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Chair: Mr. Peter Fonseca



Standing Committee on Finance

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• (1630)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I will call this meeting to order. Welcome to meeting number 66 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference adopted on Wednesday, June 8, 2022, the committee is meeting to discuss Bill C-241, an act to amend the Income Tax Act related to the deduction of travel expenses for tradespersons. Today's meeting is taking place in a hybrid format pursuant to the House Order of June 23, 2022. Members are attending in person in the room, and remotely using the Zoom application.

I'd like to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike. Please mute yourself when you are not speaking. As for interpretation, for those on Zoom, you have the choice at the bottom of your screen of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

This is a reminder that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

Members, just before we move on to our witnesses, I have a quick note. We will be setting aside 10 minutes at the end of the meeting to discuss our schedule when we come back from our constituency week.

Now we will introduce our witness. We welcome the MP for Essex, Mr. Chris Lewis. He is the sponsor and author of this piece of legislation.

The floor is yours, MP Lewis, for your opening remarks.

Mr. Chris Lewis (Essex, CPC): Thank you so much, Mr. Chair. Thank you to each committee member.

It's certainly an exciting day. We've been waiting for this for an awfully long time. Thank you for being all ears at least for the first five minutes. Let me tell you what a strange feeling it is to be on this side of the desk and not on that side of the desk.

Again, I'm extremely excited for the study of Bill C-241. I love to call it the fair travelling tradesperson's bill. What's neat and unique about this is that I don't know anyone around this table who doesn't have trades shortages, labour shortages, in their ridings. We've been hearing it for a number of years now. Quite frankly, it's only getting worse.

It brings me great pride to say that I have met with numerous trades folks, from the carpenters to the sheet metal workers, from masons, crane operators and electricians to water, plumbing and gas fitters. You name it, and I've probably met with them. I have yet to find one union and/or non-unionized group that doesn't completely endorse this private member's bill.

To really simplify it, if I'm a businessman today and I leave Windsor and fly to Calgary, I can write off my airplane flight, I can write off my hotel, and I can write off my meals. There's no cap on how many times I can fly to Calgary to get business done every year. Unfortunately, for our union and non-union skilled trades folks, the ones who are expected to travel across Canada to build our roads, to build our bridges, to ensure their electrical grid is solid and to work in our mines for our critical minerals, they can't do that today. This bill is the fairest way that we can get them to get moving.

If we look across Canada, yes, there's a major labour shortage, but we also have folks such as the incredible folks who are down at the Gordie Howe international bridge, which will be the largest and the busiest international bridge in North America when it's completed. Of those folks, 54% are not local to the area. They've come in from out of town. In 2024 or 2025, depending on when the bridge is completed, they're going to need a home. I'm quite certain that there are many projects from coast to coast to coast for which these incredibly skilled trades workers could fill those voids and could fill those gaps. It's time to give the skilled trades workers, the skilled trades force, all of the tools—pardon the pun—they need to travel across the country and build our country and our infrastructure.

I guess it's as simple as this. I don't know of anyone around this table—committee members, we as members of Parliament—who can't write off their own expenses. If it's good enough for the folks who are around this table, then certainly it's good enough for our trades folks.

With that, Mr. Chair, I only used three and a half minutes because I truthfully want to dive into the questions. It's a very simple bill. I'm looking forward to entertaining questions.

Thank you.

• (1635)

The Chair: Thank you, MP Lewis, and I'm sure the members have many questions for you.

You know how this works, but I'll just run through it. In the first round, each party will have up to six minutes to ask questions. We are starting with the Conservatives, and I have MP Morantz up for six minutes.

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): Thank you very much, Mr. Chair.

Chris, thank you very much for bringing forward this important bill. You've identified a very serious problem, which is that, if you own your own business, you can write off your expenses, but if you're a salaried construction worker, you don't have that same right.

It struck me, when I was thinking about your bill, that right now in this place—in Parliament—the Conservatives are really the only party that is standing up for workers. We're standing up for workers against the paycheque taxes this government wants to levy upon them. We're standing up for workers against the tripling of the carbon tax. We're standing up for workers through Ms. Gladu's bill protecting pensions and severance, and we're standing up for workers by fighting the inflation that was caused and exacerbated by the overspending of this government.

Now we have your bill, which is truly standing up for workers and saying that enough is enough and that we need to level the playing field. I want to applaud you for bringing forward this bill. I think it's a very important one.

You mentioned in your comments that this bill will help mitigate the effects of the labour shortage. I'm wondering if you could expand on that prospect as well.

Mr. Chris Lewis: Through you, Mr. Chair, to the committee member, thank you very much for the question.

In Ontario alone by 2025, we will need 350,000 more skilled trades folks. That's just Ontario. You know, when I spoke with IBEW, a gentleman from Manitoba gave me some really good insight. He said the majority of all major projects in Manitoba are done by folks who have travelled to Manitoba.

This is going to do a couple of things. It's going to incentivize people—these same folks who are paying exorbitant amounts of money for fuel, hotel rooms, flights and food—to actually want to travel for work. What I also believe it will do is catch the attention of the young men and women getting into the field and give them a reason to be excited to get into this field, so that when they're coming out of high school, they go find a skilled trade. If we make it affordable for them, we won't have all of the shortages going forward.

There are multiple factors, but there are a lot of opportunities there.

Mr. Marty Morantz: Thank you. Again, I applaud you for bringing this forward.

In terms of the affordability, I'm trying to put myself in the shoes of that person. They live 120 kilometres or more from where their job is going to be.

What impact do you think a law like this would have in making that person—while they might not have taken that job before, now all of a sudden that this law is in place—think that while it's bad enough paying two dollars a litre, at least if they can write it off, they're saving part of that money? It's bad enough having to pay for the hotel and travelling so far. Do you think it's going to incentivize more people to seriously consider taking that job, whereas before this law they wouldn't have done it?

• (1640)

Mr. Chris Lewis: I absolutely do. Thank you for the question.

I truly believe it will. It's ironic that just about two hours ago I got another email from a gentleman out in B.C. He said he has never ever missed a spousal payment in his life—apparently he's been paying spousal payments for quite some time—and he doesn't want to miss one for the first time but he's a travelling skilled tradesperson and it's costing him an additional \$1,200 per week out of pocket to travel right now. He said he really hopes my private member's bill goes through.

That was just two hours ago, and we hear so much more testimony about these types of discussions and stories. It's going to make life just so much more affordable. People want to go to work. People are excited to go to work. They just can't afford it.

Mr. Marty Morantz: I am very excited about the prospect of this bill coming forward.

I think this is something—is it not?—that companies can now say to their workers is an added incentive to get people to come work for them. They can say they have lots of contracts but that a lot of them are outside of the 120-kilometre radius of where their office is. Now, if they come to work for that company, they will be able to take advantage of this new ability to write off their expenses. It's just another way of encouraging people entering the labour force.

Mr. Chris Lewis: It certainly is, and I would suggest that if we look at our union halls and our skilled trades halls, a lot of times per diems are actually not written into these contracts they're bidding on. They need a reason to be excited and to get out and get working.

Mr. Marty Morantz: Thank you, Mr. Chair. Those are my questions.

The Chair: Thank you, MP Morantz.

Now we'll move to the Liberals with MP Dzerowicz for six minutes.

Go ahead, please.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair. I want to say a huge thanks to MP Chris Lewis for bringing this private member's bill before us. It is with great happiness that I hear opposition members talk about standing up for workers. This is the party that previously brought in Bill C-377 and Bill C-525, which we had to repeal and which were definitely anti-labour legislation. I would also hope there will maybe be some influence from our federal colleagues on their provincial Ontario colleagues in terms of standing up for education workers whose rights are now being taken away pre-emptively using the notwithstanding clause.

In any case, I'm going to focus on this piece of legislation before us.

Mr. Lewis, I've had the true pleasure of being on this committee for a few years, and we've had a number of trades workers come before us and say that it is super important for them to be able to have a certain amount of money to cover their costs in terms of going through the different jurisdictions. They've asked for this for a number of years.

Just over the last year, in our Budget Implementation Act, we implemented the labour mobility deduction, which provides \$4,000 per year in tax recognition for eligible tax and temporary relocation expenses, because that has been requested by tradespeople. I'll tell you, we had Sean Strickland from Canada's Building Trades Unions. He applauds the Government of Canada for its support of skilled trades workers in budget 2022, which implemented this labour mobility deduction. He said the labour mobility tax deduction for tradespeople is something for which we have advocated for over two decades, and it will support working Canadians and families to travel to where the work is, helping to address labour availability across the country.

We also heard from the president of the Canada Labour Congress, Bea Bruske, who stated that Bill C-19's labour mobility deduction was a welcomed step that would benefit workers.

You mentioned in your opening remarks that there is a labour shortage, which all of us are painfully aware of. I want to ask you a specific question and I want to give you a little bit of a scenario, because right now the way the bill is written, as you've proposed, it doesn't require those claiming it to be working in Canada.

For example, even with a 120-kilometre distance requirement, you could have an individual who lives in Oakville take up daily work across the border in Buffalo. In your very own riding of Essex, a skilled tradesperson living in Kingsville could travel to a work site in the west end of Ann Arbor, Michigan, and the Canadian taxpayer would be footing the bill if your legislation passed. Under your bill, it would be a better deal for someone to work in Ann Arbor or Flint, Michigan, than in Windsor.

I'm concerned, and I know many others are concerned that this may further incentivize workers living close to the border to take work in the U.S. at a time when we're facing serious labour shortages here in Canada. Can you maybe address this? I know that you've also talked about a worker deficit in the House. Have you received any assurance that this won't further exacerbate the issue

by incentivizing those skilled workers who live close to the border to work outside the country?

• (1645)

Mr. Chris Lewis: Thank you very much for the question. It's a very fair question. I think it's a great question.

I did work in Michigan for quite a number of years. Under this bill, this is a tax deduction, so if they're working in Ann Arbor, for example, then they're going to be paying their taxes to the United States of America, which means this bill won't work. There is no jurisdiction once they leave Canada, so there is really no opportunity for them to write it off, to deduct it from their taxes, because they're going to have to pay all their taxes in the U.S. and then it's going to come back and Canada is going to take its chunk.

It's a very fair question, but I don't see how it's going to apply.

Ms. Julie Dzerowicz: The main point there is that it might provide some incentives for people to work in the U.S. versus working here, and it doesn't help to address that labour shortage, but I appreciate your response.

My next question is this: The bill as it currently stands doesn't set a minimum period of relocation, nor does it lay out clear eligible expenses. I'll give you another scenario. This sounds slightly ridiculous but it could happen. If someone were to take a 50-minute job 120 kilometres away from their ordinary place of residence, they'd be able to claim the cost of the gas it took to drive them there. They could claim meals. They could claim a hotel if they chose to stay the night, as well as whatever other expenses they believed were required for the job. Now I personally don't think any tradesperson would do that on average, but it could happen given the way your current legislation is written.

Is there anything in the legislation that might prevent such a scenario?

Mr. Chris Lewis: I just want to be very clear so I can give you the most honest answer. What were the last two lines, please, that you were asking about? What could somebody potentially do...?

Ms. Julie Dzerowicz: The way your legislation is written right now, if someone took a 50-minute job 121 kilometres away from their residence, they could claim not only the cost of the gas it took them to get there but also a meal, a hotel and any other expenses they believe are required for the job. Basically what I'm asking is whether there is anything in this legislation that would prevent this scenario from happening.

Mr. Chris Lewis: They'd be crazy to take a 50-minute job 120 kilometres away. It's going to cost them that in fuel to get to their job. I don't want to speculate as to what a skilled trade worker may or may not do, but I'd be very astounded if that were indeed the case.

At the end of the day, this piece of legislation would be designed for folks who are travelling and staying out of town.

Ms. Julie Dzerowicz: I think the point is that—

The Chair: Thank you, Ms. Dzerowicz.

Ms. Julie Dzerowicz: —some guardrails might need to be put in place to ensure those things don't happen.

The Chair: Thank you. That's your time.

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

The Chair: Now we're moving to the Bloc, and MP Ste-Marie for six minutes.

Go ahead, please.

[*Translation*]

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

Mr. Lewis, thank you for being here.

Thank you for introducing this important bill. I remember the two hours of debate about it in the House. I sincerely appreciate the commitment of members of Parliament who, like you, bring forward legislation to improve the situation of workers. The bill is now before the committee. If it is passed and implemented, it could change people's lives. So my hat is off to you.

My first question is a general one.

Your bill would allow certain tax deductions. What would your bill change, compared to the claims that construction workers can make under the current laws?

There is also the budget implementation bill, which puts some measures in place. How does your bill differ from these measures?

Also, how does what you are proposing compare to the measures in place in the United States? If you have that information, it would allow us to make a further comparison.

This is a very broad question. You can answer the parts that you find most interesting. Take as much time as you need.

• (1650)

[*English*]

Mr. Chris Lewis: Thank you for the question, sir.

I'll address what I think is your first question, which is how the existing bill, which was introduced last fall by the government, with the \$4,000 tax credit... That's a tax credit; this would be a tax deduction. I also spoke to Mr. Strickland, from the CBTU, Canada's Building Trades Unions, and, yes, indeed, that was a great first step. The problem is that where we'll max that out is at about \$2,230. That will not get people two months.

What I want to make sure happens is that people go to work. They can go to work for a year. They're not capped as to how many times they want to go to work. The more they're out working, the better off our infrastructure and our jobs will move along and, quite frankly, the more money they're going to be paying back to the government in taxes.

I will tell you, sir, that in March 2021, CBTU, Canada's Building Trades Unions, commissioned a financial projection that estimates that a Canada-wide implementation of a skilled trades workforce mobility tax deduction would save the federal government an esti-

mated \$347 million annually through increased tax revenues and reduced reliance on EI and other government programs.

I hope that begins to help.

[*Translation*]

Mr. Gabriel Ste-Marie: What you say is very interesting.

Are you able to make a comparison with what exists in the U.S.? Have similar measures been put in place in the United States, either at the federal level or in some of the U.S. states? Have you studied this?

If so, do these kinds of measures have the same kind of positive impact as those cited in the organization document you just mentioned?

In short, have any comparisons been made, to see what the positive impact of your bill might be?

[*English*]

Mr. Chris Lewis: Thank you for the question.

I have not personally looked into it. I'm very focused on our Canadian skilled trade workers, on our Canadian skilled workforce and on getting projects done in Canada, so I have not looked into that. We could always look into it and come back to you, sir, but I have not looked into that.

[*Translation*]

Mr. Gabriel Ste-Marie: All right. Thank you very much.

Your bill focuses on employees in the construction sector. Could it be expanded to include workers in sectors other than construction?

[*English*]

Mr. Chris Lewis: Thank you.

Absolutely. It's been an almost two and a half year journey of meeting with so many folks. I've had so many other people say, "What about me? Can you include me? By the way, what about tools?", and they add and add and add. What I really believe in my heart to be true is that they need instant relief to get them moving, to get them working. I didn't want to throw so many things into the bill that nothing would pass. I was trying to keep this as simple as possible, so we could have consensus around the table and get them moving. Certainly, this could be added onto in the future.

Thank you.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you. That's very interesting, again.

Of course, I don't believe that a person would travel 121 kilometres to do a job that takes 15 minutes. It's implausible, unless the hourly rate is very high. Still, it's a question that was worth asking, in my opinion, because we have to make sure that such a measure will not be abused.

As I understand it, a person who travels at least 120 kilometres for work can claim a deduction for travel expenses. If the person travels twice that distance, say 240 kilometres, there will be more travel expenses for which they can claim a deduction.

In your view, would it have been appropriate to provide for greater deductions, generally, based on distance, or is it your view that 120 kilometres will be sufficient to qualify? The greater the distance to work, the greater the travel costs, so it's all there. Should this have been modulated for a distance greater than 120 kilometres?

• (1655)

[English]

The Chair: You have time for a short answer.

Mr. Chris Lewis: I'll go very quickly.

To answer your question, sir, I use the 120. I live in a very rural area. Windsor-Essex is very rural. We have access to Highway 401. We can get up and down the 401 in about an hour and a half and that's 120 kilometres. As an example, Mr. Green, who came up and spoke to me afterwards, mentioned that he lives in Hamilton and going 80 kilometres takes him an hour and a half. I don't know that we need to make it any further, because if you're an hour and a half from home, that means you'd be travelling three hours a day, so you're probably going to stay out of town.

Thank you.

[Translation]

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

[English]

Now we are going to the NDP. MP Masse is with us via video conference.

MP Masse, go ahead.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair.

Thank you, Mr. Lewis, for being here and for your bill.

We're in the same area. We're on a peninsula, but we also have 40,000 vehicles per day that cross over into Michigan, Ohio and all the way to Florida and Mexico.

I want to allow you to tell us a little about the cyclical issues we face with skilled trades workers. Often with the auto industry and others we have really good workers who are really good, trained professionals, but at times when the retooling of those plants takes place or we have a loss of industry, we want to make sure those individuals can keep their skills and talents in Canada. This bill is a really important piece of that.

I'd like you to focus on that element, because during those times we wouldn't lose workers to other countries. We would keep them

in Canada if they could actually stay here, but their families and their incentives are challenged with the potential for work overseas.

Mr. Chris Lewis: Mr. Masse, thank you very much for those remarks. I appreciate them.

You know as well as I do that in our area—you're right that we're kind of on a peninsula—we have an amazing workforce, as we do across Canada, but we also see, as you mentioned, that it's cyclical. That's what's happened in the past to the auto industry, which is not just about building a car; it's about all the components that go into it. It's about building the infrastructure, such as the hydro that feeds these plants, for which we need the folks there. When that industry dries up, these folks need a place to go. They need a home. When we have people screaming in St. John's, Newfoundland, or in B.C., saying they need skilled trades, let's give these people an opportunity to get across Canada.

To your point with regard to families, it's not fun having to travel for work. I understand that. I respect that. I personally did it for a lot of years, but it's certainly not fun not getting a paycheque when you have so much to offer Canada. I think we need to celebrate our skilled trades on many fronts, and we have to give them the flexibility to get across this amazing country to build all the infrastructure we will need going forward.

Mr. Brian Masse: That's actually preferable to importing other trades or having certification that is uncertain. We have these workers and there's a small return for them through your bill. We have all of that capital invested in training them and going through requirements to make sure they have the proper skills. They're actually going to be qualified, versus what foreign labour, which we might actually have to import, would be. I really appreciate this bill, because it actually is a push back against taking a shortcut instead of having this be an incentive.

The fact of the matter is that the incentive goes back to the families. When you actually have a partner who's travelling or working abroad, they have extra costs. These are single-parent homes for that moment. This is what we've grown up with and been a part of in our area. I want you to highlight that, because I think that's really important. Your bill isn't about the individual trying to claim something; it's really about the family.

Mr. Chris Lewis: You're absolutely right, Mr. Masse.

I have so many testimonials here. I won't dive into them, but one that comes to mind is from a gentleman from Windsor specifically. He has worked with IBEW. He wrote me an email. He had to drive up to the Timmins area from Windsor, which is not a short drive. He basically said that, if the wear and tear on his vehicle isn't enough, what about the wear and tear on his family when he's away and the stress of knowing that he has all of these additional costs while he's away?

You're right, Mr. Masse. It always comes back down to compassion, understanding what the problems are and keeping our labour industry mobile. It's also about giving major kudos to those folks who are willing to do the travelling and make sacrifices with respect to their families, and about giving them the support they need.

I do appreciate your bringing that up, sir.

• (1700)

Mr. Brian Masse: I know the kilometre element has been raised. Are you open to amendments on that?

For every piece of legislation we deal with, we always have scammers, fraudsters and so forth. I can tell you this much. The skilled tradespeople I know in my community, who work in the plants and other areas—especially during times when we've had slowdowns—are not really looking to defraud the government. I'm less worried about that.

You're open to the consideration of amendments.

Again, in my experience, these are not the people who are defrauding Canada. These scenarios that are being presented are very weak compared with the value that we would get for the families that would actually benefit from this type of change.

Mr. Chris Lewis: Thank you, sir. Yes, I'm absolutely open to amendments.

What I would really hate to see happen here is this bill getting stalled or crumpled up and thrown in the garbage over a matter of 20 kilometres, for example.

Absolutely, I want to hear from the committee. I would love to hear other ideas. If it's on a few kilometres here and there, which, at the end of the day, is not a lot of money, then it won't be stalled by me. I really want to see this go forward for our skilled trades, our country and our infrastructure.

Mr. Brian Masse: I appreciate that and the interventions.

Thank you, Mr. Chair, for the time you've given me today.

Thanks, Mr. Lewis, for presenting the bill. I know it means a lot for a lot of people in my region and across this country. Those people need to be working in Canada and not somewhere else.

The Chair: Thank you, MP Masse.

Members, with this we're now moving to our second round. In this round, we're starting with the Conservatives. I have MP Chambers for five minutes.

Go ahead, please.

Mr. Adam Chambers (Simcoe North, CPC): Thank you very much, Mr. Chair.

Mr. Lewis, congratulations on getting your bill to this stage. It's no small feat.

We talk about supporting workers. We have a lot of federal problems on our hands. I wonder why we keep importing provincial politics every time I turn around in this place. We also have to remember that this is being lectured on by a government that introduced back-to-work legislation for Canada Post workers. They must have a short memory. I get that it's politics, so that's okay.

With respect to people potentially defrauding the government, we do have an organization called the CRA, which is supposed to enforce the tax code. They have lots of auditors, and in fact they're hiring thousands of people every year. I mean, presumably there would be a check in the system if someone was found to have expenses that seemed not to be proportionate to the income declared or there were some challenges. They would be free to be audited as would anybody else. Is that right?

Mr. Chris Lewis: Thank you for the question. I believe you're absolutely right. I would be surprised if they weren't audited. I don't know of anybody, in any sector, whom CRA doesn't audit. I'm certainly quite convinced that they would, but perhaps I'll just take it one step further.

For many of these jobs.... For example, sir, when I met with IBEW in Windsor, they told me that it would not be uncommon on a Friday to get a phone call from a business in Hamilton or Toronto or somewhere else asking for 100 people. That's 100 people in one fell swoop.

Why do I bring that up? We're not talking about one-offs here. We're talking about 10, 20, 30, 50 or 100 people at a time. I'm pretty sure that if somebody is getting away with something through CRA, the other 99 are not going to be very happy about it. I have a hard time believing there's going to be fraud to any extent, and I know that the goodness this will do, sir, the benefit of this, far exceeds any potential fraud.

Mr. Adam Chambers: Let's just talk about the existing tax preferences in the system. If a company pays for travel expenses, that company gets to deduct the travel expenses from the company's profit, against the company's net income. Is that right? That's the current system.

What you're seeking to do, or at least what the bill seeks to do, is to provide exactly the same tax preference to a different taxpayer, the same benefit that a large corporation or a large company that has resources also gets. Is that about right?

• (1705)

Mr. Chris Lewis: You're absolutely bang on, exactly. That's why I like to call it the fairness bill.

At the end of the day, the company is going to get the writeoff anyway, but there are many companies that actually don't pay for these deductions. They don't pay for these mobility deductions, these travel expenses, so they are paid for out of pocket. That's why we have so many workers sitting at home saying, "It's just too expensive to jump on a jet and go to work. I would just rather stay at home and collect a paycheque from the government."

To your point, that's it absolutely, sir.

Mr. Adam Chambers: I also appreciate that you're open to amendments. I think that's important to help private member's legislation get through the House.

You've also received legal advice that this bill is different from what the government has also proposed. Is that correct?

Mr. Chris Lewis: That's correct, yes.

This bill, in the past, has actually gotten very close to being introduced. I believe in the past it was 80 kilometres, but this has gotten clearance through the Clerk's desk and through the Speaker's office that it is different enough that it could go forward.

I'm happy that, at least in discussions, we're getting very close here. It's been a number of years since this has gotten this far, as far as I understand, so I'm excited for the opportunity to see it through to the finish line.

Mr. Adam Chambers: Thank you very much. Congratulations.

Thank you, Mr. Chair.

Mr. Chris Lewis: Thank you.

The Chair: Thank you, Mr. Chambers.

Now we go to the Liberals and MP Baker for five minutes.

Go ahead, please.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Thanks very much, Chair.

Thank you, Mr. Lewis, for being here with us and for bringing this bill forward.

Speaking for me, and I think for the government, frankly, I think we've demonstrated that we're very supportive of tax deductions for workers. I say that not just in conceptual terms but in tangible terms, through Bill C-19, which was passed by the House and which offers tax deductions for travel, relocation expenses and the like. I think that gives you a sense of where I'm at and where a lot of the members on this side are at in terms of making sure we're supporting workers through tax deductions.

