



House of Commons  
CANADA

## Standing Committee on Finance

---

FINA • NUMBER 049 • 2nd SESSION • 39th PARLIAMENT

---

EVIDENCE

**Thursday, June 12, 2008**

—  
**Chair**

**Mr. Rob Merrifield**

Also available on the Parliament of Canada Web Site at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on Finance

Thursday, June 12, 2008

• (1135)

[English]

**The Chair (Mr. Rob Merrifield (Yellowhead, CPC)):** I'd like to call the meeting to order.

I want to thank the witnesses for coming forward. We have a couple of witnesses with regard to a private member's bill.

**Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.):** Mr. Chairman, point of order.

**The Chair:** You have a point of order?

**Mr. Massimo Pacetti:** Yes, on the orders of the day; it's mainly out of courtesy to all members on the committee.

I see that under committee business we have notices of motion from Mr. Wallace and Mr. Del Mastro. I have no problem with our discussing the motion from Mr. Wallace. It's pertinent to the items on the orders of the day. But with regard to the item from Mr. Del Mastro, I'm wondering if the committee would like to debate it after we do clause-by-clause. It's on a separate subject matter.

So perhaps we could just deal with the bill and then go on to Mr. Del Mastro's item.

**The Chair:** Mr. Del Mastro has his hand up as well.

**Mr. Dean Del Mastro (Peterborough, CPC):** Actually, Mr. Chair, I was looking to propose that we deal with the motions prior to dealing with the witnesses today. My motion was received in order, with due notice, and I'd like the committee to deal with it forthwith.

**The Chair:** My problem as chair is that we have an accelerated timeframe here. We're starting a little bit late because of votes in the House. I don't necessarily have a problem dealing with both of the motions. What I had intended to do was to hear the witnesses and then go to the motions, because that relates directly to whether we need to do questioning and how much questioning.

So if that's okay with the committee, we'll just hear the witnesses, then we'll take both motions, and then we'll proceed to questions and answers.

Is that fair?

**Mr. Mike Wallace (Burlington, CPC):** I'm sorry, I couldn't hear you there.

**The Chair:** We will hear the two witnesses, but before we go to questions we will do both motions.

**Mr. Mike Wallace:** Before we question the witnesses?

**The Chair:** Before we question the witnesses.

**Mr. Mike Wallace:** Okay.

**The Chair:** The first motion directly relates to the amount of questioning.

**Mr. Massimo Pacetti:** But out of respect for time—if need be, Mr. Chairman, I'll challenge you—I think it makes more sense that we deal with Mr. Wallace's motion, and then deal with Mr. Del Mastro's motion after we deal with everything on Bill C-219. That would avoid our having to carry on with Bill C-219 next week.

I mean no disrespect toward Mr. Del Mastro's motion—I mean, it just came out of nowhere—but perhaps we could deal with one subject matter at least, and then deal with Mr. Del Mastro's motion. If we expedite how we deal with Bill C-219, then I have no problem, but let's just deal with Bill C-219.

**The Chair:** If the committee doesn't have a problem with it, we could deal with both motions right off the bat and then move on. We can certainly do that, if that's the wish—

**Mr. Massimo Pacetti:** That is not the wish of the committee. That is why I'm asking this.

**The Chair:** Well, Mr. Pacetti, I'm going to respect the motion that has been asked for by the committee. I will be taking that motion today.

Mr. Crête.

[Translation]

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** My comment is not about the motion, Mr. Chair, but about the fact that Mr. Wallace's motion is pertinent to the bill we are about to debate. I have no objection to dealing with Mr. Wallace's motion, but Mr. Del Mastro's motion is about something completely different. I feel that it should go in the agenda after we have done the clause-by-clause study.

I support my colleague on that. Mr. Del Mastro's motion should be studied after we have finished the clause-by-clause study. Right afterwards, we could discuss Mr. Wallace's motion, which is relevant in that it deals with the bill we are studying.

I do not know if Mr. Pacetti has made a formal proposal, but, if possible, I would move that the agenda be amended accordingly.

[English]

**The Chair:** My only concern there is that if we don't get enough time to complete it, then we've refused Mr. Del Mastro the opportunity to have a debate and vote on his motion. So I think out of respect—he has given us proper notice—we need to leave the appropriate time for his motion in this meeting, and I'm prepared to do that.

**Mr. Massimo Pacetti:** I'd like to make a friendly motion, if you'd like, a formal motion, that the notice of motion from Dean Del Mastro appear at the bottom of the orders of the day.

**Mr. Dean Del Mastro:** That's a challenge of the chair.

**The Chair:** Mr. Del Mastro.

**Mr. Dean Del Mastro:** On a point of order, if they wish to challenge the chair's ruling, they should do so.

Are you challenging the chair? Because that's what it sounds like to me. The chair has already ruled on it. I'm prepared to accept the chair's ruling. Notwithstanding that, I would move the motion now. Otherwise, what you're proposing is a challenge to the chair.

**The Chair:** I think we're sort of splitting hairs here. The point is I've always respected motions for which proper notice is given. I've never had a problem with that. We can take both notices of motion in this meeting, either now or after the witnesses. I'm certainly open to either.

Mr. Wallace.

