.

First, if it resells or buys back the bond at the same price that it sold for, there isn't any gap for the market. Ultimately, this costs the Bank of Canada and taxpayers nothing because there were no risk premiums. The measure didn't do anything. It just stabilized what was put in place.

Second, if a gap exists, the reason is that the Bank played a role in addressing market concerns and ensuring sufficient credit for the provinces, the federal government or businesses. This helps stabilize the economy. Without this, we run the risk of major crises, which is a serious matter.

Yesterday, Paul Beaudry, the deputy governor of the Bank of Canada, took the time to give an interview to *La Presse*. This interview is directly related to the motion and to the topic brought up by the member for Carleton in the past few days, or even weeks.

Mr. Beaudry said that “the Bank of Canada’s low borrowing rates aren’t providing a free lunch for the government.” He added the following:

...the recent central bank bond-buying program isn’t the equivalent of printing money or underwriting government debt at no cost. Instead, the program is a way to keep borrowing costs in check and to support households and businesses in the wake of the pandemic...

When we play around with these matters, it worries me. I’ve seen too many economies around the world collapse as a result of monetary policy games. The policy must be strictly enforced. We can’t joke around and play politics with this issue, in my opinion. The information is transparent and available. When it isn’t, financial markets around the world react very quickly.

I also want to remind the committee that, during the Great Depression in the 1930s, there was a rejection of Bank of Canada financing. This was the policy of Alberta’s Social Credit premier, John Edward Brownlee. When the stock market crashed in 1929, this was his attitude. Alberta went bankrupt in 1934.

If the Bank of Canada were doing a poor job, there wouldn’t be a larger deficit. The markets would step in and say that what we’re doing is wrong. We would see an increase in risk premiums, a devaluation in the dollar or an increase in interest rates. This hasn’t been the case at all.

The information is being shared properly. If the Parliamentary Budget Officer and his team, who have already been doing a tremendous amount of work since the start of the pandemic, were asked to carry out a lengthy and challenging research project and to submit it just before the holidays, this would delay all their other work.

That’s why, Mr. Chair, I don’t support this motion at all.

● (1545)

[English]

The Chair: Thank you, Mr. Ste-Marie.

Ms. Jansen.

Mrs. Tamara Jansen: Thank you.

The Chair: Just before I go to you, Ms. Jansen, there are still some hands up from before.

Everyone check your “raise hand” or “lower hand” function so that I know what we’re dealing with.

We’ll go to you first, Ms. Jansen.

Mrs. Tamara Jansen: What I’m really concerned about right now is that we’re talking about undermining the credibility of the

central bank, but what we’re about to do would undermine the credibility of this committee.

First of all, we have all decided, it seems, that we’re going to take a month off. We all have good jobs. We’re not losing our jobs. We’re going to take a month off, and we’re going to vote at the same time to make sure that we don’t get information from the Bank of Canada that Canadians are concerned about. Canadians want to know about this issue. Transparency, as we all know, is absolutely imperative, especially right now when people are losing their livelihoods and their lives. We need to really consider who’s going to actually have their credibility undermined if we go through with turning down this motion.

The Chair: Okay.

Your hand is up, Mr. Poilievre.

Go ahead.

[Translation]

Hon. Pierre Poilievre: I am very disappointed that the Bloc Québécois does not want to do what an opposition party is supposed to do and press for more transparency on this issue. It wants to help the government and the banks keep their secrets so taxpayers have no idea how their money is being used.

The member can agree with the Bank of Canada’s statements and still be in favour of transparency. That’s precisely what Parliament and this committee did when it came to government spending in response to COVID-19. We said yes to the benefit to support people who lost their jobs, we said yes to the wage subsidy so that people could keep their jobs, and we said yes to loans for small and medium-size businesses, but we also said yes to transparency. We want to know what the money was used for.

That is why we asked the Auditor General to investigate and release her findings. That is why we are asking the Parliamentary Budget Officer to take a deeper dive into the issue. That is also why we are asking questions and why we, as a committee, met all summer long: to scrutinize spending.

We could debate the member’s comments at length. I find it fascinating that he thinks the Alberta government controlled the Bank of Canada in the 1930s. I’m not sure whether he’s aware, but provincial governments don’t control the Bank of Canada. He may not know this, but Alberta has never been a sovereign country. It was an interesting take on history, nonetheless.

He also said the Bank of Canada did not print money, but that’s obviously not true. The Bank of Canada does print money. That is evidenced by the bank’s own data. The number of banknotes in circulation has gone up 8%—the biggest increase since the 1980s—and the supply of coins has gone up 17%—also the biggest increase since the 1980s. To say, then, that the Bank of Canada does not print money is false, both figuratively and literally. The available data show it.

As far as crises are concerned, it is true that, when politicians meddle with the banks, it's dangerous. That's exactly what I am trying to prevent. During a similar period in the 1970s and 1980s, the bank printed too much money. The inflation rate was above 10%. This eventually led to higher interest rates, of course. When a central bank buys back all of a government's debt, interest rates become temporarily high. Here's the real question: If this continues and we see inflation in a few years, what effect will this policy have had?

In the 1970s and 1980s, inflation shot up 10% or more, and interest rates went from 8% to 22% in two years.

All that to say the use of central banks to pay a government's debt has led to a number of crises, as history shows. If the members believe that they are right and that they are taking the right approach, why not make the information public?

• (1550)

If everything is above board, releasing the information should be no problem. We can all look at it and have absolute confidence in the system, knowing that it's working as it should. As I see it, the only reason for wanting to keep the information secret is the fear that it will not support the opinions expressed by the politicians and bankers and that it will contradict their claims.

I say yes to transparency, yes to open information and yes to accountability by all those who make decisions affecting our money and our finances. I suggest that everyone on the committee who is in favour of transparency, openness and democracy vote for the motion and against secrecy.

Thank you.

[*English*]

The Chair: I believe we're ready for the motion, Madam Clerk, if you could poll the members, please.

(Motion negatived: nays 6; yeas 5 [*See Minutes of Proceedings*])

The Chair: All right, we are back to the original discussion on the agreement. I think we had relative agreement on Mr. Julian's suggestion.

It was somewhat along the line that we would have the analysts pull together the work from the submissions prior to mid-August

from the COVID-19 hearings, and from witnesses who had appeared before the committee and from the speaking notes of the witnesses who had been invited, but not heard. The information would be translated and sent out to committee members. We'd come back at the first opportunity, when the House meets after January 25, finalize our report, work on our recommendations and table it as soon as possible.

Is that the agreement relatively speaking?

Some hon. members: Agreed.

The Chair: Okay. We're agreed that will be the process going forward.

That does conclude our last meeting of 2020.

Some hon. members:: Oh! Oh!

The Chair: To say that it's been a challenging year would be an understatement. I will say that on this committee we had some interesting times. We've heard from a lot of witnesses overall throughout the year—a lot of good witnesses. We've heard some short speeches and some long speeches. We've had quite a few days of filibustering. Through it all, I think we've done our duty as MPs.

You know, off camera, I find that nobody's lost their sense of humour even though we had some strong words from time to time. Nobody's lost their sense of humour and there's still pretty good collegiality among members on this committee. I want to thank everyone for their endurance and their effort throughout the year.

We, as a committee, want to thank the numerous clerks that we've had throughout the year, the analysts who worked hard for us, the people who work in the translation booths and also the ones who look after the committee rooms and all of the technology. On behalf of the committee, I want to sincerely thank them and wish them and their families a very merry Christmas.

With that, merry Christmas to all. Stay healthy. We'll see you in 2021.

• (1555)

The meeting is adjourned.

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