



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 061 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, November 24, 2016

—
Chair

The Honourable Wayne Easter

Standing Committee on Finance

Thursday, November 24, 2016

• (1535)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I call the meeting to order. Pursuant to Standing Order 81(5), we are examining supplementary estimates (B) for 2016-17, votes 1b and 5b under the Canada Revenue Agency, votes 1b and 7b under the Department of Finance, and vote 1b under the Financial Transactions and Reports Analysis Centre of Canada, referred to the committee on Thursday, November 3, 2016.

That's all to say that the minister is here to talk about the supplementary estimates.

Welcome, Minister Lebouthillier, and welcome to the chief financial officer, Mr. Huppé, and to Mr. Gallivan.

There is a point of order.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Thank you.

At the last meeting, we adjourned debate; however, it's my understanding of the rules—and I could be wrong—that it's at the beginning of the meeting that we deal with the motion that was adjourned.

The Chair: That's not necessarily so.

Ms. Jennifer O'Connell: That's fine.

The Chair: A member who wants to pull it off the table can do so at any time. It's my understanding that it doesn't have to be dealt with immediately at the beginning of the meeting.

Ms. Jennifer O'Connell: Okay.

The Chair: I'd suggest that possibility might occur after we hear from the minister on the supplementary estimates.

Ms. Jennifer O'Connell: Thank you.

The Chair: We'll start, then, with the minister, and then the floor will be open to whatever might happen after that.

Minister, the floor is yours. Welcome.

[Translation]

Hon. Diane Lebouthillier (Minister of National Revenue): Thank you, Mr. Chair.

I appreciate the opportunity to participate in the committee's study of the supplementary estimates (B).

I am joined by two senior officials from the Canada Revenue Agency: Mr. Ted Gallivan, the assistant commissioner of international, large business and investigations branch; and Mr. Roch

Huppé, the assistant commissioner of the finance and administration branch and the agency's chief financial officer.

Mr. Huppé will speak briefly about the supplementary estimates in just a moment, but I would like to say a few words by way of introduction.

In May when I last spoke to this committee, I was six months into my mandate as Minister of National Revenue. At the time, I gave an overview of some of the measures outlined in budget 2016 to help the Canada Revenue Agency combat tax evasion and tax avoidance.

Now, having served as minister for more than a year I have an even deeper appreciation of the challenges involved in these activities and the CRA's other business lines. As you know, the CRA is a client-focused agency that exists to serve Canadians. I am pleased to inform the committee that the agency is becoming fairer, more helpful, and easier to use.

The CRA is delivering on the government's commitments by effectively administering the middle class tax cut and the Canada Child Benefit. And it is taking definitive steps to combat aggressive tax planning and tax avoidance, improve services for taxpayers, and enhance the role of charities in our society.

The agency has accomplished a number of objectives on the compliance front—both at home and abroad—since my last appearance. They are taking concrete steps here in Canada to crack down on tax cheats. The CRA is currently conducting audits on over 750 taxpayers and criminally investigating 20 cases of tax evasion specifically linked to offshore tax havens.

Recently, the CRA launched the hiring process to add 100 new tax professionals to its already robust audit team. These individuals will assist in auditing high-risk multinational corporations and unravelling complex offshore schemes to crack down on tax cheats. It is a strategy that will collect an estimated additional \$500 million in revenue over five years.

As for service to Canadians, the CRA makes sure taxpayers have access to the information they need about taxes or benefits—on its website, through its call centres, or through mobile applications. To respond to the public's needs the agency has added resources to its telephone service and is improving upon the clarity of correspondence with Canadians.

In addition, the CRA is streamlining its processing activities and creating three new national verification and collection centres. Canadians will experience faster, more efficient processing of their tax and benefit returns and better handling of calls to the call centre.

The Canada Revenue Agency has also made a significant commitment to the charitable sector by engaging with key stakeholders. The government has pledged to further clarify the rules governing a registered charity's involvement in political activities.

To this end, the agency recently launched online consultations with the public, and starting next week, will begin in-person consultations with registered charities. This consultation will result in a better understanding of the needs of charities and help identify ways to better communicate the rules governing political activities.

It is clear, Mr. Chair, that the Canada Revenue Agency is improving its service to Canadians and acting on its commitment to crack down on tax cheats. I am proud of the accomplishments of the agency's dedicated employees. But there remains much more to be done. Supplementary funding will help the agency enrich its programs in a number of ways.

• (1540)

It will enhance the agency's efforts to crack down on tax cheats. It will fund measures to improve communications with taxpayers and outreach to Canadians, and it will implement and administer the new home accessibility tax credit for seniors and people with disabilities.

I could go on, but instead I will yield the floor to Mr. Huppé, who will speak to the details of the supplementary estimates.

Thank you for your attention.

[*English*]

The Chair: Thank you very much, Madam Minister.

Mr. Huppé.

Mr. Roch Huppé (Chief Financial Officer and Assistant Commissioner, Finance and Administration Branch, Canada Revenue Agency): Good afternoon, Mr. Chair. Thank you for the opportunity to appear before the committee to present and to answer any questions that you may have on the Canada Revenue Agency's 2016-17 supplementary estimates (B).

[*Translation*]

Mr. Chair, as you are aware, the Canada Revenue Agency is responsible for the administration of federal and certain provincial and territorial tax programs, as well as the delivery of a number of benefit payment programs. Each year, the agency collects hundred of billions of dollars of tax revenue for the governments of Canada, and distributes timely and accurate benefit payments to millions of Canadians.

[*English*]

Through these supplementary estimates, the Canada Revenue Agency is seeking an increase of \$146.1 million in its voted authorities for the following four items.

First, the agency is requesting \$65.3 million, of which \$40.1 million is to implement and administer various measures aimed at cracking down on tax evasion and combatting tax avoidance as announced and funded through budget 2016. The incremental funding will be used to hire additional auditors and specialists, develop robust business intelligence infrastructure, increase verification activities, and improve the quality of investigative work that

targets criminal tax evaders. The remaining \$25.2 million is aimed at enhancing tax collections, as announced in budget 2016.

Second, the agency is seeking \$44.3 million to implement and administer various measures to further improve its capacity to deliver client-focused services for Canadians and Canadian businesses, as announced in budget 2016. These measures include improving telephone accessibility, delivering correspondence and other communications that are clear and easy to read, increasing outreach through the expansion of the community volunteer income tax program, taking the initiative to contact Canadians who are not taking advantage of the tax credits or benefits they are entitled to, and increasing the agency's capacity to resolve taxpayer objections in a timely manner.

[*Translation*]

These supplementary estimates also seek \$30 million related to the administration of the goods and services tax recognizing the deferral of a savings proposal originally identified as part of the Budget 2012 spending review.

[*English*]

The final item for which the agency is seeking incremental funding is \$6.4 million to implement and administer the new home accessibility tax credit for seniors and people with disabilities announced in budget 2015, as well as to augment the agency's audit and non-audit compliance programs. These initiatives include GST and HST examinations, aggressive tax planning teams, and an extension to the RRSP over-contribution program.

Also included in these supplementary estimates for information purposes is a net reduction of \$108.4 million related to the agency's statutory authorities. Largely, this reflects a revision in the timing of disbursements to the provinces under the Softwood Lumber Products Export Charge Act, 2006. In January, at the time the 2016-17 main estimates were prepared, the agency intended to make disbursements to the provinces of \$128 million in 2016-17, once all final administration costs had been determined. This work proceeded quicker than expected, and the majority of this amount was ultimately accounted for in 2015-16, resulting in a \$125.6-million reduction to the statutory authority being sought through these supplementary estimates.

This reduction is partially offset by an increase of \$17.2 million in employee benefit plan amounts associated with new salary funding being sought through these supplementary estimates. Following the approval of these supplementary estimates, the agency's revised 2016-17 authorities will total just over \$4.4 billion.

●(1545)

[Translation]

In closing, the resources sought through these estimates will allow the Canada Revenue Agency to continue to deliver on its mandate to Canadians by making it easier for the vast majority of taxpayers who want to pay their taxes, and more difficult for the small minority who do not,

as well as ensuring that Canadians have ready access to the information they need about taxes or benefits.

[English]

Mr. Chair, at this time, we would be pleased to respond to any questions you may have.

Thank you.

The Chair: Thank you, both.

I also want to thank you for providing the committee with a copy of your remarks, and your remarks on the estimates. I will admit that doesn't always happen. I'm sure every member of the committee is pleased about having received them so we can follow them.

Turning to questions, we have Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon (Gatineau, Lib.): You are right, Mr. Chair, and we thank you for your comments.

Madam Minister, Mr. Huppé and Mr. Gallivan, thank you for being here with us.

This year, we focused particularly on tax evasion and on the efforts you made in this regard and the additional funds devoted to fighting tax evasion. Since all members of this committee are members of Parliament, I would like to address client service in my first question.

During the years when Mr. Harper was in power, there were rumours that the regional Gatineau office would be merged with the Ottawa office. Ms. Lebouthillier, could you clarify the status of the regional Gatineau office?

Hon. Diane Lebouthillier: In the mandate letter I received from the Prime Minister, I was asked to focus my efforts on all of the client services provided by the Canada Revenue Agency. The work to renew the services was done all through the year. To me it was important that we maintain the regional offices.

We kept the Gatineau office. We also added 500 administrative positions to the Winnipeg office. In Rimouski, we consolidated part-time positions and other positions in regional offices. To me and to everyone who works at the agency, it was also important to make an announcement in this regard. We have two years to work on the reorganization. This makes the employees feel more secure, and everyone knows where we are going. We will also work in cooperation with the unions on this.

Mr. Steven MacKinnon: Thank you very much, Madam Minister. I think the people of Gatineau will be reassured by your words.

More generally, I want to speak about investments in client service.