**Mr. Mike Wallace:** Mr. Chair, to make things more concurrent with what we're going to be doing next, I would stand my motion and put Dean's first. We can deal with Mr. Del Mastro's motion first and get it done with, and then we'll deal with my motion on the issue that we're going to be talking about.

**The Chair:** Okay. Let's move on with this.

Mr. Del Mastro, could you introduce your motion?

**Mr. Dean Del Mastro:** Thank you, Mr. Chair.

Mr. Chair, I'd like to move that the committee adopt the following report and the chair be instructed to present it to the House at the earliest opportunity:

The Canadian Federation of Independent Business has noted that discussions of carbon taxes cause great nervousness among entrepreneurs, particularly at a time when firms are struggling to adapt to the pressure of rising energy and other input costs. The committee therefore recommends that the government reject any plans for additional fuel or carbon taxes.

**The Chair:** We have the motion on the floor.

Is there any debate on the motion?

**Mr. Mike Wallace:** Could we have a recorded vote?

**The Chair:** Okay, we will have a recorded vote.

(Motion negated: nays 6; yeas 4)

**The Chair:** Now let's carry on with the next motion.

• (1140)

**Mr. Mike Wallace:** Thank you, Mr. Chair.

I move, pursuant to Standing Order 18, that the vote of June 4, during the 47th meeting of the Standing Committee on Finance, on an extension of Bill C-219, be rescinded.

Is that debatable? Can I discuss that?

**The Chair:** Yes. You introduced the motion. We'll have debate on the motion.

**Mr. Mike Wallace:** I appreciate the mover of the bill being here today, and I don't mind talking to him today about the bill, but I do believe, based on who we've heard from—and there are more witnesses for this, in my view, who we haven't heard from—that this needs to be rescinded so I can get the 30 days or 29 days, whatever the number needs to be, so that I can be properly prepared. I just got more information. We just got some feedback from the people who were in the audience at the last meeting, and I would prefer to be prepared.

I haven't made my mind up on this particular item. It is a private member's bill. It's a free vote for us. I just want to be ready. The changes between this bill and the previous bill are minor, just numbers. If there are some amendments to improve it, some options there that I think I would like to see, I would like to be able to bring those forward. I'm not ready yet because I haven't heard from everybody what those amendments might be.

Thank you, Mr. Chair.

**The Chair:** Okay.

Does everyone understand the motion? Is there any further discussion on the motion?

**Mr. Massimo Pacetti:** Mr. Chair, I don't want to make a big debate out of this, but I was just going to ask you if the motion was in order. But we'll leave it as is. However, just for Mr. Wallace's information, as soon as the bill was referred to committee, I spoke to the parliamentary secretary and the chairman himself to see if we could expedite this bill. This bill has been around for more than 30 days. It has been around for 30 sitting days. We had more than ample opportunity to make amendments, make changes, make improvements, or to weaken the bill. I think we're here, and we're ready to go, so I'm ready for you to call the question, Mr. Chair.

**The Chair:** The motion is to rescind the vote and then follow it with an extension.

Mr. Menzies.

**Mr. Ted Menzies (MacLeod, CPC):** This is a little repetitive of what I said on Monday, but three members who are sitting here were not present when this vote we're referring to was held. I would remind the committee members that there were certainly divisions and uncertainty as to why this would be any different when all we'd be doing is changing some numbers.

I frankly am very concerned that it didn't have support of the committee before, seeing as some of the members on the present committee were on that previous committee. What has changed? No one has told us what has changed. And as Mr. Wallace has said, we have some questions coming from those people who are directly affected by this, so we need to have time to hear those answers.

**The Chair:** That's fine.

Let's hear from Monsieur Crête.

[Translation]

**Mr. Paul Crête:** The attitude of the Conservatives only goes to show that they do not want volunteer firefighters to have this benefit that they are entitled to and that they deserve. I find the Conservatives' attitude this morning unacceptable; I hope that we are going to vote against this motion as quickly as possible so that these people get their benefits today. We should debate it, settle it once and for all, and put an end to this filibuster.

[English]

**The Chair:** I'm not sure if that was real debate on the motion, but I guess it was.

Is there any other debate?

(Motion negatived)

**The Chair:** Thank you very much.

We now want to thank our witnesses for coming forward. We will start with Mr. Easter.

It's good to have you here. We'll allow you the floor now.

**Hon. Wayne Easter (Malpeque, Lib.):** Thank you, Mr. Chair.

To a certain extent, it's like old times for Ted Menzies, the parliamentary secretary, and me. We used to appear before parliamentary committees as farm leaders.

I hope we're more agreeable this time, Ted.

**Mr. Ted Menzies:** We've always been agreeable, Wayne.

**Hon. Wayne Easter:** In any event, I have a bit of a statement, Mr. Chair. Certainly I would welcome any questions later.

I wish to begin by thanking the committee for the opportunity to present on Bill C-219, a bill that will provide a small degree of compensation in recognition of the work our volunteer emergency workers contribute on behalf of their neighbours and communities.

The bill, as you know, has a long history—and several variations—among the members of all political parties. It speaks to our rural communities directly and primarily.