Something like a labour mobility deduction is so supported by members on different sides of the aisle because we understand there's a need to train and retain skilled tradespeople. You spoke to that a little bit in your responses to Mr. Morantz. The deduction that you're proposing in this bill or the deduction that's in Bill C-19, the Budget Implementation Act, helps to incentivize people to get into and stay in the field.

Another important part of these jobs and the attractiveness of them is the fact that they offer good wages and real protections. A big part of that is workers' rights, which are protected in our Char-

ter of Rights. If there weren't those protections in the Charter of Rights, it's hard for me to imagine that many of the workers we're talking about here today—whom Bill C-19 helps and whom your bill seeks to help—would have the wages and the protections they have today.

You've spoken here in the committee about how you want to encourage people to join the trades and how that's part of the intent of the bill. On that point, I want to ask this: Don't you think there's a chilling effect on Canadians who might think about getting into the trades when they see the provincial government, in this case the Premier of Ontario, using the notwithstanding clause to pre-emptively suspend workers' fundamental rights, which are so essential to achieving the wages and protections that we all believe in?

Mr. Chris Lewis: Thank you, Mr. Baker, for your question and for your opening remarks. I look forward to getting the support of our Liberal colleagues as well.

Going forward to your question, I was elected to represent Essex in the federal capacity, and I really don't have any comments with regard to the province because I'm not part of Premier Ford's team. I don't sit at their table. I don't know what discussions they've had. Therefore, I'm quite frankly not going to comment on that.

I really appreciate the fact, sir, that you were listening so keenly to my opening remarks. What I will comment on is how important it is to get our youth, the future generations, the proper training. We need to get them exposed to skilled trades at a very early age because—you're correct, sir—they do provide excellent wages. Almost right out of college they have a full-time job. That's the way we need to incentivize this, and that's another reason I'm so proud to bring it forward.

● (1710)

Mr. Yvan Baker: I guess I can't help but say, look, we've heard members of the Conservative side and their opening remarks here at the outset about how they want to support workers—you spoke about how you want to support workers—but, again, those wages and those protections in large part, in my view, come from protections in the charter. I don't think it's okay for us to remain silent.

Mr. Lewis, respectfully, I know we want to talk about your bill, but I've heard all the members in this committee, all the MPs, speak on provincial matters all the time and express positions on provincial matters. I don't think we should allow the fact that we're federal MPs to prevent us from speaking out on what we believe is right.

I guess what I'm saying is that we hear MPs on the Conservative side saying they support workers, but when the notwithstanding clause is being used by the Premier of Ontario to suspend the rights that fundamentally protect the wages and the quality of work of workers, they're silent on it. I guess I'm asking how you would square the assertions of your Conservative colleagues that they support workers when they're not wanting to speak out for their fundamental rights.

The Chair: Could we have a very short answer, please?

Mr. Chris Lewis: Thank you, Mr. Baker, again for your question.

Here's how I support workers and here's how Conservatives and, I'm quite sure, many people around this table support workers: We bring solutions to the table as opposed to digging up problems. Our solution is to bring creative ideas to the table to get people working.

Thank you, Chair.

The Chair: Thank you, MP Baker.

Now we're moving to the Bloc and we have MP Ste-Marie for two and a half minutes.

Go ahead, please.

[*Translation*]

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

I'm going to build on the last exchange.

Mr. Lewis, I enjoyed hearing you say that if you had wanted to get involved in provincial politics, you would have run in the provincial election.

As for me, I was not elected to evaluate the quality of snow removal in the streets of the city of Joliette, in my riding, nor to evaluate how health services should be delivered or how nurses should organize themselves. On the other hand, I was elected to ensure that Ottawa contributes to the funding, as this is a federal responsibility.

Since I have been elected and have been in Parliament, there have been two occasions when the federal government has used special legislation against Canada Post workers. Each time, I was on their side and I denounced the federal government's lack of respect for basic labour laws. This is where it played out.

Let me return to your important bill and my question.

There are people who live in rural or remote areas who are showing some fear about your bill. They think that if there are deductions for workers who come from far away to work, maybe the construction people from their part of the country won't be hired before the others. So they are afraid that there will be competition and that, consequently, there will be less work on construction sites for workers from the regions.

Do you think this is a valid fear? What do you have to say to these people to reassure them?

[*English*]

Mr. Chris Lewis: Thank you very much for the question.

I would suggest first and foremost that, no, it's not well founded. The only reason I say that so strongly, sir, is that we have such a labour shortage in this country from coast to coast to coast, this will only benefit this area.

Second, I would say competition is a good thing. It's very healthy for democracy. It keeps people honest. It keeps companies honest. It allows the tax dollar to be stretched just a touch further. I think it's a great opportunity and I would not be concerned about the folks in the rural areas. If anything, if their work dries up, sir, it will give them an opportunity to go to another place as well.

The Chair: Thank you, Monsieur Ste-Marie.

Now we go to MP Blaikie for the NDP for two and a half minutes.

• (1715)

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much, Mr. Chair.

Thank you, Mr. Lewis, for being here today and for taking on this work that has been advocated for by others. I'm going to give a shout-out to my former colleague Scott Duvall, who presented a similar bill a couple of Parliaments before this one, and of course to my colleague Matthew Green from the NDP, who also presented a very similar bill. I will note my own work around this table when Bill C-19 was here in order to ensure there was fair tax treatment, as Mr. Chambers was saying, equal to or certainly like the kind of treatment that businesses get for writing down certain kinds of expenses. There is a long track record of supporting this kind of work, and I thank you for your contribution to it.

On the question we've been discussing when it comes to collective bargaining rights, I do think it is disgraceful to see the notwithstanding clause abused in this way. I share Monsieur Ste-Marie's incredulity at seeing Liberals and Conservatives argue over this point, because I've watched Liberals legislate people back to work.

I think the use of the notwithstanding clause is a relevant federal issue, because this is a precedent. The notwithstanding clause can be used by the federal government as much as it can by provincial governments. If we care about workers' rights to bargain collectively in Canada, it matters when a provincial government does this. It sets a precedent that can be used by other provinces and by the federal government.

This is something a province is doing that will have consequences in not only its own jurisdiction. This is something that a province is doing that will have repercussions for workers across the country if either another provincial government or the federal government decides to pull this kind of stunt one day. Therefore, I do think we should be properly concerned with this issue around this table. I don't think we can just write it off as a provincial issue. The notwithstanding clause is not simply a provincial issue. It's an issue of our constitution, which applies right across the country and to all levels of government.

Now you know what I think about that.

As an IBEW member and construction electrician in Manitoba, I just want to circle back to Manitoba, which you mentioned in your opening remarks. I recall that before 2016 we had a lot of local employment. In fact, our hall was trying to get more and more people to travel to Manitoba because we had a provincial government that was investing in infrastructure. That meant not only that people were getting paid to be on publicly funded infrastructure projects in Manitoba but also that we had very high private sector confidence and very high levels of private sector investment.

The government changed in 2016. We saw the public financing of infrastructure projects go away. Then we started seeing a lot less private sector investment in places like downtown Winnipeg. Then we saw high levels of local unemployment, persistent unemployment, even as the government was quite happy to invite non-union contractors from outside the province to come do work in Manitoba.

We also have to think about the role governments play in funding good public works with good requirements around good pay and good benefits when we talk about whether people are going to have to travel for work and whether they have good work available to them.

Thank you, Mr. Chair. I'm sorry I ran out of time, and we don't have time for a response.

The Chair: Thank you, MP Blaikie.

Mr. Chris Lewis: Thank you very much, Mr. Blaikie.

The Chair: We enjoyed your comments.

Now we are moving to the Conservatives for five minutes and we have MP Roberts with us.

Welcome.

Mrs. Anna Roberts (King—Vaughan, CPC): Thank you for having me.

I am so excited, Mr. Lewis, that you're bringing this bill up. I'll tell you what my issues are. I have a lot of issues with long-term care. As you know, we are struggling in many provinces, especially in my backyard, with accommodations for seniors. A lot of my families want to keep their parents with them. When one spouse passes away, the children will take on the responsibility of taking care of the other parent. I have a particular issue that just came up today, as a matter of fact. I did not know I was going to be on this committee, so it's a perfect question for me to ask because I'm so excited about this bill. I'm going to go back to talk to you about the shortage, the fact that we do not have enough labour to help create these accommodations.

Someone whose father passed away about eight months ago contacted my office today. Her mother is still okay but needs minimal help, but not to the point where they have to put her into long-term care. She wants to adapt her home to accommodate her mother so that she can do for her mother what her mother did for her growing up. Here's the catch. She priced out what it would cost to put in an in-law suite and she was able to shop around. The wait time is 18 months. I said, "Wow, that's a long time for them to even get started and then you're looking at probably another three, four or maybe

even more months to complete it. Why is that?" It's because there's a shortage. There are not enough people to complete the work.

This bill would not only encourage young people and all people, women included, to get involved in the trades, but it would also help with the situation we currently have with infrastructure, not just in my backyard but, I think, right across this country. Would you agree?

● (1720)

Mr. Chris Lewis: Yes. Thank you. I would absolutely agree. The reason I can say that with so much confidence is that I just had the basement of my house done so my children could continue to live with me and expand because they can't afford a house. Do I ever know about how difficult it is to get skilled trades. Although they did a fantastic job, it's awfully difficult to get drywallers, electricians and carpenters, and the list goes on.

I very much respect and appreciate your story, but I would suggest that it is certainly not just in the King—Vaughan area. I would suggest that it is across Canada.

Mrs. Anna Roberts: It is.

I'm probably older than most of you people here. I can remember how in high school they used to have a program that would introduce the trades to individuals to get them encouraged, because—let's be honest—not everybody can be a doctor or a lawyer or whatever. That's something that would encourage people and maybe give insight into it.

Would you say that, if we could educate people and attract them to the trades by telling them, "Hey, you're not going to be out of pocket. If you do take a job that's 120 kilometres away, we will accommodate your expenses because we need you," that would assist with getting more individuals into the trades?

Mr. Chris Lewis: Absolutely that would assist more. We have to create a space, a place for folks to see themselves going forward. When I say folks, I'm talking about young men and women. When I was at the Gordie Howe bridge, I was very excited to see how many young women were working in the trades. That excited the heck out of me, so here's a golden opportunity for us to create a space for them to be in. They want to be there. They're excited to be there. They want to make good money, but they need the support going forward. Absolutely it will help that.

Mrs. Anna Roberts: I'm excited about this bill and I'm also excited about the fact that you're open to amendments, because I think it will benefit not only the province of Ontario but everyone across Canada. I also think it would encourage and give an opportunity for everyone to get involved in the trades. Doing something like this so people aren't going to be out of pocket, I really believe, will help our infrastructure, especially in my community where I have a lot of seniors. The last two or two and a half years have been very difficult for them and they don't want to go live in a home. I'm involved in long-term care homes because I volunteer there. I'm not saying that they're bad, but these seniors want to stay with their families. I really think this bill will encourage people to work and will allow the opportunity for the infrastructure to be created so that people can take care of their parents.

I applaud you for it and I look forward to getting it done. Thank you.

Mr. Chris Lewis: Thank you so much.

Mrs. Anna Roberts: Thank you, Mr. Chair.

The Chair: Thank you, MP Roberts.

We're going to the Liberals.

MP Chatel, you will be the last questioner for MP Lewis for this panel.

[*Translation*]

Mrs. Sophie Chatel (Pontiac, Lib.): Thank you, Mr. Chair.

[*English*]

To start with, any provincial government can invoke this clause. They can decide not to respect the fundamental rights of workers under the Charter of Rights. This is the Charter of Rights for Canada. Of course it is an issue for all of us. It's very important that we all stand together to protect workers' rights. I hope our Conservative colleagues will join their voices with ours.

[*Translation*]

My riding...

[*English*]

Mr. Brian Masse: I have a point of order, Mr. Chair. I'm just looking for relevance. I hope we get the same thing from the Liberal side. They actually put workers back to work, like at the Port of Montreal.

● (1725)

The Chair: That's debate, MP Masse. We will provide....

MP Chatel.

Mr. Brian Masse: The port of Montreal was actually legislated back to work.

Ms. Julie Dzerowicz: That's debate.

The Chair: MP Masse, MP Chatel has the floor.

Mrs. Sophie Chatel: I'm sorry, but you had the floor and I respected you, Monsieur Masse. Now I would like to be respected too.

Thank you.

[*Translation*]

My riding, like yours, Mr. Lewis, is rural. So it is very important to me that we invest in our tradespeople. In that regard, I fully support you. It's so important to address the labour shortages in the construction trades.

That is why I supported the labour mobility deduction, which is capped at \$4,000. However, the deduction you propose would be unlimited. It could be up to \$100,000 or whatever. As a tax practitioner who advocates prudent management of government spending, I believe that taxation must have safeguards and that it is crucial to protect its integrity.

I congratulate you anyway, because I fully share these values of protecting the rights of workers and allowing them to deduct these expenses from their salaries. However, as we say back home, the road to hell is paved with good intentions. As a tax professional, I have concerns.

You said earlier that Canadians who go to work in the United States only pay taxes in the United States. Excuse me, I'm going to put my tax hat on again to tell you that's not true. Article XV of the Convention between Canada and the United States of America allows Canadians to work in the United States and pay their taxes in Canada in certain circumstances.

In fact, your bill would allow Canadian workers to go to work on American job sites. This would mean that we would lose tradespeople for our own work sites here in Canada. Unfortunately, I find this to be a flaw in your bill that should be corrected.

I am also concerned that there would be an unlimited deduction in addition to the \$4,000 deduction, which would allow workers to double dip. This is another flaw in your bill. You have to choose one of the two deductions; you can't choose both.

Actually, there's even a triple deduction. I know the Conservatives like triples. Indeed, the employer could reimburse the employee and deduct that expense from their own profits, which would be a third deduction. You offset the allowance, but not the expense reimbursement. This triple deduction is another flaw in your bill, which is absolutely well-intentioned, I repeat. I would support it if it were fiscally prudent, but it threatens the very integrity of our tax system by allowing very significant loopholes.

Do you have any comments on these three loopholes that concern me, as a tax professional, as well as the potential exodus of workers to U.S. construction sites?

[*English*]

Mr. Chris Lewis: Of course.

The Chair: Could we have a short answer?

Mr. Chris Lewis: I get a very short answer and that's good, because I was going to dive right into the weeds on the tax side of things too.

Voices: Oh, oh!

Mr. Chris Lewis: I'll answer your question. With regard to losing folks to the United States, I don't know, but I will tell you one thing. When I went to the States to work, every three years I had to get an L-1A visa. You can't go across the border and go to work just because you are a skilled trades folk. I think that is a non-starter of a concern. It's just not going to happen. You're going to get thrown in jail over there.

The second thing I would say is that we cannot live and make all decisions in fear of what might go on next. I drive a pickup truck. It doesn't mean that I couldn't speed or it doesn't mean that I couldn't drink. It doesn't mean any of these terrible things that I could do. No, I put my seat belt on, I drive the speed limit, I get to work and I come home. Just because there's an opportunity doesn't mean that people are going to do it.

Thank you, Chair.

• (1730)

The Chair: Thank you, MP Chatel.

We want to thank you, MP Lewis, for coming to the finance committee and for bringing your bill to us, Bill C-241. Thank you for your testimony and for your answers to the many questions here today. Thank you very much.

Members, we're going to suspend now before we move into panel two.

• (1730)

(Pause)

• (1730)

The Chair: I call this meeting back to order.

I will just check with the clerks to confirm that all witnesses have been tested for today's meeting and that they have passed the test.

Have they?

The Clerk of the Committee (Ms. Carine Grand-Jean): Yes.

The Chair: Thank you, Carine and Alexandre.

With us today are witnesses from the Department of Finance. We have Lindsay Gwyer, who is director general, tax legislation division, tax policy branch. Also with us are Mark Maxson, who is the director of employment and education, personal income tax division, tax policy branch; and Pierre Leblanc, who is the director general, personal income tax division, tax policy branch.

Do the witnesses have opening remarks? Yes, okay.

We will start with Ms. Gwyer.

Go ahead with your opening remarks.

Mr. Pierre Leblanc (Director General, Personal Income Tax Division, Tax Policy Branch, Department of Finance): Actually, Mr. Chair, I'll give the opening remarks if that's okay with you.

The Chair: I'm sorry, Mr. Leblanc.

Yes, for sure, definitely. I apologize. I just wasn't sure who would be making the opening remarks.

• (1735)

Mr. Pierre Leblanc: Thank you, Mr. Chair.

Thank you to all members of the committee for inviting us to be with you today on this very important topic.

It was really interesting to hear the debate and the discussion over the last hour. I think it underscores the importance of this policy issue, certainly, in the current labour market context and the value of the member's contribution in bringing this bill forward.

Maybe I can just start by reiterating what the current law of the land is. The current tax system has a labour mobility deduction for tradespeople.

[*Translation*]

In Budget 2022, the government proposed a labour mobility deduction for tradespeople, similar in form and intent to the measure that Bill C-241 seeks to introduce.

On June 23, 2022, Parliament passed Bill C-19, which included amendments to the Income Tax Act to create tradespeople's mobility deductions, as proposed in Budget 2022.

[*English*]

Again, it's part of the current tax system. In fact, the Canada Revenue Agency is currently finalizing forms and administrative procedures, including guidance, to allow taxpayers to claim the labour mobility deduction for the 2022 tax year this coming spring. This is the time of year when the CRA is getting everything together so we can be ready for filing season.

Compared with the deduction that would be enacted by the bill you are considering today, Bill C-241, the labour mobility deduction that is already in law provides greater clarity on the definitions of some concepts and includes safeguards that contain its scope and cost. For example, Bill C-241 doesn't define travelling expenses or construction activity and uses the term "tax credit", which is not a defined term in law. The bill also requires no minimum period of relocation, places no limit on the number of trips or the amount of expenses that could be deducted in the year and makes no allowance for trips that might span multiple tax years.

[*Translation*]

If Bill C-241 were enacted, taxpayers would be using two substantially similar deductions that serve the same purpose. This would likely cause administrative difficulties for the Canada Revenue Agency and create confusion for tax filers, especially since the 2022 tax filing season will soon begin.

Once again, thank you. We will be happy to answer any questions that members may have on this or other elements of Bill C-241.

[English]

The Chair: Thank you, Mr. Leblanc, for those opening remarks and to all the witnesses for being with us here today.

As you may have heard in our first panel—and it will be the same in our second panel—each of the parties has up to six minutes to ask questions to the witnesses. We're starting with the Conservatives. I have MP Morantz for six minutes.

Go ahead, please.

Mr. Marty Morantz: I have just one quick question. I don't see in Bill C-241 where it says that it's a tax credit. In fact, it adds proposed paragraph (q.1) to subsection 8(1), which specifically says that the deduction is permissible as long as the claimant does not claim those expenses as an income deduction or a tax credit for the year under any other provision of the act.

I just want to see if you want to clarify that remark, because this is not a tax credit. This would be a tax deduction under this act.

Mr. Pierre Leblanc: Thank you for the question.

I'll turn it over to one of my colleagues, but I also want to emphasize that what we have in the tax system currently is a deduction. It's not a credit, if we are reflecting back on the last hour. Just as Bill C-241 is proposing a deduction—

• (1740)

Mr. Marty Morantz: But to clarify, this—

Mr. Pierre Leblanc: —what was legislated in Bill C-19 is a credit.

On your question, let me turn to one of my colleagues.

Ms. Lindsay Gwyer (Director General, Legislation, Tax Legislation Division, Tax Policy Branch, Department of Finance): Both the existing labour mobility deduction that was implemented through the Budget Implementation Act and this deduction in Bill C-241 are deductions, so they're both amounts that an employee deducts from income and not tax credits.

Mr. Marty Morantz: Thank you. I just wanted to clarify the statement that it was a tax credit. That was in fact incorrect with respect to Bill C-241.

I'm sharing my time with Mr. Lawrence. Thank you.

The Chair: MP Lawrence, go ahead.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much. I appreciate everyone's being here today.

I failed to hear in your testimony any significant or substantial reason that would stop this legislation from helping workers. You brought up a couple of administrative challenges, but I didn't see anything that would absolutely stop this legislation from helping skilled trades workers, who desperately need this help.

Mr. Pierre Leblanc: Thank you for the question.

I think there are differences between the bills, and I think you've been talking about some of them over the last hour. In what is currently law, there is a \$4,000 limit, which was considered reasonable by the government, versus there being no limit proposed. We think

the safeguards that are in current law will allow for a more solid measure.

The other thing I'd reiterate is that if Bill C-241 passes, you will then have two deductions in law. That will raise issues.

Mr. Philip Lawrence: Thank you.

You still didn't point to any significant issues. The double relief can certainly be taken care of. That's not a really relevant issue and certainly can be resolved easily by the government. We would certainly support the government's passing of such legislation to resolve that quickly.

With respect to that, can you tell me the difference between \$3,999 and \$4,001? What makes it so that the \$4,001 shouldn't be deductible, but \$3,999...? What is the possible relevance of this?

I'll let you answer.

Mr. Mark Maxson (Director, Employment and Education, Personal Income Tax Division, Tax Policy Branch, Department of Finance): Thank you for the question.

Certainly there is not a substantive difference between the \$4,000 and the next dollar. It is common in tax law for different provisions to contain maximum amounts. It's a typical practice when it comes to tax measures. It's not universal. As Pierre mentioned, this particular amount is something that was deemed reasonable not just by Parliament, I guess, in passing Bill C-19, but it was the amount that was put forward by the CBTU in terms of their financial projections as a typical amount. We think it's a reasonable amount to cover most circumstances.

Mr. Philip Lawrence: Thank you.

We believe that for a hard-working tradesperson it should be limited at \$4,000. What about for a multi-million dollar business owner or billionaire? What's their limit?

Ms. Lindsay Gwyer: I guess you're talking about situations where someone is carrying on a business. In those situations, it's a question of what's reasonable in the circumstances.

Mr. Philip Lawrence: Just to be clear—let's not try to play games—there is no limit. Is that correct?

Ms. Lindsay Gwyer: There's no dollar limit in general for business expenses. It depends on what's appropriate.

Mr. Philip Lawrence: If a hard-working skilled tradesperson is going from coast to coast and building infrastructure, helping businesses get started or, as we heard, helping to construct housing or long-term care facilities, they'll be capped out at \$4,000 because it's an arbitrary number. Whereas if that's a business, and they're trying to deduct those same expenses for a worker who worked for them, they would not be capped. Why are we giving millionaires and billionaires a pass when we're hammering skilled trades workers?

• (1745)

Ms. Lindsay Gwyer: The tax system is set up in such a way that people are limited in what deductions they can make with respect to employment income in general. Most expenses related to employment income are not deductible unless they're specifically enumerated exceptions in the Income Tax Act, whereas business is more of a bigger picture of what expenses are relevant to computing the profit of a business, and that builds off accounting principles. It's really a difference in the way the system is set up. Deductions like this one, the deduction that was in Bill C-19, are really exceptions to the general rule that employees are not able to claim deductions against their employment income.

Mr. Mark Maxson: Just to build on Lindsay's comment—

The Chair: I'm sorry. That's the time. We're well over time.

Thank you, Mr. Lawrence.

We now are moving to the Liberals. I have MP MacDonald for six minutes, please.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you, Chair.

This is a very interesting discussion and an interesting bill to hear about. Coming from a small island, I know that travel for work is really important. I think it's important for all parties, as it was put in the BIA, which is extremely important. I was very glad to see that.

I want to continue on somewhat with what Mr. Lawrence said with regard to the larger corporations or the employers. Maybe I'll go to Mr. Leblanc.

In your opening remarks, you spoke about the differences between Bill C-241 and the existing labour mobility deduction that was implemented through Bill C-19. One area that I'm particularly concerned about is the lack of protections that would prevent possible double-dipping by those corporations, by receiving compensation through an employer and via the tax credit. I guess my concern—in line with Mr. Lawrence's on the opposite side—in particular is that employers may choose to cut back on their compensation pre-emptively on the assumption that workers will access this benefit as well.

Am I understanding the legislation correctly? If so, could you elaborate?

Mr. Mark Maxson: Maybe I can take this question.