People have noted that client service at the Canada Revenue Agency is faster and more modern, but I'm sure you will agree with me that there is still a lot of work to do in this regard. You are asking the Parliament of Canada to give you considerable sums to work on it. What are the highlights of your improvements to client service?

We are both members from Quebec. The people of that province sometimes feel that having to file an income tax return with Revenue Quebec and another one with the Canada Revenue Agency is a heavy burden to bear. Are there some efforts being made to coordinate things with Revenue Quebec? If so, are they part of the efforts aimed at improving client service?

●(1550)

Hon. Diane Lebouthillier: Yes.

The Canada Revenue Agency is in fact working in co-operation with Revenue Quebec. In fact, we are consulting businesses about improving our services. We are consulting Revenue Quebec in order to provide more effective help to those who do business with the agency.

I am going to give the floor to Mr. Gallivan, who can provide additional information on this.

Mr. Ted Gallivan (Assistant Commissioner, International, Large Business and Investigating Branch, Canada Revenue Agency): Thank you, Madam Minister.

Mr. MacKinnon, I will speak more specifically about certain elements.

Part of the investment has been allocated to telephone lines, in order to ensure that people receive a reply in an acceptable time frame. In the first quarter of this year, we noted an improvement in response times of 4% to 7%, depending on the phone lines.

We also simplified correspondence coming from the agency. We had been having a long-term debate with lawyers and people from the communications service concerning our way of addressing Canadians. These are legal documents that contain a certain number of details. Since they have been simplified, we expect to receive fewer calls. We also created a telephone line for accountants, who receive more complex calls that can last longer.

In addition, we deal with disputes, those involving taxpayers who do not agree with their tax assessments from the agency. We invested more money there, because we know that the delays were not well received by citizens who had an issue with the agency. Investments were made in order to reduce delays in such cases.

Mr. Steven MacKinnon: Returns at the end of the fiscal year are now sent more quickly than in previous years. What efforts do you make in order to send income tax returns more quickly to taxpayers?

Hon. Diane Lebouthillier: One factor is that we computerized our services, and we are continuing work on that. Last year, the number of people who used our electronic services increased by 2%. 84% of taxpayers now use it. This certainly is more conducive to taxpayers receiving returns as quickly as possible. As for improving electronic services, Mr. Gallivan could give you more information on the administrative aspect.

Mr. Ted Gallivan: In our opinion, we need to start the tax return season as early as possible. It starts very early, but the fact that some information is not available, such as information from employers, prevents some taxpayers from obtaining their returns sooner.

We are working with software developers so as to better integrate the information that is sent to the agency by third parties such as employers. We are making considerable improvements to the software so that all of this information can be made available to citizens who choose to send in their returns electronically. This is in our opinion an important partnership, and we have to make sure that that information is received in time to allow citizens to obtain their returns in a timely manner.

[English]

The Chair: Thank you both.

Mr. Aboultaif.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you.

Thank you, Minister, for being here today.

You announced an expansion of the operations of the CRA in Summerside, P.E.I., by 70 new jobs, yet you told 182 others that if they want to keep their jobs they must relocate to another province. We're hiring 70 and basically letting 182 leave home. That doesn't seem to be an expansion to me, to be honest with you.

I asked you that question in the House and I would like you to explain to me why you're taking jobs out of Prince Edward Island.

[Translation]

Hon. Diane Lebouthillier: With regard to jobs, it is important to stop the decline in the number of workers in regional tax centres. As I mentioned a few moments ago, there is an across-the-board increase in electronic services. We have consolidated some positions. We had some part-time employees who are now full-time. We are working to provide better service to Canadians. We are working on reducing wait times, and in future, the agency will be offering more specialized positions.

Mr. Huppé could tell you more about this.

• (1555)

[English]

Mr. Roch Huppé: You referred to new jobs being created and some employees being offered the chance to move elsewhere. We're consolidating the different activities in different locations, so these folks are being offered a possibility to follow their current work. It doesn't mean that there will not be another job for that person in that location. The number of jobs in Summerside is actually growing. It's just that, as a first step, we always offer our employees the possibility of moving for their work, and then in most of these cases we will

guarantee them a job if they choose not to follow their work, another job at their current location.

Mr. Ziad Aboultaif: But you know that by doing so.... Those 182 people may not be physically able to move or relocate their families, so they can be facing losing their jobs, and there are 2,396 cases where people across the country have been given the same scenario. Can you understand me? There is a human issue here with these people. There are difficulties. There are families, kids, schools, and all of that. You are hiring, and you are spending a lot of money. You have about 2,400 other people across the country who are facing the same destiny. Can you explain that too, please?

Mr. Roch Huppé: Yes, in all of these cases, as I was mentioning, we have to offer these people the possibility to relocate. You are absolutely correct. In some cases they will opt not to relocate, for whatever reason. It could be family reasons or others. In most of these cases, though, even if they elect not to relocate, they will not lose their jobs, because we will be offering them a new job in their current location with the training they will require to complete the new duties they will be assigned.

Mr. Ziad Aboultaif: Would you have records of that, if we were to ask for records at some point?

Mr. Roch Huppé: Absolutely.

Mr. Ziad Aboultaif: Thank you.

There is a big investment that was announced last year, and now this year, of about \$444.4 million in cracking down on offshore tax evasion and doing all that stuff. There is an existing program, and I just heard the minister saying that she is estimating \$500 million of extra income over five years. We call it an estimate. Now, with the investment of \$444.4 million and an estimated \$500 million over five years, do you really think the investment is worthwhile, when we have existing programs in place, such as the stop international tax evasion program?

What do you see your ROI being on this, if you are going to go and spend all this money? I would really like to know a breakdown on this. Is it going to lawyers? Is it going to computer systems? Is it going to extra staff? Where is this \$444.4 million going to go? I would really like to know the breakdown of that number.

The Chair: Mr. Gallivan, go ahead.

Mr. Ted Gallivan: Thank you, Mr. Chair.

First of all, I think the \$500 million was per year over five years, so the budget 2016 announcement was for a total of \$2.5 billion.

Mr. Ziad Aboultaif: I'll review the notes, just in case, because I was writing it down as the minister was....

Mr. Ted Gallivan: So it's a little better. It's roughly 6:1 in terms of return on investment.

You've asked a very good question in terms of the breakdown in IT systems.

Mr. Ziad Aboultaif: Yes.

Mr. Ted Gallivan: There is definitely a focus on multinational enterprises, and we've made a significant investment there. Our return on investment in that space averages 20:1. However, we are also in the compliance business, so we are making significant investments in terms of promoters of tax schemes that are marketed to small and medium enterprises and individual Canadians, because we think those people are helping induce people into committing tax avoidance and possibly tax evasion.

We are hiring lawyers for our criminal investigation program, because the most serious cases of tax evasion need to be prosecuted, but the standard for criminal prosecution in this country is understandably high, so we are giving them more people.

Then, there are IT investments that are being made to help us date-mine electronic funds transfers over \$10,000. We have a record of every transfer over \$10,000 inside and outside of Canada. We are up to 29 million records and that's going to continue to grow, but we need IT tools to be able to decide which of those deserve our attention.

Mr. Ziad Aboultaif: I have a couple of quick questions.

We've been receiving calls at our local constituency offices from small employers or small businesses. The number of complaints about how hard the CRA is on those cases has been increasing. I understand that you are doing your job, but in the meantime I hope that.... We don't hear the big news on the big guys, where we are supposed to be putting most of the efforts, rather it's the small guy. Can you comment on that?

• (1600)

[Translation]

Hon. Diane Lebouthillier: A committee has been set up to look at this. I want to thank this committee that worked on tax evasion and tax avoidance. It gave us a report that contained 14 recommendations. It is important to us to continue to work with our international partners on tax evasion and avoidance.

[English]

Mr. Ziad Aboultaif: I'm not getting an answer here, I guess.

The Chair: Do you mean that you can't hear it?

Mr. Ziad Aboultaif: My question is very straightforward. Are we going after the big guys, or are we now hiring more people to go after the small guys?

[Translation]

Hon. Diane Lebouthillier: Could you clarify your question, please?

[English]

Mr. Ziad Aboultaif: Can I—

The Chair: You're over time, but let's clarify your question.

Mr. Ziad Aboultaif: The effort of hiring more people.... It seems like the number of calls we've been receiving locally at our constituency offices has been increasing dramatically lately. We've been heavy on the small mom-and-pop operations, and I'm afraid, in this scenario, that you are just chasing the small guy, the small business, and leaving the big tax evasions.

What about that?

[Translation]

Hon. Diane Lebouthillier: I really do not agree with you on that.

The agency is working on abusive tax evasion and tax avoidance. We are going after the big players.

We are talking about the G20, and I fail to see what a small business could do at the G20 level. We have multilateral agreements. The considerable funds we have received must be used to hire specialists who will work on aggressive tax evasion and avoidance. So we are talking about large enterprises and people who have offshore accounts.

[English]

The Chair: Thank you, both. We're well over time, Ziad.

Mr. Dusseault, go ahead.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Thank you, Mr. Chair.

Thank you, Madam Minister, for being here with us today.

First, I'd like to talk about what I just heard regarding the advisory committee on tax evasion.

You said it had already produced a report and that it made 14 recommendations. Perhaps I missed something, but has the report been made public, or are there plans to release it eventually?

Hon. Diane Lebouthillier: The report will eventually be made public. We are going to implement the committee's 14 recommendations.

Mr. Pierre-Luc Dusseault: Will all 14 recommendations be applied?

Hon. Diane Lebouthillier: Yes.

Mr. Pierre-Luc Dusseault: Can you commit to doing that, today?

Hon. Diane Lebouthillier: Yes.

Mr. Pierre-Luc Dusseault: Do you think it was a good report?