I also wish to acknowledge the work of all those who volunteer their time to assist their communities, local organizations, and charities, and who contribute to assist their neighbours, and indeed strangers, within their respective communities. This bill in no way detracts from the good work that the thousands of volunteers across Canada do, and neither should it be interpreted in that manner.

I will be specific as to why Bill C-219 addresses volunteer emergency workers directly. There are essentially two reasons. One reason is that the activities they are responding to place them personally at risk. Fires, rescues, accident scenes—these are not situations into which people venture without an awareness of some personal risk. In rural communities, volunteer emergency workers do precisely that.

The second reason is that these volunteers are not able to determine when it is they will be called upon. Their obligation is to respond to an emergency. Thus, a farmer in the midst of bringing in a crop must place that crop at risk of foul weather to respond to a call for assistance. A small business owner must be prepared to shut his

business and thus suffer the economic loss incurred in order to respond to a call for assistance.

In other words, Mr. Chair, when the beeper goes off, you go. With the exception of training, these individuals are always on call.

For the most part, others who volunteer are not called upon to confront personal risk, and neither are they expected to respond to a call without warning. Our voluntary emergency workers are expected to do both.

Bill C-219 offers those in the category of volunteer emergency workers a small degree of compensation in recognition of the financial costs they incur to provide their communities and their neighbours with this contribution. As important as the small degree of compensation is the fact that the federal government and the federal Parliament would, through this bill, recognize and appreciate their efforts.

I'd like to reiterate two key points presented to the committee this past Monday by the Canadian Coast Guard Auxiliary and the Federation of Canadian Municipalities. I believe these points place the issue before the committee in perspective.

The Canadian Coast Guard Auxiliary is a non-profit organization made up of 4,200 volunteers across Canada. The auxiliary provides assistance to the Coast Guard and Transport Canada with search and rescue and safe boating programs. This comes from their brief:

In 2007 alone, our members conducted a total of 1,829 search and rescue missions at the request of the Canadian Joint Rescue Coordination Centres. Since its inception, members of the CCGA have responded to over 48,000 maritime SAR incidents.

Every year, about 25% of all marine SAR incidents in Canada are handled by Coast Guard Auxiliary volunteers. In addition to these taskings, the auxiliary also maintains the emphasis on training its members, who took part in almost 1,600 search and rescue exercises last year alone.

And the Federation of Canadian Municipalities stated this before the committee:

In fact, 91% of fire departments in Canada are served exclusively by volunteer firefighters and officers. Virtually all communities of less than 10,000 are served by volunteer fire departments, and most communities of less than 50,000 have a blended service. Indeed, actually the city we're in right now has volunteer firefighters protecting its rural areas. So this is a very widespread activity.

● (1145)

Where would these communities be without these volunteers? After reading some of the comments expressed at the committee, I can certainly tell you that they're not playing cards. They are definitely not playing cards. They take time from their business, they leave a crop in the field, they go and do the emergency, and they get back to their business as rapidly as they can.

The amendments brought to my attention as necessary by the principal parliamentary counsel for legislation are essentially housekeeping amendments. According to counsel, they make adjustments to the numbering of the provisions resulting from changes to the Income Tax Act that have occurred since Bill C-219 was first introduced. I've noted that when the committee last addressed the issue of the contents contained in Bill C-219 in its 19th report in November, 2005, the committee stated that "...the Committee is generally supportive of the intent of Bill C-273", which was the previous private member's bill, "and feels that those who provide voluntary emergency services should be recognized by the federal government through the tax system".

The committee did put forward a number of questions at the time their support was tabled, most of which I believe can be dealt with in a straightforward manner. I have answers to each of those questions if you want them read into the record.

I'd like to thank the Canadian Association of Fire Chiefs for providing a copy of their responses to the questions raised in Bill C-273, which they have revised to address the issues raised during these hearings on Bill C-219. I have a full copy of the document they prepared, although it is not translated; I provided it to the clerk for translation and circulation earlier. I would urge all members of the committee to read the document prepared by the Canadian Association of Fire Chiefs if the questions raised in November, 2005, are of concern. As I said a moment ago, I can read those into the record if you like.

A report prepared by the Library of Parliament with respect to the issue of utilizing the Income Tax Act to respond to the contributions of voluntary emergency workers states the following:

The current Income Tax Act contains a provision exempting from taxation the first \$1,000 received by an emergency worker for voluntary services performed as an ambulance technician, firefighter, or a person who assists in the search and rescue of individuals or in other emergency situations. Payments must be received from a government, municipality or a public authority. The emergency worker must not be regularly employed, or paid as an employee, for their services as an emergency worker by the government, municipality, or the public authority. This exemption was enacted in 2001.

According to the parliamentary secretary to the Minister of Finance, in his remarks to the House this past February:

Under the current income tax rules, emergency service volunteers can receive up to \$1,000 in such honoraria without having to pay any tax on this amount.

The provisions of Bill C-219, Mr. Chair, are in direct reference to those emergency service volunteers who perform the same tasks the parliamentary secretary refers to, but do not receive any honorarium.

I also noted from the testimony of finance department officials before the committee the last time similar legislation was discussed in June of 2005 that no reference was made to the provision referred to above, nor was the department able to provide the committee with any indication as to the costs that communities would incur without the assistance of volunteers generally and volunteer emergency workers specifically.

