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# Standing Committee on Finance

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Chair: The Honourable Wayne Easter





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• (1600)

[English]

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

Welcome to meeting 29 of the Standing Committee on Finance.

Pursuant to the order of reference of March 8, 2021, the committee is meeting to start the clause-by-clause study of Bill C-14, an act to implement certain provisions of the economic statement tabled in Parliament on November 30, 2020 and other measures.

Today's meeting is taking place in hybrid format, pursuant to the House order of January 25, therefore members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. The webcast covers only the person who is speaking, rather than the committee as a whole.

With that, I first of all want to thank all the witnesses for coming to assist us in the clause-by-clause study.

We have witnesses here from the Department of Employment and Social Development, from the Department of Finance, from the Department of Health and from the Department of Western Economic Diversification.

With that, we will go to the clause-by-clause study of Bill C-14. Members, if you have any questions on any of these clauses as we're going through them, please raise them, and the appropriate witness from the various departments will answer.

(Clauses 2 to 5 inclusive agreed to on division)

(On clause 6)

**The Chair:** There's an amendment by the NDP. It's NDP-1, on clause 6.

Go ahead, Peter. You will want to move that.

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** Thank you very much, Mr. Chair.

Yes, I move the amendment.

Members of the committee will recall that back on November 24, the House of Commons voted unanimously to call on the government to extend the moratorium on paying student loans. We currently have a moratorium on interest, but not on the actual payment of student loans.

This amendment, with NDP-2 and NDP-3, would amend the legislation so that the loan repayment moratorium is extended. This is what the House called for—all of us did—on November 24.

We know that students are going through a profound financial crisis in terms of continuing to try to maintain their studies, but also that trying to get work to pay for those studies is often difficult. The supports are not in place. That's why, on November 24, all members of the House of Commons voted to extend this moratorium.

It's the missing aspect of Bill C-14. It's something that simply needs to be corrected, I believe. When you look at the House motion and when you look at the situation students are finding themselves in, this is simply a way of correcting that oversight. The interest payment moratorium, of course, is welcome, but when students are having to pay back their loans at a time of great financial crisis in the midst of a pandemic, with the third wave coming, it makes sense for us to improve this legislation, so that's what I'm proposing.

• (1605)

**The Chair:** Peter, I expect you're expecting this, but I will have to rule the amendment inadmissible because it requires a royal recommendation. I'll explain why.

Part 2 of Bill C-14 seeks to amend the Canada Student Loans Act to temporarily suspend interest and interest payments with respect to guaranteed student loans during the period that begins on April 1, 2021, and ends on March 31, 2022. The amendment attempts to suspend interest and interest payments by a borrower for an indeterminate period of time that begins on April 1, 2021. Therefore, expending the time, the government would assume the payment of interest to the lender, which would result in increasing payments from the consolidated revenue fund.

*House of Commons Procedure and Practice*, third edition, states on page 772:

Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

In my opinion, the amendment as proposed requires a royal recommendation, since it imposes a new charge on the treasury. Therefore, I rule the amendment inadmissible.

**Mr. Peter Julian:** Thank you, Mr. Chair. You're absolutely right to say I did expect that, and I'll be challenging your ruling.

I would suggest that it's up to the committee, and opposition members may choose to override the ruling of the chair.

On that basis, I would suggest that the House of Commons motion that was adopted by all members on November 24 provided very clear guidelines as to where the government's legislation should have gone, so this oversight needs to be corrected. The government withholding a royal recommendation is a matter of political choice, and the government can choose to provide a royal recommendation if this committee overrides the chair's decision and includes that as part of the amended legislation that's brought forward to the House of Commons.

Because we're in a minority Parliament, members have the sovereign right to override a chair's decision. I think there is a solid basis on which to do that, given that we have had a House of Commons motion that was adopted by all members of Parliament, and this legislation, of course, should be amended so it reflects the clear will of members of the House of Commons from all parties on November 24.

I will challenge the chair on that basis.

**The Chair:** All right.

Mr. Clerk, on the challenge to the chair's ruling, could you call the vote?

(Ruling of the chair sustained: yeas 9; nays 2)

(Clause 6 agreed to on division)

(On clause 7)

**The Chair:** On clause 7, Peter, you have an amendment there as well. It's NDP-2. Do you want to move it?

• (1610)

**Mr. Peter Julian:** Thank you very much, Mr. Chair.

I have gotten a clear view of the committee's will, so I will add to my initial comments. For clause 6, amendments were to the Canada Student Loans Act. This is regarding amendments to the Canada Student Financial Assistance Act.