Hon. Diane Lebouthillier: It was an excellent report. The committee's analysis was done in cooperation with the Canada Revenue Agency. I can assure you that the 14 recommendations are going to be implemented.

Mr. Pierre-Luc Dusseault: Very well.

Are most of the recommendations legislative ones? Investments are a very good thing, but we feel that the legislative measures that could be put in place to fight tax evasion are important. Are most of these recommendations legislative or administrative?

Mr. Ted Gallivan: That is an excellent question. You are correct, legislative changes are essential.

We do not control all the decisions. This is mainly under the purview of the Minister of Finance. I can confirm that we have made suggestions. The agency will continue to propose legislative changes.

As to the recommendations the minister referred to, there are several administrative policies over which we have full control. That is why the minister is confident that we can implement them.

But you are correct; for some points in the recommendations, we will need the support of the Department of Finance.

Mr. Pierre-Luc Dusseault: Thank you.

Madam Lebouthillier, I would like to go back to what you said in your preliminary remarks regarding charities.

You are holding consultations to review rules you yourself feel are vague and unclear. The organizations run into difficulties because they don't know exactly what the rules are.

In the same context, when you made your announcement in September, you also admitted that 12 organizations were still under investigation and that this would continue until next December. I think the 12 organizations would like to know why you decided to continue the investigations, even though you acknowledged that the rules were vague and that you wanted to amend them.

● (1605)

Hon. Diane Lebouthillier: Last January we decided not to open any more investigations. The 12 investigations on organizations that are ongoing currently had already begun. It's also simply a matter of fairness toward the other organizations that were investigated. We want to finish the work we started.

Mr. Pierre-Luc Dusseault: Fine.

I'd like to ask a question of a more philosophical nature regarding the Income Tax Act. Do you think this act is simple and that ordinary Canadians can prepare their own tax returns without any help?

Hon. Diane Lebouthillier: I would say it depends on the individuals, on their income and on what they own. We are trying to simplify the return forms. We are working on Auto-fill my Return, which is a form for people on fixed incomes. By this I mean people who receive a Canada pension or social assistance, for example. The objective of Auto-fill my Return is to make things simpler for those people.

Mr. Pierre-Luc Dusseault: Thank you.

Personally, I don't think the law is simple.

In this regard, I wonder if you would be ready to commit to reviewing the Income Tax Act to attempt to simplify it for Canadians. They have a lot of trouble understanding it and grasping all of its details. I think Canadians would be happy to hear that that was your intent.

Hon. Diane Lebouthillier: As we said earlier, amendments to the act are really up to the Department of Finance. The Canada Revenue Agency is entrusted with its application.

Mr. Pierre-Luc Dusseault: Will you make representations to the Minister of Finance to ask that the Income Tax Act be simplified?

Mr. Ted Gallivan: I think you're right to mention that.

We do have a role to play in providing feedback to the Minister of Finance, and we do that on a yearly basis. It is our view that millions of Canadians are able to complete their tax returns in a few minutes using software. I, myself, used my cell phone to take a picture of my

T4 form and file my tax return. Not everyone is in a position to do that, however, and when we receive feedback to that effect, we pass it on to the Minister of Finance for his consideration.

Mr. Pierre-Luc Dusseault: I'd like to use the bit of time I have left to discuss a commitment that the Minister of Finance made, if I'm not mistaken. He committed to setting up a review process for all of the Government of Canada's tax expenditures, mainly, the dozens upon dozens of tax credits. I was curious as to whether any progress had been made in that file, the idea being to make the tax system as fair as possible and perhaps do away with tax measures that benefit only the wealthiest Canadians.

Hon. Diane Lebouthillier: I agree with you completely.

The Canada Revenue Agency is working very closely with the Department of Finance on the matter. A number of factors indeed need to be considered. The wealthy are able to look after their needs. In my view, and I would say the government's as well, what really matters is making things better for the middle class. We want to make it accessible to people and offer tax credits and benefits to those who need them most.

● (1610)

[English]

The Chair: Thank you both.

Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

Welcome, Minister, and officials.

When we started several months ago looking at tax avoidance and tax planning mechanisms, whether it was for organizations or for individuals, and entering into and looking at various issues around the income tax system, it was apparent that we needed to ensure that Canadians had full confidence in their tax system and that they weren't subsidizing people who were entering into tax avoiding schemes, tax avoiding measures, or aggressive tax planning.

Minister, I was wondering if you could give us a broad update of what our government has been doing and what measures you've undertaken over the last several months to ensure that Canadians have confidence in the tax system.

[Translation]

Hon. Diane Lebouthillier: It's important to understand that the majority of Canadians pay their fair share of taxes. As we mentioned in our presentation, we have to work on identifying those who set up schemes and encourage taxpayers to use them to avoid paying their fair share of taxes.

Mr. Gallivan can speak at greater length about what the agency and our government are doing to deal with the issue.

[English]

Mr. Ted Gallivan: I'm going to come back to the question of scope that was raised before in terms of our focus. Roughly 10% of our audit, or 14,000 audits, are focused at people with a high net worth doing aggressive tax planning, and at multinationals. That yielded \$8 billion last fiscal year in audit impact. The other 140,000 audits were focused on small and medium-sized enterprises, and that effort yielded \$4.5 billion in fiscal impact.

Roughly 10% of the audits are yielding roughly two-thirds of the effort. We definitely tend to focus disproportionately on the higher dollars, which tend to be with the high net-worth individuals.

In our approaches, we certainly have continued our traditional audit file selection that brought us to that \$12.5 billion in audit impact, but what we're also trying to do to reassure Canadians is to take a broader brush. For B.C. real estate, in addition to increasing our traditional audit effort, we've also taken a look at the 500 highest risk real estate transactions, and we're going through them one by one.

With respect to offshore, we've selected the Isle of Man and three other jurisdictions. We're going through every single transfer to assess whether it's risky or it deserves our attention, and we're gathering more information on it. We're doing that because we want to report back to Canadians that at a risk assessment level we have provided 100% coverage.

I think that is a new approach that's being funded by the new dollars from budget 2016 and the appropriations you're voting on today. We're not only going to be getting that \$500 million a year that we committed to, but we're also going to be covering entire populations that we deem at high risk to identify those who aren't compliant and initiate audit work.

Mr. Francesco Sorbara: Just as a quick clarification, for the \$500 million, is it \$500 million over five years or \$500 million per year?

Mr. Ted Gallivan: Per year.

Mr. Francesco Sorbara: Okay. Just for my own knowledge, and it's more of a clarification, and excuse my ignorance on this, but on page 3 of the testimony from the officials, it says, "Also included in these Supplementary Estimates for information purposes is a net reduction of \$108.4 million related to the Agency's statutory authorities".

Is that a movement of funds from one area to another, where there's been a cost reduction of some sort in one area and you're moving the funds to another area for usage?

Mr. Roch Huppé: Sorry....

The Chair: That one stumped you.

Mr. Roch Huppé: The large portion of that reduction is in relation to softwood lumber funding, and it's \$125 million that's being reduced. We administer the softwood lumber program, and by doing so we remit these funds to the provinces.

What happened is that we managed to remit these funds before the end of fiscal year 2015-16. The Department of Finance had projected that we would make these disbursements in 2016-17. This is why the \$128 million was included in our main estimates. It is simply now being removed because the payment has already been made.

• (1615)

Mr. Francesco Sorbara: Thank you for that. Do I have extra time?

The Chair: You don't have to take it all, if you don't want it.

Mr. Francesco Sorbara: Okay. I'm finished, Chair. Thank you.

The Chair: Mr. McCauley.

Mr. Kelly McCauley (Edmonton West, CPC): Thanks for being here. Welcome.

I have several very quick questions, so I'd appreciate it if you could keep everything brief in your replies.

Can I just go back to P.E.I. and the jobs? You mentioned and I understand that if new opportunities come up, you're required to offer them the chance to move, but they can stay and you'll retrain. Is that a finance only rule? Is it just for this division, or is that across other divisions within the government? Is that a special agreement with PSAC?

Mr. Roch Huppé: Usually it's across government in the sense that when we move a position, we have to offer that relocation, whereby the employee can move with the position—

Mr. Kelly McCauley: Right, but with the decision to stay, you said that if the employee decides to stay, then you'll retrain that employee to keep the job.

Mr. Roch Huppé: If an employee decides to stay, in most of these cases, we will be in a position to guarantee that employee a different job in the same location as the current job.

Mr. Kelly McCauley: That's interesting.

I just want to get back to some of the supplementary estimates. This is just to follow up on Mr. Abouttaif's question. We're running into the same issue. In our constituency offices, one out of every 100 issues is a CRA issue. Now we've seen a huge bump. These are not people hiding their money at the Isle of Man. It's Ma and Pa Kettle coming in.

I'm just wondering, with the new people—and I understand the focus is on going after the tax cheats, and we support that—is there a breakdown or a mandate of, say, hiring 100 new people, and 80 are going after corporations and 20 after carpenters, etc.? Is there a breakdown on that?

Mr. Ted Gallivan: Yes. In other words, we have a number of distinct programs that would focus on, for example, substantiating credit claims—

Mr. Kelly McCauley: With the increased amount of resources that we're committing to increase the number of bodies, what percentage are going after the small guy?

Mr. Ted Gallivan: In terms of the \$444 million, zero. None of the \$444 million will be going after salary—

Mr. Kelly McCauley: So it's just coincidental.

Mr. Ted Gallivan: The only thing I would hypothesize, because I don't know the specific cases, is that even in our smaller space, for example, pharmacists who are accepting gift cards, we are increasingly going after an entire population. There was an issue with pharmacists who were asking for rebates to be paid in the form of gift cards. Gift cards are a taxable benefit, so in some cases we are contacting 1,000 taxpayers because we think we found something. We have a power called an unnamed persons requirement, where we can go to a group, like a wholesaler, and get a list.

