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Standing Committee on Finance

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EVIDENCE

Tuesday, March 9, 2010

—
Chair

Mr. James Rajotte

Standing Committee on Finance

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• (1530)

[English]

The Clerk of the Committee (Mr. Jean-François Pagé): Honourable members of the committee,

[Translation]

I see that we have a quorum.

[English]

We can now proceed to the election of the chair. I am ready to receive motions to that effect.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Chair, I nominate MP James Rajotte for the position of Chair of our committee.

[English]

Hon. John McKay (Scarborough—Guildwood, Lib.): Let's debate it.

[Translation]

The Clerk: Are there any other motions?

[English]

Are there any further motions?

Mr. Mike Wallace (Burlington, CPC): There are no other motions.

[Translation]

The Clerk: Is it the pleasure of the committee to adopt the motion?

[English]

(Motion agreed to)

The Clerk: I declare the motion carried and James Rajotte duly elected chair of the committee.

Some hon. members: Hear, hear!

[Translation]

The Clerk: Before I invite Mr. Rajotte to take the chair, if there are no objections, we will now proceed to elect the vice-chairs.

[English]

I am now prepared to receive motions for the first vice-chair from the official opposition.

Mr. Mike Wallace: I'm going to move that Massimo Pacetti be the first vice-chair from the opposition.

Hon. John McKay: Do you think we could get a seconder?

The Clerk: Are there any further motions?

It has been moved by Mike Wallace that Massimo Pacetti be elected as first vice-chair of the committee.

[Translation]

Is it the pleasure of the committee to adopt the motion?

(Motion agreed to)

The Clerk: I declare the motion carried and Mr. Pacetti duly elected first vice-chair of the committee.

[English]

I am now prepared to receive motions for the second vice-chair.

Monsieur Carrier.

[Translation]

Mr. Robert Carrier (Alfred-Pellan, BQ): I would like to nominate Mr. Daniel Paillé.

The Clerk: It has been moved by Mr. Robert Carrier that Mr. Daniel Paillé be elected second vice-chair of the committee. Is it the pleasure of the committee to adopt the motion?

(Motion agreed to)

The Clerk: I declare the motion carried and Mr. Paillé duly elected second vice-chair of the committee.

An hon. member: Indeed.

The Clerk: I now invite Mr. Rajotte to take the chair.

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): Thank you very much, colleagues.

[Translation]

Congratulations, Mr. Pacetti and Mr. Paillé, on being elected vice-chairs.

[English]

I'll just read the following. On Wednesday, March 3, 2010, the House of Commons adopted the following order:

That, for all standing committees, routine motions in effect at the time of prorogation of the previous session be deemed to have been adopted in the current session, provided that committees be empowered to alter or rescind such motions as they deem appropriate.

Accordingly, the routine motions—which all of you should have in front of you—that were in effect at the time of prorogation are reinstated. The clerk will reflect the House order in the minutes of this meeting. The committee can, if it chooses, amend any of these motions.

Finally, for information purposes, the clerk has obviously distributed a copy of the motions to all committee members.

Do we need a motion to that effect? No?

Colleagues, I just need to know the will of the committee as to whether we want to proceed to committee business today or do so on Thursday. We do have three motions by Mr. McCallum. I believe we can deal with them fairly quickly.

Hon. John McCallum (Markham—Unionville, Lib.): I think they're not controversial.

The Chair: Okay. Let's move to the motions by Mr. McCallum.

Hon. John McCallum: Thank you, Mr. Chair.

The first motion—and I think others had proposed this earlier—is that we do a study on retirement income security. I've suggested we have one meeting on the health of federally regulated pension plans, two meetings on the adequacy of retirement savings for Canadians at large, one meeting on issues involving the Bankruptcy and Insolvency Act, and one meeting to compare Canada's retirement income security systems with those of other OECD countries. I'd like to put this on the table. I'm certainly flexible in terms of the details regarding the meetings, but this is my proposal.

The Chair: Thank you, Mr. McCallum.

Monsieur Mulcair, *s'il vous plaît*.

[Translation]

Mr. Thomas Mulcair: I second Mr. McCallum's motion. It is in line with what this committee was working on last fall. I had moved a similar motion and we had decided to wait until the meeting in Whitehorse. I think the number of meetings being proposed is fine. It will give us a good idea of the direction in which these studies will be taking us.

•(1535)

[English]

The Chair: Okay. *Merci*.

Mr. Wallace.

Mr. Mike Wallace: I have no problem with the motion, Mr. Chair, but the mover has identified how many meetings are needed and we may need more meetings on different items.