That's key, Mr. Chair. Volunteer firefighters out there take time away from their families to do training, and some of them in small fire departments do as many as 128 calls a year. What I'm hearing from them is that they're getting frustrated because this is costing them money and time away from their businesses.

● (1150)

They want to see some recognition. This small recognition, I believe, would hold them in their jobs and give the credibility with their families to continue as emergency workers.

The Department of Finance appeared then as well and remains more concerned, I believe, about the costs of such an initiative than about the necessity of the effort. Will there be a cost to government? Absolutely. Is the cost worth the effort? I also believe absolutely.

As was pointed out to the committee in the past, the question is not the cost to provide the small financial compensation to those who volunteer; it is to address the issue of equity for those who provide volunteer emergency services in rural communities that are not able to provide any remuneration or honorarium for that service.

The last couple of points, Mr. Chair—

● (1155)

**The Chair:** Very quickly; your time is gone.

**Hon. Wayne Easter:** I know first-hand that the situation exists, certainly in Prince Edward Island, and I believe all members of this House representing rural constituencies can attest to communities in similar circumstances.

The final point is that the provisions of Bill C-219, which were raised in the previous legislation, Bill C-273, address the issue of equity in terms of the ability of volunteer emergency workers to recoup some of the expenses incurred. The least government can do is to provide a small degree of compensation in recognition of that contribution.

Thank you, Mr. Chair.

**The Chair:** Thank you very much.

We'll move to our questions and answers.

Mr. McKay, you have seven minutes.

**Hon. John McKay (Scarborough—Guildwood, Lib.):** Thank you.

Thank you, Mr. Easter, for, as always, a very eloquent presentation of your position.

**The Chair:** Just for the committee's information, Mr. Gingras is here from the Department of Finance. If there are any questions, he will enter into the question-and-answer portion of the meeting.

Sorry. Go ahead.

**Hon. John McKay:** I do have the firefighters' position and I have read it. It certainly is articulate with respect to the firefighting portion of your bill. But you also have ambulance technicians, and you have a category of a person who assists in the search and rescue of individuals or in other emergency situations. There appear to be three categories of people: ambulance technicians, firefighters, and a person who assists in search and rescue of other individuals.

Certainly CAFC's position is well articulated with respect to firefighters, and it may even be representative of the ambulance folks' position, but the way your bill is drafted leaves a whole opening with respect to other persons.

So the question I have—and I'll try to bring it to a practical situation—is that if a child disappears this weekend in the Gatineau and 100 volunteers show up to look for that child and they accumulate hours, and then the next weekend some other child disappears in the Ottawa area, could these persons, in theory, qualify for this kind of deduction?

**Hon. Wayne Easter:** No, I certainly think not, because what I think the bill is fairly clear in is that it really is emergency first responders, whether it's fire, police, ambulance, or, as you say, search and rescue.

Emergency first responders, regardless of the occupation they're in, are on call. It's not like where a child goes lost in a community and you put out a notice asking people to volunteer to help.

They are documented; they're on a list. The answers that the fire chiefs gave maintain that the record-keeping would have to be under a municipal authority. That might be delegated to a fire chief; it might be delegated to the head of the Coast Guard Auxiliary, or whatever.

**Hon. John McKay:** But that's not the way the bill reads. It says “a person who assists in the search or rescue of individuals”. It doesn't restrict it to a particular category of people who are somehow or another affiliated with a municipality.

Let me just bounce the question back and forth between you and Mr. Gingras, because I think we might arrive at some view on that.

What's the department's view on that third category of individuals?

[*Translation*]

**Mr. Yves Gingras (Chief, Employment and Education, Personal Income Tax Division, Tax Policy Branch, Department of Finance):** As I indicated last time, the terms used in the bill are general and have never been interpreted. Usually, the interpretation is done by the Canada Revenue Agency. They have not yet interpreted these general terms.

In a Statistics Canada survey that looked for data on the number of volunteers, the people were asked to identify themselves. What they had in mind when they said they were volunteers was not really very clear. So, the application is still a little fuzzy.

• (1200)

[*English*]

**Hon. John McKay:** Yes.

The department, in my experience, always stretches the numbers of people that could possibly or potentially apply; they multiply it by a number, and come up with this astronomical cost of a bill. That is just routine procedure.

What I am concerned about is that there seems to be sufficient vagueness in the bill to actually support the position of the department that pretty well anybody could accumulate, over the course of a year, 100 hours' worth of looking for people. It seems to

me that the wording “assists in the search or rescue of individuals” means that it's not a first responder issue, but simply a matter of I showed up, I assisted, and I accumulated hours.

I don't want to be unfair, but that seems to me—

**Hon. Wayne Easter:** I think, Mr. McKay, though, that the finance department employee said that the CRA does interpret these—and that's their responsibility as well as that of the Department of Finance. We've been clear throughout all of the discussions on this bill that it should be interpreted as first responders in emergencies. I believe the department had calculated figures on that basis at an earlier hearing, and that is the intent of the bill.

I found with the Department of Finance that they don't broaden it; they narrow it.