Mr. Kelly McCauley: This is something you would have done two years ago for a different industry or five years ago for a different industry, so it's coincidental, is what you're saying.

Okay. Very good.

On the new \$440 million, what is your target for how many people you're going to hire, and how far along are you with getting those people hired, please? I'm sure you can answer that, Mr. Gallivan.

Mr. Ted Gallivan: We always use FTEs because sometimes officials like myself get in trouble between FTEs and people, but broadly speaking, it's at 200, and broadly speaking, we have 150 or 160 in the door, but there is turnover on a continuous basis. Overall, our audit function is 10,000 people, and the number can fluctuate.

Mr. Kelly McCauley: You're well on your way, then.

Mr. Ted Gallivan: Yes.

Mr. Kelly McCauley: Perfect.

I just want to go to the FINTRAC supplementaries. There's \$474,000 for funding to support disclosed financial intelligence to provincial security regulators. I looked it up. There are 68 reports. That's like \$70,000 per report.

The Chair: Mr. McCauley, FINTRAC is on Monday with the Minister of Finance, so I think this would be—

Mr. Kelly McCauley: I'm sorry. I thought I saw it on today's.

The Chair: No. The Minister of Finance is on Monday, I think.

Mr. Kelly McCauley: It's my mistake. Okay.

How much time do I have left?

The Chair: We'll give you another minute. You're over, but—

• (1620)

Mr. Kelly McCauley: Great. You're so generous. Thanks. I wish OGGO, the government operations committee, was as kind.

You've commented on page 2 that you're requesting \$65 million, of which \$40 million is to implement and administer, etc., hiring new people, and \$25 million is aimed at enhancing tax collections. What is that for, the \$25 million, please?

Mr. Roch Huppé: Basically, to increase our capacity for collections.

Mr. Kelly McCauley: I realize that.

Mr. Roch Huppé: We just want to consolidate—

Mr. Kelly McCauley: Is it IT?

Mr. Roch Huppé: It's mainly people, getting more collectors in the door. We have more volume. It's going to help us also by

consolidating certain of these activities. We're going to be more efficient.

Basically, we needed to rebase the number of people who actually work on the collections front. Budget 2016 actually announced \$351 million over five years to attack our collections, where we have seen a growth in our debt over the years, so we need to make sure that we properly manage that growth.

Mr. Kelly McCauley: You just quickly mentioned \$65 million, \$40 million of which is specialists and additional auditors, and then you have \$25 million, which is also for people. Is it just for a different class of collectors, a lower end, so to speak, or different investigators?

That's probably my time.

Mr. Ted Gallivan: They are specialists dedicated to people who non-comply offshore, so we have dedicated collections officers who work with those files. If the money is offshore, it's harder to collect.

Mr. Kelly McCauley: That's what I'm looking for. Thank you. I appreciate your time.

The Chair: Thank you.

Mr. McCauley, on the FINTRAC question, because one minister couldn't come today and is here Monday, the order would make it look like they're both here the same day, so the Minister of Finance will be here when he can be, and I believe it's Monday.

Mr. Kelly McCauley: It's under 4:30 p.m. to 5:00 p.m., but I understand.

The Chair: Mr. Ouellette.

[Translation]

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Thank you, Mr. Chair.

I'd like to thank the minister for being with us today.

[English]

I'm going to ask my questions in English.

We had the opportunity, Diane, you and I, when you invited me along to the tax centre in Winnipeg, to see the four football fields of tax specialists working very hard. It was rather impressive. I heard you mention that you're going to be expanding by 500 the number of employees. I wonder if you could discuss why you will be expanding by 500 employees in that tax centre.

[Translation]

Hon. Diane Lebouthillier: As I said earlier, we want to improve client service and are focusing our efforts on specific areas. Our goal is always to become more effective and efficient.

[English]

Mr. Robert-Falcon Ouellette: *Merci.*

I also had the opportunity of hearing from a number of employees who work, for instance, in aboriginal programming on trying to increase the number of people who were aware of tax programs. Will any of these monies be going toward, for instance, ensuring that people know about the Canada child benefit and other elements like that, other programs?

[Translation]

Hon. Diane Lebouthillier: Right now, in fact, we are working with the Minister of Indigenous and Northern Affairs. We have set up pilot projects to reach out to all indigenous communities. We are also working with Service Canada to get the poorest Canadians, those who were not receiving their benefits or who were not aware of what was available to them, the money they are owed.

I am particularly concerned about indigenous communities, people who live in the regions, Inuit, seniors, those with little education, and homeless people struggling with mental health issues. They are groups I was asked to pay particular attention to. They are all clients of the agency and need to receive the benefits they are entitled to. A number of departments have been mobilized in an effort to reach these groups.

Mr. Ouellette, you were there when we met with people who were working on pilot projects targeting indigenous communities. Through those efforts, mothers were able to get up to \$20,000 in family allowance benefits. These are measures people didn't even know were accessible to them. Getting the right people the money they are owed is important.

• (1625)

Mr. Robert-Falcon Ouellette: There is a measure that caught my attention, and Mr. Gallivan discussed this problem.

At some point, rather than provide taxpayers with hard-to-understand information, communications staff at the agency wanted to simplify the information so that people could understand their tax returns and respond to issues in a timely manner, without the help of an accountant or some other person.

Do you have a way to tell whether that measure will have the desired effect? Will it be easier for people to understand the language used in the forms?

Hon. Diane Lebouthillier: In Canada, 51% of the population is functionally illiterate. These are people who have trouble understanding our forms, and that's why it is so important to simplify forms with the auto-fill service. The people who really need the tax benefits have to be able to complete the necessary forms and receive the money they are due.

At the agency, we keep track of everything and we are results-oriented. We want to make sure we have comparative data for each year, so we can measure the real impact of the pilot projects and their success rates in indigenous and other communities where people need access to their benefits.

Mr. Robert-Falcon Ouellette: I'd also like to know what morale is like among the accountants and employees in your department. Has there been an improvement on that front? Do you have any recent figures on their level of job satisfaction?

Mr. Roch Huppé: I don't have those figures on hand. The government conducts an employee survey every three years.

Obviously, it asks all kinds of questions about issues such as work environment and job satisfaction. Results from the most recent surveys were fairly positive as regards employees' work environment, job satisfaction, and sense that they received the support they needed.

Hon. Diane Lebouthillier: I would just like to add that, as part of my mandate, at the beginning of the year, I started visiting all of the CRA's offices, precisely to reach out to employees, see what's happening, and find out what they think. I can tell you that staff are very proud of the work they're doing, and everyone is glad to do their part to achieve improvements.

In fact, when I visited the Winnipeg office, you had an opportunity to see just how much people cared about their work, wanted to do a good job, and make a contribution, whether they were involved in the small business support program or other programs.

Mr. Robert-Falcon Ouellette: Even in French?

Hon. Diane Lebouthillier: Yes, even in French.

[English]

The Chair: Sorry to interrupt, Robert.

Mr. Albas, you have the last question.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

I'd like to thank the minister, as well as her officials, for making a presentation today. We certainly appreciate the work you do for Canada.

On the topic of morale, as well as the professionalism of the CRA.... Obviously, there are offices both in Kelowna and in my former riding of Okanagan—Coquihalla, in Penticton, and having toured them and met some of the people who are involved, I know they are certainly working very hard.

That being said, I'd like to discuss the CRA a little. Obviously, it's somewhat at arm's length from government, for good reasons. Because of that, there is an opportunity for us to talk about things that have been a reason for concern.

An example is the issue of campgrounds, particularly whether a campground is now no longer eligible for the preferential small business rate. I believe it has to do with the active versus passive nature of their business. Many of these businesses are seasonal. In British Columbia—I'm not sure if you are aware, Minister—real estate prices have increased dramatically over the past 20 years. Tourism is very important to the Okanagan, and many of these smaller campgrounds may decide that, if they cannot run as a small business and access that—instead of being classified as large operations, million-dollar corporations—they may simply sell. This is a concern in my area.

• (1630)

The Chair: We are here to talk about the supplementary estimates.

Mr. Dan Albas: We've always had an opportunity, Mr. Chair, to talk about these things, and these are directly related to operations that we've been talking about today. Both officials have spoken about how they work and are targeting certain businesses with their employees to look after these things. I am speaking directly to this area.

I would like the minister, or her officials, to just explain why there seems to be a difference in this area.

[Translation]

Hon. Diane Lebouthillier: I can talk campgrounds with you. It's an area of activity where everything is calculated on a service basis. The businesses that are entitled to deductions provide water and sewer services, Wi-Fi access, and so on. Measures are really based on the services provided. We assess situations on a case-by-case basis.

It only makes sense that an owner of a wilderness campground in the middle of nowhere who does not offer customers any services can't necessarily take advantage of the same deductions as a campground owner who provides services, engages in business development, and hires staff.

[English]

Mr. Dan Albas: Okay, so it's not based on the number of employees. It's based on the kinds of services they offer.

I recognize that there are some campgrounds that offer different services. Todd's campground in Peachland has gone from just tents to RVs and other modes.

Could you explain a little more?

[Translation]

Hon. Diane Lebouthillier: I encourage you to check the agency's website because we have received requests about that. We've posted all the information pertaining to campgrounds on the agency's website.

I've also spoken with chambers of commerce about the matter. On the Canada Revenue Agency's website, you can access detailed information about camping-related services.

[English]

Mr. Dan Albas: Okay, but since we do have an opportunity now to have you and your officials, with all due respect, I'd just like to hear a little bit more information. Do any of your officials have anything to add?

Mr. Ted Gallivan: To bring it back to the \$440 million, for example, those aren't the taxpayers who would be the focus, so none of the new monies we'd be voting today would be focused there.