As my colleague was indicating, there is a general rule in the tax system in Canada that limits deductions for employees to a greater extent than for self-employed workers. Part of the rationale behind that is that there is an expectation that employers are generally going to provide employees the tools necessary to do their jobs and are going to take on some of those costs on behalf of their employees in many cases. Certainly in this context, we've understood from stakeholders that these are often workers who are not employed by a specific employer, but who are rather perhaps moving from a region where they normally work with one or more employers and then taking on a job with a new employer in a different region. In that circumstance, that new employer may not necessarily be providing reimbursements of travel expenses. They may or may not,

depending on what they feel they need to do in order to attract the workforce necessary.

The bill doesn't specifically place any constraints on whether employers do or do not provide that assistance, but both Bill C-241 and the deductions that are currently in law do prevent someone from receiving an allowance for travel and also claiming the deduction. The existing deduction passed through Bill C-19 also includes a restriction that there can't be any reimbursement that is, in law, different from an allowance. Bill C-241 doesn't include that language, but it would be a question of interpretation for Canada Revenue Agency to work through what would happen in that type of situation.

Mr. Heath MacDonald: Thank you.

As policy-makers we try to have every safeguard possible for the individuals we're talking about, and those are the construction workers. At the end of the day, we talk about our labour market, and we even talked a little bit about education, the lack thereof in K to 12 and the trades' being incorporated into the education system. Your answer obviously puts a flag up to ask how we can eliminate those possibilities, and there are many other cases with this bill. I think it's great that we brought this forth and we're moving in this direction, but no cap on the amount of expenses is a very interesting thing. If you travel on Prince Edward Island, the 120 kilometres pretty nearly takes you from one end of the island to the other.

Are there any additional safeguards with Bill C-19's labour mobility deduction that aren't included in Bill C-241, and could you elaborate on those? Could you give us a list of those items that you're aware of that could present challenges?

• (1750)

Mr. Mark Maxson: Sure. Thank you for the question.

As you mentioned, there is a \$4,000 cap in the existing deduction. There is also a restriction that effectively says you can't deduct more than half of the income you earned from the job. The idea there is essentially that we recognize that people travel for a variety of reasons all the time, and I think we would all think it reasonable that people who are choosing to incur expenses to earn income aren't going to travel just to earn income if they're going to spend more on the travel and the expenses to get there. This provides a simple catch to make sure that the income this person would earn from the travel would actually be significant relative to the expenses they incurred.

There's also a restriction in the existing deduction that limits it to a minimum travel of 36 hours, which speaks to what we heard from stakeholders in terms of being able to move for temporary jobs and projects away from where they normally live as opposed to just ordinary commuting. All employees may have commuting expenses and some people may live far from where they work, but those aren't typically deductible by most taxpayers and that's not really the gap that this provision was meant to address.

Finally, I would flag that there's a provision that says the deduction is available for travel to a work site in a city where the individual isn't normally working. Again, this was getting at the sense that this is about travelling away for temporary jobs, and it's not about commuting to your day-to-day job that you normally work at. That latter provision was modelled after an existing rule in the tax recognition for the U.S.

The Chair: Thank you, Mr. Maxson and MP MacDonald.

Now to the Bloc, MP Ste-Marie, please, for six minutes.

[*Translation*]

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

Mr. Leblanc, Mr. Maxson and Ms. Gwyer, thank you for being here to answer our questions.

Mr. Leblanc, thank you for your preamble, first of all. I thank all three of you for all the information that you have subsequently provided to the committee.

The purpose of a committee's work is to improve bills, to make sure they meet their objective and to amend them as necessary to make them the best they can be in the end.

So I was a little surprised when you said at the beginning of your presentation, Mr. Leblanc, that the bill referred to several terms that were not defined. Obviously, in our role as legislators, we work with a team of legal experts. So if these terms are not already defined in the Income Tax Act, for example, it would be preferable that they be defined in the bill. If senior officials feel that there are problems with the definitions, it would be important for your team to provide the committee with the technical details in writing, such as the terms that would benefit from being defined and the definitions that could be proposed. In this way, we could propose amendments as needed to improve and clarify the bill.

I also have a message for the government party. It is important in the culture of committee work to take bills from members of the opposition parties seriously. I think it is best to assume that if the bill goes to committee, it can just as easily be sent back to the House afterwards. If the government party finds that a bill has problems in its technical aspect or its applicability, it is in committee that negotiations should take place with a view to amending and improving it. This is why work on bills is done in different stages in the House of Commons.

It would be nice if Mr. Leblanc could clarify in writing to this committee what major problems the Department of Finance sees with the technical aspects and applicability of this bill, as well as provide definitions that could be added. Then, between meetings, all parties could consult on whether or not Mr. Lewis and col-

leagues think it is worthwhile to adopt such clarifying amendments. That would make for a better bill and quicker passage.

Also, Mr. Leblanc and other colleagues have raised the issue of double deductions. Of course, when Mr. Lewis introduced his bill in the House, the budget implementation legislation had not yet been introduced. Obviously, work could have been done in parallel. It is a collateral effect if you end up with two competing pieces of legislation where the deductions can add up. I am sure that is not the purpose of this bill, given that it was tabled in the House before the budget implementation legislation was introduced.

In that regard, it would help us if Mr. Leblanc and his team could formulate an amendment for us that we could introduce to ensure that, if Bill C-241 comes into force, there will be no possible double-dipping, given the measure contained in the budget implementation legislation.

I know that I have made many comments and that my statement also contained many requests, but I now have a technical question, which is not easy to answer.

I imagine that this is not the first time in the House of Commons that two similar bills have been passed in a reasonably short time that open the door to a double deduction, when that was not the intention in the first place. To your knowledge, has this ever happened in the past? If so, what solutions have been provided by the House or its committees to remedy it?

• (1755)

Mr. Pierre Leblanc: No such case comes to mind at present.

I don't know if my colleagues are aware of any such situation that has occurred in the past, but I can let them answer.

[*English*]

Ms. Lindsay Gwyer: I can't, offhand, think of a specific example. It might be important to clarify that. Both of the deductions provide that expenses that are deducted under one cannot be deducted under the other, so the same expense couldn't be deducted twice under the two different deductions.

The concern is more that there are two different deductions in the Income Tax Act that have very similar purposes and apply in many of the same situations and very similar situations. From an administrative perspective and from a public confusion perspective, that's the concern.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you for the response.

So, I think the committee will have to clarify these kinds of things.

Is my time up, Mr. Chair?

[English]

The Chair: You have 30 seconds.

[Translation]

Mr. Gabriel Ste-Marie: In that case, I'll stop now and pick this up in the next round.

Thanks again to the witnesses.

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

[English]

We're moving to your partner next to you, NDP member MP Blaikie.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I don't think there's a lot to say that hasn't already been said, but I do think that one of our tasks here is to try to appreciate the differences between what was passed in Bill C-19 and what's proposed in Bill C-241.

Thank you to our committee analysts, who prepared a pretty decent table that lays them side by side. I want to walk through that table while we have the government's own tax experts here so they can give us a sense of what these differences in the table will mean practically for folks who are filling out a tax return.

In terms of characteristics to compare between the two acts, first in the table are conditions related to the taxpayer. In the Bill C-19 version, you have to be an eligible tradesperson—earn employment income as a tradesperson or apprentice in the construction activities referred to—and then there's a regulation that defines that. In Bill C-241, you have to be employed as a qualified tradesperson or an indentured apprentice for construction activities at a job site.

Is there any real practical difference in those two definitions that the committee should be aware of?

• (1800)

Mr. Mark Maxson: I guess I can give a first answer, but others may wish to jump in.

In terms of practical differences, it's challenging to lay out the concrete implications. One of the difficulties in terms of lacking some definitions is that essentially it means that the Canada Revenue Agency will be required to put forward interpretation and guidance as to what the different terms mean, and that's not something that we can do ourselves.

As an example, Bill C-19 defines “construction activities” and Bill C-241 does not, so in the case of Bill C-241, the CRA would have to put forward guidance in terms of exactly what that means. Whether it ends up being different in certain cases is hard for us to say, and that would be true of certain other undefined terms as well. That's a potential confusion for the taxpayer question—

Mr. Daniel Blaikie: It is possible that the CRA could adopt the same regulation as is identified in Bill C-19 as a way of interpreting what's in Bill C-241.

In terms of minimum required distance, I think that one's pretty straightforward. There is a slight difference in the distance, but we're talking about a 30-kilometre difference.

Another main characteristic is the distance calculation method. In the table, it says that, under the existing law, it's calculated on the one hand between the ordinary residence and each temporary work location or, on the other hand, between each temporary lodging and each temporary work location, whereas in Bill C-241 it's calculated between the ordinary place of residence and the job site.

Are there any practical implications for those differences?

Mr. Mark Maxson: This is again a place where the CRA would have to ultimately interpret the language, but one possible implication is that the language under the existing deduction is explicitly intended to say that you moved closer to the work site. You found temporary lodging that was closer to the work site than your home was. In Bill C-241, if the work site is at least 120 km away from where you live, travel to and from the work site is deductible.

It's unclear to me whether this means that, if you have lodging near the work site, you can deduct your commuting expenses back and forth from your temporary lodging to that work site. That might be 15 kilometres, because that work site is 120 km away from your home. I don't know if that's the intention or not, but that would be one possible difference. The existing deduction is only for travel between your home and the work site.

Mr. Daniel Blaikie: In the case of what's on the books currently, if I were living in Winnipeg but working on a job in Brandon and commuting every day, then I could deduct my gas, for instance, but if I rented a place in Brandon in order to be able to go to that job and not commute all the time.... Let's say that I drove out there Sunday night and then drove home Friday evening. Then I wouldn't be able to claim my gas from the place that I rented in Brandon to go to the job site every day. I would be able to claim only the initial travel from Winnipeg to Brandon, and then from Brandon back to Winnipeg.

Am I understanding that properly?

Mr. Mark Maxson: Yes. You wouldn't necessarily if it was every day, but the distance from Winnipeg to Brandon to that lodging would be sort of a one-time amount that would be deductible. Once you were in Brandon, your travel between your lodging and the work site would be just ordinary commuting, like that of any other taxpayer, and that would not be deductible.

Mr. Daniel Blaikie: Is Bill C-241 any different in that respect or would it likely operate in the same way?

Mr. Mark Maxson: That's unclear to me.

It says travel to and from the job site provided that the job site is 120 kilometres away from home. It would be a question of interpretation, perhaps, as to whether that's to and from the job site only from home or whether that could be to and from the job site from the temporary lodging. It's unclear to me.

Mr. Daniel Blaikie: Would that be something the CRA could provide guidance on?

Mr. Mark Maxson: One way or the other, they would probably have to provide guidance, yes.

Mr. Daniel Blaikie: There are a few more items in the table. I know I'm running up against time, so if I'm out of time, Mr. Chair, that's fine. Perhaps we can continue in my next time, but I find the more detailed section helpful in terms of understanding what the differences are and how they would be mediated.

• (1805)

The Chair: I think that's very good, MP Blaikie, and that was helpful from the witnesses, our officials.

Members, we are moving now into the second round, but it's going to be as we had before, a curtailed second round. It's going to be about three minutes per party. Each party will have three-plus minutes. We're starting with the Conservatives.

I have the sponsor of the bill, MP Lewis, for three plus minutes.

Mr. Chris Lewis: Thank you, Mr. Chair.

Thank you to the witnesses here. I appreciate it. I have just a few questions.

In my testimony, I mentioned that CBTU did a study—commissioned a financial projection—which estimates that Canada-wide implementation of a skilled trades workforce mobility tax deduction would save the federal government an estimated \$347 million annually.

Subsequently, Bill C-222 was introduced—or perhaps it wasn't even introduced. This is Mr. Green's bill. The Parliamentary Budget Officer issued a legislative costing note on Bill C-222, which is very similar to Bill C-241, on April 5, 2022, estimating the cost of this measure. In 2022-23 it's \$117 million, and its five-year cost is \$522 million.

Does it not make sense to keep the money in the pockets of the skilled trades workers if the government's going to rake in \$347 million and it's only going to cost them \$117 million a year?

Mr. Maxson.

Mr. Mark Maxson: The particular financial projection of the CBTU assumed that, for the purpose of a costing, about 10% of construction workers would relocate each year. Their estimate of savings from reduced draw on EI was based on the same population of people who, based on their estimates, were already moving, so it was somewhat unclear to me whether they were basing that estimate of savings on an actual change in behaviour, since these were the people they assumed were already moving. There was some question in my mind.

Mr. Chris Lewis: Very well. Thank you.

Just to your point to Mr. Blaikie, it is spelled out that it's 120 kilometres from home, so that's not a round trip of 60 kilometres each way. It's 120 kilometres from your place of residence. That's just for clarification.

I have one last question. I know it's somewhat facetious, and I'm not trying to be funny, but does it not make sense that if we're going

to put a cap on how much they can deduct a year and then they can't go to work, they're probably going to end up on EI if they run out of work? Would it not be cheaper to keep the money in their pockets, and therefore make them pay more taxes at the end of the year by giving them the flexibility to get across Canada to build our bridges and keep them off EI?

Mr. Pierre Leblanc: The question there would be whether the removal of the limit would result in that much of an increase in economic activity. I think we could say that often the government is clear that putting this forward and putting this into law, if it's passed by Parliament, will have a positive economic impact, which would somewhat reduce the cost of the measure, but we don't think it's very common that measures more than pay for themselves.

The Chair: Thank you, MP Lewis.

Now we go to the Liberals and MP Dzerowicz for three minutes plus.

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

I want to thank the officials for being with us today. Thank you for your great work on this.

I mentioned in my first hour the risk that this bill doesn't require those who are claiming this to be working in Canada. We've been talking about labour shortages. My concern is that, with the way the bill is written right now, I could be an individual who lives in Oakville, say, but actually works on the other side of the border. We might be losing people if we don't address the labour shortage issue.

They could work in the U.S., but under this bill, their expenses could be paid for by Canadians. Am I right in this? Is that actually a possibility given the way the bill is written right now?

• (1810)

Ms. Lindsay Gwyer: You're right. There is nothing in the bill that requires the work location to be in Canada, so yes, it's possible that the deduction could be claimed in respect of someone who is commuting to the U.S. for work.

In those circumstances, it would really depend on all the facts as to whether that person would be subject or not to Canadian tax on that income. The deduction is not limited to just income from that particular employment. It's a general deduction from income, so yes, it's conceivable that someone could be working in the U.S., potentially paying U.S. tax, depending on the facts on that income, and claiming a deduction in Canada.

Ms. Julie Dzerowicz: Okay. Thank you.

In the other question I asked—and I didn't mean to be silly—I said that the way the bill is currently written someone could take a 50-minute job that's 121 kilometres away and be able to claim the cost of the gas, meals, hotels and any other expenses that they believed were required for the job.

As legislators and as people who are policy-makers, I think it's our job to make sure that we have airtight legislation that's going to ensure it does what we want it to do, as opposed to someone saying, “Well, the law allows me to do this, so if the law allows me to do it, I'm just going to do it.”

I could see situations where someone has a cottage two hours or 121 kilometres away that's under construction and says, “I'm a plumber, so I'm going to go over there and just look at it.” Their neighbour happens to tell them that they need their pipes checked, so for 50 minutes they do a job over there and then they head back home.

The way the legislation is proposed right now, I would probably say, “The law allows me to do this, so if the law allows me to do this, I might as well claim my gas and claim the meal I had while I was there, and I had to stay overnight because by the time I thought about going back it was fairly late, so there might be some other expenses.” Am I right to believe that the way the law is written it would actually allow me to be able to do that under the scenario I just gave you?

The Chair: Could we have a very short answer, please?

Ms. Julie Dzerowicz: I'm at two minutes and 15 seconds.

The Chair: Yes, but we're only going for three minutes. You had three minutes and 15 seconds.

Ms. Julie Dzerowicz: I'm sorry.

Go ahead, Ms. Gwyer, or whoever wants to answer.

Ms. Lindsay Gwyer: Sure. I can answer and Mark can chime in if there's anything else.

Yes, I think the main requirement in the deduction is that the person is travelling 120 kilometres away from their home, unlike the deduction that's in law right now where there are safeguards to limit the circumstances in which the deduction can be claimed beyond that requirement to travel 120 kilometres for the work.

The Chair: Thank you—

Ms. Julie Dzerowicz: Mr. Chair, I apologize. I was over my time. I'm one minute late. I'm so sorry about that.

The Chair: Thank you.

We're going to MP Ste-Marie, please.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair. I will begin by reiterating my full confidence in the way you are managing this committee.

In the first hour of debate, our esteemed colleague Sophie Chatel raised a number of concerns about this bill. As I said earlier, our goal here, all of us together, is to improve the bill and to make sure that it fulfils its objectives. I wanted to check with you to see if you had any comments on that.

Among the points raised, our colleague said that if Bill C-241 were to be passed, there would be a double deduction, given that Bill C-19 has already been passed. We know this and we need to find a solution to this problem.

She also said that a worker could claim expenses for travel to the United States if they go there to work. I would like to hear your comments on this. If we wanted to limit this type of expense in the event that a person went to work abroad, how could we proceed? Again, if you don't have an answer immediately, you can provide one in writing to the committee.

Also, the Income Tax Act states that if a supervisor gives an allowance for a worker's travel, they cannot claim those travel expenses. However, what if it is not an allowance, but some other form of expense payment? Do you think this could open the door to some abuse? If so, how could the bill be improved to avoid such abuses?

• (1815)

[*English*]

Ms. Lindsay Gwyer: I'll start with the point on double deductions. Both deductions would, as I mentioned earlier, apply in very similar circumstances. There are restrictions on both with respect to what can be deducted and with respect to what has been deducted under other provisions of the Income Tax Act, so the same expense would not be able to be deducted under both of the deductions.

In terms of being able to go and travel abroad, as I mentioned there's no restriction in Bill C-241 as to where the workplace needs to be located. Bill C-19, the existing law, does require that the work location be in Canada. That's there to address the issue of someone going to work in another country and claiming the deduction.

Then on the last point, the existing law sets out specifically what travel expenses would be acceptable: the travel expenses relating to one round trip, so costs of a flight or of gas or of whatever means by which the commuting is done; the cost of meals incurred on that round trip; and then, potentially, temporary lodging if the person maintains their existing lodging in their ordinary place of residence.

Those are the ways those concerns are addressed through the deduction that was passed in Bill C-19.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you very much.

[*English*]

The Chair: Thank you, MP Ste-Marie.

Now for our final questioner, we're back to NDP MP Daniel Blaikie.

Mr. Daniel Blaikie: Thank you very much.

I just want to continue on down the table here.

When we talk about the distance calculation under the two laws, there are some additional conditions for what's currently in the statute, including relocation to a temporary work location, being away from your ordinary residence for at least 36 hours and residence at a temporary lodging.

Again, I'm thinking about somebody who's working on a project in Portage la Prairie, say, who is commuting daily out of Winnipeg. They're travelling over 120 or even over 150 kilometres from their home in order to do a job. The Roquette pea plant was a big job in the Portage la Prairie area for a while. I know a number of guys who were working on that job for a couple of years. Under Bill C-241, they would have been allowed to deduct those expenses to travel to that site, but under the current statute they would not because they would not be away from their home for 36 hours and they're not residing in temporary lodging? Is that a fair characterization of the difference between the two proposals?

Mr. Mark Maxson: That's right. The existing deduction does not allow daily commuting expenses on the basis that those are considered a personal expense for all employees regardless of their industry.

Mr. Daniel Blaikie: Another characteristic in the table here is the nature of the eligible expenses. Under the current provision, eligible temporary relocation expenses include—I think these were mentioned—transportation expenses of one round trip, meals during the round trip and temporary lodging, and under Bill C-241 it is expenses incurred for travelling to and from the job site.

Again, what would be the practical difference? Is it that under Bill C-241 you could have a job that's relatively far from home but still within commuting range and you could deduct some of those expenses?

Mr. Mark Maxson: That's one difference. There's a question in my mind. It would again be up to CRA to interpret what travel expenses to and from the work site means. It's not entirely clear to me whether that would include lodging if they did choose to stay overnight. That would be something CRA would have to provide guidance on, I think.

Mr. Daniel Blaikie: Okay.

If I was self-employed, it was my own business and I was travelling to a job in Portage, would I be able to claim gas, mileage and meals even if I'm returning to my principal residence at the end of the day?

Mr. Mark Maxson: If it was daily commuting, it would not be deductible. If it was just a one-off job you were doing for the day...

Maybe Lindsay can jump in. She's more familiar with the business side—

Mr. Daniel Blaikie: If it's my company, and I'm hired to do a job out in Portage la Prairie, and the job is going to last for two months, say, is there a threshold in the current income tax law at which point that becomes a regular commute as opposed to a temporary job? Every job in construction is temporary. You're always working yourself out of a job. There is no permanent construction job. That's a maintenance job. As long as you're doing construction, it's a temporary job.

• (1820)

Ms. Lindsay Gwyer: The general rule is that, if it's a personal expense, it's not deductible, even if you're carrying on a business. That's interpreted to mean that, if you're commuting to and from work, then any of those expenses are not deductible. If you're working at different places every couple of months, I don't know exactly where the CRA draws that line, but the general rule is that travel between work and home is not deductible for business purposes as well as employment purposes.

The Chair: Thank you, MP Blaikie.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

The Chair: I want to thank the witnesses—

Mr. Philip Lawrence: Mr. Chair, I have a point of order before you excuse the witnesses.

You put in committee business at the end without giving us notice. I believe you need unanimous consent to do that. I think these witnesses are doing a fantastic job, so I would like the remainder—

The Chair: It is not necessary, MP Lawrence.

To the witnesses, thank you for your testimony and thank you for the many technical questions you answered today. I think members asked about definitions. If you could bring that and some of the other information members require back to our committee, that would be terrific.

We will now allow our witnesses to exit. Again, we thank them very much.

Members, we are going to have a quick discussion—I see that MP Beech's hand is up—but I first want to inform you that we have worked with the Governor of the Bank of Canada on scheduling. I'm happy to let everybody know that the governor will be available to come before us on November 23 for a meeting here.

As I said, we will now carve out a little bit of time here for future business.

MP Beech, your hand is hand up.

Mr. Terry Beech (Burnaby North—Seymour, Lib.): Thank you, Mr. Chair.

I have a motion that I gave to the clerk, who should feel free to distribute it. I have also provided this motion to all parties. We've had discussions over the last 24 hours. I'll read it now—

Mr. Philip Lawrence: Mr. Chair, I don't believe we had two days' notice, as required, so that's out of order.

Mr. Terry Beech: I think we're in committee business.

The Chair: MP Lawrence, you are right about the two days, but we are in committee business and we can discuss committee business. MP Beech can—

Mr. Philip Lawrence: I'm sorry. On a point of order, Mr. Chair, at any point the Liberal chair can call committee business and put in any motion he wants. That doesn't sound correct. I don't think that's consistent with Bosc and Gagnon.

The Chair: MP Lawrence, it can be any chair, and any member may bring forward any motion and any business that they would like.

At this time, MP Beech has the floor.

Mr. Terry Beech: Thank you, Mr. Chair.

I'll read that motion, as follows:

That the Chair schedule meetings to initiate a pre-study on the Act to implement certain provisions of the fall Economic Statement and that the first meeting take place on Monday, November 14, 2022, should legislation be presented in the House by that time and, that the Deputy Prime Minister and Minister of Finance be invited to appear with her officials on the bill; and that all evidence gathered as part of the pre-study be considered as evidence in the committee's full study of the bill.

Mr. Chair, this motion is very similar to what we did with the budget. It's just to make sure we can get to the important business of the fall economic statement when it lands.

There have been discussions. I think we're all aware of where those discussions are. I think we can all agree that very shortly we're going to see where this is heading. If it's getting to a point where the Conservatives have to hold the floor, I'm more than willing to suspend in committee business and try to resolve this amicably over the next couple of days.

With that, I'll cede the floor.

The Chair: Thank you, MP Beech.

I have MP Lawrence and then MP Morantz.

Mr. Philip Lawrence: Thank you.

I would thank the member for his good-faith discussions with me off committee time here, but I think we do need additional time. I would agree with the member's offer to suspend and come back on Monday, when we can further discuss this motion.

• (1825)

The Chair: Thank you, MP Lawrence.

MP Morantz.

Mr. Marty Morantz: I'll cede my time.

The Chair: Okay.

We're trying to get some clarification on whether—

Mr. Terry Beech: I'm happy to clarify, Mr. Chair.

The Chair: —to suspend and then you can have your discussions.

Mr. Terry Beech: Where this currently stands, just to open the kimono to everybody who might be watching this, is that there's some procedural stuff that's involved, and some of my members might even be confused.

Thank you for your advice too, Daniel.