I would implore committee members to override the chair's ruling on royal recommendation and also vote in favour of this amendment, since students are now being forced to pay for student loans because the government has ignored the all-party resolution that was adopted unanimously on November 24.

Let's look at this picture. Students who are crippled by debt are trying to pay back their loans at the same time as they're often struggling to get their families through the pandemic and put food on the table. This is something that simply doesn't mesh, I think, with the fairness and equity we want to see in this country. That's why I'm proposing this amendment to the Canada Student Financial Assistance Act, to put in place that moratorium through the pandemic so that students are not paying back a government loan when they should be putting food on the table.

**The Chair:** Thank you, Peter.

My ruling, as you would suspect, is the same as on NDP-1. I'll not go through the long explanation, other than to say that this amendment basically seeks to achieve the same goal as NDP-1, but in this case for the Canada Student Financial Assistance Act. It has the same issue concerning the requirement for a royal recommenda-

tion, because it would mean spending more money. Therefore, I rule the amendment inadmissible.

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

By the same measure, I will challenge your ruling. The House of Commons has clearly stated, where Liberals and Conservatives were a part of that motion being adopted unanimously, that students should not be forced to pay back their student loan in the midst of a pandemic, so I challenge your ruling with all the great respect I have for you as chair.

**The Chair:** That is entirely your right.

We will go to the clerk for a vote on the chair's ruling.

(Ruling of the chair sustained: yeas 9; nays 2)

(Clause 7 agreed to on division)

(On clause 8)

**The Chair:** We'll go then to clause 8 and NDP-3.

Peter.

• (1615)

**Mr. Peter Julian:** Thanks very much, Mr. Chair.

This would amend the Apprentice Loans Act so that there is a loan repayment moratorium.

Mr. Chair, you'll recall that at the beginning of this pandemic, the government, with all-party support, put in place a moratorium on student debt payments. That moratorium ended, and now students are struggling and people in apprenticeship training programs are struggling to pay for their student loans at the same time as they're trying to put food on the table and keep a roof over their heads. There is a profound indication of unfairness to that.

In light of the November 24 motion adopted unanimously, which included apprenticeship loans, I would move this amendment, which would ensure that there's a moratorium for all those in apprenticeship programs across the country on having to repay their student loans during this pandemic.

**The Chair:** Thank you, Mr. Julian. I will have to rule the same as I ruled on the previous NDP-1 and NDP-2. I know this relates to the Apprentice Loans Act, but it is the same issue concerning a requirement for a royal recommendation that can come only from the government or the ministry. Therefore, I rule the amendment inadmissible as well.

**Mr. Peter Julian:** With respect, Mr. Chair, I will challenge that ruling. We need apprenticeship training. We need the apprenticeship programs across the country to continue. It's very difficult when people are trying to pay back their loans at the same time as they are trying to get through their programs and trying to put food on the table. Again, this is very much in opposition to what was adopted by all-party agreement on November 24, calling on the government to extend the moratorium on student loan payments.

**The Chair:** Thank you, Peter.

(Ruling of the chair sustained: yeas 9; nays 2)

(Clauses 8 to 14 inclusive agreed to on division)

(On clause 15)

**The Chair:** Mr. Fast, you have an amendment. The floor is yours.

• (1620)

**Hon. Ed Fast (Abbotsford, CPC):** I do. Thank you, Mr. Chair.

I would like to read it into the record. I move that Bill C-14, in clause 15, be amended by replacing line 6 on page 8 with the following:

must not at any time exceed \$1,611,000,000,000:

I don't believe that requires a royal recommendation. Do you want me to make a few comments about that now, or do you want to rule?

**The Chair:** It's allowable, because it's talking about reducing money.

Mr. Fast, the floor is yours. Make your arguments.

**Hon. Ed Fast:** Thanks, Chair.

Let me be very clear. We support the programs and the benefits that Bill C-14 is delivering for Canadians—let there be no doubt about that—yet I remind members that there are still millions of Canadians who have been left behind, including those in the most heavily impacted industries, like tourism, hospitality, airlines and charities, and a host of small and medium-sized industries that were promised targeted, sector-specific support but haven't received it.

Bill C-14, while helpful, does not in any way address these thousands of SMEs that have fallen through the cracks and either have closed up shop or are struggling to survive, so obviously we encourage the government to provide this support.