In fact, we reorganized our audit function to divide it in two. I have responsibility for the 10% that yields the \$8 billion. My colleague has responsibility for small and medium enterprises. In that space she's doing things like the liaison officer initiative, where we took auditors off the audit beat and made them outreach officers who go and talk to people and explain their obligations. It would say what the agency is trying to do in the space that you're describing is understand the taxpayers' needs, look at things from the taxpayers' perspective, see if we can assist in moving them into compliance,

and keep the line of communication open with the Department of Finance, where time and evolution kind of makes this explicit wording in the legislation have an impact that wasn't intended.

Back to the \$440 million and the crackdown, that's really focused elsewhere. We have no projects in my shop that are in campgrounds.

Mr. Dan Albas: Do I have any time?

The Chair: No, you're out of time.

Mr. Dan Albas: Thank you to the Minister, and I appreciate both of you—

The Chair: Can the minister stay for a question? One member hasn't had the opportunity to ask a question.

Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for coming today. We really appreciate it.

My questions are just from what I see in the constituency. I just want to get your comments and your officials' comments on the use of common sense on settling some of these cases. I have three or four cases in which interest on penalties have added up because of a lack of communication between a constituent and their accountant or a constituent and their lawyer, and there has been interest on penalties that have been added to their accounts.

The constituents are ready, willing, and able to pay the taxes that are owing from previous years, but are looking for interest and penalty relief, and there is a very complicated process for very little sums of money. There's re-emphasis on going after tax evasion on a multi-million-dollar scale, but there are small businesses in the riding, and it took me three weeks to get the assessment from the ministry. They finally said, "This is the process on how to apply for interest and penalty relief, and that process could take up to a year." It's very tough for small businesses that are employing people, and I really urge you to focus on trying to make that more efficient.

• (1635)

[Translation]

Hon. Diane Lebouthillier: In terms of the amounts being sought, we really want to focus on improving client services and response times to lessen that feeling of insecurity people have.

[English]

Mr. Ted Gallivan: Just quickly, there are 400,000 cases a year in terms of taxpayer relief, and it's an important tool. As the minister mentioned, we have to be more timely, and some of the funds here will help to reduce the pressure in that area.

I will also just quickly mention feedback. The appeals branch in the CRA and the audit function are working more closely so that when taxpayers object and complain with reason, that feedback goes back to the audit function, to the auditors who are making those decisions in the first place, to give them a chance to reflect on their behaviour and change moving forward.

Mr. Raj Grewal: Thank you very much.

The Chair: Thank you very much.

Thank you, gentlemen and Minister.

We did, as you're aware, table a report in the House on tax avoidance, and we look forward with anticipation to your response to that report. We know it will come in 120 days. You have 120 days to respond from the time we tabled it, so we look forward to that.

In any event, thank you very much for your presentation.

We'll turn to the votes on the supplementary estimates. You have the supplementary estimates (B) there before you.

CANADA REVENUE AGENCY

Vote 1b—Operating expenditures.....\$139,583,733

Vote 5b—Capital expenditures.....\$6,477,217

(Votes 1b and 5b agreed to on division)

The Chair: Shall I report the supplementary estimates (B), 2016-17, under Canada Revenue Agency to the House?

An hon. member: On division.

The Chair: I think there's probably going to be a motion lifted off the table.

Mr. Duvall, just to be fair, there is one division on Bill C-29 with officials whom we didn't get to. I don't think it'll take that long. It's division 7 of part 4.

Mr. Wu or Mr. Joshua, could you give your presentation?

We'll take questions, and then we'll move to hear motions.

Mr. James Wu (Chief, Funds Management Division, Financial Sector Policy Branch, Department of Finance): Thank you, Mr. Chair, honourable members. It is our pleasure to be here to assist you with division 7 of the budget implementation act, number two.

As announced in budget 2016, the government has conducted a review of legislation that provides authorities for the management of the treasury operations of the government. The objective of this review and the proposed amendments is to ensure that the authorities continue to be sufficient to facilitate sound and efficient management of federal funds and operations of crown corporations.

These, for the most part, amount to technical or housekeeping amendments. They fall into three general categories. The first category is to classify authorities for existing operations that the government is undertaking. A second category is to provide further tools for management of the operations. A third category is related to the crown operations, to make them more efficient, and to provide more flexible tools for certain crowns.

The amendments proposed relate to the Financial Administration Act, the Bank of Canada Act, and the Canada mortgage and housing act. These amendments are covered in clauses 140 to 144 in the bill. Clause 145 is the coming into force provision.

The first amendment is in clause 140. This would establish an explicit authority for the Minister of Finance to lend out excess cash from Receiver General cash balances. These are operations that already occur on a daily basis. The purpose of these operations is to help manage the cost of holding and collecting the cash for expenditures.

The second amendment, also in clause 140, is to establish an explicit authority for the Minister of Finance to enter into certain

arrangements, such as hedging against currency risks. From time to time, the government acquires large sums of foreign currencies, and during the period of converting it to Canadian dollars, there's a certain amount of exchange at risk. This amendment is to ensure that the government has more tools for managing against such risks.

The third amendment, which is in clause 141, provides the Minister of Finance with authority to make payments that are consistent with his broader powers under the public debt section of the Financial Administration Act. There are occasions, for instance, when we use fiscal agents in other countries, such as the U.S., to act on behalf of the government in managing the issuances. In the fiscal agent's terms and conditions there is a certain limitation or time frame that obligations in the Canadian debt have to be redeemed. After such time, then there's a potential doubt as to the obligation on behalf of the government to repay that debt. This clause is meant to clarify that the minister would always have the power to pay such debt to ensure that Canada maintains its sound reputation of having good credit and being willing to repay its debts. This is very important in credit markets.

The fourth amendment is in clause 143. This establishes an authority for the Bank of Canada to manage the lending operations from the government to its crown corporations. There's an ongoing lending operation to facilitate the crown's needs. The upfront, front desk operations have been managed by the Department of Finance, since this program started in 2008. Now, over a number of years, the program has been working very well and it's very consistent with the Bank of Canada's fiscal agent's responsibilities for them to actually be running such operations. This amendment would facilitate the transfer of such operations to the Bank of Canada.

Finally, the last amendment relates to clauses 142 and 144. These amendments would propose to allow the Bank of Canada to provide custodial services to the Canada Mortgage and Housing Corporation. Canada Mortgage and Housing Corporation already has a custodian, but the intent of these provisions is to allow the Bank of Canada to be able to act as a custodian, which means that CMHC could move a portion of its assets to the Bank of Canada to help manage. This would facilitate and provide more options for CMHC in its financial operations.

● (1640)

A similar provision was provided to the Bank of Canada Act in 2014 to allow similar services to the Canada Deposit Insurance Corporation, so it's very much the same. We're amending the same provision, but we're just adding CMHC to the end of that provision.

Collectively, these are the amendments that we feel would support the continued sound management of Canada's financial operations. With that, I conclude my remarks, and I'm happy to take any questions you may have.

● (1645)

The Chair: The floor is open to questions.

Mr. Albas.

Mr. Dan Albas: Thank you.

I appreciate the work you do for Canadians. I have a couple of questions. On clause 140, in regard to currency hedging, when someone says “hedging”, other people might hear “arbitrage”. Can you elaborate a bit more about the timing and the kinds of funds that the Minister of Finance would be given authority to by Parliament, please?

Mr. James Wu: Most certainly.

The nature of the hedging that we have in mind relates to some examples. One example you may be familiar with is when the government sold its shares in General Motors and acquired approximately \$3 billion, Canadian dollar equivalent, of funds. That was a large sum in U.S. dollars that required a certain time frame to transact in the markets without moving market prices. That's one example where we concurred whether we could use derivatives contracts to help manage the exchange rate risk over that period of time when the transaction was occurring, but the view was that the authorities the minister had were not sufficient. This amendment would help address an example like that.

Mr. Dan Albas: In cases where there are large currency swings—and I'm not going to speculate on the future per se—it is important for Parliament to have an understanding of these kinds of vehicles. You did say “derivatives contracts”. Can you explain some of these tools? Would this be for broader usages? For example, many IMF countries will host currencies into other jurisdictions to, again, manage risk. Would this be used for more than just selling shares as monies come back, or is this part of a broader strategy by the minister?

Mr. James Wu: The provision relates to financial assets—I believe it is in the provision—that the government may acquire. The intent was with respect to currency provisions that may be acquired. The example of U.S. dollars was a clear one. Another one is sterling where the government sold off Chancellor House, I believe it's called, in the U.K. in recent years and acquired a lot of sterling that had to be converted to Canadian dollars, and again over a long period of time.

There was a time frame in which we had exposure to the sterling, because the Canadian government entered the contract and the sale price was determined but the receipt of the funds occurred a number of months later, so there was foreign currency exposure. There was a delay and a question of whether the government should engage in contracts to hedge against that risk.

The nature of the contract is what you could call a forward agreement. You engage with a counterpart, probably a financial institution, to agree upon a future price and exchange rate where you transact the currency. If one were to receive that sterling a number of months later, you'll engage with the financial institution to say, “I will deliver to you this amount of sterling at this set price”, and then they agree to give us a certain amount in Canadian dollars.

Mr. Dan Albas: I do appreciate it, and I'm not going to belabour the point too much more.

What limits are there on it? One government may use something with the best of intentions and another one may not. What kinds of activities is this limited to? Are there any limitations in the budget implementation act that provide not only the clarity as to what this power bestowed to the minister will do in cases of asset sales, but are

we going to start seeing the Minister of Finance holding certain currencies? I just want to know the scope of the activities that we're talking about here and if they're not just limited to asset sales outside of Canada.