**The Chair:** That's fine. I don't mean to interrupt, but I want to follow the rules.

The bells are ringing. It's a 30-minute bell. We need unanimous consent to proceed. If we get unanimous consent, we will proceed; if not, we will....

Is that okay? Fair enough.

I see unanimous consent to proceed. We will proceed for another 15 minutes, and then we'll break.

Okay, go ahead.

**Hon. John McKay:** How many minutes do I have left?

**The Chair:** You have a couple of minutes.

**Hon. John McKay:** A couple of minutes? Fifteen minutes?

The issue here is one of definition. If you're trying to get the bill through, and if you mean first responders, why don't you say “first responders” in the bill?

**Hon. Wayne Easter:** I don't believe that interpretation is necessary. I think the intent is there, and all of the discussion has been along that line. I think it's covered off in the bill already by what the Department of Finance had said previously.

**Hon. John McKay:** Mr. Gingras, is it reasonable to presume that somebody who is responding to the loss of a child will get volunteer hours in one jurisdiction, and in another jurisdiction may not?

[*Translation*]

**Mr. Yves Gingras:** Again, from the Department of Finance's perspective, it is not clear. I am sorry, I cannot be of any more help to you on that.

[*English*]

**Hon. John McKay:** Okay.

Is there any ambiguity in the phrasing “search or rescue of individuals”? Is that an understood concept for the purposes of law?

We're drafting law here. We're not, as it were, making ourselves feel good.

**Hon. Wayne Easter:** I think not, and I think you also have to look a little bit at....

Certainly we're drafting law; I recognize that. But as I said in my earlier remarks, if we do not support in some way those volunteer emergency workers out there and give them recognition, then I can tell you there's going to be a huge cost down the road, because they're just not going to be there to do the job. We can quibble over the finer points—

**Hon. John McKay:** That may or may not be true.

**The Chair:** Thank you very much.

Monsieur Crête, you have seven minutes.

•(1205)

[*Translation*]

**Mr. Paul Crête:** Mr. Easter, my congratulations for having brought forward this bill.

Mr. Gingras, I would like you to answer the question that Mr. Laforest asked last week. Would the \$1000 amounts that were not taxed at the outset continue to be untaxed? In a nutshell, what is the department's position?

**Mr. Yves Gingras:** We can confirm that the proposed section 60.04 of the bill states very clearly that no deduction could be claimed if an amount has been paid and excluded. So it is exclusive. It is one or the other. The deduction is not on top of the amount excluded.

**Mr. Paul Crête:** Does that mean that the first \$1,000 would remain untaxed and that, thereafter, an exclusion is possible for the next \$1,000 if 100 hours of work has been done?

**Mr. Yves Gingras:** No. The act maintains the exclusion for the first \$1,000, but, if a payment of \$1,000 is made and the exclusion comes into effect, a choice is out of the question. You cannot choose either the exclusion or the deduction. With an exclusion, there would be no deduction. The way it is drafted, there would be no deduction on top. At the moment a payment is made, no deduction is possible.

**Mr. Paul Crête:** Even for the first \$1,000?

**Mr. Yves Gingras:** Yes.

Under section 81(4) of the current act, if a payment is made, it is not possible to choose.

[*English*]

It is not elective.

[*Translation*]

As soon as a payment is made, the exclusion applies.

Section 60.04, that the bill will create, would automatically prevent a deduction. It is not possible to add a deduction to an exclusion that is already being made.

**Mr. Paul Crête:** For tax purposes, at that point, a payment of more than \$1,000 does not exist.

**Mr. Yves Gingras:** That is the intent of the current exclusion.

**Mr. Paul Crête:** You are saying that, under the new act, an obligation to declare a payment would exist from the moment it is made.

**Mr. Yves Gingras:** No, the act stipulates that, as soon as a payment is made, it must be excluded. As soon as a person receives a

payment, the \$1,000 exclusion must automatically apply. The effect of the bill would be to prevent the deduction. No deduction will be added to what is there at present.

**Mr. Paul Crête:** So, to be clear, what are the benefits of this bill for these people?

**Mr. Yves Gingras:** It provides nothing for those who receive a payment and who automatically have the right to an exclusion. It gives those who work as unpaid volunteers the right to a deduction of between \$1,000 and \$2,000.

**Mr. Paul Crête:** Thank you, Mr. Chair.

[*English*]

**The Chair:** Thank you very much.

Mr. Wallace.

**Mr. Mike Wallace:** Thank you, Mr. Chair.

Thank you, Mr. Easter, for coming today and at least giving us a few minutes here to talk to you about it.

First of all, I want to be clear on this and understand it. The previous bill was virtually the same—except four numbers have now been changed, or doubled—yet you voted against it in the House and Mr. Dion voted against it in the House. What's changed between now and then?

**Hon. Wayne Easter:** There have been very substantial changes, because the bill that was voted against in the House actually only dealt with paid volunteers.

**Mr. Mike Wallace:** Mr. Easter, have you read both bills?

**Hon. Wayne Easter:** Yes, I've read both bills.

**Mr. Mike Wallace:** Have you read them carefully? Because I'm trying to find the changes.

**Hon. Wayne Easter:** I've read the interpretation of both bills. And the fact of the matter is that the bill we voted against in the House only applied to paid volunteers. And what we have been trying to do with the previous Bill C-273 and this one is to deal with those unpaid volunteers who are out there.