The one element of Bill C-14 that we cannot support is the government's attempt to increase our country's debt ceiling by the massive, unprecedented and unwarranted amount of \$663 billion. This amount goes far beyond the government's current borrowing needs. Indeed, the government has already built in an undefined contingency fund of \$87 billion, and then, on top of that, they've set aside another undefined \$100 billion of stimulus funding.

When asked what this money might be spent on, the finance minister really refused to say. On top of that, the government has added another \$220 billion, without saying what this money might be used for. When asked about this, the minister effectively said we should not worry, that we should trust them, and that there's no reason to believe they'd actually use that borrowing authority.

**The Chair:** Do you have a point of order, Mr. Fragiskatos?

**Mr. Peter Fragiskatos (London North Centre, Lib.):** Mr. Fast is recalling a conversation that happened a few weeks ago at committee between himself and Minister Freeland, but I don't remember the conversation going that way, and since he's reading it into the record, the record won't be accurate. That's my concern.

**The Chair:** I think that's a point of debate, not a point of order.

Go ahead, Mr. Fast.

**Hon. Ed Fast:** I'll go back.

When asked about the \$220 billion, on top of all that, in terms of unallocated spending, the minister effectively said, don't worry, trust them, and there's no reason to believe they would actually use that borrowing authority. Now that's pretty rich, since this government blew through \$200 billion and through the current debt ceiling in less than three years.

Therefore, Mr. Chair, the government's request for an increase to its debt ceiling to \$1.83 trillion is excessive. Accordingly, our amendment does the reasonable thing and reduces the debt ceiling request by \$220 billion to \$1.61 trillion. This still leaves the government with a contingency of \$87 billion and a \$100-billion stimulus fund, which as yet remains undefined, and incorporates the exempted borrowing that was exercised during the pandemic, so I encourage all of my colleagues here at committee to do the reasonable thing and support this amendment.

**The Chair:** Thank you.

The floor is open for discussion. I remind folks again that there are officials here from four departments. I guess it would be the Department of Finance on this one. If you have any questions for them, we have ample time to put questions and take answers.

I have Mr. Julian first.

Mr. Julian.

• (1625)

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

I'm intrigued by this amendment and will be listening very carefully to the discussion through the course of the committee. My concern all along, Mr. Chair, as you well know, has been that there's been no provision for the revenue side when we're talking about expanding the debt ceiling.

We have not put in place any wealth taxes, unlike other countries that have done so. Also, no efforts have been made to stop the hemorrhaging of money going offshore. The Parliamentary Budget Officer has evaluated that at over \$25 billion every year, which means that over the last decade a quarter of a trillion dollars has gone to overseas tax havens.

We are not putting in place any measures of the sort that we had in the Second World War on the revenue side. For example, we had an excess profits tax. It was 75% of excess profits through the Second World War. At the end of the war effort, it was at 100%. There were measures taken in our past that actually balanced out revenues and expenditures, even in a situation like the war effort, where very clearly increased expenditures were called for.

I decry the government's lack of effort to take on the revenue side of the equation so that the debt ceiling does not have to be raised. We've seen Canada's billionaires increase their wealth during this pandemic by over \$60 billion. That didn't happen in the Second World War. Measures were taken to avoid that kind of intense profiteering.

We have whole sectors, like the web giants, that don't pay any tax at all. As well, we have not seen the kind of action that needs to be taken to tackle overseas tax havens and to put in place a wealth tax that would actually help make sure that resources are available for Canadians through this pandemic and in the rebuilding that must surely follow.

I'm intrigued by the amendment and I look forward to the debate, but I think that is a major weakness in the fall economic statement and a weakness, of course, in Bill C-14. Ultimately it would be a colossal failure in the budget that we're finally going to see now, after two years, on April 19.

If the government says billionaires can have a free ride, that banks, with profits of over \$40 billion, don't have to pay their fair share of taxes, and that web giant companies that have profits in the billions of dollars don't have to pay anything at all, there's something fundamentally wrong with that fiscal picture. We have also seen the use of COVID funding by many companies—profitable corporations—for dividends, executive bonuses and stock buy-backs.

That's why I'm intrigued by Mr. Fast's motion. Mr. Fast and I don't agree on many things, but I'm intrigued by his amendment and will be listening very carefully to the debate.