Mr. James Wu: It is in respect of the financial position of Canada and assets. The provision is intended for the management of those risks. All I would say is that when the provision was drafted, it was made to be explicitly permissive of hedging transactions like the ones I described.

• (1650)

Mr. Dan Albas: Thank you. I certainly appreciate that.

Maybe I'll wait and see if there is someone else who has a question.

The Chair: I think Mr. Ouellette has a question, and then we'll come back to you.

Mr. Ouellette, go ahead.

Mr. Robert-Falcon Ouellette: Thank you very much, Mr. Chair. I appreciate it.

Thank you very much, Mr. Wu and Mr. Joshua, for coming here on this very exciting subject.

I was more interested in clause 144, which is amending the Canada Mortgage and Housing Corporation Act by adding proposed subsections 35(1) and 35(2). Proposed subsection 35(1) would allow the CMHC to “maintain in its own name one or more accounts with the Bank of Canada.” Proposed subsection 35(2) would allow the Bank of Canada to “pay interest on any money that the [CMHC] deposits with it.”

How would these proposed changes improve the management of federal funds, financial oversight, and the operations of the Canada Mortgage and Housing Corporation?

Mr. James Wu: Again, these two provisions are intended to allow the Bank of Canada to provide custodial services to the Canada Mortgage and Housing Corporation. Custodial services are basically when a financial institution safeguards assets. In this case, it would be predominantly Government of Canada securities. The CMHC already has a custodian, but it would like to have more options for custodial service providers, and in this case it would be the Bank of Canada. What the Bank of Canada would do is hold a portion of CMHC's assets—again, Government of Canada securities—to safeguard it for transactions.

This facilitates, for example.... If the CMHC were in need of liquidity for certain smaller operational issues, it could post that collateral with the Bank of Canada and receive liquidity. It could use that collateral, in essence, in a loan from the Bank of Canada. Technically, it's actually sold for a short duration, but then it's reversed. That's an example of a repurchase agreement transaction as a type of transaction to facilitate the operations of the CMHC.

Mr. Robert-Falcon Ouellette: So it offers more opportunity for the CMHC to use different providers.

Mr. James Wu: Yes.

Mr. Robert-Falcon Ouellette: Would this reduce cost?

Mr. James Wu: Potentially, but cost is not necessarily one of the drivers. The desire was to have more options.

Mr. Robert-Falcon Ouellette: I just have a bit of a fun question. We talk about currency here. Can the Canadian government hold Bitcoin in gold?

Mr. James Wu: I think that's a bit beyond my purview.

Bitcoin is an interesting question. It's not part of the considerations we have. The market itself is being studied by the Bank of Canada, but it's not within our ambit right now.

The Chair: Robert, this is the finance committee. "Fun" isn't in our lexicon.

Mr. Robert-Falcon Ouellette: This is always fun, Mr. Chair. They're having a great time.

The Chair: Mr. Albas, go ahead.

Mr. Dan Albas: You looked at me and said this is not fun, Mr. Chair. I understand that.

We talk about fiscal agents and the terms and conditions when they are dealing with debt issues, etc. Does what you're talking about in that particular clause basically allow the finance minister to make payments on things past March 31? If it was anticipated in the previous fiscal year, but the actual deal was concluded outside the supply period, this would then allow the minister, without having to come back to Parliament for that supply, to be able to go outside of parliamentary vote. Is that the intention here?

Mr. James Wu: No. That certainly was not the intention. Again, the intention was to ensure that the government could pay back investors who have invested in Government of Canada securities, especially in certain jurisdictions where our fiscal agents have specific terms that appear to limit such obligations of repayment after a certain time. There was no intention or consideration of the issues you identified.

Mr. Dan Albas: Why does the government need new statutory authority if it is already doing this on a regular basis and has done it for quite a long time? Are money transfers or e-transfers just not being used?

Mr. James Wu: Yes, there are certain occasions, especially with bearer bonds that are issued in foreign jurisdictions, where it's a bit more of a manual process in terms of redemptions and seeking repayment. There are occasions that have come up where this question has arisen. In the review of the legislation, it was viewed that the broader authorities to make payments were sufficient, but for greater clarity we were advised to propose an amendment like this—greater clarity that the government, the minister, could indeed pay off those loans.

• (1655)

The Chair: Okay, everyone's satisfied.

Thank you very much, Mr. Wu and Mr. Joshua, for coming in two or three times now before we finally got to you.

Just before I go to Mr. Duvall, who I said we would allow to lift the motion, for the information of the committee, I would recommend that the deadline for each party or member to submit to the clerk their proposed recommendations to the pre-budget consultation report in both official languages be Tuesday, November

29 at 3:30 p.m. sharp. That way the clerk can get the recommendations compiled and distributed to members later that day. We'll then be considering the draft report on Wednesday, November 30 and Thursday, December 1.

Agreed?

Some hon. members: Agreed.

The Chair: All right, the floor is open.

Mr. Scott Duvall (Hamilton Mountain, NDP): Thanks, Mr. Chair.

Yesterday, I moved a motion that you found in order. We opened it up for debate, and we were immediately asked to adjourn debate. I'm back here today to see if we can resume the consideration of this debate and speak to the motion.

The Chair: You have the floor.

Mr. Scott Duvall: Thank you.

I just want to read the motion out again to remind everybody. The motion read:

That the Finance Committee make a report to the House recommending that the government amend Bill C-26 at report stage in order to include child rearing and disability drop out provisions like those present in the existing CPP.

I'd like to talk to it, Mr. Chair.

This is a critical piece of legislation that we have found has been omitted in the enhancement part of the Canadian Pension Plan proposal on Bill C-26. We have heard from witnesses many times that this should not happen, that it's an inequity considering the existing CPP.

The Liberal government back in 1977 saw the inequity in that and changed the actual legislation to make sure that people raising their children and people with disabilities were not being penalized.

It's very important that this committee work together. I believe that everybody agrees that these people shouldn't be omitted and that we move forward with a recommendation from this committee at the report stage. That's all we're basically asking. I ask all my friends in here to support this because, as each day goes on, people are getting very concerned that it's not part of the legislation.

Thank you, Mr. Chair.

The Chair: Okay.

Ms. O'Connell, you are next.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

I thank my colleague for raising this issue and bringing this forward. In doing so, I'd like to offer the following amendment:

That the motion be amended by replacing all the words after "government" with the words "raise the issue of child rearing and disability drop out provisions at the next Provincial and Territorial Finance Ministers meeting in December, in the context of the triennial review of the Canada Pension Plan".

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, far be it for me to continually defend the NDP; however, I would say that this motion substantially changes the NDP motion. Unless the member views it as being a friendly amendment, you're basically taking the entire original motion and replacing it with something else. That should be instantly ruled out of order, in my humble opinion, but I won't be challenging you on it today.

• (1700)

The Chair: Listen, it would be the first time we ever made an error. The amendment that we distributed wasn't in both official languages, so we really should have asked permission before we distributed it. But it is before you now, so I'm going to let it pass unless there's a major complaint.

It is in the same subject matter, and I'm going to say the amendment is in order. You can still challenge the chair if you like.

The amendment is on the floor.

Is there any discussion?

Mr. Duvall.

Mr. Scott Duvall: Thank you.

I strongly disagree with this. I think it's our job to be doing the work for Canadians that we're supposed to do.

On Bill C-26, the proposal, we've all heard...and even many Liberals have said that it was a mistake and they'd like to see it back in there. This is basically saying, "On the condition of whatever happens at the territorial and provincial meetings". I believe the committee has heard the witnesses who came here very strongly.

All I'm asking for is that this committee recommend at the report stage to see if the minister would like to change it then, or add something else, but it's only at the report stage. That's all we're doing. It shows that we're working together and we're working for Canadians to make sure nobody is excluded.

The Chair: We have Mr. Aboultaif, then Mr. MacKinnon, and then Mr. Albas.

Mr. Ziad Aboultaif: I don't understand this. I must be missing something here. You're replacing all the words after "the government" with what?

The Chair: With "raise the issue of child rearing...".

Mr. Ziad Aboultaif: But it's not in here. We don't see it.

The Chair: Do you see what's in brackets, Ziad?

Mr. Ziad Aboultaif: Yes.

The Chair: I'll read it, if I can make it out. It says:

That the motion be amended by replacing all the words after "government" with the words "raise the issue of child rearing and disability drop out provisions at the next Provincial and Territorial Finance Ministers meeting in December, in the context of the triennial review of the Canada Pension Plan".

Mr. Ziad Aboultaif: That's the amendment, I guess. That's okay.

The Chair: That's the amendment, yes.

Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon: Thank you, Mr. Chair.

I support the amendment proposed by my colleague. All of us here, myself included, appreciate Mr. Duvall's contribution as well as that of our friends from all the parties in the House. I think we need to take a step back to think about the work we've done and what we are about to accomplish here.

This is the biggest enhancement to the Canada Pension Plan since its creation in the 1960s. The enhanced plan will ensure young and old alike have income security. We will be giving them more benefits and increasing their income on a very gradual basis as the measure is phased in over a number of years. We must recognize the contribution made by the provinces and territories, not to mention that of our government and the Minister of Finance. In one fell swoop, we are going to deliver income security to generations of Canadians in their retirement years. Of course, we are not going to change the provisions allowing parents to take paternity or maternity leave and subject them to a loss of income. The minister is committed to addressing all of those issues, as he should, during the triennial review of the Canada Pension Plan.

On this side of the House and committee, we are thrilled with the enhancement. Frankly, we are amazed at the Canada-wide consensus that emerged during the meetings and negotiations between the Minister of Finance and his provincial and territorial counterparts.

At the very least, I hope the New Democratic Party will join us in applauding this great stride forward in the fabric of Canadian society. Tremendous though this progress may be, some advancements need to be made one at a time and are achieved only as a result of negotiations between multiple partners, in this case, the provinces and territories.