Basically what is happening is that there is a disagreement. I put this motion on the floor. Certainly the government wants to proceed

with the FES. Because, I believe, we have the support of a majority of members around around the table, the only way the Conservatives would be able to stop us from moving forward using this method would be to filibuster at this committee.

I am trying to respect everyone's time and all members of Parliament so that we don't have to go through that show. We can simply suspend with things the way they are, with the Conservatives holding the floor, and we can go have some chats.

The Chair: Is everyone in agreement?

Mr. Terry Beech: It's probably a unanimous consent thing, I would imagine.

The Chair: I've heard the members loud and clear. We will suspend.

[*The meeting was suspended at 6:27 p.m., Wednesday, November 2*]

[*The meeting resumed at 3:32 p.m., Monday, November 14*]

• (30330)

The Chair: I call this meeting to order.

This is the continuation of meeting number 66 of the House of Commons Standing Committee on Finance. The committee is meeting today to discuss future business.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike and please mute yourself when you're not speaking.

For interpretation for those on Zoom, you have the choice at the bottom of your screen of either the floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I'll remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best as we can. We appreciate your patience and understanding in this regard.

When we suspended, Parliamentary Secretary Beech had the floor and his hand is now raised.

Mr. Beech.

Mr. Terry Beech: Thank you, Mr. Chair.

Hello, members. It's great to see everyone.

I thought it would be good for us to recap where we currently are, given where we left off in our last session.

We were disagreeing on the path forward for future business of the committee. The Conservatives had advised us that they were willing to filibuster to prevent the study of the fall economic statement. We decided to suspend so that further conversations could take place over the constituency week.

I'm not going to get into the details of those conversations out of respect for the confidence of all of my fellow professionals around this table, but I do think it would be valuable and probably productive if I could highlight where I think we fell short on our side. I don't actually think we're that far apart.

The biggest thing for us is not receiving certainty in being able to study the fall economic statement in a timely manner to make sure that its measures can be implemented to benefit Canadians. Those are measures like permanently eliminating interest on student loans and implementing the recovery dividend. Other measures are in there; I'm not going to go through all of them, but generically they are about growing the economy, making life more affordable and trying to keep our country on a viable and responsible fiscal track.

If we can find a way to close this gap—I think there is still a way—we can meet the needs of all negotiating partners at the table. I am somewhat saddened that we weren't able to do it over the constituency week, but maybe I can put on my “Adam Chambers socks” and find a path here in the room.

I would reiterate to my friends across the way that I have a track record, whether it be with the member for Carleton, the member for Abbotsford, the member from Central Okanagan—Similkameen—Nicola—I hope I got that right; apologies to Mr. Albas if I got that wrong—and of course the member for Calgary Forest Lawn. I think we can still find a path and I am confident that we can find it today.

It might not be the exact way that negotiating members would be happy with, but if we zoom out and think about the working of this committee between now and Christmas, I think there's still an opportunity for a merry Christmas for everyone. That is my hope for what we can accomplish today.

Thank you, Mr. Chair.

● (30335)

The Chair: Thank you, Parliamentary Secretary Beech.

I did start a list here. We have MP Baker up next. Then it is MP Dzerowicz, MP Lawrence and then MP Morantz after that.

MP Baker.

Mr. Yvan Baker: Thank you, Mr. Chair.

It's good to see members after the constituency week. I hope everyone had a good constituency week in their ridings.

I think this is a really important issue that we're debating right now. I think, as we're all aware, there are a number of important components in this bill with a number of important deliverables for folks. I think it's important that they be delivered to folks in a timely way.

I'm thinking of things like the permanent elimination of student loans. I'm thinking about a range of home affordability measures—for example, the creation of a new tax-free first home savings ac-

count, a doubling of the first-time home buyers' tax credit, and ensuring that property flippers pay their fair share. These are the kinds of things I hear about all the time, especially the property-flipping, from folks in my community.

Another piece that I think is important is enhancing the Canada workers benefit to ensure that payments are delivered quarterly for low and medium-income Canadians. I think there are a lot of people around this table who are really concerned about the inflation that Canadians are struggling with and the cost of living, especially for the low and medium-income Canadians. This is an example of something that I think is really important.

I think that, in light of what's happening with the rising cost of living that people are facing and in light of the measures that are in this bill and the impact these could have on folks, we have to take it upon ourselves to study this legislation in an expeditious manner. I think that's what our constituents would expect of us.

It was my hope that we would adopt the motion at our last meeting so that we could hear today from officials on Bill C-32. Unfortunately, we're not able to do that. To be frank, given that we haven't gotten to that place yet, I'm just concerned about our ability to study this in a timely manner. Ultimately, if we don't do that, then we're not going to get the supports to the people who need them in the time frame in which they need them.

I'm, therefore, proposing the following amendment: that after the words “be invited to appear with her officials on the bill”, we delete the word “and” and add the following after the words “in the committee's full study of the bill”. It would read:

and, should the bill be referred to the committee by Thursday, November 24, 2022:

a. Clause-by-clause study of the bill commence no later than Wednesday, November 30, 2022;

b. Amendments to the bill be submitted by 5:00 PM EST Thursday, November 24, 2022;

c. and that the committee immediately proceeds to this study and hear from officials from the Department of Finance.

I'm happy to circulate the language to members of the committee, but in the end, the purpose of this proposed amendment, really, is to ensure that we study this bill in an expeditious manner and deliver the help to folks who need it in an expeditious manner and on the timelines they would expect us to.

● (30340)

The Chair: Thank you, MP Baker. The clerk will distribute that amendment.

Mr. Terry Beech: Mr. Chair, I view that as a friendly amendment.

The Chair: Okay. As a friendly amendment...

I have MP Lawrence, MP Morantz and MP Blaikie.

Mr. Philip Lawrence: Thank you, Mr. Chair, and to members of the committee.

I think a little bit of process needs to be understood here. As the normal operation of the way that Parliament works, first of all, bills are debated in the House of Commons. We don't even know exactly what the bill will be before us or the form it will take. It can be amended in the House of Commons. Presupposing a prestudy beforehand I think is premature at best, and reckless is perhaps a better word for that. I think it's very much the position of our party that we want to have a full understanding of the legislation before we consider studying it.

As I said, the form of it could dramatically change. We're in a minority Parliament. Certainly, large amendments could be made. Studying it now just doesn't make any sense. I also think it's important that we look at the context this bill is being dropped into. We're at a seven-year record of disappointing economic results after disappointing economic results. In fact, I would dare say that the fiscal update could really be called the failure update.

Considering this is a document created by a Liberal government, in that document it says that we are going to have high interest rates, we're going to have continued high inflation, and it even projects potentially a recession coming forward. In the downside analysis it has two negative quarters, which is the technical definition of a recession. When we look at that and we look at the track record, quite frankly, of this government of not being transparent and not being open with Canada, I don't think it necessitates a filibuster but rather a discussion of the issues given the lack of transparency.

If we go through the failures of this government to be transparent, whether we start with the Aga Khan, when the Prime Minister took an illegal vacation.... He was actually found guilty by the Ethics Commissioner of illegally accepting a vacation. Then we continue on to this story of lack of transparency in a government that was supposed to be open to a fault. We go on and we look at the SNC-Lavalin affair, where we saw an Attorney General, a Minister of Justice, who by her own words felt pressure to interfere in an investigation. These are sacrosanct principles that this government is continuing to just wave over and push over.

You'll have to forgive me, members, Mr. Chair, if I'm going to insist on transparency and accountability. We are His Majesty's loyal opposition. Our job is not to be an audience, not to simply clap and applaud failure after failure after failure, but it is to be in opposition and we're going to insist on the principles of democracy being upheld. There's no doubt that some members on the other side, some of the Liberal members, will object to the fact that they are being held to account. It doesn't feel good, especially when you look at their tremendous record of failure.

Then we move from the SNC-Lavalin to the WE Charity scandal. This was incredible. During a time when our country was facing a crisis the government was looking to give nearly a billion dollars to an organization that had given members of the Prime Minister's family hundreds of thousands of dollars. Once again, I'm sure that this government would have loved to have just passed that legislation through and for the opposition just to be an audience and we would have just all looked the other way on this organization with its troubled history and its funding of the Trudeau family. They would have loved for us just to not do what we're supposed to do and not do our proper due diligence as members of Parliament,

which of course, includes doing the appropriate studies at the appropriate times.

A prestudy is by no means the regular way this House operates. I, myself, have a private member's bill that just completed the second voting. We'll have our second hour of debate. We'll have our vote on Wednesday. But I don't get to have that debated at the foreign affairs committee until it's been dutifully passed, which is the way this is meant to operate.

● (30345)

As I said, there can be amendments in the House, and that debate can also inform the committee as it goes forward, so simply looking the other way is not how Conservatives want to operate. We want to properly investigate and have a proper debate. Let's look at the track record. Quite frankly, this Liberal government has not earned our trust. They continue to let Canadians down, whether we look at SNC-Lavalin, the WE scandal or the Aga Khan, and now we understand that the Prime Minister had a \$6,000 hotel room—a \$6,000 hotel room—at a time when Canadians are struggling just to get by.

Quite frankly, when we look at what's in a lot of this fall economic update, this isn't what the folks in my riding are asking for: the single moms who are having struggles just to get by, or the farmers who perhaps are facing restrictions on key ingredients of what they need to make their farms work, whether it be fertilizer.... On what they are looking for when they come to me, they don't talk to me about a 2% tax on share buybacks. That's not what they come to me to talk about.

Even students, who I'm sure would.... Interest on student loans is an issue, but that's not what they're coming to talk to me about. What they're coming to talk to me about is that unlike every other generation that preceded them, they can't afford a house. There are so many folks living in their basements, there are students going to food banks and there are larger economic issues. The reality is that unless we get the inflation beast under control, whatever good this government may attempt to do will simply be eroded or eliminated by inflation.

Let's look at the impact inflation is having on Canadians, on middle-income Canadians. This government came to office pledging to do everything they could do for the middle class and those attempting to join the middle class, and all that the middle class has seen over these past seven years is their economic ability, their economic strength, eroded, corroded, reduced and even eliminated. For the average Canadian, when we look at an inflation rate, whether it be 6%, 7% or 8%, that's eroding their purchasing power. If you're earning \$60,000 a year, you are losing thousands of dollars at 8%, thousands of dollars for buying what you need. That's on top of the fact that taxes already take more from a Canadian than food, shelter and transportation combined.

The NDP love to talk about greed, but they fail to mention government greed, and the government actually has seen higher revenues during this inflation period. They've seen bigger increases in revenue than Loblaw's or any oil company. It is government greed, but we don't hear about that. Even with these massive amounts of inflation taxes that are coming in to fill the coffers, this government wants more. They need more. Government greed is insatiable.

In this fall economic statement, they're actually going to increase spending by \$6 billion—\$6 billion in just this year—and on top of that, depending on how you calculate it, over the next five years there may be an addition \$23 billion to \$53 billion. The formula that's brought us high inflation, high interest rates and low economic growth is tax-and-spend government. What does this fall economic statement propose? It's more tax-and-spend government. The definition of insanity is doing the same thing over and over again and expecting different results, yet that is a path that this government has chosen to continue on.

Given the fact that we are now in the seventh year of economic failure, on the litany-of-failure statement that came out this fall, yes, perhaps we do want to pause and actually study it, do our jobs and go by the appropriate process, which is to have it debated in the House. Hopefully, we also want to have a debate that is both engaging while civil, that calls out different provisions that perhaps can improve this document.

• (30350)

I myself was in the House on the initial introduction and heard many interesting comments. Even though the NDP have sworn their allegiance, of course, if you listen to their speeches, you would never know that. There were some quite brutal critiques of the fall economic statement by the NDP, despite the fact that they are going to vote for it.

I think they know, as we certainly recognize, that people are suffering. It's a real affordability crisis. When I go to my local grocery store or I stop at a local cattle auction or I go down the street to the local Tim Hortons, or even just listening to the radio as I drive in to Ottawa, I do not hear people clamouring for the capitalization of our corporations that will come from a 2% tax on share buybacks.

I do hear people struggling to pay for their Disney+ subscriptions. However, the deputy leader says they should simply cancel that. The deputy leader must not have been around children and seen the benefit of a Disney+ video and the challenges of parents going through COVID-19 and beyond.

When we look at the fall economic statement, we have that.... We just don't have many measures that will impact Canadians going forward in addressing the affordability crisis.

A couple of things that would be extremely helpful would be a reduction, a pause, or even elimination of the carbon tax. The carbon tax, of course, raises the cost of everything. This is by design. This is why the Liberals can't back off from this ledge that they're on. It's their sort of principle policy, what they have accomplished in seven years. It's that, and maybe the legalization of pot. Those are the two things that they can point to.

The fact is, the carbon tax is having a dramatic point.

We all agree, and I'm on the record many, many times—despite people spreading misinformation about us otherwise—that I believe that climate change is real and it is a real threat. What I don't believe, and what the commissioner of the environment said at public accounts when I was there, is that it has had an impact on achieving our emission targets. In fact, we have not hit one target amendment, right? We can't simply tax our way to economic growth, and we can't simply tax our way out of climate change. It just doesn't work that way.

The carbon tax is designed to incent people to have behaviours that reduce their carbon input, but the reality is that some of these behaviours can't be changed. The government likes to demonize polluters. The way this carbon tax works is that they don't attack the big corporations, they attack the little guys. They attack the single moms trying to get their kids to school. They attack the farmers trying to grow their fields. They attack all of the hard-working Canadians who are just trying to do their jobs.

Quite frankly, for someone earning \$30,000 a year, buying a \$100,000 Tesla, like some of the members of Parliament I've seen do drive around, is not an option for them. Today's equivalent of "Let them eat cake" is "Let them buy an electric car." It is simply not affordable for many Canadians.

Even if you were a diehard believer in the carbon tax and that the carbon tax will get us to where we want, a little bit of acknowledgement, a little less of being tone deaf to where we are in the economy, a little bit of pragmatism, a little step away from ideology would say, "Okay, gas prices are already going through the roof, so the idea behind the carbon tax is to send a price signal to buy other things."

Well, you know what? The market has already done that. This government's failure to make use of our national oil and gas resources has already done that. We don't need to add insult to injury. The price signal is high enough. Ask any of my constituents. At \$2 a litre, that point signal has gotten across....

• (30355)

Maybe we moderate it a bit and say, okay, let's give a pause—just a pause—and once prices go down, we need to keep that price signal up. We need to make sure that gas, groceries and home heating continue to stay high, because that is evidently the objective of the Liberal government, but right now, it's already high enough. Let's give Canadians a break on that price signal that is driving Canadians to literally not be able to eat this winter and not be able to heat their homes.

Many Canadians heat with oil. I'm sure many Canadians would love to install a geothermal heat pump, but that costs tens of thousands of dollars. Someone earning \$60,000 or \$70,000 a year knows that half of that is going to the government, and then they're paying their mortgage and the interest rates have just gone up. They don't have money to get to the end of the month, much less embark on investing in a home renovation that can cost, I believe, \$40,000 or \$50,000 to get geothermal or to invest in solar panels on their house to help them to heat their homes that way. They simply do not have the money.

Canadians can only give so much money to these Liberals. They keep asking for more and more and more. They are absolutely relentless in their insatiable demand and need for money. The greed is palpable.

Another way they could have given Canadians a break in the fall economic statement would have been to reduce the payroll tax. One of the bits of misinformation that unfortunately floats around out there is that, somehow, by reducing the payroll taxes, EI benefits or the CPP will be reduced. That's not true. The reality is that they're overfunded, and a portion of them is already going to general coffers, which is going to feed Liberal greed.

On the Liberal greed and the fever for more and more money, what we've seen is payroll taxes increase year after year. In fact, over the seven years, someone earning the massive amount of \$65,000 a year has seen a payroll increase of \$750.

Overall, I'm troubled by this government's belief that the money should go to Ottawa and then come back to Canadians. Whether it is through their planned carbon tax rebate for farmers or their various other rebate programs, step one is always having that money come to Ottawa. What we saw back in the Martin days was that they honestly believed that if Canadians were given control of their own money, they'd spend it on beer and popcorn, and we've seen it again with the deputy leader. This is the latest incarnation of it with Disney+.

The reality is I would trust any one of my constituents over anyone in Ottawa to spend their money. People in my riding and Canadians across this land are more than capable of handling and spending their own money. They don't need it to go to Ottawa.

Do you know what happens sometimes, Mr. Chair? You wouldn't believe this. Money comes to Ottawa and it stays here. It doesn't go back out to the people.

We have heard Liberal after Liberal saying to Canadians that the carbon tax is revenue-neutral. That is simply not true. Ten per cent of it stays with government. Even the 90% is very unbalanced in where it goes out, so in my riding of Northumberland—Peterborough South, the people in Cobourg and Port Hope, and even more so the people in Cramahe, Campbellford and Brighton don't have access to the public transport that many individuals in many other ridings would have.

Quite frankly, they have no other option, so that price signal that's meant to drive them to find a less carbon-intensive alternative has the opposite impact on them, because they are already struggling to get by. While an electric vehicle might have been possible for them if they had saved all their pennies, continued to work hard

and made great decisions, the government is taking an extra \$750 in payroll on someone making just \$65,000 a year. The government is taking the carbon tax and tripling it. The tax rates are unbelievable.

We're also facing a labour shortage. What's this government's response? "Well, we're going to disincentivize work."

• (30400)

If we have senior who is receiving GIS, they're going to face a dollar-for-dollar clawback on their GIS on top of that. Once they earn the huge amount of \$14,000, they are going to start paying income tax. In addition to that, they're paying GST. Granted, they'll get some of that back in the rebate. They'll pay property tax, provincial sales tax and provincial income tax. You'll say, "Well, that's not federal." That's not the way most Canadians see it. They see the government as one entity, and the government continues to take more and more. I'll say this part: At least in my province, Ontario, the Ford government has been willing to reduce or pause the gas tax. If you won't reduce or even pause the carbon tax....

How about we do this? Why don't we do what the two largest opposition parties—the NDP and Conservative Party—have been calling for, and eliminate the GST? Let's eliminate the GST on gasoline and home heating oil. The GST is driving up the cost of home heating and fuel. Unlike the carbon tax—as my NDP colleagues will point out—it affects people from coast to coast to coast. Remove the HST, at least on a temporary basis. You could reduce that.

Do you know there's no other country in the G7 that hasn't reduced fuel taxes in some way? We are the only outlier out there. Like I said, government revenues overfloweth, because of inflation. They are literally taking money. Do you know where that money comes from? The wealthy in our society have seen their million-dollar houses go up in worth to \$2 million. In some cases, they've seen their stocks appreciate in value. Now, even that's coming down.

Who's really hurting are the people who are the most vulnerable in our community: seniors on fixed incomes and those at the lower end of the economic spectrum. If, in fact, you're earning \$200,000 a year and see your costs go up by 10%, it's not a good thing, but you still get to eat. If you're earning \$30,000 a year and see your costs of living go up by 10%, that very well means you're watering down your children's milk and going to the food bank. In one month alone, in Canada, we saw 1.5 million Canadians go to the food bank. That's a staggering number. A third of those were children. That's 500,000 children. In one month, 500,000 children went to food banks.

It's the inflation. That's the elephant in the room the fall economic statement fails to address. In fact, their projection has it magically decreasing to 3.5%. There's no rhyme, reason or explanation for why it reduces, other than it makes their numbers look better. What if inflation continues to increase? That, combined with two-quarters of economic decline—which it actually calls for, on the downside—is something called “stagflation”.

Do you know when we last had stagflation? It was when Pierre Elliott Trudeau was the prime minister. He brought this up. He and Jimmy Carter created this term. They created these left-leaning policies. They lead to the same thing, over and over again. You cannot tax and spend yourself to prosperity. It just doesn't work that way. In fact, the great Winston Churchill referred to taxing yourself into prosperity like stepping in a bucket, grabbing the handle, and trying to pull yourself up by the bucket. It just doesn't work that way.

What else would we like to have seen in the fall economic statement? They're projecting—like I said—a potential recession. You would expect something in there to encourage economic growth. I continue not to see anything that inspires economic growth. Economic growth is the magic elixir that will heal many economic problems. When we have strong economic growth, we are able to cover many of our other economic issues and challenges.

You would expect, if the government is saying, “Caution, guys—red and yellow lights ahead; we have a potential recession coming,” which, in their downside projection, they predict....

• (30405)

Interestingly, on their normal projection or the projection of what they would have expected, they have one quarter in negative and one quarter at 0.0. It's almost as if they were hedging their homework a little bit, Mr. Chair. In their main projection they didn't call for a recession. It's funny. It wasn't 0.1. It wasn't minus 0.1. It wasn't minus 0.2. It was zero. It's the lowest you could possibly get on a projection without projecting a recession, which is a little bit interesting.

Getting back to my point with respect to economic growth, if in fact the statement and the projections are correct—and many private-sector economists have said much the same, which is that we can expect an economic slowdown, if not a full-on recession—you would expect to see economic growth.

From our side of the table, what you might expect would be some targeted tax cuts—some targeted tax relief—to inspire business owners to take risks and to invest in the economy to buffer this result. It's the Keynesian philosophy. If you know you're coming into a recession, you reduce taxes.

My friends to the left of me would no doubt call for greater spending to buffer against this future economic slowdown. We didn't really see any of this. It was such a strange contradiction to hear the NDP speeches on this. They were condemning it and saying that it's terrible and then came out immediately saying they're going to vote for it. It just was such an odd contradiction. I'm sure their caucus meetings are pretty interesting, given the fact that there's such a dissonance between their voting and their comments, both public and otherwise.

Maybe one thing we could work on in this committee, if the NDP is serious about it, would be pausing the GST on fuel and home heating. Perhaps if they were serious about helping Canadians, they would join us in doing that.

As I've said—and I'll continue to talk about it for as long as I have to—the reality is that Conservatives will stand up for the principles of democracy, accountability and transparency. We simply won't rubber-stamp legislation because of this government.

We would do this regardless because my obligation is not to any member of this committee, not to the Liberal government and not even to my party. It's to Canadians. Canadians—the people of Northumberland—Peterborough South—sent me here not just to rubber-stamp legislation, but to do my job, follow the parliamentary procedure and make sure we have a hearing and a discussion.

These are billions of dollars. To come out and say that on November 30 we're going forward no matter what is not how democracy works. Maybe in some governments in this world that would pass muster, but not here in Canada and not with the Conservatives as the official opposition. We'll continue to hold this Liberal government to account.

With that, I'll take a brief respite from my remarks here.

The Chair: Thank you, MP Lawrence.

I now have MP Morantz, MP Blaikie and then MP Dzerowicz.

• (30410)

Mr. Marty Morantz: Thank you, Mr. Chair.

When I first saw that this motion had come up for consideration, it was quite confusing. I'm part of the class of 2019, so I've spent half that time, or close to it, Zooming in, but in my understanding, from the time I have been here, legislation has a process that it follows. It gets introduced, it gets debated in the House and then it gets voted on to go to committee.

Now, I guess the trouble I'm having with this motion is the fact that we have not, in the House, voted to send this Bill C-32 to committee, so I'm not quite sure why we're having this motion. In fact, it is somewhat offensive in this sense. Canadians have voted in two elections, one in 2019 and the unnecessary election in 2021, which both brought forward minority Parliaments. They voted—both those elections cost hundreds of millions of dollars—and they sent us here to consider legislation.

I think they would have a lot of trouble understanding why this committee would presuppose that Bill C-32 would actually pass in the House. I think that's the underlying message of this motion. You're asking the committee to study something which is not been sent to committee by the House.

I find it quite unusual. It's not following proper process to try to bring this motion to committee before a vote has been taken place.

I want to give a real-life example of this. Many of you are familiar with my private member's bill, Bill C-256. Many of the Liberals are. I spoke to many of them about Bill C-256. Some of them are here today in this committee meeting.

Bill C-256 was what was called the "supporting Canadian charities act" and was designed to build on existing law that would give a waiver of the capital gains tax to private shares and real estate similar to what currently goes on with publicly traded securities. Now, for example, if you want to make a contribution of your publicly traded stock to, in the Winnipeg context, say, the Canadian Museum for Human Rights, you can do that, and you'll get a tax receipt for the full amount of the contribution and you'll get a waiver of our capital gains tax. That's been the law of the land for over 20 years. My bill wanted to expand that to the sale proceeds of private shares and real estate.

Now, the reason I'm bringing it up is that I went through all the proper processes. I had the bill drafted, I introduced it into the House, we had our first hour of debate and we had our second hour of debate. I spent months talking to colleagues and all parties of this House, from the Green Party to the NDP to the Bloc, to the Liberals, in trying to gather support for this bill.