**The Chair:** Thank you.

Before I go to Ms. Dzerowicz, who is on next, I know that the officials are here, and at committee several times now there has been a lot of discussion around the borrowing cap and whether it is right to borrow up to that cap. Is it equivalent to spending at that level?

I would ask somebody from the Department of Finance or the officials if they could come in to explain in layman's terms what the borrowing cap is. Regardless of whether it's \$1.8 trillion or \$1.6 trillion, what does it really mean as compared to spending?

**Mr. Nicolas Moreau (Director General, Funds Management Division, Financial Sector Policy Branch, Department of Finance):** Chair, I can take this question.

We have explained in the past basically where this number is coming from. It's the sum of the expected financial requirements for the next three years, as presented in the fall economic statement of 2020. To this, we add the overall level of stock that already exists and the money that has been used so far to help fight against the COVID-19 crisis.

When you look at the limit that we're proposing, it's different from providing.... It's a borrowing limit. It's different from approving the spending. By that, I mean that granting borrowing authorities is one thing, and spending is something else, because it needs to go through appropriation bills. It needs to go through different processes in order to be approved. For example, the next budget will propose spending—a new program. This will need to be voted on.

Putting in place a new limit does not per se—does not at all, in fact—provide authorization to spend that money. It's just a limit on the capacity of the government to borrow money from the market.

• (1630)

**The Chair:** Thank you.

I have on my list Ms. Dzerowicz and then Mr. Fragiskatos.

Go ahead, Julie.

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

I want to thank Mr. Fast for his thoughtful explanation of what his worry is around this section. I'm just going to expand a bit more on what Mr. Moreau was just talking about, for those who might be watching or would be interested in knowing.

If they go to the fall economic statement and go to page 141, they are able to see exactly how we end up with—I had to practise this earlier today—the figure of \$1.831 trillion. It's exactly what Mr. Moreau was alluding to. It's the current borrowing cap, with the emergency spending, some adjustments around Canada mortgage bonds, and then what is expected to be borrowing until 2023-24.

I think it's laid out very well. I appreciate Mr. Moreau very well articulating that there is a complete difference between a borrowing cap and spending.

I will have a question for officials in a second, but I want to make one more point, which is for Mr. Julian, who was talking about how the government hasn't presented the revenue side yet. That is indeed not included in Bill C-14, but the good news today is that our Deputy Prime Minister and Minister of Finance has announced that we will be presenting our budget on Monday, April 19, and I think we'll be hearing quite a bit on that date about the revenue side, in addition to the overall budget and what our game plan is moving forward.

As for my question, I'm hoping that maybe one of our officials can make this crystal clear. I believe it was our Parliamentary Budget Officer who said this. Can you please confirm that should this \$1.831 trillion borrowing authority pass, Parliament still needs to approve government expenditures under this borrowing authority? If someone could just make that crystal clear, I'd be very grateful.

Thank you.

**The Chair:** Go ahead, Mr. Moreau.

**Mr. Nicolas Moreau:** Thank you, Mr. Chair.

Yes. As I said before, any new spending will need to be approved by Parliament. Like I said, this is a borrowing limit. It's only in order to provide for the government to borrow that money in the market.

The reason we're doing this is that in 2017 the government put in place the Borrowing Authority Act in order to increase transparency on government borrowing. By setting a limit, the government is coming in front of Parliament at least every three years in order to make sure it has been transparent and has presented exactly what the government market debt will be. That's the capacity to borrow, basically, in the market.

**The Chair:** I have Mr. Fragiskatos next, and then Mr. Ste-Marie.

**Mr. Peter Fragiskatos:** Thank you, Chair, and thank you, colleagues.

I would just say that we ought to think back to the testimony that was given by the Parliamentary Budget Officer last week. The question was put to him about the debt-to-GDP ratio, and he said it was in and around the range of 50% now, which admittedly is high. Certainly in relative terms, it exceeds in significant ways what we saw prior to the pandemic. However, it's a pandemic, and that necessitated emergency programs, which were bound to drive up the overall debt.

We have a debt-to-GDP ratio that still, compared to other G7 countries, is quite healthy and quite strong. Compare, for example, Canada's debt-to-GDP ratio to those of the U.K., Germany and the United States. All those countries, whose economies are considered by the vast majority of economists to be very strong still, have debt-to-GDP ratios that far exceed what exists in Canada at the present time.