**Mr. Mike Wallace:** To follow up a little bit on Mr. McKay's question, the Red Cross was here last week. I think you might have been in the room. They're under the impression that they'll get the tax advantage also, based on the very same example Mr. McKay brought forward.

Are you telling me today that the Red Cross is confused, that they're not going to be able to qualify for this, based on the current wording in the bill without any amendments?

**Hon. Wayne Easter:** I'm telling you that based on the bill and the work that is yet to come from interpretations by the Canada Revenue Agency and the others—that is, based on the intent of the bill—it would only apply to emergency workers and first responders.

**Mr. Mike Wallace:** By the way, my father was a volunteer firefighter. He's too old to do it now, but he was a volunteer firefighter in his community.

Do you not think it's fair that volunteers should have a clear understanding of what this bill's intent is and who it's intended for, which could be done through amendments we haven't yet seen?



•(1210)

**Hon. Wayne Easter:** I think they do have a clear understanding. You seem to be confusing the issue, but I believe there is a clear view on the intent of the bill and who it applies to.

**Mr. Mike Wallace:** Well, I think your colleague on the other side there is also somewhat confused, based on your interpretation of things.

There were ten points that were put out by the CAFC. They were in the audience the last time, and this is why I think we need more time on this bill. The Canadian Association of Fire Chiefs believe that the definition is—I'll quote them—"overly open-ended", and that "fire services generally regard the emergency services as compromising emergency first responders".

In their own words after last week's meeting, they recommend that there should be wording changes to clarify the definition, based on this bill. Do you agree with their approach and their response?

**Hon. Wayne Easter:** What I agree with is the response that they had given to the questions, which I think clarifies who it applies to. I've seen those remarks they made last week. I don't believe there need to be further amendments to the bill. I believe it can be handled now, and I would see going to further amendments as a delay tactic, given where Parliament is, to prevent this bill from becoming law and putting into place assistance that is necessary for those unpaid volunteers out there.

**Mr. Mike Wallace:** I don't have much time, Mr. Easter.

I feel for you, because I've sat in that seat on a private member's bill myself.

Do you have Bill C-273, the previous bill, with you?

**Hon. Wayne Easter:** No, I do not.

**Mr. Mike Wallace:** Does anybody happen to have Bill C-273 with them?

I would like Mr. Easter to point out where the wording changes are between the two bills.

**The Chair:** We actually don't have that information.

**Mr. Mike Wallace:** Could we get that? Are we coming back after these votes, or what are we doing?

**The Chair:** My proposal is to suspend the meeting, and then to come back after the votes for 15 minutes or so, to see if we can get to clause-by-clause.

**Mr. Mike Wallace:** Is my seven minutes up, then, or what are you telling me?

**The Chair:** You have a couple more minutes if you want.

**Mr. Mike Wallace:** Okay, very good.

So if we can get that bill, and maybe while you're voting—I'm assuming you're going to vote on the concurrence motion—I want to see if you could go through it and have a look, and then when you come back you can tell us what the differences are, word for word, between those two bills. I want to make sure you've read them both. I know you read the first one for sure, because you already voted against it.

**Hon. Wayne Easter:** I read the first one. I read the second one.

**Mr. Mike Wallace:** And so did all the Liberal members who were part of the committee that dealt with it. So I'm looking forward to that.

Of the ten issues that had been highlighted in the November 17, 2005 proceedings, which ones have you incorporated as amendments in the bill?

**Hon. Wayne Easter:** I think, Mr. Chair, it was a matter of interpretation. The questions were raised, and they've been duly answered, and I think they've been clarified. There were questions raised by the committee. We've looked at them. We've taken the work of the Canadian Association of Fire Chiefs. We've talked to others, and those answers are there before you.

**Mr. Mike Wallace:** I appreciate that you think there are no changes.

Mr. Gingras, do you have any wording changes from the one bill to the next?

**Hon. Wayne Easter:** What needed to be addressed were the questions raised, and those were—

**Mr. Mike Wallace:** No, you've made your point, Mr. Easter. I appreciate that.

Mr. Gingras, from the finance department staff perspective, other than the number changes, have there been any changes between the two bills?

**Mr. Yves Gingras:** There have been changes to the numbers for the thresholds of hours and the amounts that are involved. Otherwise, we don't see changes.

**Mr. Mike Wallace:** So you do not see other changes in that bill?

**Mr. Yves Gingras:** No.

**Mr. Mike Wallace:** Okay.

So maybe, Mr. Easter, you can look for those changes that others seem to have missed.

This is why I think we needed more time. I think somebody mentioned that we're filibustering. I think this is legitimate. I have legitimate concerns with what's happening here in terms of a tax deduction, and to whom it applies. We've had one meeting on it, with people who have come to see us who believe it applies to them. And there's some confusion even from the mover of the bill as to whether it applies to them or not. His interpretation is that it doesn't. Their interpretation is that it does. The outcome of the finance department discussion today is that they're not sure. So that's why I think it needs to be clarified, and I know the bells are ringing.