I did all the things that we are supposed to do as legislators to bring my legislation forward. Then, after the second hour of debate, it was brought up for a vote. This is not sour grapes, this is fair enough, and I accept the will of Parliament, but Parliament did not vote to send Bill C-256 to committee. In fact, it would have come to this committee had it passed.

Looking back on it now, if this is the way things are to be, the next time I bring up a private member's bill, I'm going to bring a motion to the finance committee every time, and I would encourage every member to do that. Just bring a motion and have it considered by committee before the House even votes on it. Why bother with inconveniences like a vote in the House of Commons? Let's just skip that step altogether, bring it to committee and consider it here.

What would have happened, I wonder, if I had done that and this committee had agreed to hear Bill C-256 before the vote in the House? What if we had agreed to have a study about it and we had spent weeks doing clause-by-clause, hearing from witnesses from the various charities across the country, hearing from tax accountants who could give us advice on the bill and hearing from the public service, who could give us advice on the bill? What if we had done that in advance of the vote in the House?

You know what would have happened, Mr. Chair. We would have wasted a pile of time.

• (30415)

I don't think the underlying flaw with this motion, Mr. Beech's motion, is that it presupposes the will of Parliament. It's asking to study a piece of legislation that we have not voted on to send to committee, and that is a fundamental flaw.

Now, I do want to talk a little bit about some of my experience on this committee. Some of you may remember that I was on this committee in my first year here, and then I went over to the foreign affairs committee. The year I was there, we were able to talk to the

governors of the bank. The outgoing governor, Mr. Poloz, was here, and the incoming governor, Mr. Macklem, was here. This was in May and June of 2020. I had rounds with both of them. The funny thing is that I look back on those rounds quite often now because they are very interesting.

The round with Governor Poloz went something like this. Don't you think that this program of quantitative easing that you're engaged in of increasing the money supply might trigger inflation, and that inflation might trigger an increase in interest rates? I gave him historical examples, for example, what happened in the Weimar Republic after World War I, when the Government of Germany started printing money in order to fund war reparations and hyperinflation took hold, in fact, and people were literally going to the markets with wheelbarrows full of cash, not knowing how much things were going cost.

Do you know what Mr. Poloz's response was to whether it would cause inflation or interest rate hikes? He said no, that we were in such a deep hole that parliamentarians should be concerned about deflation, that it would be the worst thing that could happen. He said that we were not going to have inflation and that interest rates, if they went up one day, would be a nice problem to have.

You guys go back and listen to that tape. That's exactly what he said. It's a very interesting conversation.

Do you know what? A month later, Governor Macklem came, and I asked him the same thing. I asked if this program of quantitative easing that he was embarking on was going to have some effect, that increasing the money supply from \$1.8 trillion to \$2.3 trillion, almost 25%, might have an effect on the cost of goods in our economy. Well, do you know what he said? He said no and that we were in such a deep hole that they were not worried about inflation, that it wasn't going to happen and that they were not worried about interest rates going up. He said that, if interest rates went up, and maybe they would, that would be a good problem to have.

These guys both said that.

Fast-forward to today, when interest rates have gone up from the basis point of a 0.25% overnight rate to 3.75% in about six months. People's mortgage payments have quadrupled on top of the tripling of the carbon tax. People's mortgage payments are literally quadrupling almost overnight.

Now fast-forward to today. What are these same folks saying? We have Mark Carney saying that he thinks that Bank of Canada went too far and that they should have curtailed its quantitative easing program sooner. We have Deputy Governor Beaudry, who is at the bank as we speak, saying similar things. Even Governor Macklem is saying these things now. It is quite concerning that this has all gone on.

I'll just add one other thing. I want to talk about Prime Minister Paul Martin for a second. Before Paul Martin was prime minister, when he was finance minister in 1995, he brought down what was the most draconian budget in the history of this country. If you aren't familiar with it, I would urge you to go back and read about it. What he did was he cut transfer payments. He cut transfers to provinces for health and education. Can you imagine a government today trying to do that? He did it. Why did he do it? That's a rhetorical question, because I have the floor, so please don't answer it.

Why did he do it? Why did he cut transfers to the provinces? Did he just wake up one morning and think that this would be a good idea, that maybe we would balance the budget a little more quickly? Did he do it because he wanted to? Well, no. We know he didn't do it because he wanted to; he did it because he was forced to.

• (30420)

Why was he forced to? It's because big government spending had forced up interest rates in the 1990s to 6% or 7%, debt service had become a massive proportion—does any of this sound familiar?

Don't answer that. It's a rhetorical question, as well.

Government deficits, debts, had grown, interest rates had gone up and debt servicing was a massive part of the government's financial obligations, just like it's becoming now. The conservative estimate, which I think comes out of the fall economic update, is that next year the debt service will be \$40 billion, up from \$23 billion, almost doubled and almost as much as the health transfer.

But that's not exactly why he did it. Do you know why he did it? He was forced to. He was forced to because the bond rating agencies downgraded Canada. The Wall Street Journal or the Washington Post—one of those papers—called Canada an economic basket case on the verge of being third world status, which was the terminology they used back in that day.

Paul Martin didn't do it because he wanted to, because it made him happy to do it, he did it because he was forced to. I worry a lot—and I've talked about this before in my speeches in the House—that we are heading down a similar path. I cautioned about it in the past because I lived through the years of high interest rates.

Mr. Chair, I'm going to go off topic just for a second if you'll bear with me. When I bought my first place back in 1989 in Winnipeg—it was a condo in Osborne Village—it cost \$86,000. I had a \$75,000 mortgage with TD Bank. Do you know what my interest rate was? It was 12.75%. It was a first mortgage. That was a good rate. That was a very good rate to get. I was lucky to get it.

We are heading down a very dangerous path and this statement does the two things that are going to make it even worse. It's just bad medicine. It's bad medicine for the economy. What are those two things? They're increasing spending by at least \$20 billion over the next five years, and they're increasing taxes. They're increasing taxes on Canadians through the paycheck taxes.

My pet peeve is the excise tax. They actually want to charge more—6% or 7% more—for a beer. That's sacrilege in Canada. Leave the beer alone. Let people have their beer. That's what they want to do. They think that's the solution.

Now they want to tax share buybacks. What I find interesting about that is that when they brought in the TOSI rules one of the things they changed was they said, if you're going to keep income in your company that you're not using for business purposes—what they called passive income—we're going to increase the tax rate to your nominal tax rate, and essentially what you would pay if it was considered to be personal income. The interest that you earned, or the dividends you earned, on the passive income inside a company, that was going to be taxed at a higher rate.

Why did they do that? It's because they wanted that money out of the company and in the economy doing something. That was the tax policy reason for it and so business people all over the country started to shed their passive investments and remove them from their company so that they could reduce the tax burden that the government had suddenly imposed on them. I say suddenly because that's exactly what happened. There was no consultation around that at all.

Now, fast forward to three years later and they bring in a policy, ironically, that's designed to do the exact opposite when it comes to publicly traded companies. The purpose of a 2% tax on the share buybacks is to force companies to keep their passive income inside their companies. Companies, whether they're privately held or publicly held, are not being treated the same.

You're saying to privately held Canadian corporations, no, you can't have passive income in your company. You're going to pay a penalty for that. They say to publicly traded companies, no, you've got to keep that money in your company because you might need it to expand your operations.

• (30425)

Government shouldn't be telling publicly traded companies what they need to spend their money on. That is an intrusion of the state that should never, ever happen. These companies should be able to decide on their own whether they need that capital in their company or not, but that's a whole other story.

So I am disappointed. That would be a kind word to express my feelings about this fall economic update, but, more than that, about the underlying procedural unfairness of this motion to presuppose the will of the House, to assume that the NDP is actually going to vote with the government when it comes up for a vote at second reading.

They haven't stood up and done that yet. They might not. Maybe some of them will finally see the light and realize the error of their ways, see how they've gone down the wrong path with this government. The fact of the matter is that we don't know. This motion assumes that this is in fact the case, and that's just wrong. It's wrong, but if this motion actually passes, I'm going to be doing this all the time. I'm going to bring motions on my private member's bill. I think we should all consider bringing motions on bills we're interested in to have pre-studies on them before they pass the House. Why not?

We're doing it here. I guess things have changed around here.

So with that, I am very, very concerned about this change in process, which I think can have only a deleterious effect on how we consider...by the way it also presupposes that when we're debating a bill in the House, it doesn't matter. I hear that all too often about time allocation. Time after time after time, the government cuts off debate in the House. "Those MPs—they couldn't possibly have anything useful to say. Let's get it to committee where there can be a real discussion about it." It doesn't matter. Why are we spending billions and billions and billions of dollars on this place? Why are we spending billions of dollars renovating the Centre Block when time after time after time the Liberal government basically says it doesn't matter? It doesn't matter. MPs don't need to speak in the House on this. Let's send it to committee before it even passes, before you even know what the will of elected officials is. Let's send it to committee before the votes even happen. That's just not right.

So with that, I think I have made my point. I'm going to cede my time and the floor at this point, Mr. Chair, but I would ask to be put back on the speaking list just because I may have other important revelations that will be of the utmost importance for consideration here at this committee today.

[*Translation*]

The Chair: Thank you, Mr. Morantz.

[*English*]

Now we have MP Blaikie, MP Dzerowicz, MP Wagantall and then MP Lawrence.

Mr. Daniel Blaikie: Thank you very much for that, Mr. Chair.

I want to come back to the issue at hand, which is how the committee is going to conduct its business over the next several weeks.

However, I thought I might start just by sharing some observations about things that have been said around the table today. I note that one member in particular expressed concern about wasting time, and I'm wondering if people who are watching at home or who will consult the record at some point in the future will feel that we've done a good job of taking to heart any meaningful concern about wasting time. It was my frustration at the end of the last meeting that we didn't come up with a plan for what to do at this meeting, and it's an ongoing frustration that we're sitting around the table blowing off steam, which is not an illegitimate thing to do around Parliament Hill, but it has its time and its place. I'd rather be blowing off steam in the context of a productive study of something and not on a kind of open-ended conversation about what we're going to put on the agenda for subsequent meetings. It seems to me

that that's not the level at which we should have intractable disputes around this table.

I'll start by signalling that and saying that I'm anxious for us to come to some kind of conclusion on what the path forward is going to be for the committee because I think we'll be doing more productive work, which will include an exploration of many of the same questions that members have been exploring here today, if we're doing it in the context of a proper study. I note that some members said that the legislation isn't out of the House. That's certainly true. They say that they don't feel ready to undertake a study. I would say, given the number of comments made about the content of the fall economic statement and the legislation that's already been tabled in the House, it seems to me that members around this table are in a pretty good position to start talking about the content of the bill. In fact, they are talking about the content of the bill. My question is this: Why can't we just do that in the context of a study of the bill? Then it would actually count towards our formal study and the conclusions that we will ultimately draw, whatever they may be, about the legislation. We could be doing that, and not only could we be doing that in the context of a formal study, but we could do that with the benefit of having people at the table other than just ourselves, whether those are Department of Finance officials or whether they're stakeholders from Canadian society who have legitimate concerns about the content of the bill. I think we'd be having a better conversation if their input was part and parcel of what we are doing here today, and it could have been if we had come to some kind of agreement sooner about how we want to proceed with the study of the bill.

I accept the frustration that certain members have about the idea of a prestudy. I don't think it's a great habit, but I'll say that, in my experience around this table in this Parliament, we have often been short on time. It has often been a complaint later by the same folks who exhibit reticence to have prestudies that we don't have enough time for fulsome study.

Just so that there aren't any misconceptions, I'm talking specifically about the Conservatives here who don't let debate collapse on certain bills. Then when it comes to committee, we engage in these kinds of long, drawn-out conversations about what we're going to study or whether we're going to study it or whatever, and then there are usually certain deadlines. I would say, particularly when it comes to government legislation around a budget or a fall economic statement, there are market-moving things in those bills that are going to have real consequences. I would say in the case of this bill that we're talking about the pandemic dividend, an increase in the corporate tax rate for financial institutions and the elimination of interest on student loans. Those are things that ought to be in place for the next tax year, and there's a limited amount of time. We're beginning a five-week clock within which that legislation has to be passed or it won't be in place for the following year. Not only will it not be in place for January 1 of the following year, it also won't be in place until well into the next year because Parliament won't sit until the last Monday in January—that's when it will start up again.

So, there is a reasonable time frame there. I think that it behooves committee members to be concerned about it, and that means certain things for the passage of the bill through committee, so it make sense for us to start studying it now.

● (30430)

Here's a little procedural advice for members around the table: It's impossible to amend the content of a bill at second reading, so the concern that somehow the bill could change, not only radically but even just minutely, is unfounded. I hope members will receive that as information about the parliamentary process. There are three types of amendments that you can move at second reading. You can have a hoist amendment, you can have a reasoned amendment and you can have a motion of instruction at committee. Those are the three kinds. None of them change the content of the bill, which was previewed in the ways and means motion on the Friday following the economic statement.

Members who aren't sure where the NDP stands on that will know that we voted in favour of that ways and means motion, which contained an almost identical version of the bill. You have to get approval of the ways and means motion in order to be able to table the legislation. We voted for the ways and means motion. It contained substantially the content of the legislation. Members can expect that the legislation will find its way to this committee table, one way or the other, with the support of the NDP.

To certain members, that appears to be a contradiction. I don't think so at all. It is not a contradiction to support things that you don't think go far enough, or that don't contain things that if you had your own druthers would be in there, when you think there are other good reasons to support it. There are some things we're supporting in there. New Democrats support the share buyback. We support the pandemic dividend. In fact, that was one of the items that was in the supply and confidence agreement. We felt that it was very important that financial institutions that benefited substantially from public funds during the pandemic, something that the Conservative leader loves to talk about, should be made to pay some of that money back. That's what the pandemic dividend is about.

I have been shocked, frankly, at the silence of the Conservative leader on an initiative that is meant to take that very same public money he likes to complain about out of the pockets of financial institutions and deliver it back to Canadians. It's not so that it can go to government largesse—there are real concerns about largesse when it comes to this government—but so that it can go to fund things like the GST rebate. That had all-party support, I might add, and was something for which New Democrats were fighting for a long time. It wasn't clear when Bill C-30 was initially tabled that Conservatives would support it. They finally did, and I appreciate that. That was a good thing. But we also believe you need to have money to pay for it.

I hear Conservatives talk about government getting a lot of money and government largesse. Other times they talk about the fact that the government still has a large deficit and a huge debt. Well, where do you think paying down the deficit is going to come from if it ain't going to come from revenue?

When we're talking about things like the pandemic dividend that directly target the people who got away with more money than they should have in order to bring it back into government coffers that don't have a balanced budget, that's called tackling a problem. It's not called largesse. It's not called socialism. It's not called whatever other kinds of propagandist terms people would like to use. It's good policy. It's about actually figuring out a way to solve the problem instead of trying to complain your way into government without actually proposing any real solutions.

That's why we're willing to support this legislation. It's because we think there are things in there that will actually make a difference. We recognize that this support has to be timely in order for it to make a difference to Canadians, which is why I'm willing to put aside my normal reservations about prestudies and get on with it. I'd like to hear from other people across the country about what they think about that legislation and see if there are opportunities to make it better, with enough time to actually make it better, instead of just complaining more about how we didn't have time to make it better. That's a responsibility of members of this committee in order to be able to get on with it.

With all due respect, it's not the same as private members' bills, which are important. I support a lot of the private members' business coming to this table. But it's not as though, because we're going to engage in a prestudy for a major government bill that involves one of their two basic financial documents for the year, all of a sudden Pandora's box is going to get opened up and we should be prestudying every piece of legislation that comes through the House. It's a different kind of bill with a different kind of consequence and a different kind of timetable.

That's why I'm prepared to support a pre-study at the table. I'm also prepared to do it in a way that offers Conservatives some of what they said they want around this table, including a prompt return to the study of Bill C-241 after we have concluded this business. I do think it's important that this table takes private members' business seriously and does so in the right way. I'm happy to add that to the mix if it means we can get some agreement. I think that would be a very good thing.

I also note that the Conservatives have a motion—it may not yet be formally on notice, but it has been talked about at this table—with respect to inviting the finance minister again and the Governor of the Bank of Canada. I have expressed my willingness to support that. I think that's a good thing.

• (30435)

But this meeting is a meeting where we could have been doing some of that stuff, and I am frustrated that we're having another meeting and we're all chit-chatting about the many things we'd like to do around this table and not doing any of it.

Let's figure out how we move forward. If there's a way to include in the motion returning promptly to Bill C-241, if there is a way to have an agreement that will deal promptly with the motion that the Conservative finance critic has put forward at some point and then scheduling a time to deal with that, that's great, but let's create a package that allows us to have a plan for the next nine meetings that we have between now and Christmas so that we're actually doing work and we're getting these things done.

There is enough time for people to get enough things done that matter to them that I think we can work this out, but we're going to have to do better than we've done today, or we're going to burn another meeting on Wednesday, and all the more the shame. It will be hard to take people seriously when they're complaining about how fast things are moving and how little time they've had when we've burned up two meetings talking about how to schedule meetings. It's ridiculous.

That's where I'm at. Those are standing offers. I hope that people around the table will take me up on them and that we'll find a resolution today so that we can do real work on Wednesday, because I tell you, if I show up on Wednesday and we're doing more of this, my mood is going to continue to degenerate, and it ain't going to be fun, not for me and not for anybody else.

The Chair: Thank you, MP Blaikie.

Next is MP Dzerowicz.

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

I just want to say I agree with just about everything that Mr. Blaikie just said. I would rather be spending this meeting actually hearing from witnesses about the fall economic statement. I absolutely agree that we always have a shortage of time in the House, so we always have to really think about how we're spending our time. I want to say a huge thanks to Mr. Blaikie for putting forward his thoughts.

This isn't me trying to stroke your ego or anything; I genuinely appreciate your comments.

I'll be making a few comments as well, and if people feel that we could take a break for a few minutes and maybe try to find some sort of resolution, I would love to do that.

I'm going to start off by agreeing that we put forward a serious fall economic statement. My colleague Yvan Baker has mentioned a number of things that are included in it, whether around the student loans or additional initiatives to help Canadians to buy their first home, or paying the Canada worker benefit more frequently. I'm also a very big supporter of the two per cent tax on shared buy-backs. Our business investment in Canada is abysmal; it's about 50% of where the U.S. is at. The C.D. Howe Institute has written about this. They're literally screaming from the top of their lungs to say we have to do more to encourage business investment. Ten years of having historically low interest rates has not produced more investment and research and innovation, and it's done nothing for our wage increases across this country. The fall economic statement has proposed some good measures, and I think those deserve a hearing and a serious consideration.

Another thing that's really important for me is immigration levels. There is a section in the fall economic statement that says:

To support the processing and settlement of new permanent residents to Canada as part of the 2023-25 Immigration Levels Plan the government has committed \$1.6 billion over six years and \$315 million ongoing in new funding.

I'll tell you, we have a massive labour shortage. I know that we're all talking about the economy slowing down. This is happening not just in Canada but around the world. But I'll tell you, I was listening to a few economists and they were saying that 10 years ago we would have one in seven retirees, so seven workers for every one retiree. We are now at one retiree for every three workers. If we want to continue to have a healthy social welfare system in this country—with child care, health care, EI and pensions—we need to make sure we are replenishing our workforce, and having additional dollars for immigration is a key part of that strategy and an important segment of the fall economic statement.

I also agree with what Mr. Blaikie has said. While it's not something that I think we should get used to, my understanding is that last year at around this time, in 2021—and I was on the finance committee then—we actually did the same thing we're doing right now. We voted on the ways and means motion for the fall economic statement. We started with the pre-studies, and that was something, because at that time the Conservatives had encouraged us and said that they wanted to hear from witnesses as soon as possible, and that's exactly what we want to do right now. There is no desire to circumvent any process, to not be transparent, to do any bait and switch, or not to follow some sort of a democratic process.

We're short on time. We are very anxious to try to get as many supports out to Canadians as soon as possible. We've just given 11 million Canadians a doubling of their GST credit. We are trying to finalize—and hopefully the Senate will do it soon—the dental care benefit as well as the housing benefit. Then hopefully the fall economic statement will pass and there will be additional supports for Canadians. We know life is tough for Canadians right now, and we know they need these additional supports. These are targeted, measured, smart supports that have been suggested in the fall economic statement, and the only way we can know whether or not these are good ideas, whether this is a good plan, is if we get to the prestudies, get some witnesses in, and have them provide some feedback on this.

• (30440)

There are a lot of other things I could say about some of the unfortunate comments from the Conservatives.

The Liberals, and I would say our government in general, have supported the middle class right from when we were first elected in 2015, from implementing the Canada child benefit, to lowering the taxes on the middle class to increasing the OAS and the GIS. I could go on and on, but there have been a number of measures. The Conservatives, every single time, did not support those measures. We say it in the House of Commons all the time. We say it in question period all the time. It bears repeating for those who are listening here and who don't usually listen to question period.

I think I'll end here. I think Mr. Blaikie was mentioning that there's some openness in terms of let's get going on the fall economic statement. Then there could be some consideration around moving forward on Bill C-241, as well as moving forward on hearing from our Deputy Prime Minister and Minister of Finance and from the bank governor.

I'd also say to you that we have pre-budget consultations that I think we also have to make sure we are moving forward on. We do have another budget that's coming up in the spring. We have, I believe, around 700 people who have put in submissions. I know many have asked to sit before us, to stand before us or to speak before us, and I think it's important for us to try to make sure we find some time. That won't happen before Christmas. This is just to say that there are a lot of things fighting for our time.

I 100% agree with Mr. Blaikie, and anyone else around the table who agrees with this, that we should just get going and find a way forward.

Mr. Chair, that's the end of my comments for now.

• (30445)

The Chair: Thank you, MP Dzerowicz.

As you mentioned at the end, just to be cognizant of time—and I know MP Blaikie brought it up—we have 45 minutes, folks. That's what we have here.

I have MP Wagantall up now, and then MP Lawrence.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Thank you so much, Chair.

It's an honour to be here having this discussion with you.

I have to say that I'm coming at this today from the perspective of the long view, of how we focused on our speeches in the House today around extending hours, and then also of the concerns around committee. In serving on the Veterans Affairs standing committee, I can tell you that I'm very concerned about the time we have available to us, knowing the very serious topics that we're discussing as well.

I would like to say that I have a concern around this because, again, it is a change in procedure at a time when there's apprehension about how much time many committees are going to have to study the issues before them before we break for Christmas and then, of course, in coming into the new year, as the member has said.

I want to approach this from two perspectives.

First, as a member of Parliament, I represent Saskatchewan, and I'm very proud of that fact. I have to say what I feel and hear from my constituents. Being from a province with a million plus one hundred thousand people, you get a really good sense of what the whole province is thinking, and there's a great deal of concern around this fall economic statement. They don't have confidence in this government because of the way that things tend to get done. There's apprehension, especially around the fact that things get introduced in the House in a non-timely way and quite often end up on the back burner until all of a sudden they become a crisis situation, which, to me, is poor management.

There isn't a business.... I hear this all the time from my small and medium-sized businesses, as well as the larger corporations that are the undergirding of so many communities in the west. They say, "We would not be able to function like that and we're not allowed to function that way."

I have to say that what I hear is concern around the fact that, yes, this is a crisis situation, but why is it a crisis situation? Think outside that box of the desperation of the moment and think of why we are in the desperation of the moment. The concern is around the fact that you can spend only so much and you can borrow only so much and, at some point, you can print only so much money. That's where the apprehension is with this particular fall economic statement and with the concern that it have its due time in the House and the opportunity for Canadians to listen within the House and hear members speak to it and then move it to the committee level.

I know that while it's important to have research and to have people who are the experts, who are the professionals, there's a third pillar that should always be there, and that is the lived experience of Canadians. That lived experience seems to be ignored to a huge extent.

You may say, "Well, we're doing all of these things to help Canadians at this moment." I think that's the part they struggle with. It's at this moment and it's a great deal of money, and yet, when you spread it out, and in light of the fact that the housing support.... It's not even enough to give them a couple of weeks' sleep. People are staying awake at night. It's causing all kinds of issues within my riding, I know, in terms of people not being able to afford the things they need to for the very basic needs to meet their family's concerns, even in feeding them.

I have elderly people who heat their home with oil and who have now been told not only that the price of that is going up, but that their container is a decade old and therefore they must replace it. They said that this has come about federally. I'm going to check into that, because it's \$5,000, and they're not in a place to do that right now in light of everything. That's why we have tried so hard to convince this government that Canadians are saying, "Enough already." We need a pause. We need a break.