We should be celebrating this accomplishment, an incredible feat by the government. The Minister of Finance worked closely with his counterparts. We wish him much success when it comes time for the triennial review. We hope other advancements will be possible, and that's what my colleague's amendment will ensure. I am pleased to support it, as are the Liberal Party members. I would like to think that the members of the New Democratic Party, too, will celebrate this great stride forward in the fabric of Canadian society and the income security of Canadians for generations to come.

For that reason, I am in favour of the amendment put forward by my colleague.

• (1705)

[English]

The Chair: Mr. Albas

Mr. Dan Albas: Thank you, Mr. Chair.

I just want to thank Mr. MacKinnon for taking me back to a time warp at second reading where we just heard the government continue to congratulate itself. Next time you do that, sir, I expect an eggnog by the Christmas tree, because that's the only way I'm celebrating this time of year.

Instead of going back and arguing again about the same things we heard at second reading, this is a motion specifically.... Mr. Chair, with all due respect, I can't believe you've ruled this in order. I've never seen it where a motion gets gutted as effectively as this. Yesterday, we saw the government side close debate. Then they come forward with a complete transformation of Mr. Duvall's motion. I think it is absolutely ridiculous that this was accepted as in order.

If you don't support his motion, it should be voted down, and then you present your own. I think that's the correct way to do it.

You know what? You voted down every single one of his.... Pardon me, we didn't even get a chance to hear his amendments on it. You're going to be doing the same thing anyway. You've already said it's going to be part of the triennial review. Why not just simply go ahead, either with his motion, or if you don't like the way that it's worded, vote it down, and then we can have a proper motion that's more favourable to the government?

This little, sly shuffling of intents of motions, completely, so that the government seems to be snatching victory out of the NDP's mouth, I think, is just a bit.... Actually, we should all be beyond this.

The Chair: Mr. Duvall.

Mr. Scott Duvall: Thanks, Mr. Chair.

First, I don't know why this came in the way it did. It's not even in both official languages, and I don't even know why we're accepting it.

Second, I'm very happy to hear the Liberal statement that they applaud some of these recommendations coming forward, and now all we're doing is putting the pressure back on the provinces to make a decision that we, in Canada...and that's what we got voted to be here for. You made proposals in Bill C-26, and that was doing an enhancement. We appreciate that, but there is a clause that we omitted and it's very important and critical, and the government in 1977 knew of that problem and they corrected it. They didn't go back to the provinces. They made that change, so why are we doing this, or prolonging it, and saying, let's leave the pressure on the provinces?

All we're asking for is a recommendation from this committee to go back to the report stage. That's all we're asking, that we recommend that this be amended in Bill C-26. That will happen, but to put all this other fancy little language in there, and prolonging it, is kind of embarrassing.

I'm hoping that the Liberals over there, my good friends, will support the motion of doing the committee work that we're supposed to be here to do and not put it onto the provinces.

Thank you.

• (1710)

The Chair: Mr. Ouellette.

Mr. Robert-Falcon Ouellette: Thank you, Mr. Chair.

I just think that at the end of the day the Minister of Finance does have an agreement with multiple partners, and those are the provinces and territories. There is a discussion that's far larger than just this committee that also needs to happen at that level among

those ministers of finance in order to understand some of the financial implications. At the end of the day, if we're going to be running a government that does good dealings with all our partners, we really have to take their views into consideration.

I suspect that there are very few governments in this country, either in Manitoba, British Columbia, or Ontario, that would deny women the right, but there is a procedure and a process that we have to go through in order to attain that ultimate goal. We're all very supportive of child rearing and disability dropouts but there is that process we have to respect.

For me, it's very important that we do things in a good way, so I'm supportive of this motion from Jennifer O'Connell because I think it's the right motion—

The Chair: The amendment to the motion.

Mr. Robert-Falcon Ouellette: The amendment to the motion.... I think it's a good way to move us forward in a good direction that I think the Minister of Finance can work with, and work with our partners at the provincial and territorial levels.

The Chair: Mr. Grewal.

Mr. Raj Grewal: I'd like to call the question.

The Chair: The question has been called—

No, I'm told you can't do that. Debate has to go on until it's complete.

Mr. Raj Grewal: Until when?

The Chair: Mr. Sorbara.

I'll explain that as soon as I....

Mr. Francesco Sorbara: Mr. Chair, I'd just like to compliment and echo the comments made by Mr. Ouellette in supporting Ms. O'Connell's motion.

The Chair: In terms of calling the question, there is no putting the question on this kind of a motion, I'm told, in committee.

Mr. Duvall.

Then we'll have the vote.

Mr. Scott Duvall: I just want to emphasize that all we're doing, this committee, is making a recommendation. We're not changing it. We're not putting amendments in it. We're putting a recommendation that it should be amended at report stage. It could be a yes or a no, but we as a committee, knowing what we're up against, should be working together. If we all agree to it.... It's not that the minister has some kind of problem with an agreement. We don't know that. All we're doing is making a recommendation from what we heard from our witnesses.

That's all my motion asked for. The amendment is completely irrelevant to what my main motion dealt with. It takes away the onus and our responsibility as a committee. It's a simple recommendation. It doesn't have any weight, only that the minister consider at report stage. That's very important and we should be unanimous on this. Not to be is kind of embarrassing.

The Chair: Is there any further discussion?

Mr. Albas.

Mr. Dan Albas: I'd like to just go back and look at what this amendment says. It says that the finance committee make a report to the House of Commons recommending the government "raise the issue of child rearing and disability drop out provisions at the next Provincial and Territorial Finance Ministers meeting in December, in the context of the triennial review of the Canada Pension Plan".

That's something the government can do at any time anyway, on its own. His original motion was just to make a recommendation to the House that these provisions be included. Again, to me this seems to be more where the government has said, okay, an issue has been identified, and we'll just try to fill it with this. I don't see what the rush of government is on this. These CPP enhancements wouldn't be in place until, what, 2019? What is the absolute rush?

I'd like to hear from some of the members on this. I'd also like to hear from members on why they wouldn't support Mr. Duvall's original motion and instead proposed this one. Maybe Ms. O'Connell could mention why she's put this forward.

• (1715)

The Chair: Is there any further debate, or are we ready for the question?

Ms. O'Connell.

Ms. Jennifer O'Connell: Thank you, Mr. Chair.

I find this quite rich, actually, coming from my Conservative colleagues, who said yesterday, before there were any motions, that they would not support CPP at all. This indignation about the importance of this enhancement over the issue of child rearing and disability dropouts seems quite ironic to me, considering they don't support CPP enhancement at all.

While I appreciate the member's comments, and his speaking up for the NDP...

You spoke yesterday, saying you don't support any of it, so I find it rich that you're a champion for women or persons with disabilities.

As well, there's the suggestion that the original motion is better because this one sends, if I heard it correctly, a meaningless report to the government. I would much rather act in meaningful ways, and meaningful ways means that the minister takes this forward. It is the responsibility of the minister to work with his provincial colleagues. If there are enhancements that need to be done, if there are improvements that need to be done, they actually get done—not through some symbolic gesture from the NDP, quite frankly.

Mr. Duvall, I respect you a lot. I really appreciate the comments you've made. I think you're doing the job of raising these issues, but I would much rather deal in meaningful ways, and if change needs to happen, then change can happen with those.

Frankly, I will not take advice or guidance on fighting on behalf of women or persons with disabilities from members who said at the onset that they don't support any of it.

Thank you, Mr. Chair.

The Chair: Mr. Aboultaif, and then Mr. McCauley.

Mr. Ziad Aboultaif: It's unfortunate, to be honest with you, to hear this tone from Ms. O'Connell, as if we're heartless.

First of all, in principle we don't agree with the bill because it's a tax. In our opinion, it is a tax. We're not going to debate that here. We're discussing a motion, a very reasonable motion.

If you're not going to commit to a motion even here, through the committee, that means...because the NDP were talking about it all day yesterday. They were talking about and raising this issue in every speech. Probably they won't even be supporting Bill C-29 unless those amendments are there.

The bottom line is that you're not giving them even this very little improvement they're asking for. I think they're asking for something logical at this stage, and for you to come and just change their motion is not fair. We're just trying to explain ourselves here, sitting around this table, and I believe there's a point of logic that needed to be raised. That's why we're defending it.

The Chair: Mr. McCauley is next, and then Mr. Duvall.

Mr. Kelly McCauley: Thanks, Mr. Chair.

I appreciate the comments, and I appreciate your desire to push ahead with it. I do have to agree with my colleagues. I was very pleased to sit with Mr. Duvall and get to know him on the Canada Post tour, and I have a lot of respect for him. Although we don't necessarily share the same political views, I very much believe that he shares with all of us in this room a desire to help Canadians. I watched him stand again and again, and ask for hours on end in the House about this adjustment that they'd like to see made. I think we can say very clearly that we didn't get a clear answer back. We just heard, "You hate CPP, if you don't support us".

I'm very disappointed that we can sit here, and every time we bring forth something you disagree with, we get lobbed at us, "Oh, you hate CPP". I think when I spoke about this bill, one of the members stood up and said, "Why do you hate CPP? You'd like to destroy it altogether". We're not going to get any further forward if every time we have a disagreement with something, one side, instead of agreeing to discuss it, immediately sets out to destroy it.

I also pointed out you used the words, "I think it's rich" that we want to discuss it. I will use these exact same words. Just last week, we had a private member's bill in the House supported by financial agencies, think tanks, and also the Canadian Association of Retired Persons, which would help every single senior today, not 40 years down the road when this bill suggests and not some fantasy that the OAS is going to change tomorrow, which this government seemed to be peddling. Without even getting a chance to discuss it, members of your government, one of them right here, stood up and said, "We will not support it". The NDP would support it. CARP supports it. Without even, as the NDP was saying, pleading, letting it get to discussion, your government arbitrarily, for partisan reasons, said, "Hey, let's just throw it down."