•(1215)

**Hon. Wayne Easter:** You may be confused, Mr. Wallace, but I'm not.

**The Chair:** Our time has gone. We will suspend the meeting now until after the votes, and then we'll reconvene. You can leave your stuff on the desks if you like.

The meeting is suspended.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- 
- (1245)

**The Chair:** I would like to call the meeting back to order. We are in our question and answer period. I see Mr. Wallace's name back on the list, and Mr. Wallace is at the table.

Mr. Wallace, you have the floor.

**Mr. Mike Wallace:** Did the mover of the motion have a chance to look at the two bills?

**Hon. Wayne Easter:** Yes.

**Mr. Mike Wallace:** Could you highlight for me the differences between Bill C-219 and Bill C-273?

**Hon. Wayne Easter:** Just to give you a bit of history here, Mr. Wallace—

**The Chair:** Just for the committee's information, we have those bills and we'll be passing them around to the rest of the committee.

**Hon. Wayne Easter:**—I had drafted Bill C-273, and as a result of other events, couldn't put it forward, but Mr. Cuzner did. There's virtually no difference between Bill C-273 and this bill.

However—if I can get Mr. Wallace's attention—where you're confused, Mr. Wallace, is that the bill I voted against was Bill C-325, which was put forward by Mr. Casson. That bill was substantially different, as I said earlier, in that it only dealt with paid volunteers.

For the record, Bill C-273 wasn't voted on, on March 7, 2005; it was just agreed at the House to go to committee. So there wasn't a standing vote, and I was supportive of Bill C-273 because, as I said, I originally drafted it.

**Mr. Mike Wallace:** Concerning the difference between Bill C-273 and Bill C-219, I believe Bill C-273 had amendments.

**Hon. Wayne Easter:** The only difference between Bill C-273 and Bill C-219 is the numbers: \$500 and \$1,000; and \$1,000 and \$2,000.

There's a huge difference, though, in terms of what Bill C-219 and Bill C-325—which was the Casson bill—applied to and how it operated.

**Mr. Mike Wallace:** Okay. Then based on your support of Bill C-273 previously and saying it's the same wording now, you've just testified to us that it affects only emergency workers—fire, I'm assuming ambulance, and so on. But both bills are broader than that. Do you want to bring an amendment to that?

**Hon. Wayne Easter:** Well, I understand there are a couple of not very substantive amendments coming forward: one to deal with basically the numbering as a result of changes to the Income Tax Act since the bill was originally put forward; and one to deal with section 60.04, which Mr. Gingras mentioned earlier.

The problem with Bill C-273 was that the finance committee at the time basically left the impression that they supported it in principle, but they raised ten questions. Those ten questions, I believe, have now been answered. They've been answered by the fire chiefs, and I agree with those answers and—

**Mr. Mike Wallace:** Yes, but those answers didn't require amendments to the bill, then.

**Hon. Wayne Easter:** We're saying here today, and you're saying, I believe, as is Mr. McKay, that this bill should only apply to first responders and emergency workers.

**Mr. Mike Wallace:** No, that's what you said.

**Hon. Wayne Easter:** That's what I'm saying.

**Mr. Mike Wallace:** Yes, but the bill doesn't say that.

**Hon. Wayne Easter:** Do you not agree with that?

**Mr. Mike Wallace:** The bill doesn't say that.

**Hon. Wayne Easter:** We're saying that is the intent. Are you telling me that with all the resources—

**Mr. Mike Wallace:** I'm telling you as the mover of the motion that if that's what you want, you should bring amendments.

**The Chair:** Order.

Mr. Wallace—

**Mr. Mike Wallace:** Yes.

**The Chair:**—address your question through the chair. But I'm not going to allow you to go on very much longer. I'll give you another 30 seconds to wrap up and that will be it.

**Mr. Mike Wallace:** Do you not feel as the mover of the motion that if that is your intent, this committee deserves to see amendments to make that happen? And there were amendments recommended by other witnesses at the one meeting we've had on this other than today, so should we not be able to review those amendments and see whether they make appropriate sense to be included in this bill?

This bill doesn't have any amendments to it. It doesn't apply to what you're claiming it does.

- (1250)

**The Chair:** Okay, we'll take a very quick answer on that, and then we'll go to clause-by-clause.

**Hon. Wayne Easter:** Thank you, Mr. Chair.

The legal drafters of the legislation have certainly made it clear to us that the amendment is not necessary. I think it's been very clear at this committee that this bill is intended to apply to first responders and emergency workers. That's been outlined. I feel quite certain that with the resources that the Department of Finance and CRA have available to them, they can ensure that this is how it's interpreted.

Let's not delay the bill for amendments that are not necessary. Let's get the job done.

**Mr. Mike Wallace:** Can I move a motion, Mr. Chair?

**The Chair:** I think that's it.

What was your question?

**Mr. Mike Wallace:** I would like to move a motion, and then we can go to line by line if my motion loses. It's to the bill.