The other point I would make to ease the concern of Conservative colleagues is that we've been here before. In the early 2000s, Mr. Chair, as you know, the debt-to-GDP ratio was at about the same level it is now, give or take a bit, and we were still able to see robust economic growth well into the 2000s. Of course, things turned in 2008, but that's a different story.

I think these points need to be put onto the table to reflect what actually exists and to provide context. Officials have already spoken to the distinction—the very important one—between borrowing authority and spending authority, Mr. Chair, so for that reason, I won't be supporting the amendment.

• (1635)

**The Chair:** Thank you, Peter.

We'll go to Mr. Ste-Marie.

[*Translation*]

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

I first want to say how much I appreciate the contribution, hard work and suggestions that the Conservative committee members have put forward. Since the election, their ideas have gone a long way towards making measures better.

I agree with the points raised by the honourable NDP member Peter Julian. We have to tackle the revenue side of the equation, because giving way to the immoral use of tax havens is not cutting it. As far as this amendment is concerned, however, I do think it's important to remember what André Giroux, the Parliamentary Budget Officer, told us, as Mr. Fragiskatos mentioned. Mr. Giroux said that,

with respect to Bill C-14, increasing the borrowing limit is not synonymous with introducing new spending measures.

Every expenditure has to be approved. Parliament oversees spending through supply votes, not the debt ceiling.

Keep in mind that playing with the borrowing limit is the tactic Republicans use in the U.S. to trigger crisis after crisis. When the government reaches the limit, it can't write any more cheques: public servants stop being paid, pension and employment insurance benefits stop going out, and government service providers shut down.

That is an irresponsible approach, and for that reason, I will be voting against the amendment, especially since a vote for the amendment is akin to a non-confidence vote—and all the consequences that go along with it.

[*English*]

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

I have Mr. Julian next, who will be followed by Ms. Jansen.

Go ahead, Peter.

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

I have a question for our witnesses. Do they have comparative figures for borrowing authorities—and I understand that the systems are different in different countries—as compared to the size of the economy in other major industrialized countries?

**The Chair:** We'll go to Mr. Moreau.

**Mr. Nicolas Moreau:** As you've said, there's no comparable measure that exists elsewhere in the world. The closest that exists is in the United States. They have a debt ceiling. It's different from a limit, because in our case, if we were to reach the limit, we would still be able to reissue the debt that's already in circulation and also [*Technical difficulty—Editor*] the debt limit that exists in Canada compared to the ceiling in the U.S.

Of course, the ceiling in the U.S. is much higher, because they have a much higher debt-to-GDP ratio and a higher debt in circulation. I think the U.S. is close to twofold what we have in terms of debt as a share of GDP when we compare Canada to the U.S. The closest one will be the U.S., but in terms of the level, it will be much higher in the U.S. because they have a higher debt level right now.

• (1640)

**The Chair:** We'll go back to you, Peter.

[*Translation*]

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

I listened closely to what Mr. Ste-Marie, Mr. Fast and the government members had to say. After listening to the comments on all sides, I will be voting against the amendment.

[English]

**The Chair:** We have Ms. Jansen, who will be followed by Mr. Fast.

**Mrs. Tamara Jansen (Cloverdale—Langley City, CPC):** The numbers are massive, so massive that Ms. Dzerowicz has to actually practise how to say the number, which is quite shocking and should be shocking for Canadians.

Mr. Moreau, I thought maybe you might be able to help me better understand this. Are we asking for this enormous increase in credit limit because we have already spent it, or are we increasing our credit limit so dramatically although we absolutely have no need of it? Is it one or the other?

**The Chair:** Mr. Moreau.

**Mr. Nicolas Moreau:** Thank you, Mr. Chair.

Basically, as you know, we already have a limit in place of \$1.168 trillion. We have not reached that limit yet, but in terms of spending that already occurred, we need to look at the stock of debt, and we need to add to this what we've done under the extraordinary borrowing authority. That included \$286 billion of spending that was put in place. We produced a report in October 2020 concerning that spending. When we add that to the current limit, yes, we're already above, but as you know, this is something we want to change, and that's in Bill C-14. We want to add the extraordinary borrowing authority to the overall limit.

Therefore, the answer is no. When you look at what we're requesting, we're looking at the expected spending for the next three years—not spending but financial requirements, as presented in the fall economic statement. To this, we're adding prudence by a factor of 5%. This is what we are asking for, and this is why the level is \$1.831 trillion.