Are you really bent on having the number of days specified or just leaving it open?

The Chair: So are you asking if he's open for more meetings?

Mr. Mike Wallace: Yes.

Hon. John McCallum: In the motion it does say that “although the committee may decide to expand the hearings in the future, it should begin” with the one on—

Mr. Mike Wallace: Well, I'm trying to do it right now. I think having a day of this may give us more flexibility, but it's up to you.

Hon. John McCallum: I would think that we would have the two-hour session or whatever, and then after that we'll have a better idea than we would now as to whether to do more.

Mr. Mike Wallace: All right.

The Chair: We'll call the question on the motion.

All in favour?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: Mr. McCallum, do you want to move to your second and third motions?

Hon. John McCallum: The other two are more minor.

The next one is to do with this tax treatment and characterization of personal services business. I think this was mainly a Quebec issue. I actually was not present, but I heard from others who were, and I saw the transcript. It seems pretty clear that these people fall between two stools or fall between the cracks, with neither the benefit of being an employee nor the benefit of being self-employed.

All I'm suggesting is that since we've heard them for a day, I think it would be a good idea if we could bring this to the attention of our colleagues in the House by writing a report. We could have one meeting to generate that report.

The Chair: Mr. Mulcair.

[Translation]

Mr. Thomas Mulcair: Mr. Chair, I want to be sure that we will hear from the witnesses. Most of the complaints come from one business in particular. Now that we have heard from the employees or entrepreneurs affected, it is absolutely essential, even critical, that we hear from someone representing the business in question. I fully agree with my colleague, Mr. McCallum—and I thank him for bringing this up—that perhaps one hour should be set aside that day to hear from the witnesses.

Hon. John McCallum: I totally agree with you.

Mr. Thomas Mulcair: I have nothing further.

[English]

The Chair: Mr. Pacetti.

[Translation]

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): I have a question, as I wasn't at the meeting. Were some officials present?

Mr. Thomas Mulcair: Yes.

[English]

The Chair: We can say “that the finance committee dedicate at least one meeting”, which encompasses it.

Some hon. members: Agreed.

The Chair: I'm sensing unanimity on that.

Mr. McCallum, your third one, please.

Hon. John McCallum: Third and finally, this is a question involving Nortel employees and others, and therefore there's some time sensitivity. You may recall that the Nortel people put forward three proposals, I think, to deal with the issue, and there was a letter received from the Department of Finance saying that all three of these proposals were unworkable or undesirable.

My only suggestion is that, out of deference to these people, we invite the Department of Finance officials to a meeting and ask them to explain to us why all of these proposals are unworkable—

An hon. member: And JDS as well.

Hon. John McCallum: And JDS as well. Yes, it may apply to others. Nortel is the one immediately at issue, but there's JDS also, and there may be others as well. But I'm proposing only that we invite finance officials to a single meeting to explain to us why they are so adamant that these proposals won't work.

The Chair: Mr. Menzies.

Mr. Ted Menzies (MacLeod, CPC): I certainly have no problem with that. There are some changes that will be coming forward, either in budget implementation act number one or in number two, which help address some of these, from my understanding.

I don't totally understand the whole issue, so I have no problem with them coming, but I wonder if we should wait until we actually have them here discussing what was talked about in the budget and then ask them at that time.

• (1540)

Hon. John McCallum: What's your proposal? That we delay?

Mr. Ted Menzies: That when we have finance officials here discussing the Budget Implementation Act... I'm not just sure whether it will be in number one or number two. I don't know what the drafting is like. If it isn't in number one, then certainly we can—

Hon. John McCallum: What's the likely timing of the Budget Implementation Act?

Mr. Ted Menzies: It would likely be some time in the next couple of months.

Hon. John McCallum: I would think we'd want to have them earlier—

Mr. Ted Menzies: That's fine with me.

Hon. John McCallum: —after we answer the questions they put in their letter. If there's more information that's relevant in the Budget Implementation Act, then perhaps we could ask them back again.

Mr. Ted Menzies: I have no problem with that.

The Chair: Thank you.

Mr. Wallace, please.

Mr. Mike Wallace: I'd just like a clarification because of the Nortel pension issues. There are a couple, but we're talking about the stock option one, where the people didn't...right?

Hon. John McCallum: Right. This is the stock option issue.

Mr. Mike Wallace: Okay, thank you. I just wanted to make sure.