I will speak here not so much as a member of Parliament, but as an individual Canadian, in that when I heard "the worst inflation in 40 years", that sent a shudder through my being. I was there and experienced with my husband what it was like to suddenly go from a profitable business in its fifth year of existence to being decimated, basically decimated, by interest rates that reached 22%, with a house that we could not afford and could not sell and a family of three small children.

● (30450)

All of these dynamics are what people are beginning to experience again now, so I really feel it's important that we step back here and get the committee to do the proper study.

What I hear all the time from Canadians in my riding is, "These announcements are made, and even with the COVID program, it was out on the website, but then there was no meat to it yet." Why are we bringing this forward if there are...?

I don't have confidence that the government has said they're going to do this and then looked at the dynamics of what that will mean beyond the moment and into the longer picture. Already before COVID hit, we were in a situation where investment in our country was leaking all over the place.

I come from a province that is incredibly capable, that has all kinds of wonderful industries that are environmentally aware and conscious and doing good things. There isn't a part of our province that isn't making a difference in this country.

Of course, it's crucial that we recognize the capabilities of our country to do what government can't do, and that is to build an economy the way it needs to be built. It's doing what we need to do to assist, especially, as one member said, in regard to providing social assistance and our national defence. These are all things that are federal, but to be interfering in the way that has been done with the economic strength of our country...

I was able to sit on the industry committee the other day as they discussed a private member's bill coming forward called greening the Prairies.

I would like to invite you all to come to my province and say those words in front of anyone who works in our industries and our agriculture, because there is not a place in this nation that is more conscientious and doing more all the time to green the Prairies. These are kinds of disconnections that I am experiencing and hearing.

I think it's important, as I said, that we do things in the proper way, and that is get the discussion in the House. I'd welcome you all to come to the Prairies and find out where the wealth of this nation is.

I jest in saying sometimes that yes, the weight of a riding should be based on population, and on what they contribute to the GDP. Of course, that's never going to happen. However, we all know that if this country doesn't have what it needs to create the budgets that this government truly needs rather than to be doing band-aid solutions, which are important....

I know of people in my riding. You could compare it to the difference between making a loaf of bread themselves or having a sandwich that they have and then someone saying, "Would you like a crust as well?" Of course, you're going to take it.

Those are the circumstances, with a lot of what is in this fall economic statement, that I feel are not going to help in the long term. I want to see what we're going to do to make a difference, and I think I know what that is. I've certainly heard a couple of great speeches from my side of the floor, from a certain leader who I think is really encouraging Canadians and giving them hope.

That's all I have to say at this time. Thank you.

● (30455)

The Chair: Thank you, MP Wagantall.

I have MP Lawrence next.

Mr. Philip Lawrence: Thank you very much, Mr. Chair.

I do want to discuss further the challenges with this piece of legislation.

Before I do, I do just want to go over a bit of process. Yes, certainly a government can't amend it at second...but they can pull the legislation, which has happened numerous times since Confederation. A government pulls their legislation and reintroduces it prior to a vote. That's happened numerous times.

My apologies for any loose language there. I am fully aware of how Parliament works.

However, I would also point to the fact that it was because Parliament didn't review it as in depth as they should have that the deferred prosecution for SNC-Lavalin got through. That was a failure of Parliament.

While I certainly understand and believe that everyone has the best interests of Canadians at heart, I won't back down for one second, no matter who it irritates or angers, from doing what I believe is right for my people of Northumberland—Peterborough South. That is to review this legislation.

Talking is part of democracy. In fact, "parliament" is literally a translation of "talking house". That's what it means. What differentiates us from many other countries in the world is that we have the ability at committee in Parliament to share that. In fact, numerous times when former prime minister Harper was in charge, the NDP railed against time allocation as the greatest offence to democracy that man had ever known.

Members of this very committee have done that. I'd love to grab their speeches and go over them. I could read them word for word because they apply exactly today.

On a day when Motion No. 22 was brought forward, which is no doubt, in a way, to circumvent democracy, I will proudly stand up here and talk for as long as I have to, to stop this government's reckless spending. It's been proven over and over again that when a government taxes itself, taxes Canadians and taxes people of the world, it eventually leads to an equality—an equality of poverty. Everyone is poorer. The workers and the people who go to work every day are the economic engine.

This is meant as no slight whatsoever to our bureaucracy. We have many great women and men working every day, but ultimately it is the farmers in Saskatchewan, the miners in northern Ontario and the fishers on the east coast and west coast of this country who are driving our economy.

When we take money from those people, we take it from the productive engine and bring it to Ottawa and undermine economic growth. Economic growth is that magic elixir that fixes nearly every economic problem. You have inflation—economic growth. You have debt or deficit—economic growth. You have unemployment—economic growth. It is the answer to nearly every economic problem.

Ms. Dzerowicz talked about productivity and innovation and I agree with her. We are terrible at that. I think that's the only word I can use. We are terrible. We are near the bottom of the OECD and near the bottom of the G7 when it comes to innovation. This fall economic statement, other than repackaging one program, doesn't have any really strong, powerful things that could move us forward.

If it did, that might be a different ballpark. We might be able to have a discussion if we were serious about productivity.

We looked at countries like Ireland and Switzerland that have been serious about it. They've had full economic plans that involve policies from the left and the right and targeted tax cuts to encourage economic growth in targeted areas. There are certain areas where we can pretty much say that it is going to be a big part of our economic growth going forward.

Why don't we provide a series of technical benefits for artificial intelligence? Our SR and ED system is terribly out of date. It doesn't work like it's supposed to.

● (30500)

Why not take the opportunity and say, “Do you know what? We're going to have a slowdown.” We know that Canada's productivity, which is measured in GDP per hour, is worse than the United States' and Ireland's. Switzerland has nearly double ours, and it doesn't have the advantages we have, in terms of tremendous natural resources—just the sheer size of our country. Why would we not tackle that and go, “Okay...”?

By the way, there's all this talk about the subsidies that oil and gas get, which I'm not going to get into today. Do you know what? The average Canadian contributes \$50 GDP per hour. Do you know what it is for oil and gas? It's \$600. Their productivity.... It's the single thing the Canadian economy is struggling with most, and we are going to kneecap that industry.

Clean Canadian energy has to be part of the economic solution. It will drive our economy, going forward. As we transition to other

fuels, we cannot simply disobey it and say, “We're going to completely eliminate an industry that is a productivity leader for our country.” We cannot abandon the workers across this country in clean, sustainable Canadian energy. When we look at this picture....

We need to enhance our innovation and productivity. I agree with Ms. Dzerowicz. There's nothing in the fall economic statement that will have a substantial impact. I've been saying this in the House since I was elected in 2019: We need to drive productivity, because, if we can make things and innovate more efficiently, effectively and quickly than the rest of the world, we win. We all win. You don't increase the wealth of a country by printing money. No country has ever taxed itself into prosperity. It's never happened—not once.

It's absolutely frustrating to me. We see socialist nightmare after socialist nightmare—Venezuela, Cuba and the Soviet Union. We know where socialism leads. It leads to poverty. We tax and tax and tax and tax. We say to those Canadians working the hardest out there.... It's unfathomable to me that a Canadian starting at \$14,000.... This government believes they should start paying tax on that—\$14,000. What's the poverty line? Is it three, four or five times that? A simple way to help people is taking less of their money. This fall economic statement has nothing to relieve that Canadian.

I also agree with my colleague Mr. Blaikie when he says some of this money—he can correct me, as I'm sure he will, if I'm incorrect—should go to deficit and debt reduction. If I can tell tales out of school, he's told me that before. Having a strong balance book is important to him. We agree on that point.

If the government said, “We are flush with revenue. Here's what we're going to do. We are going to take that money and dramatically reduce the deficit or debt”.... However, they are not. It looks decent—I'll give them that. The deficit is going down. I hear that. However, that's because of inflation. They're just taking more money from the most vulnerable, enriching themselves, then sending that money back out. That's the reality.

They are spending \$6 billion more. If they had followed what the deputy leader of the Liberal Party said, and followed the pay-as-you-go system, where every new dollar of spending was to be met by a dollar of spending reduction.... That's in a different ballpark. That's not what they're doing. There's more and more spending.

Let's look at the track record of this government's balance sheet. It was given a balanced budget by the previous government. They were given that, even after going through the worst economic crisis of a generation. The Harper government still managed to balance the books—bring that balance sheet in line. Then what happened? A hundred billion dollars of pre-COVID deficit spending—\$100 billion. You were given the keys to the balance sheet and you drove it right into the ditch—100 billion dollars' worth.

• (30505)

They said, you know, “We’re fine. We have strong...”. What was Bill Morneau’s comment? I think “fiscal firepower” was the comment of the day. Well, it turned out that he was about \$400 billion short of what they needed, so they engaged and embarked in an aggressive quantitative easing program. We can go through the machinations of it back and forth, but it really equates to money printing—\$400 billion.

Every time this has been tried—back to the Romans—every time a government thinks, “We have a great idea. This is fantastic. We control the printing presses. We’ll never have any deficit or debt problems. We can just print more money”.... It happened in Yugoslavia. It happened in Argentina. It happened in the Weimar Republic. It happened in the 1970s right here in North America where they turned the printing presses on high and, once again, we were faced with inflation.

We had \$100 billion of pre-COVID spending. Then, according to this government’s Parliamentary Budget Officer, there was another \$200 billion in non-COVID-related expenditures. That’s \$300 billion. That equates to about \$20,000 for every Canadian family of four or actually a little bit more than that. That’s \$20,000 that Canadians received in non-COVID deficit spending.

I talk to my constituents. They’re not telling me that they’re \$20,000 to the good after the last three years of spending. I would not hesitate to say that if that \$200 billion plus \$100 billion was, instead, were either put to the debt or deficit, as Mr. Blaikie insinuated—he’ll correct me if I’m wrong, I’m sure—that would have put us in a much better position.

Right now, going forward, according to the fiscal statement, we’re looking at debt charges of about \$40 billion. I think that’s roughly equivalent to the health transfers this federal government pays out every year. We would not have to be paying that if the \$300 billion—instead of being spent on things like “ArriveScam” and other reckless Liberal projects, and to Frank Baylis, amongst others, through a series of companies—was left in the pockets of government and we paid down debt or the deficit, where we wouldn’t have to pay the \$40 billion in interest charges, or even better yet, if it was left in the pockets of Canadians.

What will happen is that if, in fact, we leave more money in the hands of our workers, of our job creators, they will invest that money. Ms. Dzerowicz was absolutely correct; for every dollar that an American company invests in capital investment, Canadians invest 43 cents. That’s the statistic. That’s what’s real.

I don’t understand how you cannot then take that as.... One of the major expenses for any Canadian or any Canadian business is taxes. It’s directly controllable by government. If we reduce our share, it only makes sense that companies, that individuals, will have more money to invest in the technology of the future.

If we don’t get this right—and I say this in all seriousness—we’re going to have serious challenges down the road. We are not investing in capital as much as the United States. We are not innovating. We’re not investing in our innovation like many of our OECD partners. In fact, we were last at the OECD in terms of capital investment.

The solution to that is not more taxation. That’s the part I don’t understand with the 2% tax on share buyback. I don’t even know whether that will be meaningful. I suppose economists will contemplate that and will comment on that, and I’m eager to hear their expert testimony. However, at 2%, I suspect it won’t even meaningfully impact anyone’s behaviour.

Why is it...? There are always two options. There are a carrot and a stick with all of these policies. Why does government always go to the stick? Why could it not give a break to those companies that are doing things right with respect to productivity and innovation? Why could they not, even if they wanted to take a more traditional, left-wing approach, invest in research and education?

• (30510)

I have been studying Ireland’s economy. They’re moving ahead of us when it comes to innovation and productivity. In fact, they are ahead of us. They’ve been very nimble on economic policy. They’re a unitary state, so granted it’s a little bit easier for them. It’s both on the left and right-wing sides.

They are investing dramatically and quickly into their education system. They see an opportunity for artificial intelligence, genetics research for the economy of the future. They started paying for education in those fields. They’re paying for research and development.

Of course, to fill one of the big gaps that our economy has always had and continues to have, we need some of the brightest minds in the entire world. We attract so many great newcomers to our country, and we need an immigration system that actually welcomes folks. I can’t tell you how many individuals come to my constituency office so disappointed and despondent by the treatment they’ve received from this federal government. Let me be clear, on the record, that we need newcomers. We need the diversity in our country. We need the brainpower that they bring. We need their labour. But we have to make it less arduous for them.

I’ll give you one example. We had in our riding a machine that cost tens of millions of dollars. They needed a team from India to help install it. This was not even a long-term immigration issue; they were just coming for a couple of months to help get this machine off to go. It drives jobs and productivity. They had to wait for months and months. Every day the machine sat idle cost thousands of dollars, and employees had to be laid off, because we couldn’t get out of our own way.

There are things within the bureaucracy, very left-wing ideas that could help move the ball forward. This government won’t even do that. They won’t even stay true to their own ideology.

The other thing that Ireland does, very smartly—and many other countries, including the United States and Switzerland do—is targeted tax cuts, tax relief systems, and updated regulatory systems.

Our Income Tax Act is way out of date. We need to have substantive reform there. Like I said, the SR and ED system is broken. Ask any expert and anyone in the technology industry. It's not working. It's not helping to innovate.

Instead of targeting a 2% tax on share buybacks, why not help these companies and provide them with targeted relief that will encourage them? Not relief—as the NDP have rightly pointed out—that will lead to them racking up profits or paying huge dividends while at the same time collecting corporate welfare in the form of wage subsidies or otherwise. We need to have targeted, smart tax relief.

We would not be creating new ground, here. There are all sorts of countries and jurisdictions around the world...even some of our provinces are leading the way with respect to that. I know Ontario has done great things. Alberta has done great things. Why not look to some of the Ontario and Alberta processes to help attract some of these businesses and grow productivity that everyone—it appears, around this table—agrees on?

This fall economic statement just didn't have anything.

My concern—hopefully in the short term—is the affordability crisis. When I look at the affordability crisis, I don't see anything in the fall economic statement on that. As I said earlier, no one in my constituency was calling up and saying, “Philip, what we need is a 2% tax on shareholder buybacks so that public companies can have more capital”. I didn't hear that once. Maybe it's different in some of the other constituencies, but in Northumberland—Peterborough South that was not even brought up.

What I have heard over and over again, is that the cost of living is just getting too expensive. These Liberals are pricing people out of their homes. They're literally pricing people out of their grocery stores and into food banks.

● (30515)

In the long term, the productivity and innovation piece is something I'm very passionate about. I've spoken numerous times in the House about it, but there's nothing really substantive in there.

One of the pieces that's missing, which I think most experts will comment on and talk about, is the fact that we have a gap between the great researchers we have, the great post-secondary education and the final product. It's not the research product part that.... Obviously, we could always use more research, but it's the development piece.

As part of the pre-budget consultations, I get to hear from many different industries and many different institutions about this gap in the Canadian economy. In everything from auto manufacturing to artificial intelligence and cancer research, they all say the same thing. We're not investing in that development piece.

What that means is.... They do great work at the U of T, at MaRS and at the University of Waterloo, and they come up with amazing ideas. Unfortunately, many times, the people, the ideas or both work their way across the border or to the EU and we, as Canadians, don't necessarily get the benefit of these great ideas as we should.

This is something that we could certainly work on together on a non-partisan basis. I think all parties...I think most experts see this as an issue with respect to the Canadian economy and, quite frankly, I've seen it for decades. This is something that I was hoping to see in the fall economic statement. I was hoping to see a real commitment to increasing the productivity and innovation of our country for the long term of our country.

When we get back to the process of this legislation and why I feel it's important to talk, I don't believe that hearing Mr. Blaikie, Mr. Beech, Mr. Baker or Ms. Chatel talk is ever a waste of time. I believe my colleagues have valuable input. I believe that they were put here, and the taxpayers spend those billions of dollars, so that we can talk out those debates and talk out those discussions.

As in *Good to Great*, if anyone's read that book by Jim Collins.... It's a fabulous book. I highly recommend it. I see I got a smile. One of the things that he writes in there is that a lot of ideas are bad ideas. If you propose an idea, it's more likely to be bad. Think about it. It's more likely to hurt than help. That's why Parliament is meant to be like this. It's meant to be a vetting process, so that we have those hedgehog ideas that get through and empower Canada to own the next century.

However, part of that is it's important to say no. It can't just be “Yes, yes, yes”, because if you have a hundred priorities, you don't have a priority. When we are going through this, it's our job as His Majesty's loyal opposition to critique this and to be the ones who fearlessly say no, that is not a good idea and, in fact, that is incorrect.

Like I said, as Jim Collins wrote in *Good to Great*, the chances are that we're right more often than we're not when we say “no”, and sometimes the best thing a government can do is say, “No, let's not do that”.

As Edmund Burke said many years ago, why would we just on a whim throw out the tried and true for something new and unproven? The hours that we spend in Parliament, I think, are incredibly valuable.

I will continue to discuss it unapologetically. Quite frankly, like I said, I don't care who I irritate or who I annoy. I'm here for the people of Northumberland—Peterborough South and for Canadians, and if that means angering or annoying people, that's fine. I do it to my 7-year-old daughter all the time, and I'm happy to do it here in Parliament as well.

● (30520)

There's one element that I want to go back to, because I'm hoping it might actually be a fertile area for future discussion and amendments. I had a PMB with respect to propane and natural gas for farmers and giving them an exemption from the carbon tax. Actually, it's being carried forward by Mr. Ben Lobb, the member for Huron—Bruce. The private member's bill is Bill C-234. I think it will do some great things. I'm looking forward to it receiving royal assent, because some farmers are paying tens of thousands of dollars.

In the discussion on that legislation, the part that I actually found most shocking was the fact that we charge GST on the carbon tax. Like, how does that make sense? If a private corporation did that, the NDP would be absolutely losing their minds. The government is charging a tax on a tax. In what world does that make sense? The most bizarre part about that, though, is that as part of the PMB discussions, we had a member from the finance department come before us. I had some initial ground-setting questions. When I asked if we charged GST on the carbon tax, he said no.

This was the ministry of finance. They didn't know that they charged GST on the carbon tax. Of course, a couple of months later, without apology but just by a way of explanation and in as many words as possible, in as fulsome a word salad as you'd ever hear, he admitted that, yes, they do in fact charge GST on the carbon tax.

Later in my questioning about charging the GST on the carbon tax, as to why they did that...because I know that we have a number of individuals here who are experts on tax policy. They even worked for the federal government to great esteem and to high regard. They would be aware that nowhere in tax policy does it say that it's good policy to charge tax on a tax. There are different schools of thought that say where someone's wealth increases, they should pay their greater share. That makes sense. But your belief that you should be paying more GST because you pay more carbon tax doesn't hold water. It doesn't make sense.

So an easy fix, and I think one that would be relatively consistent with what the NDP are calling for, along with us, would be the removal of GST on home heating. Let's at least reduce the carbon tax by the GST we pay on the carbon tax.

By the by, it also blows up the Liberal narrative that the carbon tax is revenue-neutral, because that GST you don't get back. You don't get that as part of the carbon tax rebate. That GST is just money that goes, through government greed, into the coffers of the government. Through the ever-expanding and insatiable greed of the government, it's getting more and more and more Canadians....

Let's also put this into context here. The single mom starts paying tax at \$14,000. That's the personal exemption. However, then there are the trillionaires and the billionaires. Do you know how many people from the Panama papers have paid taxes on those claims? Zero. Do you know how many dollars have been collected from the Panama papers?

Of course, the Panama papers listed a number of Canadians with respect to tax evasion. These are not small numbers. Maybe the CRA could back off the small business owners trying to make their way. Instead of, in the fall economic statement, asking for thousands more dollars so they can have thousands more auditors, maybe they could focus on the Panama papers. That's now many years back and they have not collected a single penny.

I understand that it might be easier to audit a small business owner who's trying his best to earn money, but what about the billionaires and the trillionaires who are named in the Panama papers and are still not out one dollar? Not one dollar has been collected. Not one individual has gone to jail—not one—and these are serious, serious dollars.

Let's focus our guns where they should be instead of cracking down...as the former finance minister called small business owners when he called them tax cheats. Yet his friends, the folks he vacations with in the millionaire islands, the billionaire islands—they're fine; they're fine.

● (30525)

Let's just let the Panama papers and all the people who are evading taxes to the tune of tens of millions of dollars.... Did we see any update in the fall economic statement about that? I didn't see any.

I know that I've certainly heard Peter Julian from the NDP and many others—and our Leader of the Opposition has always been clear—say that every Canadian should pay their fair share. I'm calling on this government again. Let's get an update. Before we shake down another innocent hard-working Canadian business owner with another needless audit, let's go after the trillionaires. Let's go after the folks who were named in the Panama papers for illegally avoiding Canadian taxation. It's those tax havens that this government should be going after if they're in need of that revenue.

When we have that revenue—right now, we have record revenue because of inflation and because we've taken so much more from hard-working Canadians as a percentage—let's apply that to debt reduction. Well, we have to start with deficit reduction, of course, and maybe one day, miracle of miracles, maybe we'll pull out Adam's sock there and we'll actually get a dollar of debt reduction, which will help all of us. It will help Canadians by reducing—hopefully—the tax burden going forward. It will also help social democrats, as they'd have more money to spend on the projects they would like, but a bigger deficit—a bigger debt—doesn't help anyone.

When we look at the future, we need to have a fall economic statement that I'm hoping.... In fact, I know that underneath a Poilievre government, we won't have a fall economic statement that is just a litany of failure after failure. When the Liberals fail, the good news is that they get to reannounce the same program over and over again, and that's what we saw in there.

After seven years of these Liberals being in charge, we have high interest rates that are driving up the costs for everyone and making it nearly impossible for many Canadians to afford a house. In fact, some are giving up the ability to ever own a home, which is just so sad.

We have continued high inflation, which drives up the costs of everything. Like I said, if you're a millionaire, a billionaire or a trillionaire, you're watching some of your assets continue to increase in value, but if you're a hard-working person, if you're like family members of mine, who are on the line or are working at a steel plant or in a mine or in a field growing crops, that inflation hurts, and it hurts a lot. It's not just a number on a spreadsheet. It's their ability to feed their families. Quite frankly, we've seen the evidence of that. We've seen record food bank usage. Food bank usage has increased by over 20%. In one month, 1.5 million Canadians went to a food bank, 500,000 of whom were children.

We have high interest rates and high inflation and the government says, “Oh, by the way, in order to counteract the inflation we created, which both the current Governor of the Bank of Canada and the future Liberal leader, Mark Carney, said is a Canadian phenomenon”—so we have the self-inflicted wound of inflation—“in order to fix that ailment, we’re also going to slow the economy.” Of course, slowing the economy isn’t just numbers either. It’s not just GDP going down. It’s good hard-working Canadians, women and men across this land, who are going to lose their jobs.

This is their document. They produced this document. What they’re telling Canadians is that they have high inflation to deal with and high interest rates. There’s no doubt that some Canadians will lose their homes, because those who are having to re-up their fixed mortgage or who have a variable, depending on how it’s structured, have probably seen an increase in their payments.

Before this, Canadians were within \$200 of insolvency, so guess what happens if your interest rate goes up by \$200? It continues to increase. On top of that, you now have slowing economic growth. We have economic growth that, according to this projection, is either just on the knife’s edge of being a recession or, in their downward projection, is indeed a recession.

• (30530)

We have high interest rates, high inflation and low economic growth. This is a triple economic nightmare that seven years of Liberal government has led to. It’s increasingly pricing Canadians out of their own country.

Mr. Chair, who is up next on the speaking order?

The Chair: I don’t believe we have anybody, so should we call the vote? Is that the end of the discussion?

Mr. Philip Lawrence: No, I’m going to keep going. That’s all right. I was just curious.

I want to go back to the GST on the carbon tax—a tax on a tax. I have not yet been provided a reason. If any Ministry of Finance individuals are listening to this and they want to send over to my office an individual to explain to me why having GST on the carbon tax was passed at a time when we already have record costs for home heating fuel and other things, I am more than willing to listen. To me, it does not make sense.

Why would we not remove the GST from the carbon tax? I’m not even talking about removing the GST from the actual home heating fuel. GST is charged on the carbon tax, which is charged on the home heating fuel. It does not make any sense whatsoever.

I know my colleagues are very eager to also make some comments here. I will pass the floor. I believe Mr. Chambers is on the list now, Mr. Chair.