**The Chair:** Is your motion on the subject?

**Mr. Mike Wallace:** Yes, absolutely.

**The Chair:** Okay. Introduce your motion.

**Mr. Mike Wallace:** I would move that the committee, while generally supportive of the intent of Bill C-219, and it feels that those who provide volunteer emergency services should be recognized by the federal government through the tax system, has considered Bill C-219, an act to amend the Income Tax Act (deduction for volunteer emergency service), and pursuant to Standing Order 97(1) agrees on Thursday, June 12, 2008, to recommend to the House of Commons not to proceed further with the bill, as there are unresolved questions similar to those raised in the 19th report of the finance committee in 2005 on Bill C-273.

**The Chair:** I think that is in order. We'll go to debate on the motion.

**Mr. Mike Wallace:** I have one short comment on it.

**The Chair:** Okay, go ahead.

**Mr. Mike Wallace:** I'm moving this motion because there are obviously issues to be dealt with on this bill. I've asked for an extension so we could deal with it. I don't mind dealing with Mr. Easter. I'm not opposed to helping.... I have volunteer firefighters, volunteer policemen in my community. I'm willing to be there to help them out. But there are issues with the wording, the legality of the bill that we have in front of us.

The mover of the bill admits that somebody else is going to look after that, CRA or Revenue Canada—they'll work it out. Well, that's not what the volunteers in this country are looking for. I think as legislators we could be a lot more specific, a lot more detailed, and provide something that will be implementable based on what it is.

That's why I'm supporting that we hollow it out right now. We bring it back and we look at proper amendments and proper wording.

**The Chair:** Okay.

Mr. Pacetti.

**Mr. Massimo Pacetti:** Just quickly, for the record, this bill has been around for ages. The last report that was made to the House was in November 2005. The department is well aware of the bill. It's been hanging around. As I said, we've had more than a couple of months to address any amendments.

I think Mr. Easter not only did a good job, he did a great job. He was eloquent. He was able to answer all the questions.

I think the best way to address your motion, Mr. Wallace, is by voting for this bill. Let's go to clause-by-clause.

Thank you, Mr. Chairman.

**The Chair:** We're now going to move the motion that's on the floor.

(Motion negatived)

**The Chair:** We'll go to clause-by-clause.

Shall clause 1 carry?

**Mr. Massimo Pacetti:** On a point of order, I submitted two amendments. I think I'm the one who's supposed to introduce them. I just spoke to the parliamentary secretary asking if they were

[*Translation*]

in order. I have spoken to people from the Department of Finance and I feel that both these amendments are in order.

[*English*]

So if we can just consider them while we do the clause-by-clause—they're just technical amendments—is that okay?

**The Chair:** Exactly.

So you're making the amendment to clause 1?

**Mr. Massimo Pacetti:** Yes. Clause 1 will be amended by changing the paragraph (y) to paragraph (z). It's just a technical amendment. Lines 6 to 8 will be replaced with:

the end of paragraph (y) and by adding the following after paragraph (z):

**The Chair:** It's a technical amendment. You have the amendment before you.

**Mr. Mike Wallace:** On division.

(Amendment agreed to on division)

(Clause 1 as amended agreed to on division)

**The Chair:** Shall clause 2 carry?

**Mr. Massimo Pacetti:** Mr. Chairman, again, clause 2 should be amended for the appropriate changes that were incurred in the tax act after the tabling of the bill. So if you look at the proposed—

•(1255)

**The Chair:** You're making that amendment?

**Mr. Massimo Pacetti:** I'm making that amendment. It's to change paragraph 60(z) to 60(z.1). It's just to be in sync with the amendment we made in clause 1.

**The Chair:** Okay. I'll call the question on the amendment.

(Amendment agreed to on division)

**The Chair:** Shall clause 2 carry as amended?

[*Translation*]

**Mr. Yves Gingras:** Mr. Chair, I have with me a lawyer from the Department of Finance who would like to help you. There seems to be some confusion that we would like to clear up.

[*English*]

**The Chair:** The amendment is already adopted. I haven't finished the clause. The one amendment is there. Let's hear the information.

Go ahead.

**Madam Venetia Putureanu (Tax Policy Officer, Tax Legislation Division, Tax Policy Branch, Department of Finance):** Instead of (z.1), it should be (z.2). So it's not (z) and (z.1); it should be (z.1) and (z.2).

**The Chair:** I believe that's what it is on the second amendment.

**Mr. Massimo Pacetti:** Do you have a copy?

**The Chair:** I believe that's the amendment we have.

**Mr. Massimo Pacetti:** Can you take 30 seconds and look at it?

**The Chair:** We'll take a quick look at it, but I believe that's what we have here.

[*Translation*]

**Mr. Yves Gingras:** That is what we have.

[*English*]

**Mr. Massimo Pacetti:** This was submitted last week, Mr. Wallace.

**The Chair:** Then I'm going to go to the original question, which is on clause 2.

(Clause 2 as amended agreed to on division)

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**The Chair:** Shall the chair report the bill as amended to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall the committee order a reprint because of the amendment?

**Some hon. members:** Agreed.

**The Chair:** And we are done with the bill.

Thank you very much.

**Mr. Mike Wallace:** Is the next meeting on Monday?

**The Chair:** It will be Monday.

The meeting is adjourned.

---







**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliament of Canada Web Site at the following address:  
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**