The Chair: All in favour of the motion?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: Colleagues, I want to discuss the estimates. I want to mention a private member's bill that has been reported to the House. Also, for the information purposes of your staff, Governor Mark Carney is confirmed for Tuesday, April 27, from 3:30 to 5:30, on his monetary policy report.

With respect to the supplementary estimates, the current supply period ends Friday, March 26, so we do have to address the supplementary estimates before then if this committee so wishes. I just wonder whether the committee wishes to address the supplementary estimates.

Mr. Wallace.

Mr. Mike Wallace: I would like an opportunity to take at least an hour, but not to spend a full meeting on supplementary estimates (C). I think it's our responsibility as parliamentarians to look at the expenditures, and this is one of our key opportunities that I wouldn't like to see us pass up. So I'd like to see one meeting set aside for that.

The Chair: You'd like one meeting. Okay.

Mr. Mulcair.

[*Translation*]

Mr. Thomas Mulcair: I would also like one of the persons who works closely with us and who does our research to kindly check a technical detail for me. The first analysis was scheduled for March 1, but in fact did not start until March 3.

Will this late start affect any of the other dates provided for in the budget? The government missed the March 1 deadline, but the analysis was tabled on March 3. That was illegal, given that the deadline had passed. I merely want to know if there any possible future repercussions, in so far as the Supplementary Estimates are concerned.

[*English*]

The Chair: Do you want to know whether the March 26 deadlines are affected by the—

Mr. Thomas Mulcair: Exactly.

The Chair: But are you okay with the days on the supplementary estimates?

Mr. Thomas Mulcair: Yes, but I want to find out, as a member of this committee, what is the legal effect of having missed that date. There was something called prorogation that made us miss that date.

The Chair: Yes, I heard about it.

Mr. Thomas Mulcair: Our little Sarah Palins on the other side couldn't go rogue, so they went prorogue.

The Chair: Mr. Pacetti.

Mr. Massimo Pacetti: Based on past experience, can I make a suggestion that we have finance officials at the same time as CRA, instead of doing an hour each? Sometimes the material in one hour is drier than in the other, and we need more time for the other one. I think we have somebody else, also. I'm not sure which estimates we have, but could we just package them all and have them in two hours?

The Chair: We would have a two-hour session.

Hon. John McCallum: Did he say "all of them"?

Mr. Mike Wallace: Can we do main estimates at the same time?

Mr. Massimo Pacetti: It wouldn't be all of them. I'm not sure which main estimates we're looking at. Maybe we can discuss it afterwards.

The Chair: We usually do one hour with CRA and one hour with finance, but he's suggesting we do them all in a two-hour session.

Mr. Mike Wallace: Oh, yes, do them all together.

The Chair: Okay?

Mr. Mike Wallace: Yes.

The Chair: That's fine. We'll do one meeting, then, for the supplementary estimates. We have to report the main estimates back by Monday, May 31. Because we have time, we don't have to decide today. I just want to highlight that deadline for colleagues.

Bill C-290 was reported to us. The deadline to report that back to the House is Friday, June 11.

[*Translation*]

Is this a bill introduced by a Bloc Québécois Member?

[*English*]

Hon. John McCallum: Was it the regional thing?

The Chair: That was amended and reported back to the House.

Ms. Martha Hall Findlay (Willowdale, Lib.): Was it Bill C-230 or Bill C-290?

The Chair: It's Bill C-290, An Act to amend the Income Tax Act (tax credit for loss of retirement income), by André Bellavance. I'm just highlighting that for members.

That's all I have for business today.

We do have two new members on the committee. We had a new member prior to prorogation, Monsieur Paillé, who is now the vice-chair, but we also have two new members. We have Monsieur Généreux, and Mr. Hiebert. I want to welcome them to the committee.

● (1545)

[*Translation*]

I'd also like to welcome back to the fold Mr. Carrier, who was away for a few months for health reasons.

[*English*]

Mr. Robert Carrier (Alfred-Pellan, BQ): I just want to tell everybody that I appreciated the card you sent to me. When we have problems like that, we appreciate those things, so thank you, everybody.

Mr. Mike Wallace: What's up for next Thursday, Mr. Chair?

The Chair: We're going to do our best to get to pensions, but if not—

Mr. Mike Wallace: If not, it starts next Tuesday.

The Chair: If not, we'll start next Tuesday, if that's okay.

Mr. Mike Wallace: Let's just make it next Tuesday, and then we know.

The Chair: If that is the will of the committee, I'll follow the will of the committee.

An hon. member: Hear, hear.

An hon. member: You're a good chair.

The Chair: Thank you all, colleagues.

The meeting is adjourned.

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