The Chair: I believe so.

MP Chambers.

Mr. Adam Chambers: Thanks very much, Mr. Chair.

I should have worn different socks today, I guess.

The Chair: Yes, I know. Where are your socks?

Mr. Adam Chambers: I usually wear those on Mondays.

I think we need a subcommittee meeting. Maybe that’s a way to resolve this issue. It seems to me there is probably some kind of path to a resolution here. I think this happens every single time there is a fall economic statement. We usually figure it out. I think there are probably some reasonable options on the table, but there was a wonderful suggestion earlier about suspending and letting some people chat about it. Ms. Dzerowicz made that suggestion.

Like my colleague, Mr. Blaikie, I prefer not to show up on Wednesday without some kind of resolution since we always seem to find a way to make it work.

Mr. Chair, what time do we have resources until this evening?

The Chair: I think we still have some time.

Mr. Adam Chambers: Okay, this will be very interesting. I guess we can buckle up then.

We somehow always seem to find ourselves in the same spot. There’s a low-trust environment. We have some new folks here, and that’s okay, but the government is continuing to manage its parliamentary calendar in a way that seems to show it thinks it holds a complete majority. It forces the NDP to vote for some things that I don’t think the NDP generally wishes to support, but it also doesn’t always leave a lot of room for negotiation. There’s the refrain, “We’re going to do this and we don’t need you”. That’s okay, as we can stay here all night. I guess we should get some more speakers on the speaking list.

Phil’s back on? Okay, that’s good.

I think we owe it to Canadians to do thorough reviews of the legislation. We have agreed to prestudies previously, we agreed to a prestudy of the budget, although we were in a similar position as we are now, but we did agree to a prestudy of the budget. I can’t recall what we did last year, but we did make some concessions on getting an audit for the CERB, which is coming in early December.

People should mark their calendars for that, because the Auditor General is going to review the process that CRA used to give out CERB and other payments. It’s notable because it’s the same process the government is planning to use for the dental benefit. One wonders why the government was so hastily moving the dental benefit through the parliamentary process. I think it’s because they wanted to do so before the audit came out, because there are some challenges—as the Parliamentary Budget Officer has noted—with the self-attestation process. The government wanted to make it about, “If you vote against the dental plan, you’re voting against kids’ healthy smile”—and it’s all about process and procedure and not about substance.

You could have taken the same amount of money, and by the way, saved \$100 million in administrative costs, and given that money to provinces to increase the eligibility criteria for all of their existing programming using their infrastructure. That was my primary objection to the dental care bill, but I’m looking forward to the Auditor General’s report on that front. I think we should also have time as a committee to have the Auditor General come back to talk about that, but we won’t get to do that if we’re going to continue talking about these kinds of things.

I would encourage some kind of subcommittee meeting, having some kind of calendar until the end of the year to get there. I don't even know when the last subcommittee meeting was. I can't recall it. Now, I'm not invited to those. I would wear my socks to them.

• (30535)

The Chair: Just on that, MP Chambers, I thought you did have your socks on and I thought the magic was going to happen. I thought we were going to get something done and we would be able to start the study. It doesn't look like that's happening, so members, again, we are going to have to suspend.

[The meeting was suspended at 5:38 p.m., Tuesday, November 14]

[The meeting resumed at 4:33 p.m., Wednesday, November 16]

• (35230)

The Chair: I call this meeting back to order.

This is the continuation of meeting number 66 of the House of Commons Standing Committee on Finance. The committee is meeting today to discuss future business. Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I'd like to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike and please mute yourself when you are not speaking.

There is interpretation. Those on Zoom have the choice, at the bottom of their screen, of the floor, English or French". Those in the room can use the earpiece and select the desired channel.

I remind you that all comments should be addressed through the chair.

For members in the room who wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

We are resuming debate on the motion moved by MP Terry Beech and the friendly amendment moved by MP Yvan Baker.

The last speakers we had... I believe MP Chambers and MP Lawrence were both on the list.

I have MP Chambers, then MP Morantz after that.

Mr. Adam Chambers: Oh, I guess it's all virtual. I hope everybody's comfortable at home.

We are unfortunately in the same position we were at. I heard that there's been no real subcommittee meeting since the last meeting. From my perspective, it seems like the committee was asked to slightly adjust its protocol to do a prestudy, which has happened before. Typically, as precedent has been, at least to my understanding, when that happens there's a bit of a negotiation about how we can agree to set some protocol aside to allow a prestudy, which seems

reasonable. Many members of the committee, I think, believed there was a reasonable compromise, and yet that doesn't seem to be palatable for the government.

For the benefit of others, we just had an inflation reading today. Inflation is three times the Bank of Canada's target rate of 2%. It's been that way for well over a year. If the committee is going to continue to push forward the government legislation in a reasonable fashion, the committee should also expect that the executive branch be accountable for its decisions and the outcomes, and what's happening in the economy. Quite frankly, it is entirely reasonable, and should even just be as a matter of practice, that on a regular basis, outside any appearances on legislation, both the Bank of Canada governor and the finance minister appear at the committee at least multiple times a year.

In times of inflation, prolonged inflation, I would think it would make a lot of sense for Canadians to feel that their executive branch and those policy-makers are being held accountable for literally the only thing they're supposed to do, which is to keep inflation between 1% and 3%. When it is not within 1% to 3%, I think it would make sense to have the Bank of Canada governor come every time the bank releases a monetary policy report to say, "Here's the target. Here's what we're doing to bring it back to target", so that we can hold institutions accountable. The bank governor has been willing to come to this committee before, and I thank him for that. I don't think he would be upset with the request to come on a more regular basis. The challenge here is that the Minister of Finance doesn't want to appear before the committee on inflation.

We passed a study on inflation 12 months ago that asked for the minister to come to appear on inflation, and she has yet to appear at the committee on that. But she wants to come when we require her to pass her legislation. She is quite happy to come to the committee when the minister needs something, and was not happy to come when all of the committee members who passed the inflation study requested the presence of the minister.

The compromise, I actually think, is quite reasonable: While inflation is outside the control range, and until it comes back down, every three months this committee, and Canadians, get to hear from and question and hold accountable the Minister of Finance and the Bank of Canada governor on what they are doing to get inflation back down. It is the only job of the Bank of Canada, and it's the Minister of Finance who sets the Bank of Canada's mandate. Don't you think the Minister of Finance would love the opportunity to come in front of Canadians to talk about what the government is doing to help Canadians with inflation? I think it seems rather odd that as we're entering a period of economic uncertainty, the minister is interested in hiding from Canadians. She's not interested in actually standing in front of the committee and answering for the record.

There's all this discussion in the media and among the elite chattering classes about populism and its going after institutions. The way we hold institutions accountable is at committees like this. The way we give the public confidence about our institutions is when we can hold them accountable and when we can hold the members of the executive accountable.

• (35235)

That's how we hold these institutions accountable—in public and by asking questions. Every three months is quite a reasonable ask, actually, in my view. I would think most ministers who are in that position would want the opportunity to tell the story of the government.

• (35240)

Mr. Yvan Baker: On a point of order, Chair, I'd just like to remind us that Mr. Beech put forward a motion, and I put forward an amendment to that motion, and that's the subject matter at hand. I don't think Mr. Chambers is speaking to the amendment. That's what we should be discussing here today so we can get back to work for Canadians.

Thank you.

Mr. Adam Chambers: Could the member—

The Chair: Thank you, MP Baker.

MP Chambers?

Mr. Adam Chambers: Thank you. Just for the benefit of the committee, could the member read his amendment into the record? Thank you.

The Chair: Well, it's already been read into the record. We do have—

Mr. Adam Chambers: I'm sorry. I would be—

The Chair: So, we have the motion as amended by MP Baker, but, yes. We were speaking to this motion as amended.

Mr. Adam Chambers: Okay, so for the benefit of those at home who may be tuning in for the first time, could we have the gist of the subamendment mentioned here again?

The Chair: If we go through the motion as amended, we have:

That the Chair schedule meetings to initiate a pre-study on the Act to implement certain provisions of the fall Economic Statement and that the first meeting take...place on Monday, November 14, 2022, should legislation be presented in the House by that time and, that the Deputy Prime Minister and Minister of Finance be invited to appear with her officials on the bill; that all evidence gathered as part of the pre-study be considered as evidence in the committee's full study of the bill; and, should the bill be referred to committee by Thursday, November 24, 2022:

a. Clause-by-clause study of the bill commence no later than Wednesday, November 30, 2022;

b. Amendments to the bill be submitted by 5:00 p.m. EST Thursday, November 24, 2022;

c. and that the committee immediately proceed to this study and hear from officials from the Department of Finance.

And that's what we're discussing right now.

Mr. Adam Chambers: What about the subamendment? Is that part of it?

The Chair: That is with the friendly subamendment, yes.

Mr. Adam Chambers: We can talk about process and about the subamendment. We are being asked as a committee to set aside the regular process that we typically follow with legislation and do the government a favour by allowing a pre-study. That's what the motion's about and that's what this subamendment is about.

The point that some of us are making on this side is that if the government would like a favour from the committee, it should be willing to compromise on a few points. It seemed like we were making some progress for a brief period of time, but not enough to avoid the situation we're currently in.

If the government would like a favour, it should be prepared to compromise. I think it's completely on the same point to outline what that compromise is, but maybe the government doesn't want Canadians to know the compromise that it's not willing to accept. That's okay.

We can do this until the bill gets referred to the committee and go along with the regular process. It seems like that's the path we're on now, but if the government's looking to fast-track the legislation, it's not accomplishing its goal. It could easily accomplish the goal. We have a reasonable deal to get this done.

Again, the government is expecting this committee to set aside the way it generally deals with legislation to advance its legislative agenda. That's fair enough, but if it's asking for a favour, it should be prepared to do one in return. I think it's completely reasonable.

I will likely have more to say afterward, but I appreciate the opportunity to start this meeting. I would probably recommend that at some point during the meeting, we allow members to convene for a moment to see if there's any movement. If not, that's okay, but we should at least provide the opportunity for the parliamentary secretary and others to get together. Unfortunately, they didn't have a subcommittee meeting this week.

I appreciate the interventions on my colleague's point, but I think it drives this bigger issue home, which is that we're debating a motion in which the government is asking us to set aside the typical protocol. On that basis, we're asking for something in return, or a couple of things or even something small. If you don't like the compromise, come up with another solution, but if you say you're not going to compromise on anything, I guess we could stay here for a while.

Maybe I'll return and Zoom in, so that I can be comfortable at home.

Thank you, Mr. Chair.

• (35245)

The Chair: Thank you, MP Chambers.

I have MP Lawrence, MP Morantz, MP Beech and MP Chatel.

Mr. Philip Lawrence: Perfect.

Mr. Chair, could you tell us how long we can run this meeting until tonight?

The Chair: I believe we have two hours of resources.

Mr. Philip Lawrence: Thank you very much, Mr. Chair.

For the folks at home—of course in the House of Commons I can't do this, but in committee I am more than within my rights to do this—there are no Liberals other than the chair in this room right now. We, as Conservatives, stand ready to negotiate, but it's impossible to negotiate with someone who won't even get in the same room with you.

This is an embarrassment for democracy. Really, shame on you. Shame on you for not coming into the room with us.

We stand here ready to negotiate. We're ready to talk about the amendments. We're even willing to perhaps go forward with a prestudy, but we need a partner. We need someone who is willing to talk to us and who's willing to be in the same room as us.

When we look at this, it appears to me that without.... I don't think this is telling any tales out of school. I think this has been pretty open. With regard to going forward with a prestudy, this government's—these Liberals'—main objection is accountability. They don't want transparency. The deputy leader doesn't want to appear in front of the finance committee. Let's call a spade a spade. This is more hiding.

It doesn't matter to me personally or to parliamentarians, but we represent the Canadian people. Democracy, at its very heart, is about being transparent. This government was supposed to be open by default.

Now, when it comes to the legislation they put forward, they literally will not even get in the same room as us. We stand here more than willing and ready to negotiate; they stand here as obstructionists. In fact, they don't even stand here. I don't know where they are. I suspect they are in their offices in Parliament. They could walk down right now and be here in the next ten minutes, willing to negotiate and talk to us, but instead they stand hiding in their offices, unwilling to come down, negotiate and talk with us.

While Conservatives continue to stand for Canadians and are willing to talk, really with arms open, they are holed up in their offices literally five minutes from here. I think the Justice Building—

Mrs. Sophie Chatel: I have a point of order, Mr. Chair.

The Chair: Go ahead on the point of order.

Mrs. Sophie Chatel: If we were willing to move, I would be very happy to indeed start to work as Canadians want us to work. Why don't we vote on the motion and get the work done?

The Chair: It is not a point of order, MP Chatel.

Mr. Philip Lawrence: Mr. Chair, that was a little harsh.

Some hon. members: Oh, oh!

The Chair: [*Inaudible—Editor*] into the record. I did see within the motion that the deputy prime minister is asked to appear in this motion.

Mr. Philip Lawrence: I don't want to go too far in negotiations because I don't want to breach any confidence we have with other bills or with the NDP, but as I said, I don't think it would be telling tales out of school, and I don't think Mr. Beech or Mr. Blaikie would disagree with me, that a large part of the reason why we can't go ahead right now is a question of the availability of the deputy leader over and above what is in that particular motion.

As I said, I do not want to go too much...I want to maintain that confidence with the Liberals and with the NDP, but to say I'm disappointed is more or less.... Also, I don't think I'd be truthful and honest if I didn't thank the NDP for some excellent efforts in trying to broker a deal here, but here we stand in the room with the wonderful member from the Bloc Québécois and the terrific member

from the NDP and without a Liberal in the room. I think many things can be taken from their lack of presence here as to the type of meeting they were intending on having.

I can tell you that in all good faith and reason, Conservatives stand ready to negotiate, to move forward and to work on the people's business, but that is extremely challenging to do without your negotiating partner even bothering to walk the 10 minutes from the Justice or Confederation buildings.

Let's look at the fall economic statement. Let's look at why we want the Governor of the Bank of Canada here and why we want the deputy leader in charge of finance here. We'll go back seven years, to when this government came to power and told us a couple of things.

One, they told us that they—the Liberals—would be “open by default”. They also told us that they were going to be there to help the middle class and those attempting to join it.

Here's where we are with that right now. We have seen a government that has been plagued by scandal. Hardly a year, if not a month, goes by without some type of scandal involving this government, whether it be the SNC-Lavalin affair....

The SNC-Lavalin affair is actually very instructive as to why Conservatives might want to do their democratic duty and their due diligence and review this document, because hidden in what I believe was budget omnibus legislation was the deferred prosecution agreement. Not one parliamentarian, including anyone from our party—to take full responsibility—was able to uncover that. It wasn't until Jody Wilson-Raybould courageously stood up to the Prime Minister against his efforts to potentially direct an investigation, of course, that it really came to light. That's why it's absolutely critical that these documents.... I mean, these documents are billions of dollars, and they have tremendous impact.

I've never really understood why we need to rush these documents down, because they can often cause much harm. We've actually seen this quite a bit with Liberal legislation that has been poorly drafted. They've had to go back and redraft and reset it because it doesn't work.

Of course, the other scandal, a major scandal, was with respect to WE Charity. We saw a company where the government attempted to give them \$800 million, nearly a billion dollars, and the reality was that this company actually gave the Trudeau family hundreds of thousands of dollars. We still really haven't gotten to the bottom of that.

Then we look at—

● (35250)

Mr. Yvan Baker: I have a point of order, Chair.

The Chair: I see a point of order.

Is that MP Baker?

Mr. Yvan Baker: It is.

Once again, I believe that the rules of the committee require members to debate the issue at hand. Just as a reminder, the issue at hand is the motion by Mr. Beech, amended by me, which you read out earlier. I don't believe the member opposite is speaking to the issue at hand.

If they're not willing to debate the issue at hand, then we should put it to a vote.

The Chair: Okay. Thank you, MP Baker.

Yes, if we could, let's stick to the motion as amended, Mr. Lawrence.

Mr. Philip Lawrence: Thank you very much. I'll continue to do that.

With regard to the WE scandal, the challenge is that we saw a lack of transparency. Then we, of course, saw the numerous other scandals along the way that have really impeded the credibility and trust of the Liberals as we go forward.

I take your point, Mr. Chair and Mr. Baker, with respect to what we want, of course. However, I think the critical part of what I'm trying to say is that we're trying to put this all in context as to why we might want to have the deputy leader, the finance minister, and the Governor of the Bank of Canada in to talk about inflation.

Seven years ago, this government came in saying, "We're here. Canada is back. We're going to be fighting for the middle class." Well, let's look at what has happened since then.

We had \$100 billion of deficit spending before COVID ever hit our shores. That's \$100 billion. At the time, the Prime Minister said that there would be a tiny, tiny, small deficit that you would barely even notice was there. I think the max was to be \$10 billion. Of course, that blew up to over \$100 billion in deficit spending.

Because of that, they had fiscal fireworks. Their then Minister of Finance, who was taken down over the WE scandal, which I talked about earlier, didn't have his much-proclaimed fiscal firepower.

As I said, the government really only has, then, three ways of raising money.

One way of raising money is with direct taxation. It goes out there, and it taxes people. Well, Canadians are already heavily taxed. Some of the highest taxes in the world are paid here in Canada. It was limited then, during the break of COVID, of course. Everyone was in a difficult time. The economy was in a slowdown. That wasn't really a realistic option for the government.

The other option it could go with is to borrow the money. I don't know if that was explored or not. I sort of assume it wasn't—or not to any great extent—because what it chose to do was the third path, which is quantitative easing. It is the sale and purchase of bonds by the government. It really equates to the printing of money. The more you print money.... The reality is that we get inflation.

We're going back now to the fall economic statement and to discussions about having the finance minister and the deputy leader, Ms. Freeland, be here. It's critical to understand where the inflation came from.

It's clear. Mark Carney and Tiff Macklem agree that the inflation came from these Liberals. It is a Canadian-made phenomenon.

We just had inflation, again, staying stubbornly high. That inflation hits the middle class and, even more than that, the people who are attempting to join the middle class. Those who are at the lower end of the economic spectrum are getting obliterated. They are getting absolutely hurt by inflation. We had a record high number of Canadians attend food banks in March 2022. It hit 1.5 million Canadians, a third of whom were children. That's 500,000 kids. That's the impact.

To this day, it boggles my mind. I don't believe the Prime Minister has ever apologized for these comments when he said, "I don't think about monetary policy." He said that right before we came in to one of the worst monetary crises of my lifetime. In at least 40 years, it hasn't been that high.

Here we have the leader of a G7 country, one who's trying to cast himself as the dean of the G7. In one of the most significant economic issues of our times, he says right before it happens that he doesn't think about monetary policy.

Well, as I said in the House, that is relatively obvious.

However, the monetary policy is having a real impact on Canadians. It's not just numbers, spreadsheets or things that are studied at the finance committee. It is children who go hungry at night. It is kids. It is parents who can't afford winter clothes for their kids. It has a huge, huge impact.

• (35255)

Quite frankly, it is so crocodile-tears and disingenuousness when the Liberals get up and say, well, the Conservatives didn't support this program; they don't have a heart. Do you know what doesn't have a heart? It's sitting there and watching inflation get higher and higher. It's watching young adults be unable to afford a house. It's watching parents be unable to feed their children, and not doing anything.

When it comes to the fall economic statement, I've been in the discussions and have heard some of the debate, but I have not heard how it's going to combat inflation. What part of that combats inflation? What part of that is going to bring down inflation? The cause or the disease is inflation, but the symptoms are the affordability crisis. I don't see how this is possibly going to impact the affordability of this.

As I've said before with respect to the fall economic statement, not one of my constituents was saying, "You know what we really need, Phil? What we need, Mr. Lawrence, is a 2% tax on share buy-backs." The idea of that, of course, is that corporations won't release as much money, they'll invest more money in capital, and that will affect the affordability crisis sometime in maybe 2070. As I said before, I wait to hear from the economists on the actual impact. I have some skepticism as to whether a 2% tax will really make that dramatic an impact on the capital.

I do have some ideas, while my colleagues are attentive and listening, about how we could do that. What could have been included in the fall economic statement is a responsible industrial strategy that would have promoted innovation and productivity. These Liberals have driven down productivity and innovation. They also came into office saying “we believe in science” and “we believe in innovation and productivity”. I remember that the early-edition Liberals, the Paul Martin Liberals, had some pretty aggressive policies on driving innovation and productivity. Unfortunately, these Liberals seem not to be interested in economic growth.

I actually asked the deputy finance minister whether he thought economic growth was important. He agreed with me 110% that it is important. But with these Liberals, you don't get the idea that... Like, what's the big idea that came from this fall economic statement? What is this idea that's going to drive the Canadian economy into the next century? We have real problems, because these Liberals have hurt our productivity. We have the average Canadian earning per hour of GDP about \$50. In the U.S. it's \$65. In Ireland it's around \$80. In Switzerland it's even higher than that. There's a direct correlation there with how people live, because wages are directly impacted. In fact, if you look at all those countries, they rank in the same place with respect to real wages.

This fall economic statement could have been a real opportunity to grow the economy, not just for the short term but for the long term. We have so many out-of-date income tax and regulatory provisions that this fall economic statement could have addressed. Just on this committee alone, we have some great minds and some folks who have incredible history with tax policies. Why were they not put to work during this fall economic statement? Why were some of their ideas not captured on that? We would take a big swing at taking Canada into owning the next century.

It used to be that we would have leaders who would really carry that torch forward. People like Wilfrid Laurier and others had brave and bold pronouncements on what the future of Canada would be, not just half measures or measures that don't affect the near term and that don't affect the long term. Instead, we just have more of the same.

• (35300)

Here are a couple of other things that we could have put in the fall economic statement that I think would have made life better for Canada.

We could have affected the cost of gas, home heating and groceries. How could we have done that? Well, we could have reduced the taxation of fuel, because whether it be fossil fuels or otherwise, they are driving the costs in all of our economy.

Even if you don't want to access the tax, even if you don't want to get rid of the carbon tax, for whatever ideological purpose... Clearly, it hasn't accomplished its objective. We were number 58 out of 63 in the recent COP report. This tax policy is a failure as an environmental policy, I think, and clearly, if we've been driven down to 58 out of 63... Candidly, the Harper government had a much better record on emissions than the Trudeau government. That's just the fact. Without the carbon tax, we did better fighting emissions than we have done with the carbon tax.

Even if you were a diehard believer in the carbon tax and your ideology trumped all common sense and pragmatism, we would have thought there maybe could have been an opportunity to pause the carbon tax just until inflation returned to within the 1% to 3% target range. We just give Canadians that little bit of break. It's going to cost Canadians who have oil heating, just in my riding, \$5,000 to \$10,000 to heat their homes—and I hear from my east coast fellows and women that it will be even more. This is a huge amount of money. If they have a mortgage, their interest rates have gone up. If they're renting, if they can even find a rental, because the occupancy rate is about 99.5% or so in my riding... That basically means there are no rental properties available. If they were able to get a mortgage, that means they're now paying more if they had a variable rate, or they will at some point when they renew. Life is getting much tougher for Canadians because of this.

Then we see in this fall economic statement that they basically predict a recession. In talking to the officials, they gave us a quarterly breakdown. In that breakdown, there were not two negative quarters. That much is true. There was one negative quarter and one at 0.0%. That's cutting it pretty fine. It's almost like they engineered that, so there wasn't a forecasted recession.

We have this recession on the horizon. We have high interest rates. We have high inflation. I think a reasonable option would have been to at least pause the carbon tax, if they didn't want to eliminate the carbon tax altogether.

Let's see if we can take a further step back there and say that this carbon tax, this tax policy, is a signature piece; that, and legalizing marijuana of the last seven years; that, and high inflation and high deficits. They could have said, “We as Liberals don't want to give that piece up. We're going to be blinded by our ideology. Maybe we could just reduce the HST on home heating fuel”. Would that not be a reasonable solution to give Canadians a break?

They could have included that—a very small amount that wouldn't have cost the treasury a very large amount, but would have provided some really meaningful relief to Canadians. I can tell you why they didn't do it. They want power. They want the money to come to Ottawa so that they can control it, so they can give it out and take credit for it. Quite frankly, it's so sad watching the Liberals pat themselves on the back for taking Canadians' money and giving it to other Canadians. They didn't earn that money. They didn't make that money. That was earned in Orono. That was earned in Brighton. That was earned in Campbellford. When that money comes back, it's never the same amount that was given in. I'll give you an example of that.