**Mrs. Tamara Jansen:** Okay. If I can, I'll just make sure I totally understand this. You're saying we need this entire amount because we have already spent it and we plan to spend it over the next three years. We need the entire amount.

**Mr. Nicolas Moreau:** Just to be clear, this amount includes a stock that already exists in the market, as well as expected financial requirements for the next three years.

**Mrs. Tamara Jansen:** When you say “expected financial requirements for the next three years”, is that information we're going to be receiving on April 19, in the budget?

**Mr. Nicolas Moreau:** The expectations are based on the forecast that was produced in the fall economic statement, and this is money that has not been spent yet. Basically, those are monies that are expected to be spent in the future.

**Mrs. Tamara Jansen:** I apologize. You have mentioned that none of it can be spent without permission first, but we're making sure it's there because we know we're going to spend it anyway. Is that a correct way of explaining it?

**Mr. Nicolas Moreau:** We're asking for the authority to borrow and to be able to increase the debt in the future. It's important that we have that clear territory to move forward in order to be able to put together a debt program moving ahead. We need to inform the market. We need to have the capacity to increase our debt in the future. That money will still need to be approved through the budget

and through the other mechanisms that we talked about before. As we know, it's mostly through appropriation acts that the money will be approved.

**The Chair:** Just so we're clear, and I guess to go back to Mr. Ste-Marie's point, any spending would have to be approved by a vote in Parliament. That's correct, right?

Okay, Tamara. Go ahead.

**Mrs. Tamara Jansen:** We're asking for money that we know is planned to be spent over the next three years. We have no permission yet to spend that money, but we're going to make sure that the money is in place anyway. Is that correct?

• (1645)

**Mr. Nicolas Moreau:** What we want to make sure is that we will have the authority to borrow that money if the decision is taken to spend that money.

**The Chair:** Okay. Thank you. Now we're going to Mr. Fast, who will be followed by Mr. Kelly.

Go ahead, Ed.

**Hon. Ed Fast:** Mr. Chair, my colleague, Ms. Jansen, has put her finger on the real problem here.

First you table a budget, and then you ask for the borrowing authorities that match what your budget calls for. I've met with numerous economists since I was appointed critic, and I can tell you that they all agree that it is much more preferable to table a budget first, then match your borrowing authority to that budget. That's a big problem here.

Also—and this is my final point—respectfully, to Mr. Fragiskatos's point, this is not about debt-to-GDP ratio, because we know the finance minister has not done what her mandate letter instructs her to do, which is to implement a fiscal anchor. I know economists are all calling for there to be a fiscal anchor. They might not agree on exactly what that anchor should be, but it is absolutely critical for the minister to have some guidance, some rules, by which her spending is governed.

Here we have a minister coming forward and asking for the authority to borrow money when we don't know what her plan is. That budget should have been delivered before this debt ceiling increase was requested. That's my big problem, which is why we have the amendment on the table. I believe it's the reasonable way of approaching it.

**The Chair:** Thank you.

I don't believe there was a question there. We are straying somewhat from the amendment, but I think that's fine. These issues need to be discussed.

Mr. Kelly.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thanks. I'll be very specific to the debate that is taking place on the amendment.



I wanted to comment on the issue that Gabriel Ste-Marie raised, because it was also raised in an earlier panel by other witnesses, and I think by committee members on the government side. It is this false comparison to anything that has happened over the years and the long history in the United States of brinkmanship over funding the government. One of the beauties and one of the real strengths of the Westminster system is that this type of government shutdown because of gridlock among legislators just doesn't happen. The minute a government cannot get authority to fund its expenses, that is dealt with through an immediate election. That's a loss of confidence in the government, and it would be referred immediately to an election.

This isn't about brinkmanship over the ceiling. This is about setting an appropriate ceiling. If one is to suggest that now is the time to set a ceiling that is at least \$220 billion higher—at least—than the broadest worst-case scenario, the highest estimate of any possible borrowing figure, and if we were to accept the argument that we ought now to set it at \$1.883 trillion, then one would really say, why not \$2 trillion? Why not \$5 trillion? Why even have a ceiling, if the ceiling is going to far exceed any notion of spending that has yet been presented to Parliament?

For the reasons my other colleagues have mentioned, I'm going to support the amendment, but I wanted to be clear about that. There's no equivalent or comparison to be made over the long history of gridlocked government spending that has resulted in shutdowns in the United States. That's not a feature of the parliamentary system and the system we have in Canada.