Again, it's very rich for your folks to say, "We're the only defenders of the handicapped. We're the only defenders of CPP." It's very disingenuous and it does all of us a disservice, when we're elected to be here to support and represent all Canadians, to sit there and try to shout down opposition or gut someone's amendment on the suggestion that you're the only defenders of CPP. I think it's very wrong and against democracy.

I just do not understand the purpose of not allowing his motion to stand for a vote or your having to gut it. I think it's very incorrect.

Getting back to the CPP thing, we very much care for seniors. I was the head of a foundation for six hospitals for the elderly in a past life, which is why I put through the very important and very widely supported private member's bill to assist all seniors, which I hope the Liberals will have a change of heart with and support for all seniors.

The reason we did not support Bill C-26 fully—

• (1720)

Ms. Jennifer O'Connell: Mr. Chair, I have a point of order.

The Chair: A point—

Ms. Jennifer O'Connell: You're no longer talking to the amendment.

The Chair: I was just going to say that. I think you're straying a little from the amendment. I hear you.

Could you speak a little closer to the amendment, Mr. McCauley?

Mr. Kelly McCauley: If I could get around to it, sure.

I just wanted to address the issues that Ms. O'Connell brought up, which were not about the amendment and which were attacks on our integrity and our support for—

Ms. Jennifer O'Connell: [*Inaudible—Editor*]

Mr. Kelly McCauley: I'm sorry...your attack on our support for seniors.

Mr. Dan Albas: Can you let the man finish?

Mr. Kelly McCauley: I think if you allow one party to stray from the amendment, then I think we should be allowed to answer that.

The Chair: I'm going to be fairly clear here that members should speak to the amendment or they'll be ruled out of order.

Go ahead, you're next.

Mr. Dan Albas: Thank you, Mr. Chair.

I certainly appreciate Ms. O'Connell's intervention in regard to the Canada Pension Plan amendment that she's presented today. Again, I think it's important for members to note that it was dropped in only one of the two official languages, in this case being English, and not in French. I certainly hope that the government would make considerable efforts in the future to show respect for this parliamentary committee when it makes a motion and then submits it in only one language.

Government has considerable resources, as you know, Mr. Chair, being a former minister of the crown. Departments have budgets and they have parliamentary committees. I think perhaps members aren't aware that those resources are available to government ministers. Obviously, this particular motion is in touch, Mr. Chair, with what

we heard from Minister Brison today, as he obviously made an announcement on this. For there not to be some sort of coordination here, where they could submit this particular motion that I'm speaking to right now, Mr. Chair, without submitting it in both English and French, I think is a little rich.

Getting back to the comments that Ms. O'Connell made, again, the substance of the motion here completely changes what Mr. Duvall originally moved. While I've made the point to you, Mr. Chair, that I don't agree that this should have been found in order, I'd also like to point out that when the member made the motion, it's unfortunate that she decided to take it that our opposition to this government's bill is somehow related to hating pension security for seniors. That's the furthest thing from the truth. In regard to the motion itself, I think we need to be very focused. We need to talk about exactly what is here.

I made reference earlier that the NDP put forward a different motion, and that I don't think it would cause any issue at all for the government just to simply vote. Actually, I'm going to give the opportunity to the government members right now. Perhaps, having heard my compelling argument, they might want to retract this motion, and then we can go to the point of perhaps finding a friendly amendment, or perhaps they will just simply vote against Mr. Duvall's original motion and submit one of their own without having to basically procedurally pull the carpet out from under the NDP. I would hope that Mr. Duvall would make these points and, again, perhaps have some conversation with the government side. There could be a friendly amendment that could come out of this, or maybe not.

I'm not sure, Mr. Chair, but the important thing here is that while the Conservatives have said that we don't support the current legislation, that doesn't mean we're against the Canada Pension Plan. It means we're just against the current approach. Again, the bill codified that. We were very productive yesterday, I believe, in committee before the member abruptly called for an end to debate, and now we know why. It is because she wanted to bring forward this motion today.

Again, getting back to that, on this particular motion, the fact is that even though the Conservatives didn't support the NDP's amendments, or wouldn't—the ones that you called out of order—we want to see a very good and healthy process, which includes good and healthy debate here at this table.

Both Mr. McCauley and Mr. Aboultaif have raised some legitimate concerns. They're not regular members of this committee, but I think they've raised a number of concerns that are within the motion as it stands. Therefore, I would like to hear back from Ms. O'Connell, if she is willing to retract her motion. Perhaps there could be a friendly amendment that could be found with Mr. Duvall. I would look to government members here to see if they're willing to do that. I think that would be an important step of reaching out.

Obviously, they agree with the intent of what the NDP is proposing or else they wouldn't be making statements in the House about this and then presenting a motion, Mr. Chair, which I'm speaking directly to, at this time, in this place.

Maybe Dr. Duvall has some further comments on this, I can't say, but—

• (1725)

The Chair: I have Mr. Duvall next on the list.

Mr. Dan Albas: Do you have him next?

The Chair: I have him next.

Mr. Dan Albas: I really appreciate your confirming that, Mr. Chair, but I would like to see if any of the government members would like to retract the amendment to the motion.

Thank you.

The Chair: Mr. Duvall.

Mr. Scott Duvall: Thanks, Mr. Chair.

As I said at the beginning, I strongly have to vote against this amendment because it takes away the clear things that I was trying to do in my original motion. It would take the intent away.

I heard my friendly colleague, Ms. O'Connell, say before that, if we want to do it in a meaningful way, then to support her amendment on this and not just have this in a symbolic way. I find that very frustrating because, if I read her amendment, it says to raise the issue of child rearing. That's all it's doing; it's just raising it.

What I'm asking is that this committee make a recommendation that should have been done in the first place. We shouldn't even be here discussing this. It was omitted. Maybe it was a mistake, and that's fine, but something could be done now. I'm making that recommendation and not raising the issue and deferring this for another couple of months, which shows Canadians that we're not really doing our job here as a committee.

I'm just kind of frustrated after listening to the minister today in the House say that the bill could be stronger. He admitted that. I thought it was really good. That's why I'm here today trying to resume this and asking for your support, as we all believe that's what should be done. As Liberals, as Conservatives, and as New Democrats, we know that this is an injustice, not including these people. It's not symbolic. It means we're doing some action, and we're doing the things that are right for Canadians.

Again, I cannot support this, Mr. Chair, because it takes out exactly what I was trying to put forward. All it does is defer it to another period of time, and it just raises the issue, where ours makes a recommendation to the House, to the government, of where we feel the bill could be stronger, as the minister said today.

Then that's their decision. We're not doing anything else. We're not putting additional costs on them. We're not saying anything. We're making a recommendation to him of what we heard and what people would like to see.

Thank you, Mr. Chair.

• (1730)

The Chair: Thank you.

I have Mr. Aboultaif next.

Mr. Ziad Aboultaif: Yes, if I'm negotiating this, I would say this amendment is a joke. It's like child's play, to be honest with you,

trying to take advantage of a situation. If you don't want to support the motion, you come out and you say you don't want to support it. We're wasting our time here completely because no one in their right mind would look at this motion and think that amendment is just.... It's a blame game and a total waste of time, Mr. Chair. This has to stop right now. This is a total waste of time.

The Chair: Okay.

Are we ready for the question?

Mr. Duvall.

Mr. Scott Duvall: I certainly don't want to say the amendment is a joke, but it's disappointing. I'm just having trouble understanding why they want to change the whole context of this, to raise the issue instead of actually doing some business, as this committee was structured to do, and make those recommendations.

I heard in the House during the debate that people would like to see those changes. My own colleagues of the Liberal Party are all saying, "Let's do it", so we're trying to do it. However, they come up with an amendment that actually destroys everything that we're trying to do and just prolongs the situation.

Mr. Chair, I would like her to withdraw the amendment and just vote on my main motion because that's what we're supposed to be doing. That's what Canadians asked us to do. It was a big mistake. We have to put it back in order, and I'm hoping they will support me.

Thank you.

The Chair: Mr. McCauley, my apologies, I went to Mr. Duvall.

Mr. Kelly McCauley: Thanks. We're past time. I'll just put a motion to adjourn.

The Chair: You can. If you want to put a motion to adjourn, I have no choice but to adjourn.

Mr. Kelly McCauley: I move that we adjourn.

The Chair: Is the meeting adjourned?

The Clerk: If there's a majority....

The Chair: Do we have to go to a majority vote?

The Clerk: Yes, you have to put the question out—

The Chair: Well, no, we're beyond the time. We have to adjourn.

Just check it out. I don't want to make a wrong ruling here. I believe that if someone asks us to adjourn when we're beyond the time frame, and we're half an hour over....

Mr. Dan Albas: I have a point of order.

The Chair: Yes. Go ahead.

Mr. Dan Albas: We are past the allotted time, and I think you have to seek unanimous consent to continue to have this great discussion.

The Chair: The clerk and I are having a dispute on this. I think we need unanimous consent to continue the discussion once we're over time, do we not?

The Clerk: It's the consent of the majority.

Mr. Dan Albas: Do we need unanimous consent to adjourn or to continue?

The Chair: We're having some difficulty with the rules. I do believe that when we're over the time we need unanimous consent to continue.

Mr. Dan Albas: That's my understanding.

The Chair: I guess that's the way I'm going to rule and we'll sort it out later.

Is there unanimous consent to continue?

Mr. Kelly McCauley: No.

Mr. Dan Albas: No.

The Chair: Thank you.

The meeting is adjourned.

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

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

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

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>