There was over \$200 billion in non-COVID-19-related deficit spending. That equates to about \$5,000 for every woman, man and child in Canada—or \$20,000 for a family. I defy any of these members of the committee to point to someone in their riding who had twenty thousand dollars' worth of non-COVID-19-related benefit from this federal government over the last couple of years. That don't exist. The government is inefficient at allocating those resources.

● (35305)

It makes more sense, instead of taking money, giving it to Ottawa bureaucrats and then having it redistributed in accordance with Liberal ideology, to just leave that money in the pockets of Canadians.

We said okay, we won't cut the carbon tax. We won't pause the carbon tax. We won't cut the GST. We won't pause the GST on home heating as we did in the winter. How about this, then? We would stretch that compromise even further. How about you just remove the GST on the carbon tax? Just the GST on the carbon tax. Why could we not have put that in the fall economic statement?

It was amazing to me. At the agriculture committee I was asking a Finance department official about the GST on the carbon tax. He said to me that no, the GST wasn't on the carbon tax. He didn't even know the fact that they charge a tax on a tax. Of course, some weeks or months later, we got a letter in a very wordy [*Inaudible—Editor*] type of style saying, absolutely, you were right—but never an apology. It's not for an apology to me—I've got broad shoulders—but how about to the Canadians who were watching or the Canadians they misled? They should give an apology that perhaps a Finance official should know whether tax is charged on tax or not—whether the GST is charged on carbon tax.

It can be small amounts. If you live in downtown Toronto, people like the finance minister and you all have access to a chauffeur and all of that good stuff, or public transit, it may be a small amount. Now, if you're a farmer living in Saskatchewan or in [*Inaudible—Editor*] Ontario, it actually can be quite a large amount.

When my PMB, which has now moved on to Ben Lobb's PMB, which I believe just got through committee.... I was getting receipts all the time for thousands of dollars, not just for the carbon tax but actually the GST on the carbon tax, a tax on a tax.

The wild part about that is when I asked the officials why they charge GST on the carbon tax, their only answer was that it's easier to do it that way. I don't think that's a good enough answer. In a digital era, where we can make huge and difficult calculations of millions of different transactions in splits of a second, I think the federal government should be more than capable of being able to not charge the GST on the carbon tax if they chose not to.

Now we've got the carbon tax, we've got inflation, we've got interest rates, all of these things are piling up on Canadians. I think one of the critical pieces that we're also facing right now is a labour shortage in our economy. It would make sense to me—and I'm just a simple guy from rural Ontario—that if you want more of something, you incentivize it. You encourage it. You don't disincentivize it.

We need more labour, so part of that is, of course, about having a fully functional and well-working, well-oiled immigration system so that we can bring newcomers over and get them into our economy and working at a high rate. We definitely need newcomers to add that extra labour to our economy. Anyone who has a constituency office—I'm sure all 338 of us—has struggled with the immigration office as people are desperately trying to be reunified with family members they haven't seen for years. I have gone through boxes of Kleenex hearing the horrible stories of families

being disunited. Also, there's the economic impact of people who want nothing more, and they have tremendous skills.

I was talking to one individual and he's an IT gentleman from another country and he wants to come to our country. He's working on technology that could be worth millions and billions to the Canadian economy, that could be worth thousands of jobs, but do you think the immigration system can get him in to Canada? No.

● (35310)

I have another individual who is a great doctor in one of our communities. His only request, so he can continue to be a doctor, is his wife being allowed to come to his country. He's been waiting two years for his wife to be given permission to come to Canada. He's now threatening...saying, "I can't do this anymore. I can't live without my wife and children for this long", all because the immigration system is breaking.

The other part of this is, we need to encourage folks who already live in our country to be as productive as they can and, quite frankly, reward them. I am particularly thinking about seniors. Many seniors, because of inflation and other reasons, are being forced back into the labour market, even if they don't want to be, because they can't afford it. If they are at the lower end of the economic spectrum, perhaps they aren't receiving a huge CPP cheque and only have OAS and GIS. They are facing a nearly dollar-for-dollar clawback on their return to work.

I don't think any Canadian should ever be in the position of being worse off for going to work. I believe that workers should be celebrated, venerated and rewarded, and that no Canadian should be disincentivized to go to work. I know Canadians. We're hard-working people. Even if we are disincentivized, we'll still go to work, because we know it's the right thing to do. The fact that the government would disincentivize that.... The Prime Minister once famously said something to the effect that people lower on the economic spectrum don't pay taxes, and that's just untrue.

Mr. Chair, I'll raise this rhetorically; you can't answer, because I have the floor. I suppose you could, but no one else could, I guess. The personal exemption is \$14,000 in Canada. That means if you earn more than \$14,000, you start paying federal income tax. When we talk about all these great benefits for Canadians.... Why don't we just stop taking as much money as we do from Canadians? Why do we start taxing people at \$14,000? Does that not seem a bit low to people here? We then add the GIS clawback for seniors. Very modest-income Canadians can be facing tax rates of 40% or 50%.

I get it. If you were found guilty of tax evasion in the Panama papers, we should throw the book at you. There's no doubt that every Canadian should pay their fair share of taxes. I'm sure there's some reason why—it has to be going on close to a decade, now, since the Panama papers came out—we haven't charged one individual. We haven't collected one dollar from the folks who were called out in the Panama papers. I'm sure there's some reason why we're taxing the single mom starting at \$14,000, but the billionaire or trillionaire who has offshore assets, and who was called out in the Panama papers, is still not facing any type of prosecution.

The CRA was, I remember, quite ably questioned by Mr. Peter Julian of the NDP. The CRA was asked numerous times how many dollars...how many people have been charged, and the answer was, over and over again, none. We would then hear some more word salad from the CRA, saying, “Well, it's complicated. It's difficult. There are different things we're looking at. You don't necessarily understand that.” Well, I do understand and, to me, it's incredibly inequitable.

Like I said, we start taxing hard-working Canadians at \$14,000 for federal income tax. That's not even taking into account HST and other environmental fees and taxes. There's the carbon tax, as well, which Canadians are facing. It seems so hypocritical when I hear the Liberals get up in the House and other places and say, “We have Canadians' backs.” No, you have Canadians' wallets and you're giving a bit of that money back and expecting to be patted on the shoulder while you, all the while, take more power and get ready to sprinkle the money you collected from other Canadians right before an election.

• (35315)

I think I might take a brief rest, but my colleagues can rest assured. I know they're eager to hear more. I have.... I could talk for days about this, I guess. I am more than willing to talk this out, but maybe, if they wanted to be in the room with us, perhaps we could have some productive negotiation, get on with this and move forward. It's clear that all the Conservatives are in the room, ready to negotiate, ready to talk, and all the Liberals aren't here. You can judge from that.

I'll just take a brief respite, and I look forward to hearing my colleagues talk.

• (35320)

The Chair: Thank you, MP Lawrence.

I have MP Morantz, MP Beech and MP Chatel.

Mr. Marty Morantz: Thank you, Mr. Chair.

The motion that we are debating in this meeting.... By the way, I have to say it is kind of surreal. I'm looking across the room—for all those who might be watching the live feed—and there are nine empty chairs where the Liberals normally sit. It is too bad that they're not here so that we could try to get on with the important study of the fall economic statement.

Having said that, the motion that's before us, I want to read it into the record again in case some people might have just tuned in since it was read in last time and did not have the opportunity to hear what it is that we're discussing. The motion says:

That the Chair schedule meetings to initiate a pre-study on the Act to implement certain provisions of the fall Economic Statement and that the first meeting takes place on Monday, November 14, 2022, should legislation be presented in the House by that time and, that the Deputy Prime Minister and Minister of Finance be invited to appear with her officials on the bill; that all evidence gathered as part of the pre-study be considered as evidence in the committee's full study of the bill; and, should the bill be referred to the committee by Thursday, November 24, 2022:

a. Clause-by-clause study of the bill commence no later than Wednesday, November 30, 2022;

b. Amendments to the bill be submitted by 5:00 p.m. EST Thursday, November 24, 2022;

c. and that the committee immediately proceed to this study and hear from officials from the Department of Finance.

There are really two parts to this motion, from what I can see. The first part relates a prestudy. I think I'll talk about that part first.

The very first line says “That the Chair schedule meetings”. One of the pet peeves I have with the motion is how imprecise it is. This is a bill that, by all accounts from the Parliamentary Budget Officer, increases spending by at least \$50 billion over the next five years, and yet it just says “meetings”. It's very open-ended. It doesn't say how many meetings. Is it one meeting? Is it five meetings? When are the meetings going to be? It just doesn't tell us. It's hard to vote for something when you don't know what you're voting for, Mr. Chair.

It goes on to say, “should the legislation be presented in the House by that time, and that the Deputy Prime Minister and Minister of Finance”. Just so those who are watching understand, that is one person. It's Minister Freeland, and she holds both of those positions. She is both the Deputy Prime Minister and the Minister of Finance. I'm just saying that, because I don't want anyone who happens to be watching to think that we're talking about two separate people. It's only one person we're inviting to come before the committee.

It goes on to say “with her officials”, but it does not say for how long the minister is invited to appear or even how many times, how many meetings she will attend. Will she be here for 15 minutes, 60 minutes, an hour or maybe a couple of different meetings for an hour or more? There's lack of clarity in the motion. It's just astounding.

It even goes further. It says she's invited to appear “with her officials”, but, again, it doesn't tell us which officials. We have no idea who is going to be appearing before the committee, because the motion just says “her officials”. We don't know who they're going to be or who she might bring. When I'm voting for something, I certainly would like to know what it is that I'm voting for, but I can't tell, because the motion doesn't give that information.

Just on the face of it, the first part of the motion around the prestudy is so vague and imprecise that it would be hard to support under any circumstances.

The second part deals with a situation where we're out of the prestudy. What's supposed to happen, just to clarify it for those people who are watching, the normal process, is that a bill is debated in the House of Commons and as many MPs as want to get up to speak to it. In fact, there are people speaking on the bill all this week.

• (35325)

I spoke on Monday night about Bill C-32, but once that's done, there's a vote in the House. If it passes in the House, then it is referred to committee. The second part of the motion that we're talking about right now talks about that event: "should the bill be referred to the committee by Thursday, November 24".

By the way, I just want to backtrack to the first part of the motion. I forgot to mention something.

I also find it interesting that we're not inviting other ministers. For example, given the increases in revenue that are set forth in the tables of the fall economic statement and the commensurate increases in spending and the increase in our debt, which is now \$1.2 trillion, I thought it would have been a nice idea if the motion had actually included an invitation to the Minister of National Revenue.

Certainly, the Minister of National Revenue is an important piece to this study, I believe, but it would be easier to discuss this if our Liberal colleagues were actually in the room. They're on a TV monitor right now. They're not really available. In any event, hopefully, in the next meeting they will actually be here.

Why not the Minister of National Revenue? We could ask her all kinds of questions. How much additional personal income tax revenue is she anticipating on an annualized basis, year over year, between 2022-23 and 2027-28? We could ask her how much of an increase in corporate tax revenue the agency is considering over that period of time.

We could ask her how much additional revenue—this would be very interesting information to have—if she were invited to appear, as to, for example, how much additional revenue the tripling of the carbon tax is going to generate and whether or not, as the government says, Canadians will in fact be made whole. There's obviously a big question as to whether the amount of carbon tax Canadians are paying is actually commensurate with the rebates they're getting. We could ask her about the GST as well and what the forecasts are around GST revenues.

At the end of the day, whatever you want to call it, the fall economic statement or a mini-budget, it's a spending bill. It's a money bill. I think it's just insufficient to have just the Minister of Finance. In fact, you could have other ministers appear. For example, the fall economic statement talks about the creation of a Canadian innovation and investment agency. I'm not sure which minister would be overseeing that particular agency, but it would be interesting to hear from those ministers.

Again, the motion itself is just so vague and ambiguous it's impossible to vote for, because we just don't know exactly what it is that we're voting for.

Going to the second part of the motion, again, this is the part that the House has now debated. Every member of Parliament has done their duty in the House. If they wanted to speak to the bill, they've done so, and the House actually voted. The House voted to refer it to committee. That's not a sure thing either. I realize the NDP is propping up the Liberals right now, but stranger things have happened. I remember very well—I was 17 years old—when Joe

Clark's government fell on a budget bill, in I think November of 1979, and they didn't expect it.

I don't think it's a foregone conclusion that this fall economic statement would pass the House. I don't want to prejudge the will of Parliament, but that's what this motion does as well. It prejudges the will of Parliament by asking for a prestudy. In any event, as Conservatives, we're willing to consider a prestudy, but again, the motion is so ambiguous it's hard to know exactly what that prestudy would entail.

Again, this bill assumes a lot. It's assuming that the House has now passed it, but okay, so be it. The bill is now before the committee.

Then the motion goes on to say in point a. that "Clause-by-clause study of the bill commence no later than Wednesday, November 30". Well, this is November 16, and this is a massive spending bill at a time.... The point has already been made. We asked the government not to increase spending and not to increase taxes, and they did both of those things.

• (35330)

Given the magnitude of spending, the increases in tax, the share buyback tax and all these things, I'm not sure that November 30 gives us enough time.

As I said, there are a number of ministers who really ought to come before the committee so that we can ask questions of them. There are other expert witnesses who can testify to the economic considerations around the passage of the fall economic statement by this committee and what amendments we might consider.

I am not really convinced that November 30 gives us enough time.

As I said, there is at least \$50 billion in new spending. The fall economic statement bumps up the deficit to over \$1.2 trillion, so this is not a matter to be taken lightly.

I don't know why this motion wants to.... I fear that in its haste, we might miss important information that would inform us on how we should vote on such an important matter.

We then have b., which says that "Amendments to the bill be submitted by 5:00 p.m....Thursday, November 24, 2022". That's even sooner. Again, I'll say—and I want to make sure that I am speaking directly to the motion—this is the 16th. I don't know how we could possibly hear from all the different ministers and witnesses we would need to hear from before that time to have well-considered amendments proposed to the bill, which hasn't even passed the House yet.

It then says, "and that the committee immediately proceed to this study and hear from officials from the Department of Finance." Again, I get back to the same point I made earlier on the first part of the motion, which is, which officials? Who are they sending? It would be helpful to know, so that we could prepare our questions in advance and we could potentially ask for other officials, for example, from the CRA.

Why is it just officials from the Department of Finance? Why wouldn't the Minister of National Revenue come with her officials as well? Given the magnitude of the spending and taxation in the bill, I am dumbfounded, frankly, as to why the Minister of National Revenue is not being invited.

There are a number of problems with the bill.

The fall economic statement was just introduced by the minister on November 3. I think it's important, because a lot of times, people don't realize that there is correspondence that goes back and forth between the leader of our party and the Minister of Finance and Deputy Prime Minister.

Our leader sent a letter to the Minister of Finance on October 30, which was four days before the introduction of the fall economic statement. In that letter, he set out some very important concepts.

I'm going to take just a minute. It's not very long. It's about a page and a half. I'm going to read it into the record, Mr. Chair, because I think it's going to be very important to have this information on the record, so that we can properly consider how we might move forward with this matter.

It's dated October 30 and it's addressed to the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance of the House of Commons.

It says:

Dear Minister Freeland,

Canadians are struggling. Many are barely hanging on. This week's fall economic statement comes at a critical moment. As leader of His Majesty's Loyal Opposition, I write to make clear our expectations from the statement.

But first, let's assess the situation we're in, and how we got here.

Inflation is at a 40-year high. Interest rates are increasing at the fastest rate in decades. The cost of government is driving up the cost of living. Justin Trudeau's inflationary deficits, to the tune of half a trillion dollars, have sent more dollars chasing fewer goods. This bids up the goods we buy and the interest we pay. Inflationary taxes increase the cost of making those goods. The more government spends the more things cost. Justin Trudeau has doubled Canada's debt and added more debt than all other Canadian Prime Ministers combined.

● (35335)

Paycheques don't go as far as they used to. Canadians are cutting their diets. We recently learned that Canadians visited food banks 1.5 million times in a single month. That's a 35% increase since 2019. Mothers are putting water in their children's milk because they cannot afford 10% yearly food inflation. Seniors can't afford to heat their homes, and winter is coming. Home prices have doubled, so 35-year-olds live in parents' basements. According to Bloomberg, Canada has the second most inflated housing bubble in the world. Monthly payments on mortgages are rising even as house prices are dropping. Canadians are out of money. Consumer debt has skyrocketed. Rising interest rates caused by inflationary deficits means that this debt costs even more now.

The bubble is finally bursting and the bill is finally coming due. For years my warnings that out-of-control spending would balloon inflation, and then interest rates, were ignored. Now in a leaked letter the government seems to agree with me. Even the Prime Minister now talks of "fiscal responsibility."

If the reversal is sincere, there is one way to prove it: stop.

...Stop the taxes: No new taxes. This includes canceling all planned tax hikes. Cancel the tripling of the carbon tax.

...Any new spending by ministers must be matched by an equivalent saving.

I look forward to reading the fall economic statement this week, Minister Freeland.

It's signed by the Honourable Pierre Poilievre, Leader of the Official Opposition.

What's interesting, now that I think about it, is that there was never a letter sent in reply from the Minister of Finance to the Leader of the Opposition, which would have been a nice courtesy.

Now, the reason I read the letter into the record is that what the Leader of the Opposition is saying is that, basically, it was increasing the money supply and massive deficit spending that really caused inflation. Taxes just make things even more expensive. That was the medicine he prescribed to the Minister of Finance. They're very reasonable suggestions. Most average Canadians, average middle-class Canadians and those working hard to join the middle class, I think would agree that those are very reasonable suggestions. Of course, it's the middle class and those who are working hard to join it who are the most disappointed people in this country right now because of how this government has managed their hard-earned tax dollars.

Mr. Chair, there is so much to say about this. I would like to say more, but I think I will cede the floor at this time. I'll ask to be put back on the speaking list so that I'll have the opportunity to revisit this issue and bring forward some other important revelations with respect to Bill C-32 that I really believe need to be put on the record at this very important time.

Thank you for your indulgence, Mr. Chair. I cede the floor.

[*Translation*]

The Chair: Thank you, Mr. Morantz.

[*English*]

Now we will hear from Parliamentary Secretary Beech, and from MP Chatel after that.

Parliamentary Secretary Beech, please go ahead.

Mr. Terry Beech: Thank you, Mr. Chair.

It's good to see everyone. I do want to thank all members involved for many conversations that have happened over the last number of days.

The motion on the floor with regard to the FES and the amendment is an original motion that was brought out almost two weeks ago. All the Liberal members of course are here at committee and are ready to work. I understand that the Conservatives would like an audience for their current acts of obstruction of the democratic process. I mean, this is the third day...or two days and a partial day of Conservative filibuster on this.

We've had consistent discussions on a path forward. I think my colleagues will recognize that my response time has been generally within minutes, if not seconds, for people reaching out to me during this particular discussion.

We did actually get to a solution and then it was reneged upon. For any objective observer of the discussion, when the government side has moved, I would say, 99% of the way, the Conservatives have not moved at all—not an inch. This mirrors the obstructive behaviour we've seen in the House of Commons.

In fact, we got to a point where we agreed with all of the Conservative priorities all the way through Christmas, including the minister arriving and testifying, the governor of the Bank of Canada, other legislative priorities, private member's bills and the like.

I don't think any objective observer of the discussion.... I don't want to get into more details of that and I hope that members feel that this synopsis is respectful of our discussions, without me getting into too many details.

I do want to assure my colleagues on the other side who may not have been directly involved every step of the way that we continue to be open and reasonable. We do have a need to continue with government business. There is the important legislation, which has been talked about briefly although not thoroughly summarized. There are time-sensitive measures in there like the recovery dividend and interest on student loans. Those will have a tremendous impact if the Conservatives are successful at continuing to obstruct and to hold up study. They will also be the first ones, if we ever get to study the fall economic statement, to talk about how there isn't enough time to study it despite the fact that we've lost at least two full days and a partial day and potentially other time during the constituency week that we could have worked.

I just wanted to take this time to get our defence on the record. I still have all of my communication devices in front of me. I'm still available for any discussions they want to continue, but every notion that I have seen thus far is that there doesn't appear to be a path forward.

I look forward to continuing to hear from my Conservative colleagues.... I don't look forward to.... I do look genuinely look forward to hearing all their thoughts on the fall economic statement, but not under the current pretenses.

• (35340)

The Chair: I have MP Chatel.

[*Translation*]

Mrs. Sophie Chatel: Thank you, Mr. Chair.

I'm new to politics, and this is the first time I've experienced this type of filibustering. I was ready to work with my fellow members on the 2022 fall economic statement, so it's very disappointing that I can't do that.

I know that my fellow member Mr. Beech has worked incredibly hard to find a solution that would satisfy the Conservative members. Being new to the world of politics, I'd like to speak from the standpoint of ordinary Canadians, if I may. I'm not like the new Conservative leader, who has been politicking since he hit puberty and is well versed in political games. I am here to stand up for Canadians who are struggling right now, and I genuinely believe that many of my fellow members, including in the Conservative Party and the Bloc Québécois, feel the same way. We've all spoken

to a lot of people in our ridings, so we know what a hard time they are having.

The 2022 fall economic statement contains very important measures, so the committee needs to be able to study the implementation bill, speak with department officials and pass the bill.

This filibustering is wasting the committee's time. I should point out that this tactic goes back to ancient Rome. It was used in Julius Caesar's day. Naturally, I understand the Conservatives' dissatisfaction. They wish they were in power, but they lost the election, so they're frustrated. I appreciate their frustration, but we all need to be able to work together for the sake of Canadians.

The 2022 fall economic statement contains many very important measures, and that's what we're here to discuss. For example, we want to talk about the waiving of interest on student loans. I represent a riding in Quebec, and I want to know what the government is going to do to eliminate the interest on loans for students in Quebec, as well, because Quebec has a different process for student loans. That's something I want to talk about. I also want to talk about the housing benefit and the elimination of transaction fees for small and medium-sized businesses. That's an important measure for businesses in rural communities. My riding is home to many small and medium-sized businesses, and credit card transaction fees are very costly to them. That's why I want to talk about when the measure is coming into force. I want to help pass all of those important measures.

I also want to talk about what we're doing to help Canadians succeed in the economy of tomorrow. I want to talk about the Canada growth fund, which is going to help a whole lot of businesses begin the green transition. A slew of measures have been announced to support the economy of tomorrow.

Being there for Canadians is one of our core values. We are here to discuss all of this with the members of the Conservative Party, the Bloc Québécois and the NDP. We are here to serve Canadians, and filibustering does not serve Canadians.

I genuinely hope we will be able to work together in earnest. We were elected to represent the same people, so it's important that we work together, get down to business and examine the 2022 fall economic statement.

• (35345)

I would very much like for the committee to be able to vote on Mr. Beech's motion, as amended by Mr. Baker's amendment, so that we can finally have a discussion with the Deputy Prime Minister, not to mention the experts and department officials who will be able to answer our technical questions about the measures that have been announced. That will be useful to Canadians. I really want us to be able to work together.

I am therefore asking that the committee proceed to the vote now, so that we can meet with the witnesses and discuss all of these measures with them. It's not that I don't like to hear Mr. Lawrence speak, but he's not the expert on all of these measures. We are here to hear what the experts have to say. Once we've done that, we can all grab a drink and listen to Mr. Lawrence speak his mind. I would be glad to do that. The committee, however, has to talk to experts and hear their answers to members' economic questions—not waste its time and, by extension, taxpayers' money. We were elected to work hard for them, not to hold meetings like the one on Monday and again today.

This is my heartfelt plea to the committee, on behalf of the Canadians we all represent, Canadians who want us to work together. Please, can we move forward and adopt the motion so we can discuss the 2022 fall economic statement?

That's all I have to say, Mr. Chair.

• (35350)

The Chair: Thank you, Mrs. Chatel.

[*English*]

Is there any further discussion?

I have MP Hallan.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Thank you, Mr. Chair.

To finally put an end to this Liberal filibuster, we'd like to have a recorded vote at this moment in time.

The Chair: Seeing no further speakers, can we have a recorded vote, Clerk?

This is on the motion as amended. We are voting on MP Beech's motion as it was changed through a friendly amendment.

(Motion as amended agreed to: yeas 6; nays 5)

The Chair: Go ahead, MP Blaikie.

Mr. Daniel Blaikie: We've all done a lot of work around the table today. We have under a certain definition, anyway.

Some hon. members: Oh, oh!

Mr. Daniel Blaikie: I would like to move that we adjourn.

The Chair: We've had sage advice.

Looking around the room, members, I see consent.

We're adjourned.

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