**The Chair:** Okay. Thank you.

I see Mr. Fragiskatos. He is perhaps the last speaker on this amendment.

• (1650)

**Mr. Peter Fragiskatos:** I won't belabour the point, Mr. Chair. It's an important debate. There's no question about it. The reason I focus on debt to GDP here is that, as we all know, it's a key economic measure. In the view of most economists, it is the key measure when we're looking at debt issues. That's why I raise it.

There's also the view of the International Monetary Fund, which I know my friends in the Conservative Party will be very fond of. They reviewed Canada's spending throughout COVID-19 and found the following. Let me put it on the record again to ease the concerns of Conservative colleagues, whom I care very much for. They said the following: Canada's response during the pandemic "provided crucial support to the economy and the functioning of financial markets, and helped protect lives and livelihoods." The report also remarked on the importance of avoiding premature withdrawal of policy support, and it welcomed Canada's adoption of fiscal guardrails.

On the whole, the IMF is very comfortable with where Canada is in economic terms. Again, this is not The Socialist International. This is the IMF. If the IMF is good with it, then I'm pretty comfortable, Mr. Chair.

**The Chair:** Thank you, Mr. Fragiskatos.

I believe Mrs. Jansen is wanting back into the round.

Go ahead. The floors is yours, Tamara.

**Mrs. Tamara Jansen:** I'm just very concerned about the way this is being done. We have no budget, and we are being asked to approve a credit limit that is massively increased, without knowing really where it's going. We've been told that we're going to be "reimagining" the economy, and I assume that's why we're asking for so much money. It is a pretty serious thing to ask us to say yes to this kind of borrowing when in actual fact we have no idea what the plan is.

We have to be ensuring that Canadians and parliamentarians have the opportunity to actually debate things, rather than saying, "Okay, approve it now, and don't worry, you'll get another chance later to rubber-stamp it." That's what I feel like this is going to do. It's just going to rubber-stamp whatever is in the budget that we're going to finally see on the 19th.

**The Chair:** I believe Mr. Falk wants in.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Chair.

I just want to reiterate some of the things my colleagues have been saying. It seems to me that this amendment would do what the government is asking to do to meet its obligations for the commitments it's already made. What it wouldn't do is create that \$300-billion cushion that the government is looking for, and it seems to me that would be like putting the cart before the horse. We were told earlier today by the Deputy Prime Minister that we can expect the budget on April 19. Once that budget is presented, if there needs to be an increase in borrowing authority at that time, it would make a lot more sense to me that the request come through the budget process and be coupled with the budget as presented on April 19.

This amendment would also actually support the concerns of both the Bloc and the NDP that the revenue aspect in our finances has not been addressed at all. If we wait until April 19, we may realize that the increase that is being asked for in this current bill is not warranted and that what we're presenting as an amendment is probably just fine and might even be excessive once the government, as Ms. Dzerowicz says, addresses the revenue side.

**The Chair:** I believe we're ready to go to the vote. I expect you want a recorded vote on this, Mr. Fast?

**Hon. Ed Fast:** I do.

**The Chair:** On amendment CPC-1, Mr. Clerk, could we have a recorded vote?

(Amendment negatived: nays 7; yeas 4)

**The Chair:** The amendment is negatived.

Shall clause 15 carry on division?

• (1655)

**Hon. Ed Fast:** Could we have a recorded vote, please?

**The Chair:** Mr. Clerk, could we have a recorded vote on clause 15?

(Clause 15 agreed to: yeas 7; nays 4)

(Clauses 16 to 19 inclusive agreed to on division)

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

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

**Some hon. members:** Agreed.

**Some hon. members:** On division.

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

**Some hon. members:** Agreed.

**Some hon. members:** On division.

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

**Hon. Ed Fast:** Can I have a recorded vote, please?

**The Chair:** Mr. Clerk, we'll have a recorded vote on the bill.

(Bill C-14 agreed to: yeas 7; nays 4)

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** That concludes Bill C-14.

Mr. Clerk, without amendments I think we should be in a position to table that in the House tomorrow, if people can get that prepared overnight.

Okay. We will table that tomorrow in the House.

I want to thank the officials for coming before the committee, as they have done many times. I thank the officials from all the departments who appeared today.

Mr. Moreau, thank you for answering most of the questions. You did the heavy lifting today.

With that, the meeting is adjourned. Thank you, all.

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